

**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
Ministry of Communication, Transport, Post and Construction

**ROADS FOR RURAL DEVELOPMENT PROJECT**  
(ADB TA-3756-LAO)

**RESETTLEMENT AND  
COMMUNITY DEVELOPMENT PLAN**

**XAISETHA-SANXAI ROAD  
(ATTAPU)**

December 2003

**THIS IS NOT AN ADB BOARD APPROVED DOCUMENT.**

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## Abbreviations and Definition of Terms

### Abbreviations

ADB	Asian Development Bank
ADB 10	Roads for Rural Development Project
AP	affected persons
B.	Ban (village) and referred to in the text as B. Vangsoy
DCCA	District Committee for Control of AIDS
DCTPC	Department of Communication, Transport, Post & Construction
DMS	Detailed Measurement Survey
DNFE	Department of Non-formal Education
DOR	Department of Roads
DRC	District Resettlement Committee
IOL	Inventory of Losses
Khet	Group of villages, sub-district
LCDC	Lao National Commission for Drug Control
MCTPC	Ministry of Communication, Transport, Post & Construction
NCCAB	National Committee for the Control of AIDS Bureau
NFEDC	Non-formal Education Development centre
NTFP	Non-Timber Forest Product
PCCA	Provincial Committee for Control of AIDS
PRC	Provincial Resettlement Committee
RRDP	Roads for Rural Development Project - ADB 10
SED	Social and Environment Division (Department of Roads)
STEA	Science, Technology & Environment Agency
STEO	Science, Technology & Environment Offices (provincial level)
VRC	Village Resettlement Committee

## Definition of Terms

AP	includes any person or persons, household (sometimes referred to as project affected family), a firm, or a public or private institution who, in the context of acquisition, or repossession, of assets or change in land use, as of the cut-off date, on account of the execution of a development project, or any of its sub-components or part, would have their: means project-affected persons (or household) including (i) Standard of living adversely affected; (ii) Right, title or interest in all or any part of a house, land (including residential, commercial, agricultural, plantations, forest and grazing land) or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily adversely affected; or (iii) Business, occupation, place of work, residence, habitat or access to forest or community resources adversely affected, with or without displacement.
Compensation	means payment in cash or kind for an asset to be acquired or affected by a project at replacement cost.
Cut-off Date	means the date prior to which the occupation or use of the project area makes residents/users of the project area eligible to be categorized as affected persons. In many projects, the cut-off date usually coincides with the commencement of the census of APs within the project area boundaries, or the date of the detailed measurement survey after the completion of detailed design. The cut-off date for this project will be the date of completion of the detailed measurement survey. Persons not covered by the census detailed measurement survey will are not be eligible for compensation and other entitlements.
Entitlement	means the range of measures comprising compensation in cash or kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration which are due to APs, depending on the type and degree nature of their losses, to restore their social and economic base.
Household	means all persons living and eating together as a single-family unit. The census used this definition and the data generated by the census forms the basis for identifying the household unit.
Implementing agency (aka project proponent, project authority, executing agency)	means the agency, public or private, that is responsible for planning, design and implementation of a development project.
Income restoration	means re-establishing income sources and livelihoods of APs.
Land acquisition	means the process whereby a person is compelled by a public agency to alienate all or part of the land s/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.
Project area	the area 5 km either side of the road.

Rehabilitation	means assistance provided to APs seriously affected due to loss of productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets in order to improve, or at least achieve full restoration of her/his pre-project living standards and quality of life to pre-project level.
Relocation	means the physical shifting of APs from his/her their pre-project place or residence, place of work or business premises.
Replacement cost	means the amount of cash or kind needed to replace an asset and is the value determined as compensation for: <ul style="list-style-type: none"> <li>i. Agricultural land at the pre-project or pre-displacement level, whichever is higher, and is the market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes;</li> <li>ii. Land in urban areas: it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes;</li> <li>iii. Houses and other related structures based on current market prices of materials, transportation of materials to construction site, cost of labour and contractor's fee, and any cost of registration and transfer taxes. In determining replacement cost, value of depreciation and deductions for salvaged building materials are not taken into account and no deductions are made for the value of benefits to be derived from the Project;</li> <li>iv. Crops, trees and other perennials based on current market value; and</li> <li>v. Other assets (i.e. income, cultural or aesthetic resources) based on replacement cost or cost of mitigating measures.</li> </ul>
Resettlement	means all of the measures taken by the Project Proponent to mitigate any and all adverse social impacts of a project on APs, including compensation for lost assets and incomes and the provision of other entitlements, income restoration assistance, and relocation, as needed.
Resettlement effects	mean all negative situations directly caused by the project including loss of land, property, income generating opportunity, and cultural assets.
Resettlement Plan	means the time-bound action plan with budget setting out resettlement strategy, objectives, entitlements, actions, responsibilities, monitoring and evaluation.

Right-of-way	as defined in the Road Law; for provincial roads is 15 m either side of the centre-line.
Social Assessment	means the framework for incorporating social analysis and participatory process in project design and implementation.
Structures	mean all structures affected or to be acquired by the project - living quarters, agricultural structures such as rice bins or stores/warehouses, roadside shops/businesses, commercial enterprises, and any community infrastructure (i.e. schools, wats, temples, churches etc).
Vulnerable group	means any distinct groups of people who might suffer disproportionately or face the risk of being marginalised from the effects of resettlement and specifically include; (i) female-headed households with dependents; (ii) disabled household heads; (iii) households falling under the generally accepted indicator for poverty; (iv) landless; (v) elderly households with no means of support; and (vi) ethnic minorities.

## SUMMARY RESETTLEMENT AND COMMUNITY DEVELOPMENT PLAN

### A. Scope of Land Acquisition and Resettlement

1. The phase one and three Project Roads would require land acquisition of 4.08 hectares (ha) accounting for some 1.78 ha of paddy land and 1.11 ha of homestead land, affecting 231 households; 81 houses and small shops, and 42 rice bins, all of which would need to be relocated. There are also 18 trees to be cleared from the construction corridors.

**Table 1: Loss of Structures and Land**

Road	H'holds Losing Homestead Land & Structures			H'holds Losing Agricultural Land & Structures			Total AP H'holds	Total Land Area (ha)
	No. H'holds	No. Structures	Land Area (ha)	No. H'holds	No. Trees & Structures	Land Area (ha)		
	Bolikhamxay	79	32	0.55	45	49		
Attapu	84	47	0.56	36	11	1.07	120	1.63
Sayaburi	98	77	0.65	17	61	0.54	117	1.19
Vientiane Province*								
<b>Project</b>	<b>261</b>	<b>156</b>	<b>1.76</b>	<b>81</b>	<b>121</b>	<b>2.32</b>	<b>348</b>	<b>4.089</b>

\* The scope of land acquisition and resettlement will be determined during detailed design work under the Project.

2. In total some 261 households will be affected by the Project. The Project has minimized resettlement effects by adopting a bypass of Borikhan town on the Bolikhamxay road. This has reduced the number of households affected (along this section) from 92 to 25, and for this road from 219 to 124 households in total. The Project is still expected to make every effort to reduce resettlement impacts wherever possible. The detailed design of the phase one and three roads has been done already and will be reviewed by the Construction Supervision Consultants and necessary design changes made after which DOR, Resettlement Consultants and Provincial and District Resettlement Committees will conduct the detailed measurement survey of actually affected households.

### B. Scope of the Resettlement and Community Development Plans and Framework

3. As part of the Project's preparation, a social analysis was carried out along each of the phase one and three roads. The phase one roads are Pakxan - B. Thasi (Bolikhamxay) and Xaisetha - Sanxai (Attapu). The phase three road is Sayaburi - Hongsa (Sayaburi). A census and inventory of lost assets was carried out for all households potentially affected by loss of homestead land and dwellings within a 15-meter (m) wide construction corridor. Based on the information collected for this ROW, three Resettlement Plans have been prepared for the Project in compliance with the ADB's *Policy on Involuntary Resettlement (1995)* and the *Handbook on Resettlement: A Guide to Good Practice*. The PPTA determined that the mainly ethnic minority communities along the Attapu and Sayaburi roads will be vulnerable as a result of the road improvements because of their low literacy and numeracy levels. This triggered the need for Ethnic Minority Development Plans as required by ADB's Policy on Indigenous People.

4. However, because the ethnic minority families are integrated with the non-minority population, the term Community Development Plan has been used to replace Ethnic



Minority Development Plans, and they have been combined with the Resettlement Plans. A Resettlement and Community Development Framework has also been prepared to guide in the resettlement and ethnic minority planning and implementation for the other two subproject roads: Hongsa-Thaxoang (Sayaburi) and Pakton-Ban Vang (Vientiane Province). The detailed design of the latter roads will be done under the Project and resettlement and community development plans prepared in accordance with the Framework and submitted to ADB for approval.

### **C. Resettlement Policy Framework and Entitlements**

5. The policy framework and entitlements have built upon the laws of the Government of Lao PDR, principally the Constitution (1991) and the Land Law (1997),<sup>1</sup> the ADB's Policy on Involuntary Resettlement (1995), and Government approved resettlement plans for other ADB and World Bank projects. Provisions and principles adopted in the RPs for the Project will supersede the provisions of relevant decrees currently in force in Lao PDR wherever a gap exists.

### **D. Project Principles**

6. The following basic principles have been adopted for the Project:

- (i) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible by identifying possible alternative project designs, and appropriate social, economic, operational and engineering solutions that have the least impact on populations in the Project area.
- (ii) The populations affected by the Project are defined as those who may stand to lose, as a consequence of the Project, all or part of physical and nonphysical assets, including homes, homesteads, productive lands, commercial properties, tenancy, income-earning opportunities, social and cultural activities and relationships, and other losses that may be identified during the process of resettlement planning.
- (iii) All APs who will be identified in the project impacted areas as of the date of the detailed measurement survey will be entitled to be compensated for their lost assets, incomes and businesses at full replacement cost and provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project social and economic circumstances.
- (iv) All affected populations will be equally eligible for compensation and rehabilitation assistance, irrespective of tenure status, social or economic standing, and any such factors that may discriminate against achieving the objectives outlined above.
- (v) The rehabilitation measures to be provided are: (i) cash compensation at replacement cost without deduction for depreciation or salvageable materials for houses and other structures; (ii) full title to replacement agricultural land for land of equal productive capacity acceptable to the AP<sup>2</sup>; full title to replacement residential and commercial land of equal size acceptable to the AP; (iv) cash compensation for crops and trees at current market value; and (v) relocation allowances and rehabilitation assistance.

<sup>1</sup> The revised Land Law was passed by the National Assembly in October 2003 but it had not been translated nor had the Implementing Regulations been issued at the time of preparing this RP.

<sup>2</sup> Agricultural land for land of equal productive capacity: means that the land provided as compensation should be able to produce the same or better yield the AP was producing on his/her previous land. The production should be in the planting season immediately following the land acquisition. It can be for a future period if transitional allowance equal to the household's previous yield is provided to the AP household while waiting for the land to get back to the same productivity as the previous land.

- (vi) Replacement residential and agricultural land will be as close as possible to the land that was lost, and acceptable to the AP. Where there is not sufficient paddy land available in villages, the Project will assist the villages to develop new paddy land with food for work. The Project will also assist villages to prepare level residential land and sites for livestock and fishponds.
- (vii) Temporarily affected land and communal infrastructure will be restored to pre-project conditions.
- (viii) The compensation and resettlement activities will be satisfactorily completed and rehabilitation measures in place before the Government and ADB will approve award of contract for civil works.
- (ix) The EA will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation and implementation of the land acquisition, compensation, resettlement and rehabilitation program.
- (x) Existing cultural and religious practices shall be respected and, to the maximum extent practical, preserved.
- (xi) Adequate budgetary support will be fully committed and be made available to cover the costs of land acquisition and resettlement and rehabilitation within the agreed implementation period.
- (xii) Special measures shall be incorporated in the RPs and complementary mitigation and enhancement activities to protect socially and economically vulnerable groups such as ethnic minority peoples, women-headed families, children and elderly people without support structures and people living in extreme poverty.
- (xiii) There shall be effective mechanisms for hearing and resolving grievances during the implementation of the RPs.
- (xiv) Details of the RPs shall be distributed to the APs and placed in project and commune offices for the reference of affected people as well any interested groups.
- (xv) Appropriate reporting, monitoring and evaluation mechanisms will be identified and set in place as part of the resettlement management system.

## **E. Entitlements**

7. The Project entitlements have been designed to provide compensation, resettlement and rehabilitation for lost assets and restore or enhance the livelihoods of all categories (directly and indirectly affected, title holders and non-title holders) of affected people. The entitlement matrix for the Project (Table 9) summarizes the main types of losses and the support entitled for each type of loss. Replacement costs and rates have been established in consultation with Village Administrations along each of the routes. These rates have been used as the basis of the resettlement cost estimates. Final rates will be determined during the detailed measurement survey and replacement cost survey.

## **F. Ethnic Minorities and Vulnerable Groups**

8. The social analysis shows that along the Attapu and Sayaburi roads there are high proportions of ethnic minority groups. Special attention has been given to identifying and addressing the special needs of these groups and these have been addressed in the Community Development Plans through a non-formal education program to improve literacy, numeracy and marketing skills. The Bolikhamxay resettlement plan includes a special action, to assist villages with non-timber forest product (NTFP) management to protect their livelihoods from exploitation due to increased access to the NTFPs and to markets resulting from road improvements.

## **G. Resettlement Strategy**

9. Land acquisition impacts and rehabilitation measures have been assessed at an individual and community level. During the detailed design, every effort will be made to reduce the need for relocation. Households and villages will be assisted to fence the roadsides to prevent children and livestock from wandering onto the road.

10. For households that have to move, the Project will assist communities and households by levelling land identified by the Village Administrations for homestead land plots and livestock pens. The Project will also, through consultation with the affected villages facilitated through the Community Mobilizers, provide fencing for livestock and vegetable gardens, as well as expand paddy land and establish fishponds. Relocating households will be assisted with house dismantling and rebuilding. In addition, the Project will facilitate issuance of Land Use Rights Certificates and provide land use rights awareness for people in all project villages.

## **H. Income Restoration**

11. Agricultural households who are severely affected through loss of 20% or more of productive assets will be provided with replacement land of equal productivity. As there is a shortage of paddy rice land in the villages along the road, but sufficient other land in most communities, the Project will assist villages to prepare paddy land by clearing and providing food-for-work for villagers to prepare their land. In consultation with villages, the Project will dig fishponds at appropriate locations in project villages. Agricultural extension assistance will be provided to severely affected farmers to increase productivity on remaining and new land. Affected small businesses will be assisted to move back from the road and still carry out their businesses with better income potential. Under the Community Development Plans, the poorest Attapu and Sayaburi villages will be assisted to improve literacy and numeracy and marketing/small business skills, while the NTFP management program for Bolikhamxay will promote sustainable management of the selected communities' NTFP resource.

## **I. Participatory Process of Resettlement and Community Development Planning and Implementation and Grievance Mechanism**

12. There has been extensive consultation since the preliminary surveys were undertaken in 2000. Social and resettlement surveys undertaken for the PPTA have continued this dialogue with affected communities. Although there is a high level of awareness about, and support for, the Project, there must also be a process established to deal with any issues or concerns raised during Project implementation.

13. Resettlement planning and implementation will follow a participatory approach using facilitators to mobilize the affected communities to participate in alignment selection, inventory of losses, validation of compensation rates and entitlements, delivery of entitlements, monitoring of impacts and benefits, and design and participation in a grievance mechanism.

14. The Project will also be funding a Social Action Plan that will link a number of integrated aspects such as resettlement, community development, HIV/AIDS and trafficking awareness and prevention, traffic safety and awareness and land use rights awareness. Design and implementation of the Social Action Plan activities will also follow the same participatory approach.

**J. Disclosure**

15. Key information in the Resettlement Plans, including compensation and rehabilitation options, have been disclosed to the affected communities in the form of a resettlement information brochure in the Lao language in an accessible place. The Resettlement Plans or their summary will be disclosed on ADB's website.

**K. Institutional Arrangements**

16. At the national level, the Social and Environment Division (SED) of the Planning and Technical Division of the Department of Roads will provide overall guidance and technical support to the provincial and district resettlement committees. The SED will be strengthened under the Project and through other ADB technical assistance<sup>3</sup>. One international resettlement specialist will provide overall guidance and three domestic resettlement specialists and three community mobilizers will provide full-time assistance during the resettlement planning and implementation phase. Provincial, district and village resettlement committees will be established. Village resettlement committees will actively participate in design and implementation of the Resettlement and Community Development Plans.

**L. Monitoring of RP Implementation and Impacts**

17. Appropriate reporting, monitoring and evaluation mechanisms will be identified and set in place as part of the resettlement management system. This will consist of internal monitoring by the EA's Social and Environment Division together with the Construction Supervision Resettlement Specialists. The project supervision consultants will also conduct poverty reduction monitoring, including all severely affected households in its target group.

**M. Cost Estimates**

18. The cost implementation and monitoring of the four resettlement plans is estimated at US\$200,000 dollars. All costs will be updated after completion of the detailed measurement survey and application of final compensation rates which will be updated to ensure they are equivalent to replacement cost at current market value at the time of compensation.

**N. Implementation Schedule**

19. All resettlement activities will be coordinated with the civil works schedule. ADB will not approve award of any civil works contract for any subproject to be financed from the loan proceeds unless the Government has satisfactorily completed, in accordance with the approved Resettlement Plan for that subproject, compensation payment and relocation to new sites, and ensured rehabilitation assistance is in place and the area required for civil works free of all encumbrances prior to obtaining possession and rights to the land.

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<sup>3</sup> Prior to project implementation, the SED social safeguard and environmental management capacity will be strengthened under technical assistance from ADB TA 3557 and Loan 1989: Northern Economic Corridor Project.

# **Part 1:**

## **Resettlement Plan**

## 1. Introduction

### 1.1 Project Background and Objectives

The Government of Lao PDR (Government), with assistance from Asian Development Bank (ADB) is improving rural access roads in a number of provinces throughout Laos. The Roads for Rural Development Project (RRDP) [in the form of Technical Assistance to the implementing agency - Ministry of Communication, Transport, Post & Construction (MCTPC)], is one of a number of technical assistance (TA) and loan projects developed from the TA 2889-LAO Rural Access Roads Improvement Project commenced in 1999 and with some detailed work being completed for the roads that are the subject of this TA in 2000.<sup>4</sup> This Project - known as ADB 10 - is improving a package of roads identified under the earlier studies.

The Government has as one of its highest priorities the development of the maximum length of all-weather roads to provide as much of its population as possible with access to the national road network. The RRDP is an important element of ADB's sectoral strategy of assisting development of the rural road network linked with the specific development priorities of the Government. Targeted to supporting rural development, the rehabilitation of sections of the rural road network proposed by the project will provide basic infrastructure for rural development and enhance the social and economic impacts of the recently rehabilitated national roads and also contribute to poverty reduction efforts in selected provinces.

The Terms of Reference (TOR) for this TA include three components:

- (i) Road sector development - to assist the Government in formulating a medium term action plan;
- (ii) Capacity building - including institutional development and contracting industry review; and
- (iii) Road Improvement - which includes two groups of roads; a review and updating of feasibility studies and detailed designs prepared under TA 2889 (and other studies) and compilation of documentation in a format suitable for loan processing for three roads (Xaignabouli – Hongsa road, Pakxan - B. Thasi road, and Xaisetha - Sanxai road); and, preparation of pre-feasibility studies (including initial social and poverty assessment and resettlement framework for improvements along the Hongsa - Muang Ngeun, Hongsa - Thaxoang, and Pakton - Ban Vang road; and assessment of the impact of the ensuing Project on poverty reduction.

ADB 10 is drawing together previous work undertaken in TA 2889 and TA 3070 commenced in 1999 and further investigations and design by Pacific Consultants International (PCI) in 2000.<sup>5</sup>

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<sup>4</sup> The detailed design undertaken by Pacific Consultants International (PCI) was developed for several road sections. Using the nomenclature adopted by PCI, road sections 4 and 5 represent the Xaignabouli to Hongsa road (Xaignabouli), road sections 3 and 8 represent the Pakxan to B. Thasi road (Bolikhamxay), and road section 7 is the Xaisetha to Sanxai road (Attapu).

<sup>5</sup> TA 3070-LAO *Road Improvement for Rural Development Project - Final Report* (BICL; December 1999). TA 2889-LAO *Rural Access Roads Improvement Project-Social Assessment: Volume II* (July 2000; PCI in association with Burapha Development Consultants Ltd and CDRI).

For the resettlement aspects, this earlier work has been supplemented by field investigations (including surveys of affected people [APs]) undertaken for this TA between November 2002 and January 2003, to make sure that the information collected in 2000 is still valid and to make the necessary revisions.

This report is presented in two parts; Part 1-Resettlement Plan, and Part 2-Community Development Plan for the Xaisetha - Sanxai Road (Attapu) and has been prepared in accordance with ADB's *Policies on Involuntary Resettlement and on Indigenous People*. The resettlement plan provides the framework within which people (and households) affected by the project have been identified, their location and losses recorded, and the compensation to which they are entitled established. The community development plan sets out the process for ensuring that ethnic minority groups are not adversely affected by, and can enjoy the benefits of, the Project.

## **1.2 Project Description and Impact**

### **1.2.1 Road Alignment**

Attapu is located in the south-eastern most part of Laos and borders Cambodia and Viet Nam, as well as the provinces of Xekong and Champassak. The provincial capital, also called Attapu, is on the Xekong River. Except for the lowlands along Nam Xekong, the Province consists mainly of forested mountains. It has a population of about 98,000 persons and consists of five districts. The Xaisetha - Sanxai road section passes through two of these districts; Xaisetha (26,406 population) and Sanxai (14,334 population). Xaisetha, which is the district centre of M. Xaisetha, is about 10 km east from the provincial capital. Access is via a paved road, which continues to the Vietnamese border, and is currently being upgraded with assistance from Government of Viet Nam. The provincial capital is also connected by road to Xekong. Part of this road, between Attapu and Senamnoy, is being upgraded under ADB 9.

The Xaisetha - Sanxai road will provide access to the remote district of Sanxai (14,334 population), and in particular the 14 villages and 1,122 households - most of which are shifting cultivators - along the route. It is a difficult road that can only be used in the dry season, and it is the only road that connects Sanxai with the rest of Attapu. It is currently a 1.5 days' walk from B. Mixai to M. Sanxai.

Currently, about 20 km of the road is inaccessible, and there is detour via a road to the hydropower dam site on Nam Xekaman and then up a very steep and narrow section of the Ho Chi Minh Trail. From Sanxai there is a track to M. Dakchung (Xekong), which is about 20 km to the northeast. There is also a 60 km road being constructed with local funding which will connect Sanxai to B. Wangtat on the Vietnamese border, about 20 km of which has been completed. The Government of Viet Nam has proposed an official border crossing at Muang Daklai, which is across the border from B. Wangtat.

From Xaisetha the road traverses through a lowland paddy area for about 18 km until it reaches the B. Mixai and B. Paam area, a focal site for the National Rural Development Programme and the centre for many development activities in the district. The Sanxai district headquarters has been relocated to B. Paam, and people from several villages between B. Paam and the plateau in Sanxai have been relocating to the focal site area. From B. Mixai, the road winds through mountainous terrain. A focal site has also been proposed for B. Wangtat, but no activities have commenced there as yet.

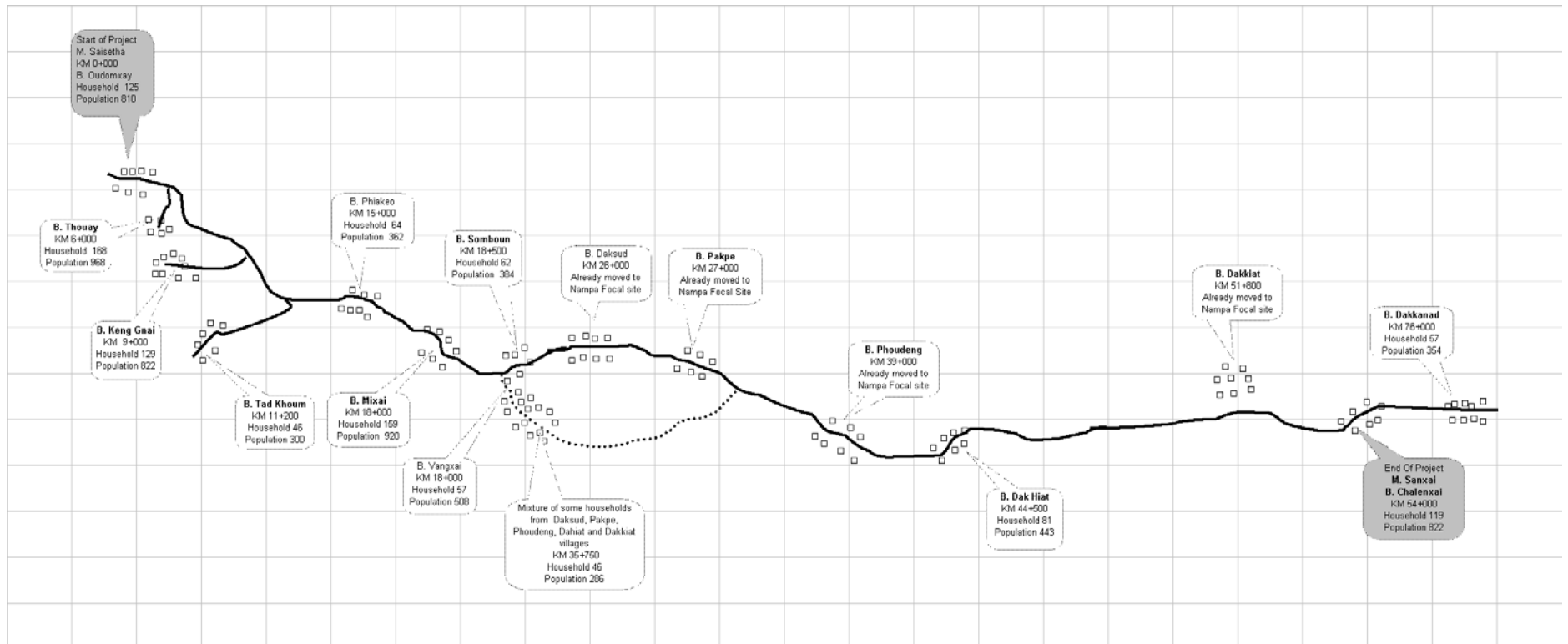
The main features of the road include:

- (i) The total length of the route is 54 km. The road departs from NR 18B about 3 km east of Xaisetha. The design route is only trafficked to B. Paam at km 16.6. A detour is used to access Sanxai which rejoins the design route at the top of an escarpment at km 36.8;
- (ii) As far as B. Paam, the route is earth/gravel and is in fair condition. Although the road floods in places it is passable for most of the year. One section on the bank of Nam Xekong is washed out every year;
- (iii) Between B. Paam and B. Pakpe the road reduces to a 3 m wide earth track and is passable by 4-wheel drive vehicles only. This section also includes 3 forded river crossings that are impassable in the wet season. There are 2 suspension footbridges that are in a dangerous state of disrepair; and
- (iv) From B. Pakpe, the road is no more than a walking track, overgrown in many places and traversing extremely steep terrain over the ascent to the plateau.

A map of the project area is provided on Figure 1.



**Figure 1: Project Area**  
**Saisetha-Sanxai Road Social Impact Assessment**



The design proposes a 5.5 m formation between the junction with NR 18B and B. Paam, there will be 1 bridge and 2 submersible crossings (including a crossing of the Nam Pa in B. Paam). Two options are considered for surface treatment; either gravel or paving. Between B. Paam and Sanxai the carriageway will be 3.5 m and surface treatment will be gravel. The design also includes 4 bridges and a submersible crossing on this section of the alignment. Through this section there are some realignments likely to reduce the gradient.

The project is due to commence in 2005 and be completed over a period of 3 years. The estimated cost of Xaisetha - Sanxai road is approximately \$6.5 million. The Department of Roads (DOR) under the Ministry of Communication, Transport, Post and Construction (MCTPC) is the executing agency of the project.

### 1.3 Overall Objectives of the Resettlement Plan

The purpose of the resettlement plan is to identify who will be affected by construction of the road, to what degree they will be affected (i.e. what type of loss they will suffer) and how they will be compensated to ensure that they are not adversely affected by the project or left in a worse situation than in a "without project" case.

In all cases, the overall aim is to at least restore, if not enhance, the livelihoods of APs. The primary objective of a resettlement plan is to provide a detailed design for compensation, resettlement and rehabilitation. Thus, the resettlement plan should identify (i) the extent of losses; (ii) the policy and legal framework for compensation payments and relocation; (iii) institutional framework for participation and implementation; (iv) provision for employment and poverty reduction; and (v) responsibilities for monitoring the implementation measures.

The population density along the road is low, resettlement effects are limited mainly to simple and traditional houses and a few shops, which can be moved back from the road or to alternative locations, and to strips of paddy land, which can be compensated with other village land.

Laws, policies, precedents, and procedures are in place to handle these activities. The resettlement operations in the project will be carried out in consultation with APs and minority groups and all efforts will be made to minimize disruption during project implementation.

### 1.4 Inclusion of Ethnic Minorities in Project Benefits

In Lao PDR all people are considered equal, irrespective of ethnic background.<sup>6</sup> Although close to 50 major ethnic groups are recognized by the national census, ethnic groups are conventionally divided into three major groups, based on proto-typical location. These are (i) Lowland Lao (*Lao Loum*) who tend to settle in the valleys and flatlands; (ii) Upland Lao (*Lao Sung*) who prefer the higher altitudes; and (iii) Midland Lao (*Lao Theung*) who tend to inhabit the mid-level slopes. However, Chamberlain<sup>7</sup> notes that there are many exceptions to these stereotypic village locations and therefore such universalities need to be used with care.

<sup>6</sup> *Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era* (Government; 1992).

<sup>7</sup> *Poverty Alleviation for All: Potentials and Options for People in the Uplands* (J. Chamberlain & P. Phomsombath; SIDA, September 2002; p.23)

Over two thirds of the national population is Lao Loum, which comprise 8 ethnic groups within the Lao - Tai language family. The Upland or highland Lao make up about 10 percent of the population and comprise some 7 groups within the Chine - Tibet language family and 2 groups within the Hmong - lu Mien language family. The Midland Lao account for 25 percent of the total population and comprise some 32 groups within the Mon-Khmer language family.<sup>8</sup>

**Table 1: Ethnicity of Population**

Ethno-Linguistic	Topographical	Language Family	No. of Ethnic Groups	Proportion of Population
Tai Kadai	Lao Lum	Lao Phoutai	8	66.2%
Austroasiatic	Lao Theung	Mon Khmer	32	23.0%
Hmong - lu Mien	Lao Sung	Hmong Yao	2	7.4%
Chine - Tibetan	Lao Sung	Tibeto Burman	7	2.5%
Chine - Tibetan	Lao Sung	Hor Han	1	0.2%

Source: Addressing the Health and Education Needs of Ethnic Minorities (ADB; September 1999).

The cultural and linguistic differences are greater among many of the midland Lao than those among the Lowland and Upland Lao. The Mon-Khmer language family comprises the largest number of ethnic groups but slightly less than one-quarter of the total population. Although there are various ethnic groups within the lowland Lao, only the upland and midland Laos are considered ethnic “minorities.”

Lao PDR policy emphasizes the multi-ethnic nature of the nation and in many ways works to reduce the discrimination against midland and upland minorities. The use of the “three-ethnic group” emphasizes the commonality of Lao nationality – “Lao First”<sup>9</sup> and is widely used in the country to refer to specific ethnicity.

While there is participation in the political process with a number of ethnic minority people holding positions in government, there is not yet equal representation at all political levels when compared to their total numbers in the provincial populations. Often due to their remote location, the rural ethnic people have comparatively less access to government services such as health, education, agricultural extension and infrastructure. Many development plans, including infrastructure, are not planned or implemented with ethnicity as the overriding variable. As a result, development impacts can inherently be marginalizing on the isolated and pre-market ethnic economies unless adequate mitigation measures are adopted and the potential beneficiaries are consulted in project planning and implementation. Further, the higher incidence of poverty in the rural north, particularly among minority groups, makes them more vulnerable socially and economically.<sup>10</sup>

Three quarters of the AP households belong to ethnic minorities, mechanisms to ensure that these households are not disproportionately affected and that ethnic minority villages along the route can benefit at least to the same degree as the predominantly Lao Loum villages, a community development plan has been developed and is presented in Part 2.

<sup>8</sup> Chamberlain & Phomsombath; 2002

<sup>9</sup> “My Way and the Highway: Ethnic People and Development in the Lao PDR” M Milloy & M Payne in *Development or Domestication? Ethnic Minority People of Southeast Asia* (D McCaskill & K Kampe eds; Thailand; 1997).

<sup>10</sup> *Participatory Poverty Assessment PDR* (State Planning Committee, National Statistics Centre, & ADB; June 2001).

## 1.5 Gender Issues in Resettlement

Women's needs, particularly those of ethnic minority women, in the project area are great. In general, the road will improve their needed access to health, education and other social services with direct positive impacts on the status of women. The rights of women with respect to land titling include the right of certification and the right of inheritance of lands and other assets. Although a considerable proportion of inheritance accrues to women, only a fraction of this is registered in the name of the wife, notwithstanding the fact that males and females have equal right under the Constitution and the Land Law of Lao PDR. The low level of women's registration is attributable to (a) lack of knowledge of ownership rights on the part of women, (b) cultural reluctance on the part of women, (c) low levels of female literacy and education, particularly in the remoter rural areas, (d) lack of capacity and awareness of gender issues on the part of the certifying officers, and (e) deficiencies in the structure and processing of Temporary Land Use Certificate forms (i.e. the rightful ownership is not always shown).

The Project will need to ensure that in any changes of title for AP households, constraints to land registration in women's names through either lack of willingness, knowledge or sensitivity on the part of the relevant officials or inherent biases in the process, are identified and rectified.

## 1.6 Poverty Issues in the Project Area

The SPA for the three roads provides a more detailed description of poverty issues and characteristics in the project area of each of the roads. With regard to the Xaisetha–Sanxai road, the following points should be noted:

- (i) The most common “indigenous” definition of poverty in Laos is lack of food security.<sup>11</sup> Some 21 percent of households in the project area are food insufficient and classed as poor according to the definition adopted under the June 2001 Instruction. This does not necessarily reflect the full situation as according to the *Participatory Poverty Assessment Lao PDR*<sup>12</sup> records a total of 87 percent as poor in Sanxai and 30 percent in Xaisetha;
- (ii) Although some data indicates that female-headed households are slightly better off than male-headed households, a disproportionate number of women, particularly minority women suffer from endemic poverty,<sup>13</sup> and
- (iii) Along the route the villages that are entirely, or a high proportion of, ethnic minority, on average have lower household incomes than villages and are significantly poorer than the two villages at the beginning of the route that are predominantly Lao Loum.
- (iv) Households in ethnic minority villages have less paddy area and as a consequence produce less rice than villages with lowland rice fields (upland rice fields produce between 1 and 1.5 tons/ha less than paddy).

## 1.7 Resettlement Strategies

As noted earlier, all AP households would prefer “self-relocation”, although support and assistance will be required. In nearly all cases, they can move back beyond the right-of-way and still receive all the benefits of the approved compensation policies. As a result,

<sup>11</sup> Chamberlain (2002; p.56)

<sup>12</sup> State Planning Committee, National Statistics Centre & ADB; Vientiane, June 2001

<sup>13</sup> Chamberlain (2002) shows there are differences in poverty rates in favour of female-headed households (Table 9 Poverty by Sex of Head of Households). This is similar to the situation in Viet Nam where households of certain sizes (and other conditions) are slightly better off than their male counterparts.

there is no need for a “resettlement site” development. The “on-site” resettlement strategy and “relocation within existing villages” are more practical solutions and minimise the impacts of displacement, because many APs may require kinship and other social support to re-establish them in the community. This resettlement strategy will further assist APs to take decisions concerning income earning opportunities and economic well-being.

Some inter-village relocation could be required (to be confirmed during detailed measurement survey) as there is insufficient land available in three villages. If APs require resettlement by the road (instead of relocating to the parts of the villages that are located off the road) the first option will be to identify land that could be suitable as replacement land and it be cleared and prepared under the Project. This will enable AP households to remain in the same village and maintain their pre-existing social ties.

## 2. Scope of Land Acquisition and Resettlement

### 2.1 Background

Xaisetha - Sanxai road will provide benefits to some 14 villages and also to the total population of nearly 15,000 in M. Sanxai, the majority of whom are located on the plateau to the north of the road, and who will benefit from improved access between the plateau and the district centre which has recently relocated to B. Paam (km 24.5).

The resettlement survey identified effects on some 104 households in 8 villages, representing some 9 percent of the households in the project area. There are no community resources affected. Of the 104 affected households identified, some 30 AP households are Lao Loum and 74 AP households are Lao Theung (Alak, Satang, Lavae, Oy, Tariang and Yae). There are no Lao Sung (Hmong) households either in villages affected by right-of-way clearance or in the project area.

**Table 2: Villages in Project Area**

District	Village Name	Total Households	Affected Households	Affected H'holds as % of Total
Xaisetha	Oudomxai	141	13	9.2
	Thouay	169	17	10.1
	Keng Gnai	129	0	0.0
Sanxai	Phiakeo	64	10	15.6
	Thadkoun	46	0	0.0
	Mixai	159	17	10.7
	Somboun	62	10	16.1
	Vangxai	57	16	28.1
	Daksud	33	0	0.0
	Pakpe	23	0	0.0
	Phoudeng	23	0	0.0
	Dakhiad	81	17	21.0
	Dakkiat	33	0	0.0
	Chalenxai	119	4	3.4
<b>Total</b>	<b>14</b>	<b>1,122</b>	<b>104</b>	<b>9.2</b>

As a result of the project, an estimated 1.6 ha of land acquisition (both homestead and agricultural land) will be required, as summarised in the table below.

### 2.2 Scope of Resettlement

As a result of the project, an estimated 1.6 ha of land acquisition will be required, as summarised in the table below.

**Table 3: Loss of Structures and Land**

Homestead Land & Structures			Agricultural Land & Structures			Total Individual Effects	Total Land Area (ha)
No. H'holds losing land & structures	No. H'holds losing land	Land Area (ha)	No. H'holds losing Land	No. Structures	Land Area (ha)		
49	35	0.56	30	11	1.07	104	1.63

A total of 104 households will be affected. There are 84 plots of homestead land (totalling 0.56 ha), and 49 households lose both land and structures (41 houses and eight shops) for the clearance of the right-of-way, and some 30 plots of agricultural land totalling some 1.07 ha and 11 agricultural structures (rice stores) will also be affected. Five of these households also lose both agricultural land and structures. There are no trees affected by the project.

In general the scope of impact is limited to loss of frontage due to linear acquisition for clearance of the right-of-way. As a result, all APs losing homestead land and structures can be accommodated with replacement land immediately behind their existing homesteads and therefore structures can be rebuilt behind (and beyond the right-of-way) the location of their existing houses. There are seven AP households losing paddy land and who cannot be accommodated with land immediately adjacent to their existing plots. For these households, replacement land will need to be identified by the village administrations, and APs cultivate the alternative plots of land. If sufficient land is not currently available in the village, the village administration can identify land that would be suitable for lowland rice cultivation and this can be cleared and initially prepared under the Project. DOR has decided that no structures will be permitted in the ROW in the future.

Most of the affected households will remain "on-site" and/or move within the same village community.

A summary of the types of land and structures affected is provided below:

- (i) **Houses** that are affected along the alignment include 25 simple (bamboo) houses, 14 traditional Lao houses (wooden frame and on stilts), only one modern house (a substantial masonry building);
- (ii) **Homestead land** is the land on which the houses affected by clearance of the right-of-way are located. In most cases a house and homestead land is affected but in one case only the homestead land is affected as the house is set back on the plot. Some 0.56 ha of homestead land will be affected;
- (iii) **Shops** are typically small - usually a woven bamboo stall covered in thatch - with a small selection of snacks and household items. There eight shops along the length of the alignment affected;
- (iv) **Rice stores** (bins or granaries) are generally elevated above ground on posts and are built to hold hundreds of kilograms of rice from the family harvest. Building materials can usually be reused, but the process of rebuilding the granaries and transferring the rice can be time consuming. Some 11 rice stores are affected; and

- (v) **Agricultural land** totaling some 1.07 ha will be affected by clearance of the right-of-way. Along the alignment 30 households will lose some paddy land. There are no fishponds affected by clearance of the right-of-way.



### 3. Socio-Economic Information

#### 3.1 General

Except for villages at the start and end of the road (close to the towns and district headquarters), settlements along the alignment are dispersed. The data provided on the project area of the road is based on the fieldwork undertaken in 2000<sup>15</sup> and updated with additional resettlement and socio-economic survey work undertaken between November 2002 and January 2003.

There are 14 villages that are in the project area of the road, 3 in M. Xaisetha and 11 in M. Sanxai. There are 1,122 households with a population of 6,930 in these villages. Ethnicity in the project area is predominantly Lao Theung accounting for 76 percent of the population. B. Oudomxai (at the start of the road) is the only village that is entirely Lao Loum, 3 villages are mixed Lao Loum and Lao Theung while the other 10 are entirely Lao Theung. Other Lao Theung groups include Alak, Yae, Tariang, Lavae, Satang and Oy.

Literacy is the lowest of the three project areas (48 percent) and ranges from only 10 percent in B. Pakpe to 85 percent in B. Oudomxai, the only totally Lao Loum village in the project area. The three other villages with comparatively high literacy rates are the villages that also have Lao Loum households, with B. Thouay having the next highest literacy rate (80 percent) and a predominantly Lao Loum population (82 percent). Lao is spoken in 71 percent of the Lao Theung households.

**Table 4: Population of Project Area**

District	Village	Total population	Number of households	Ethnic group (No. of Families)			Av h'hold size
				Lao Loum	Lao Theung	Lao Sung	
Xaisetha	Oudomxai	810	125	141			6.5
	Thouay	968	168	146	32		5.8
	Keng Gnai	822	129		129		6.4
Sanxai	Phiakeo	362	64		72		5.7
	Thadkoun	300	46		46		6.5
	Mixai	920	159	5	173		5.8
	Somboun	384	62	1	73		6.2
	Vangxai	508	57		65		8.9
	Daksud	143	33		33		4.3
	Pakpe	100	23		23		4.3
	Phoudeng	117	23		23		5.1
	Dakhiat	443	81		83		5.5
	Dakkiat	231	33		33		7.0
	Chaleunxai	822	119		120		6.9
<b>Total</b>		<b>6,930</b>	<b>1,122</b>	<b>293</b>	<b>905</b>	<b>0</b>	<b>6.2</b>

Source: PPTA village administration interviews (November 2002 - January 2003).

<sup>15</sup> Reported in a number of documents prepared by PCI.

### 3.2 Characteristics of Households

Just over two-thirds of households (68 percent) are two-generation nuclear family households, and the rest are households that include people who are other than immediate family. None of the households captured in the surveys were headed by women. Around half of the households consist of seven or more people. The Project area is relatively young with 53 percent being 20 years of age or younger and some 5 percent being older than 60 years.

Just under half (46 percent) of households have been in the area for more than 40 years, practicing shifting cultivation, while less than a fifth (18 percent) of households have been in their respective villages for ten years or less. This indicates some migration associated with resettlement, most likely encouraged by the focal site at B. Mixai. During consultation, officials reported that people are not coming to the focal site from outside the immediate area, but rather people from villages along the road are settling there.

Two thirds of households have paddies, and these average 1.4 ha in size, while 34 percent have swiddens of less than 1 ha (0.8 ha) and are located along the southern end of the road. Fifty-four percent have trees/gardens, and 28 percent have some undeveloped land. Two-thirds of households have Form 01 Land Declaration Certificates for their homesteads and their paddy land. This is significant, because most of the people are shifting cultivators. This is most likely due to the efforts of the focal site staff.

There are 104 households (12 percent) that have structures or are using land in the right-of-way.

There is no reticulated electricity in the area, and most households use open-flame kerosene lamps or traditional torches made from wood pulp and resin for lighting. Ownership of even basic household appliances and assets is very limited.

**Table 5: Household Access to Services and Asset Ownership**

Services & Assets	% Households
Water source:	
Tube wells	
Rivers & ponds	100
Gravity fed system	
Sanitary latrine	24
Electricity	
Motorcycle	
Bicycle	66
Television (incl. battery operated)	
Tape recorder	42
Sewing machine	10

Source: Rural Access Roads Improvement Project: Social Assessment: Volume 2 (PCI; July 2000).

### 3.3 Economic Activity, Income, and Poverty

Subsistence agriculture is the main economic activity along the road, and north of B. Mixai, most people are shifting cultivators. Other forms of production for households along the road include livestock raising, NTFP collection and some cash cropping. Nearly all households (90 percent) keep poultry, and 82 percent raise buffaloes, 78 percent keep pigs, and only 6 percent raise cattle. Just over half of households (52 percent) gather NTFPs.

Most cash income is earned by the households located along the southern part of the road, (closer to Xaisetha). Over half (58 percent) of households sell rice with incomes ranging from 150,000 to 3 million kip/year and averaging 945,000 kip/year. Livestock and livestock products are sold by 88 percent of households, with incomes ranging from 50,000 to 3.4 million kip/year. Cash crops are sold by 48 percent of households providing an average household income of 228,000 kip/year.

The main sources of non-agricultural income are NTFP collection and working for wages. Fifty-two percent of households collect non-timber forest products. The incomes range from 50,000 to 500,000 kip/year, and average 225,000 kip/year. In addition, 40 percent of households have at least one member who works outside the home for cash income ranging from 84,000 to 2.8 million kip/year (averaging 958,000 kip/household/year). Less than a quarter (22 percent) of households engage in trading but the households that do earn an average income of about 1.1 million kip/year.

**Table 6: Income from Household Economic Activities**

Cash Income & Sources	Xaisetha - Sanxai
<b>Rice (kip/household/year)</b>	
Minimum	150,000
Maximum	3,000,000
Average	945,000
<b>Livestock (kip/household/year)</b>	
Minimum	50,000
Maximum	3,400,000
Average	1,000,000
<b>Cash Crops (kip/household/year)</b>	
Minimum	30,000
Maximum	500,000
Average	228,000
<b>Trading (kip/household/year)</b>	
Minimum	100,000
Maximum	5,000,000
Average	1,127,000
<b>Handicraft (kip/household/year)</b>	
Minimum	50,000
Maximum	1,500,000
Average	309,000
<b>NTFPs (kip/household/year)</b>	
Minimum	50,000
Maximum	500,000
Average	225,000

Source: Rural Access Roads Improvement Project: Social Assessment: Volume 2 (PCI; July 2000).

The surveys captured respondents from each of the three beneficiary types that were from households earning 60,000 kip/month or less, providing a total of nearly 8 percent in the lowest income category. Three quarters of respondents came from households earning between 61,000 and 150,000 kip/month, a much higher proportion in this income category than that occurring on either of the other roads. Only 1.3 percent of respondents were from households earning between 401,000 and 800,000 kip/month compared with nearly a quarter on the other two roads. Also, fewer vehicle owners occur in the two higher income categories than along the other two Project roads. There were no respondents from households earning more than 801,000 kip/month.

**Table 7: Income Distribution of Beneficiaries**

Beneficiary Type	Household Monthly Income (Kip)				
	< 60,000	61,000 - 150,000	151,000 - 400,000	401,000 - 800,000	> 801,000
Vehicle Owners	2.5%	32.5%	8.8%	1.3%	0
Farmers	3.8%	17.5%	6.3%	0	0
Passengers	1.3%	17.5%	8.8%	0	0
<b>Total Road</b>	<b>7.5%</b>	<b>67.5%</b>	<b>23.8%</b>	<b>1.3%</b>	<b>0</b>

Source: PPTA field surveys (November 2002 - January 2003).

Attapu ranks as the seventh poorest province in Laos with 45 percent of the population below the poverty line. Even though the proportion of poor for this road is lower than the district poverty level and the other two roads, by any number of measures, the people along the Xaisetha - Sanxai road are poor. The district-wise proportion of poor for M. Sanxai is 87.6 percent.

**Table 8: Poverty Levels in the Project Area**

Village	% of very poor households	% of poor households	Number of months food sufficiency for very poor households	Number of months food sufficiency for poor households	Average Monthly income of very poor households	Average Monthly income of poor households	Average Monthly income of food sufficient households
Oudomxai	7.2%	9.6%	2	6	25,000	30,000	80,000
Thouay	0.0%	7.1%	0	6	0	50,000	100,000
Phiakeo	7.8%	31.3%	2	5	10,000	20,000	50,000
Myxai	12.6%	37.7%	2	8	40,000	80,000	120,000
Somboun	6.5%	16.1%	1	6	10,000	30,000	100,000
Vangxai	5.3%	31.6%	1	4	10,000	20,000	70,000
Dakhiat	0.0%	12.3%	0	8	0	10,000	30,000
Chaleunxai	12.6%	25.2%	2	5	15,000	30,000	60,000
<b>TOTAL</b>	<b>6.7%</b>	<b>20.6%</b>	<b>2</b>	<b>6</b>			

Source: PPTA village administration interviews (November 2002 - January 2003).

The monthly incomes for poor and food sufficient households are lower than along the other two Project roads.

### 3.4 Education, Health, and Other Services

While all 12 villages along the Xaisetha - Sanxai road have primary schools, literacy rates are low (48 percent) with the villages in the middle section of the alignment recording very low rates (10 percent in B. Pakpe and 20 percent in B. Thadkoum and B. Saksud) indicating that primary schools have been constructed here only recently. There are no secondary schools along the road, not even at the B. Mixai focal site. At the northern and southern ends of the road there are secondary schools at Sanxai (B. Chaleunxai), which is accessible to the children of B. Dakhiat and at M. Xaisetha which is accessible to the children at B. Oudomxai and B. Thouay.

Coverage of health services is not uniform along the road with dispensaries being located at the focal site (B. Mixai), B. Kenggnai and B. Somboun, in addition there are rotating drug funds at the two villages closest to Xaisetha (B. Oudomxai and B. Thouay). The villages along the northern stretch of the road do not have any health facilities and must travel between 3 km and 28 km to reach a health facility. All the villages except B. Thadkoum have participated in the national vaccination program. The nearest hospital is at Attapu, which is inaccessible to most of the villages during the rainy season.

Only three villages are visited by agricultural extension workers, and they are the villages closest to M. Xaisetha and B. Mixai.

## 4. Resettlement Policy Framework

### 4.1 Review of Lao PDR Laws and Regulations

The resettlement policy framework for ADB 10 has been built upon the laws of the Government, and ADB's *Policy on Involuntary Resettlement* (1995). This Project will be bound by the principles and conditions stated in this resettlement plan and principles adopted in this resettlement plan will supersede the provisions of relevant decrees currently in force in Lao PDR wherever a gap exists.

In Lao PDR, compensation principles and policy framework for land acquisition are governed by several statutory laws; such as, the Constitution (1991), Forestry Law (1996), Land Law (1997) and Road Law (1999). However, the Land Law (No. 01/97) is the most critical. It provides for the issuance of a Land Title, which attests provisional ownership rights to use agricultural as well as forestland<sup>16</sup>. Land titling is being undertaken in a number of towns, although as yet it has not reached the rural areas. More commonly held are Land Use Rights Certificates (often known as Form 01), which are declarations of land use for tax purposes and are considered as evidence of land use. In case of acquisition, those with Land Title and Form 01 holders (and for example, Survey Certificate, land tax receipts, residency certificate, customary land use rights)<sup>17</sup> receive compensation under the law. Similarly, the Road Law (1999) requires "reasonable" compensation to the owner of land to be expropriated for right-of-way, relocation and replacement structures and loss of trees and crops<sup>18</sup>. In this resettlement plan, all APs regardless of whether they have land title or certification or are unregistered users are entitled to compensation for losses caused by the Project.

People without any proof of ownership and/or certificates are considered "unregistered" users. The Land Law, however, provides mechanisms (for example, residency or use of the land by the unregistered user for at least two years) by which individuals can apply for certification.<sup>19</sup> While both the Land Law and the Road Law ensure compensation for legal owners of properties under acquisition, they do not guarantee either replacement value of the acquired properties or restoration of income, or indeed provide for compensation to non-legal (but not illegal) users<sup>20</sup>.

#### 4.1.1 The Constitution

Article 14 of the Constitution declares that the State protects and promotes all forms of state, collective, and individual ownership.

Article 15 declares that the land within the Lao PDR is owned by the national community and that the State ensures the right to use, transfer, and inherit it in accordance with the law.

Article 8 establishes the right of all ethnic groups to protect, preserve and promote their customs and heritage. All acts of division and discrimination among ethnic groups are prohibited.

<sup>16</sup> Articles 17-18 and 21-22 of the Land Law (No. 01), 1997.

<sup>17</sup> These certificates are issued at the District level.

<sup>18</sup> Road Law (1999), Article 19 – Compensation for land acquired for road activities.

<sup>19</sup> The "unregistered" users are thus not "illegal," because such usage constitutes a process in the eventual ownership.

<sup>20</sup> Lao PDR – Rural Access Roads Project RIP, December 2000, p. 7.

These principles of protection, property ownership and land use are further elucidated and defined in the Forestry Law (1996) and the Land Law (1997), both of which determine current resettlement policy. The Land Law has the most significance for the project.

#### **4.1.2 Land Law**

##### **(a) General Provisions and Land Management**

The 1997 Land Law, is the principal legislation by which the State exercises its constitutional responsibility for the management, preservation, and use of land. Several articles of this Law are relevant to issues of resettlement.

Article 3 of the Law reaffirms that all land in the Lao PDR is the property of the national community under the centralized and uniform management of the State. It provides that the land is entrusted for efficient use to individuals, families, and other entities. It specifically states that land may not be used as a tradable commodity. "Ownership," thus, consists of the right to use land, and speculation in land is prohibited.

The constitutional rights of land users are protected by Article 5, which provides for state protection of the lawful interests of efficient, regular, and long-term users, and at the same time it guarantees their rights to possession, use, usufruct, transfer, and inheritance.

Article 11 classifies land into eight categories, and subsequent chapters of the Law are concerned with the management of each. The categories are: agricultural land, forest land, construction land, communications land, cultural land, defence and security land, and water area land. For this Project, the two major categories of concern are agricultural land (i.e., land permanently improved for agricultural purposes) and construction land (i.e., land designated for dwellings and other buildings).

##### **(b) Land Registration and Certification**

Article 43, refers to the certification of the lawful land use rights of persons or entities. There are two land registration methods (Article 44) by which individuals can register the land which they are using lawfully. Firstly is systematic land registration, which is carried out throughout a particular designated area where land allocation, zoning, or classification is required. Systematic registration confers a Land Title. Secondly, persons or entities can make application to certify their right to use certain land. This is done through issue of a Survey Certificate. These are the documentary evidence of the long-term rights to use land. This certificate has been called a "Land Title" in several translations and documents, however, land ownership is retained by the State and the right of use can be forfeited if land is not used efficiently (Article 62), and therefore these do not constitute a land title, per se.

There are two types of certification. Firstly under Article 48, there are the documents that certify the temporary right to use agricultural or forest-land which are issued at the district level. These are known as Temporary Land Use Certificates and can be inherited, but cannot be transferred or used as collateral.

<sup>21</sup> Formulated under assistance from ADB TA 3746-LAO.

<sup>22</sup> Loan 1867: Environment and Social Program, approved 6 December 2001 for \$20.0 million.

<sup>23</sup> This could be an extension of the \$3 million Sida funded technical assistance grant to Strengthen Environmental Management (SEM) through STEA (2001 – December 2003).

The second type of certification (Article 49) is the declaration of the land use for the purposes of levying a land tax from the user. This is often referred to as the Form 01 and can be sold but is not accepted as collateral. A common misconception is that Form 01 is a type of title, but it is not.

Persons entitled to use the land, have the following rights: to keep the land for a specific purpose, to use the land in accordance with the State's management plans, to enjoy usufruct from the land, to transfer the right of land use, and to bequeath the right of land use.

**(c) Unregistered Land Users**

The Land Law does not specifically address itself to unregistered land users. It does, however, provide the registration and certification methods described above by which individuals can register the land which they are using lawfully. Article 81 further provides that persons or entities that are lawfully keeping, using, and developing land with efficiency will be awarded the right to use that land, all other conditions being met.

**(d) Compensation**

Article 63 states that the right of land use shall terminate either through voluntary relinquishment of the land or if the State retrieves the land for public purposes. This is applicable to the project, in which small amounts of land will be taken and some dwellings will need to be moved.

Compensation is treated in Articles 67 to 71 of the Land Law. Article 69 states that persons or entities who receive a right-of-way and thereby cause damage to crops or buildings must make appropriate compensation. Article 70 states that when the use of land belonging to other persons or organizations becomes necessary for the public interest, the State will compensate any damage suffered by the rightful user of the requisitioned land, as appropriate. Furthermore, the Law requires that each village, province, municipality, or special zone keep five percent of its total land area in reserve to ensure the compensation of requisitioned land.

Evaluation of the damage is provided by Article 71, which states that the evaluation will be done by a committee composed of representatives of the various concerned parties.

#### **4.1.3 Road Law**

The Road Law, approved in April 1999, sets out the road limits, including the right-of-way, for different classes of roads. Based on this law, those who have land use rights will be compensated if the land is expropriated for road construction.

This Law provides for a right-of-way of 25 m from the centreline for national roads and 15m from the centreline for provincial roads. In practice, however, even for national roads a clear corridor of 15 m from the centreline has been enforced. This was the case with the Road 9; East-West Transport Corridor Project, as agreed between ADB and MCTPC, and it is the practice in the provinces and districts included in the Rural Access Roads Project - ADB 9.

For the purposes of the resettlement census for the roads under ADB 10 a right-of-way of 15 m from the existing centreline of the road has been used.



## 4.2 ADB Resettlement Policy

### 4.2.1 Policy on Involuntary Resettlement

ADB's policy and guidelines must also be followed in all of the Bank's operations. The guiding principle of ADB's *Policy on Involuntary Resettlement* (approved in November 1995) and also set out in the *Handbook on Resettlement: A Guide to Good Practice* (1998) is that APs should be "...compensated and assisted so that their economic and social future will generally be at least as favourable with the project as without it".

ADB's Policy also stipulates that the absence of formal legal title to land by some affected groups should not be a bar to compensation and that "*particular attention should be paid to the needs of the poorest affected persons including those without legal title to assets, female-headed households, and other vulnerable groups, such as indigenous people, and appropriate assistance provided to help them improve their status.*"

## 4.3 Project Compensation Policy and Principles

### 4.3.1 Basic Principles

The basic principles of the Project are:

- (i) Involuntary resettlement and loss of land, structures and other assets and incomes shall be avoided and minimized by exploring all viable options.
- (ii) APs shall be provided with compensation for their lost assets, incomes and businesses, and provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income levels and productive capacity.
- (iii) Lack of legal rights to the assets lost will not bar the affected persons from entitlement to such compensation and rehabilitation measures.
- (iv) Replacement of affected assets shall be provided at their current market values and without deduction for depreciation.
- (v) Preparation of resettlement plans (as part of subproject preparation) and their implementation shall be carried out with participation and consultation of affected people.
- (vi) Schedule of budget for resettlement planning (including socio-economic survey/census) and implementation must be incorporated into those of each subproject and the overall project.
- (vii) Payment of compensation or replacement of affected assets and any resettlement to new locations must be completed prior to the award of civil works contract for the subproject. Rehabilitation measures must also be in place, but not necessarily completed, as these may be ongoing activities.
- (viii) Compensation and rehabilitation assistance for ethnic minorities, and socially disadvantaged such as households headed by women, the disabled and elderly will be carried out with respect for their cultural values and specific needs.

### 4.3.2 Project Policies

For the implementation of the above principles, the following policies shall apply:

- (i) Land acquisition and involuntary resettlement will be avoided where feasible or minimized by identifying among possible alternative project designs, appropriate social, economic, operational and engineering

- solutions that have the least adverse impacts on populations in the Project Area.
- (ii) Where population displacement is unavoidable, individuals, households and communities losing assets, livelihood and other resources will be fully compensated and assisted so that they can improved or at least restore their former economic and social conditions.
  - (iii) Compensation and rehabilitation support will be provided to any APs, includes any person or persons, household (sometimes referred to as project affected family), a firm, or a public or private institution who, in the context of acquisition, or repossession, of assets or change in land use, as of the cut-off date, on account of the execution of the Project, or any of its sub-components or part, would have his, her, or their;
    - Standard of living adversely affected;
    - Right, title or interest in all or any part of a house, land (including residential, commercial, agricultural, plantations, forest and grazing land, trees, standing crops) or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily adversely affected;
    - Income earning opportunities, business, occupation, place of work, residence, habitat or access to forest or community resources adversely affected temporarily or permanently, with or without displacement;
    - Social and cultural activities and relationships and other losses that may be identified during the process of resettlement planning.
  - (iv) The last day that the detailed measurement survey will be carried out as part of the planning process for the project roads will be the cut-off date for compensation eligibility for physical assets for the Project roads.
  - (v) Where significantly large or entire land holdings are affected by a project, the general mechanism for compensation for affected agriculture, residential or commercial land shall be through provision of "land for land" arrangements of equivalent size and productivity and at location acceptable to the AP.
  - (vi) If a house or other structure is only partially being affected by the Project and the remaining structure is rendered unviable for continued use or in area less than the minimum relevant structure size under the prevailing standards, the AP shall 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. In case the remaining house or other structure is viable for continued use, APs shall be entitled to assistance in cash or material for restoration of the remaining structure in addition to the compensation at replacement cost for affected portion.
  - (vii) APs whose land or assets are temporarily taken by the works under the project shall be fully compensated for their net loss of income, damaged assets, crops and trees, as the case may be. The project authorities shall also ensure that the land and structures are returned in its pre-project state.
  - (viii) Compensation of affected populations dependent on agricultural activities will be land-based wherever possible, with cash compensation avoided as an option as this may not address losses that are not easily quantified, such as access to services and traditional rights, and may eventually lead to those populations being worse off than without the Project.
  - (ix) Affected populations that stand to lose only part of their physical assets will not be left with a proportion that will be inadequate to sustain their current standard and convenience of living; such a minimum size being identified and agreed during the resettlement planning process.

- (x) Affected populations will be systematically informed and consulted about the Project, the rights and options available to them and proposed mitigating measures, and to the extent possible be involved in the decisions that are made concerning their resettlement.
- (xi) The consultative process will include not only those affected, but also representatives of the local governments of the areas in which the Project is located, leaders of host communities, civil society organizations such as non-government organizations, and members of local mass organizations (such as Women's Union, Youth Organization and members of local ethnic minority communities). Any RP must consider the needs of those most vulnerable to the adverse impacts of resettlement (including the poorest, ethnic minorities, women, children and the elderly) and ensure they are considered in the formulation of RP and in the options and mitigation measures identified.
- (xii) Adequate budget support by the MCTPC will be fully committed and made available to cover the compensation and resettlement with the agreed implementation period. Clear budget commitments are required for critical activities such as formal detailed physical surveys and administrative functions associated with compensation and resettlement.
- (xiii) Replacement lands shall preferably be within the immediate vicinity of the affected lands and of comparable productive standards and potential, failing which sites should be identified that minimize the social disruption of those affected; such lands should have access to services and facilities similar to those available in the lands affected.
- (xiv) Displaced households shall be assisted with the move and supported during the transition period at the resettlement site so that they do not have to bear any of the displacement and relocation costs.
- (xv) Organization and administrative arrangements essential for the effective implementation of the RP will be identified and in place prior to the commencement of the process; this will include provision of adequate human resources for supervision, liaison and monitoring of land acquisition and rehabilitation activities.
- (xvi) Appropriate reporting (including auditing and redress functions), monitoring and evaluation mechanisms, will be identified and set in place as part of the resettlement management system.
- (xvii) The award of civil works contracts will be given "no objection" after the evaluation of resettlement plan implementation by the Supervision Consultant has been cleared by ADB noting that the Government has completed satisfactorily and in accordance with the principles set out above and the approved resettlement plan compensation payment and resettlement, and ensured rehabilitation assistance is in place and the area for the civil works has become clear of all encumbrances.
- (xviii) Community facilities and infrastructure damaged due to the Project, the project proponents/developers shall be restored or repaired as the case may be, at no cost to the community.
- (xix) Any acquisition of, or restriction on access to resources owned or managed by affected community as a common property shall be mitigated by arrangements ensuring access to improved or at least equivalent resources on a continuing basis. Attention shall also be paid to ensure that directly affected APs get due share of such benefits, corresponding to their personal losses, if any, that accrue to community on a collective basis.
- (xx) No resettlement activities, including the detailed measurement survey after detailed design, shall begin until after the construction supervision consultant's resettlement specialists have mobilized.
- (xxi) Economic Rehabilitation

- All APs severely affected by the Project due to the loss of productive assets (agricultural, commercial or industrial land), means of livelihood, incomes, employment or businesses, and access to community resources will be entitled to rehabilitation measures including income restoration programs, agricultural extension assistance, over and above their entitlements for compensation and other allowances, enabling them to attain, at a minimum, pre-project livelihood levels on a sustainable basis.
  - These rehabilitation measures would specifically focus on vulnerable groups such as female-headed households, disabled-headed households, itinerant workers, households falling below the national poverty line, elderly households with no means of support and landless households. Adequate assistance, in addition to compensation for affected assets and other allowances, will be provided such that their economic and social well-being can be improved and to enable such APs achieve household income targets set above the national poverty line.
  - For displaced persons whose land-based livelihood are affected due to the Project, preference shall be given to land-based resettlement strategies.
- (xxii) Where local communities or individuals elect to make voluntary contribution of affected land without compensation in accordance with traditional practices, this shall be acceptable only if the following safeguards are in place:
- Full consultation with landowners and any non-titled affected people on site selection;
  - Ensuring that voluntary donations do not severely affect the living standards of affected people, and are linked directly to benefits for the affected people, with community sanctioned measures to replace any losses that are agreed to through verbal and written record by affected people;
  - Any voluntary “donation” will be confirmed through verbal or written record and verified by an independent third party such as a designated nongovernment organization or legal authority; and
  - Having adequate grievance redress mechanisms in place.

## 4.4 Eligibility and Entitlement

### 4.4.1 General

The primary objective of the resettlement plan is to provide the framework for compensation for lost assets and resettlement of APs. The resettlement plan identifies (i) the extent of losses; (ii) the policy and legal framework for compensation and resettlement; (iii) institutional framework for participation and implementation; (iv) provision for employment and poverty reduction; and (v) responsibilities for monitoring the implementation measures.

A preliminary census was conducted during April - May 2000 and then reviewed between November 2002 and January 2003. The detailed measurement survey (DMS) will be undertaken in tandem with the technical surveys and verification of detailed design, at this stage the alignment and right-of-way can be marked out on the ground. Affected villages will be informed in advance that DMS shall be undertaken concurrently with the engineering survey and that the DMS will be the cut-off date for entitlements under the

Resettlement Plan. On completion of the DMS, APs will be given 14 days to review the DMS form and confirm (or otherwise) the amount and type of loss they will incur and the compensation to which they are entitled. Persons who encroach onto the right-of-way after the cut-off date will not be entitled to compensation or any other form of resettlement assistance.

General eligibility is defined as:

*“All people residing, cultivating or making a living within the area to be acquired for a project as of the formally recognized cut-off date should be considered as project affected persons (APs) for the purposes of entitlements to compensation, resettlement and rehabilitation assistance in accordance with the provisions of this Decree. Lack of legal Land Use Certificate or any acceptable proof indicating land use right to the land or structure affected by the project should not bar any person from such entitlement/assistance.”*

In line with this definition, APs for the purpose of this resettlement plan include the following persons who have been identified during the census and will be confirmed during the DMS:

- (i) Persons or households whose **agricultural, residential, or commercial land** is in part or in total affected (temporarily or permanently) by the project;
- (ii) Persons or households whose **houses and other structures** are in part or in total affected (temporarily or permanently) by the project;
- (iii) Persons or households whose **businesses or source of income** (i.e. employment) are affected (temporarily or permanently) by the project;
- (iv) Persons or households whose **crops (annual and perennial) and trees** are affected by the project; and
- (v) Persons or households whose **other assets** are in part or total affected (temporarily or permanently) by the project.

#### 4.4.2 Project Impacts and Entitlements

Entitlements for each type of AP are based on the types and levels of losses. The Entitlement Matrix for the project is shown in Table 9.

##### A. Land

##### 1. Temporary Loss of Agricultural, Residential or Commercial Land and Compensation for Damages During the Construction Period

- (i) Extreme care shall be taken by contractors to avoid damaging property. Where damages do occur, the contractor will be required to pay compensation immediately to affected families, groups, communities or government agencies. Damaged property will be restored immediately to its former condition.
- (ii) For loss of use of land for a period less than one year (e.g. during construction).
  - No compensation for land if returned to original user and in original or better condition. Restoration of agricultural land to its previous or better quality by providing measures to improve land quality;
  - Cash compensation for loss of crops and trees at market prices and compensation for loss of net income from subsequent crops

- that cannot be planted for the duration of the temporary use arrangements; and
- (iii) If the disruption is more than 1 year, APs have an option to (a) continue the temporary use arrangements or (b) sell affected land to the project at full replacement cost.

## **2. Permanent Loss of Agricultural, Residential and Commercial Land**

### **a. Agricultural Land**

- (i) Compensation will be through the provision of “land-for-land” of equal productive capacity of the lost land satisfactory to APs;
- (ii) Cash compensation for loss of crops and trees at market prices; and
- (iii) Farmers who lose 20 percent or more of their total agricultural landholding, and are therefore severely affected, will be entitled to a transition subsistence allowance and rehabilitation assistance such as agricultural extensive assistance to increase productivity on remaining land.

### **b. Residential and Commercial Land**

- (i) Compensation will be through the provision of “land-for-land” of equivalent size satisfactory to APs;
- (ii) If the residential or commercial land and/or structure is partially affected by the project and the remaining residential land is not sufficient to rebuild the structure lost, then at the request of the APs, the entire residential land and structure will be acquired at replacement cost without depreciation;
- (iii) Structure owners who are able to move back from the right-of-way within their existing lots will be assisted to do so and will receive compensation at replacement cost for frontage lost to right-of-way; and
- (iv) When the only vacant land available in a village is not suitable for residential or commercial construction, the project will provide earthmoving equipment to create viable homestead plots.
- (v) Compensation for commercial land will be through the provision of alternative business or commercial site of equal size and accessibility to customers satisfactory to APs.

## **3. Houses and Structures**

All houses and other structures including simple shops and rice bins - regardless of construction standard - must be rebuilt outside of the right-of-way. Owners of structures will receive compensation in cash or kind at replacement cost for the structure. All relocating APs will receive allowances to assist them during the transition period [refer to item (8)].

#### **4. Crops and Trees**

- (i) Cash compensation for loss of crops and trees at current market value; and
- (ii) Compensation for crops will be based on the anticipated harvest at market value while compensation for trees will be based on the type, age and productivity. Compensation for standing crops will be paid at market value expected at harvest, regardless of the maturity of the crop; and
- (iii) Compensation for perennial trees – a lump sum amount for young non-bearing fruit trees to cover the cost of maintenance and inputs; and for fruit bearing trees, cash compensation for three years' production value at the current market value.

#### **5. Loss of Common Property Resources**

The effects on common property resources will be compensated through affected land being replaced through consultation; and, restoration of affected community buildings and structures will be made to original or better condition.

#### **6. Temporary Loss of Business**

The owner of businesses or shops affected will be entitled to cash compensation for loss of business during the period of dismantling, moving, rebuilding, and re-establishing their business at the new location. For informal businesses, cash compensation equivalent to the provincial daily wage rate for the transition period.

For formal businesses, cash compensation for the lost income during the transition, based on tax declaration.

#### **7. Loss of Workday Income**

Heads of households with structures affected will be entitled to compensation for loss of workdays during the period of dismantling, moving, and rebuilding their structures. The amount will be equivalent to the provincial daily wage rate for the transition period.

#### **8. Transition Allowances**

Several different types of allowances will be provided during the transition period while households and livelihoods are being re-established: materials transportation allowance, transition subsistence allowance, repair allowance and special allowance for loss of business.

- (i) Materials transport allowance: assistance in cash or kind to move structures, salvaged and new building materials, and personal possessions;
- (ii) Transition subsistence (i.e. food) allowance preferably payable in kind, but where this is not logistically possible and at the specific request of APs, this allowance may be given in cash:
  - Relocating households whose income is affected or severely affected farmers who lose 20% or more of their total productive land will be entitled to six months supply of rice per person in the household.
  - Relocating households whose income is not affected will be entitled to three months supply of rice per person in the household.

- (iii) Repair allowance: APs whose structures are only partly affected and the remaining part is viable for continued use will be entitled cash payment, over and above their compensation for affected part of structures, to cover the cost of repair of remaining structure. The amount should be sufficient to cover whole cost of repairs and may vary with the type of structure affected. Temporary structures will need relatively modest amount while the allowance for a permanent multi-storied structure will be significantly large.

## **9. Rehabilitation Assistance**

- (i) Severely affected farmers would be entitled to agricultural assistance to improve productivity on their remaining or new land.
- (ii) APs affected by severe loss of other productive assets (commercial land, shops, business premises), income and employment due to the Project would be entitled to rehabilitation assistance in addition to their entitlements to compensation allowances. Shops and businesses would be assisted to relocate to similarly advantageous locations. All lost income would be compensated during the transition period.

The Entitlement Matrix, Table 9, provides further details regarding the application of the policy, eligibility, entitlements and implementation responsibilities.

## **10. Compensation for Damages During Construction**

Extreme care shall be taken by contractors to avoid damaging property. Where damages do occur, the contractor will be required to pay compensation immediately to affected families, groups, communities or government agencies. Damaged property will be restored immediately to its former condition.

## **11. Other Assistance**

Vulnerable households would be provided special assistance, in accordance with the needs identified during the DMS, to ensure that they are able to re-establish themselves and improve their income levels. Assistance will also be available through implementation of the measures included in the community development plan.



**Table 9: Entitlement Matrix**

Type of Loss	Identification of APs	Entitlement
Permanent loss of land—agricultural or orchard	All land owners and users	(a) For severe impact (i.e. 20% or more of total productive land area lost), full title to replacement land of equal productivity at a location acceptable to APs wherever available AND transition subsistence allowance AND income restoration (agricultural extension assistance); OR (b) For marginal losses (i.e. less than 20% of total productive land area), cash compensation for lost land at 100 % of replacement cost at the informed request of APs.
Temporary loss of agricultural land	Loss of the use of the land for a period up to a maximum of 6 months	(a) Cash compensation for loss of net income, damaged assets, crops and trees at market value. (b) Restoration of land to former state.
Homestead and/or commercial land (without structures built thereon)	All owners and occupants	Cash compensation at 100% of replacement cost of the affected land at current market value or replacement land.
Homestead and/or commercial land (with structures built thereon)	With remaining legal homestead and/or commercial land sufficient to rebuild	(a) Cash compensation for lost land at full replacement cost at current market value; AND (b) Transition subsistence allowance (see below).
Homestead and/or commercial land (with structures built thereon)	Without remaining legal homestead and/or commercial land sufficient to rebuild	(a) Full title to replacement land equivalent in area and at a location acceptable to APs; AND (b) Transport allowance or assisted transfer to the new site; AND (c) Transition subsistence allowance (see below).
Structures – all residential or commercial including simple shops and rice bins	Legal owner of structure	(a) Compensation at full replacement cost at current market value without depreciation or deductions for salvaged material. (b) Repair costs to rebuild the house front if structures partially affected.
Tenants of residential and/or commercial structures	Tenant of structure	(a) Cash assistance equivalent to three months rental allowance and assisted to find alternative rental accommodation, AND (b) Transport allowance or assisted transfer to the new site, AND (c) Transition subsistence allowance.
Loss of work income	Head of relocating household without business affected	Compensation in cash for loss of workdays during the period of dismantling, moving and rebuilding their structures. The amount will be equivalent to the provincial daily wage rate according to set amount for various types of structures, to be determined during the DMS and replacement cost survey.
Loss of business income	Head of household of relocating business including simple shops	Cash compensation for lost business income during the period of dismantling, moving, rebuilding and re-establishing business at the new location, amounts to be determined during the DMS. For informal businesses, cash compensation equivalent to the daily wage rate for the transition period according to a set amount for various types of sizes of informal businesses, to be determined during DMS and replacement cost survey. For formal businesses, cash compensation for the lost income based on tax declarations.
Graves	AP household who owns graves	Cash compensation for all costs of excavation, movement and reburial.
Private wells	AP household who owns the well	Cash compensation at replacement cost or a replacement well if requested by AP.
Crops	Owners of affected crops	Cash compensation at current market price.

Type of Loss	Identification of APs	Entitlement
Perennial trees	Owner of trees	(a) A lump sum amount for young non-bearing fruit trees to cover the cost of maintenance and inputs; (b) For fruit bearing trees, cash compensation at 3 years production value at current market value.
Non-perennial trees	Owner of trees	Compensation at current market value for timber.
<b>Allowances</b>		
Materials transport allowance	Owners or occupants of relocating residential or commercial structures including rice bins and simple shops	Assistance in cash or kind to move structures, salvaged and new building materials and personal possessions.
Transition subsistence allowance	(a) Owners of houses or commercial structures or simple shops or rice bins who are displaced without impact on business or source of income (b) Owners of houses or commercial structures or farmers who are displaced and lose 20% or more of their total productive assets	(a) cash or kind equivalent to 3 months supply of rice per person at current market value. (b) cash or kind equivalent to 6 months supply of rice per person at current market value.
Repair Allowance	Owners of partially affected structures where the remaining part is viable for continued use.	In addition to compensation for the affected part of the structures, AP will be entitled to cash payment to cover the whole cost of repairs.
Income restoration	Severely affected farmers who lose 20% or more of their productive assets	Agricultural extension assistance to increase productivity on remaining or new land
Special assistance to vulnerable groups	Households belonging to vulnerable groups such as the very poor, or households headed by women, the elderly, or disabled without support	Special assistance to be provided depending on the needs and priorities of the vulnerable households as identified during the Detailed Measurement Survey. And assistance under the Community Development Plan.

## 5. Consultation and Participation

### 5.1 General

Consultation with stakeholders and the wider community in the project area has been ongoing for a number of years (refer to Section 4.2), and has been undertaken by both the EA and consultants. Participation of beneficiaries and APs has been undertaken during the PPTA through meetings with stakeholder agencies (i.e. DOR-SED, DCTPCs, STEA, the World Bank/AusAID Land Titling Project, Department of National Land Use Development & Planning, Non-formal Education Development Centre, IUCN, GTZ Lao-German Family Health Project, NCCAB and Lao Women's Union), interviews and focus group sessions with village administrations, and surveys of APs and beneficiaries in the project area. The list of people consulted during the technical assistance is attached as Appendix 1.

There will be a community education campaign for the overall Project. The community education campaign will cover a number of aspects related to public information dissemination and awareness raising regarding the various components and benefits of the project. In summary, social preparation for the project will include the following components:

- (i) Resettlement, compensation and rehabilitation process and activities including production and distribution of the public information booklet;
- (ii) Non-formal education (numeracy, literacy and marketing skills) for villages with low literacy rates and high proportions of ethnic minorities;
- (iii) A special action for non-timber forest product (NTFP) management is included in the resettlement plan for the Pakxan - B. Thasi road; and
- (iv) A community education campaign including HIV/AIDS/STD and Trafficking awareness and prevention programs, community traffic safety and education program, and land rights awareness and process for providing Land Use Rights Certificate to any household that does not have one already.

A Social Action Plan that draws together all of the elements for social preparation and mobilisation has been prepared for the project.

### 5.2 Disclosures and Stakeholder Participation

The people in the project area are aware, and generally supportive, of the project. Indeed, road improvement project preparation has been in the public arena for several years. DOR officials and subsequent PPTA Team members have conducted meetings with AP households and district administrations. However, local residents are still not fully aware of the potential Project impacts and benefits, particularly related to land acquisition, compensation and resettlement benefits.

As noted above, there will be a community education campaign for the project so that all project information, consultation and participation activities can be coordinated. The costs of the community education campaign are included under general project mitigation measures, as opposed to being a resettlement cost. The Social Action Plan should be referred to for details.

A public information booklet in Lao language has been distributed to all APs. with information on ADB 10 compensation policy, compensation payment procedures, and construction schedule aimed at social preparation for relocation and resettlement of the affected persons (including reference to enhancement and mitigation measures). DOR is responsible for distribution of the brochures through the Provincial, District and Village resettlement committees. The public information booklet is attached as Appendix 4. Information will be disseminated again at the start of resettlement activities.

During the implementation stage, resettlement committees will be formed at various levels to seek inputs from stakeholders in the decision-making and implementation of the resettlement plan. APs and minority groups will also be represented in those committees and be involved in any grievance resolutions (refer to section 4.3) concerning compensation and other resettlement benefits.

The PRC will have the responsibility of explaining the mechanisms and procedures of the consultation program and how APs will be engaged in resettlement activities and the overall process to district and village leaders, and they, in turn, will explain it to APs.

Consultations with affected households will be conducted to determine their preferences for relocation, compensation, and payment scheme and compensation rates, and to keep them up to date on progress and other related matters. Notices based on the resettlement plan will be printed and distributed to affected villages, and households.

Finally, there will be continuous on-site consultation - through the community mobilizers and other construction supervision and project management staff - during the implementation stage to ensure that APs receive due entitlements and benefits.

The resettlement plan or its summary will also be posted on the ADB's website.

### **5.3 Complaints and Grievances Resolution**

APs will have the right to file complaints and/or queries on any aspects of land acquisition and resettlement such as inventories, valuation, and entitlements. Any AP who has had land or their structure expropriated or altered and believes that they have not been compensated or assisted in compliance with their entitlements will be able to express their grievances to the VRC.

Each village also has its own grievance mechanism through its district council. Such complaints shall be discussed with the community mobilizer who shall assist the AP in documentation (if required) the complaint and submitting it first with the VRC. The VRC is obliged to reply and explain the decision within 15 days. If APs are not satisfied, the grievance applications will be forwarded to DRC for resolution within 15 days from the date of filing the complaint with DRC.

Any APs who are still not satisfied can go up to PRC/DOR/MCTPC, which will issue a final decision within 30 days.

Appeals regarding any aspect of relocation or compensation will be lodged with the district council, which must act on it within 30 days. If they are not satisfied at this level, they can bring it to the resettlement committee for appropriate action within 30 days. Those who are still not satisfied can lodge their complaint with the MCTPC which will issue a final decision within 30 days.

Attempts should be made to settle the issues at the village level through community consultation, involvement of the community mobilizers and construction supervision

resettlement specialists as required, the Lao Women's Union and any other concerned local-based organizations. All complaints and resolutions will be properly documented by the concerned RC and be available for review for monitoring purposes.

As part of the post-evaluation and monitoring, the grievances will be reviewed by the construction supervision resettlement specialists, under the resettlement plan policy framework and decisions regarding grievances shall be consistent with approved policies and entitlements.

#### **5.4 Resettlement Database**

The preliminary IOL and resettlement-related data have already been computerized by the PPTA Consultants. The consultants will transfer the database to DOR-SED at the completion of the PPTA contract. The database will be updated during resettlement plan implementation.

The AP and resettlement database will act as the key source of information for implementation and monitoring. Individual files for each affected households will be prepared for checking and verification purposes. Each file will contain detailed socio-economic and demographic data on individual households, lost assets, compensation entitlements and payments, relocation, collected during the final detailed measurement survey. The database will enhance institutional capacity of DOR in resettlement management for ADB 10 and other projects

## 6. Relocation of Housing and Settlements

### 6.1 Homestead Land and Structures

The Social Assessment<sup>25</sup> which forms part of the project reporting noted that resettlement activities will be limited, and will involve mostly dwellings, the homestead land on which they stand, and agricultural land. In previous work the terms permanent, semi-permanent and temporary have been used to define the various standard of houses to be affected by the project. In this resettlement plan, the classifications have been changed (as set out in the table below) because the term “temporary” house infers some degree of transience on the part of the inhabitants. This is not the case, owners (or dwellers) of “temporary” houses consider that their houses and their inhabitation of them are “permanent” even though they might not be built of more substantial construction materials. Use of such terms also tends to reduce the seriousness afforded to resettlement and relocation issues for households living in “temporary” houses on the part of executing agencies.

**Table 10: Standard of Structures**

Term Used Previously	Term Used in this resettlement plan	Description
Temporary	Simple	Bamboo walls and floor, thatch roofing, sometimes on stilts
Semi-permanent	Traditional	Wooden frame, wood or bamboo walls, galvanised iron or thatch roofing, usually on stilts
Permanent	Modern	Masonry (brick or concrete) or brick and wood frame, walls and floor, sawn/plank timber, galvanised iron or tile roofing, often more than one-storey in height, sometimes on stilts

The right-of-way will affect one modern house at the start of the alignment (in B. Oudomxai), 14 traditional houses, and 33 simple structures (including eight shops). For the houses and homestead land effects, all of the households (84) can be accommodated by shifting back, beyond the right-of-way. The owners of the eight shops will be relocated elsewhere in the village to a location with comparable advantage for restoring business acceptable to the AP.

Several fences will be affected by the construction of the road. All fences are bamboo (i.e. no wood or wire fences) and consultation with APs and Village Chiefs indicated that the fences can be uplifted and reinstated comparatively easily. Therefore, no replacement as such will be required, and costs for individual fences have not been included in the overall compensation cost estimate because as part of the measure to mitigate the risk associated with traffic accidents, fencing of properties along the road will undertaken to prevent children and animals running out into the road. A line item for bamboo fencing has been included in the cost estimate.

### 6.2 Agricultural Land and Structures

Agricultural land affected by the Project is mostly banded paddy fields, and will need to be compensated. In all some 1.07 ha of paddy land will be cleared for the right-of-way, generally by resumption and exchange of land rights. Where the land is registered,

<sup>25</sup> PCI: Rural Access Roads Improvement Project - Social Assessment - Volume 2 (TA 2889-LAO, July 2000).

registrations will have to be changed. Depending on the construction season, standing crops may also be lost and will need to be compensated. Paddy land will be required from 30 households, there are no households losing trees.

Agricultural structures include rice stores (granaries), these are typically bamboo and thatch and raised off the ground by stilts. A total of 11 households will have their rice stores affected by the road right-of-way. Rice stores can be located up to 100 m from the road without causing too much inconvenience. All of the rice stores will be relocated behind the existing locations (i.e. beyond the right-of-way).

### **6.3 Village Effects**

#### **(a) B. Oudomxay**

B. Oudomxai is the village at the start of the alignment, located at the junction of the project road and the Lao-Viet Nam road. The village is entirely Lao Loum (125 households). All homestead lands are distributed by the village administration and each household has been allocated a piece of land 25 m on the road and 30 m inward toward the village. Villagers have been informed that they should locate structures 8 m from the edge of the road, while the DCTPC stated they must not locate structures any less than 5 m from the edge of the road. However, DOR has stated no that no structures will be permitted within the ROW. There is adequate land in the village for people to receive replacement land at the rear of their existing plots if frontage is required for the right-of-way.

The village administration noted that a number of villagers were adversely affected by the Lao Viet Nam project. Some villagers lost land and were given replacement land by the village. Those households that lost their structures were compensated at 50 percent of construction and transportation costs required for building a new structure.

Because the homestead land in this village is allocated by the village administration, boundaries are fixed and marked with wooden fences. Dikes are used to identify the boundaries between household paddy land.

In total, 13 households will be affected by clearance of the right-of-way. A total of five houses and three shops, six paddy fields, and six rice houses will be affected.

#### **(b) B. Thouay**

While B. Thouay is a predominantly Lao Loum village, there are also 32 Lao Theung families living there. It is home for 168 households, a number of which have constructed houses on the Xaisetha - Sanxai road because they want to experience the benefits of living near a road. Most new structures have been built beyond the right-of-way. Boundaries between paddy land are determined by dikes fences. There are few, if any demarcation lines between homestead land, but the villagers seem to know reasonably accurately where their boundaries are. Right-of-way clearance will affect 17 households. A number of paddy fields have already been affected due to road clearing in 1998, when some paddy fields were divided into two. Additional paddy land will need to be cleared for right-of-way, with land takes averaging 350 m<sup>2</sup>. In addition to the 16 households losing paddy land, eight of them also lose houses and homestead land.

#### **(c) B. Phiakeo**

B. Phiakeo is a new village, about 5-6 years old, located on both sides of the road. The village relocated from its previous location some 7 km from the road. There are a total of 64 Lao Theung households. Similar to B. Oudomxai village, the homestead land was

distributed by the village administration and boundaries are clearly marked. During the consultation, the villagers mentioned that they used to have great difficulty travelling to Xaisetha or Sanxai, they had to travel on foot and it took 2 days to reach Xaisetha and 3 days to reach Sanxai. They commented that even with the road it is difficult to travel in the rainy season. According to the village administration, when the road was constructed in 1997, it was located through the paddy fields and similar to B. Thouay a number of paddy fields were split into two.

A total of 10 households will be affected, 3 losing homestead land (2 houses and 1 shop) and 7 losing paddy land (average 300 m<sup>2</sup>).

**(d) B. Mixai**

B. Mixai is a village of 159 households, predominantly Lao Theung (Alak) and a very small number of Lao Loum families. This village was established when people here from B. Dakhieng and Dak Yorn in 1998. Village land was distributed evenly to all villagers who received plots along the road. The demarcation between homesteads are determined by fences.

In B. Mixai the effects are restricted to homestead land and structures for 17 households. Right-of-way clearance will require the relocation of 11 houses (5 traditional and 6 simple).

**(e) B. Somboun**

B. Somboun is a village located at the junction of the road and the alignment leading to the proposed Xekamane Dam. The village of 62 households is comprised of Lao Theung, (Tiang) and relocated here from B. Dak Yae and B. Daklorn (a few km from Nampa) in 1999. This village is part of the Nam Pa Rural Development Focal Site.

Ten households will be affected by clearance of the right-of-way. Effects include homestead land (10 plots) and the frontage of a paddy field, 4 shops and a traditional house. The shops are simple structures. There is adequate land in the village to replace both the homestead land and the paddy.

**(f) B. Vangxai**

B. Vangxai is a village also located in the Nam Pa Focal Site. There are 57 Lao Thueng households (Alak and Tiang). These households moved here from B. Dakmoe and B. Dakxang (M. Sanxai) in 2001. The village administration commented that they had been advised by DCTPC to locate houses about 8-10 m from the road. Most houses are demarcated by wooden fences.

Effects of right-of-way clearance in this village are limited to the frontage of homestead land of 16 households (40 m<sup>2</sup> per household). They will also be required to relocate their fences about 2 m behind their current positions.

**(g) B. Dakhiat**

B. Dakhiat is the last village before reaching Sanxai proper on top of the plateau. The village comprises 81 Lao Theung (Alak) households. About a third of the village moved to the Nam Pa Focal site on a trial basis. This means that they could return home if they are not satisfied with their resettlement and livelihoods. According to the Lao Front for National Construction representative, many families are thought to want to move back to B. Dakhiat once the road to Sanxai is constructed. Right-of-way clearance will affect 17



households, 5 households lose their rice stores and 12 will be required to relocate their houses (all simple structures). The frontage of the homestead plots of all 17 households is also affected.

**(h) B. Chalensexai and B. Tadkanard**

Chalensexai and B. Tadkanard are the villages located at the old District Head Quarters of Sanxai located on Nam Soo. There are 119 households of Lao Theung (Taraing, Yae and Alak). The Xaisetha - Sanxai road will finish by the hospital, several hundred meters from the bridge. No form of land certification has been introduced in M. Sanxai. Land including homestead and agricultural lands are freely selected. Some houses have fences but this is for protection from animal and livestock damage rather than as boundary demarcation. The effects in this village are minor, four households are affected through the frontage of 4 homestead plots and 1 simple house being required for the right-of-way.

#### 6.4 Preliminary Inventory of Losses

A resettlement survey was carried out during April and May 2000, all properties in the right-of-way were described using a standard questionnaire. A review and update was conducted between November 2002 and January 2003 and also to identify households affected by a number of realignments that were not included in the earlier work. Additional socio-economic surveying was done to provide a more detailed description of the characteristics of APs. The resettlement survey is attached as Appendix 2. A summary, by village, is provided in the table below.

**Table 11: Summary of Resettlement Effects**

Village	No. of AP Households	Modern Structures	Traditional Structures	Simple Structures	Homestead Land (m <sup>2</sup> )	Paddy	Trees	Rice Stores	Agricultural Land m <sup>2</sup>	Replaced - rear of existing	Replaced - alternative plot	Replaced - other
Oudomxai	13	1	2	5	675	6		6	2,924	13		
Thouay	16		5	3	600	16			520	16		
Phiakeo	10		1	2	225	7			2,400	3	7	
Mixai	17		5	6	1,530	1			200	17		
Somboun	10		1	1	600					10		
Vangxai	16				640					16		
Dakhiat	17			12	1,020			5	20	17		
Chalensexai	4			1	270					4		
<b>TOTAL</b>	<b>104</b>	<b>1</b>	<b>14</b>	<b>33</b>	<b>5,560</b>	<b>30</b>	<b>0</b>	<b>11</b>	<b>10,740</b>	<b>97</b>	<b>7</b>	<b>0</b>

## **7. Income Restoration Strategy**

### **7.1 Income Restoration**

The income restoration strategy is to ensure that the income earning potential of APs is not adversely affected by the project. The main livelihoods at risk are those of agricultural households or households whose sole or supplementary income is derived from shops or businesses.

All lost agricultural land will be compensated in kind with replacement land. The Project will assist in clearing and preparing land in the cases where there is insufficient existing land in the villages. In addition there will be a provision for agricultural extension to increase productivity on the remaining or new land for any severely affected farmers (losing 20 percent or more of their total agricultural land holding).

Over and above the compensation for business structures lost (shops), business operators will compensation for lost income during the transition subsistence allowance and assisted to relocate at a similarly commercially advantageous location.

### **7.2 Employment in Project Civil Work**

Project construction activities will require many unskilled labourers for land clearance and earthworks for a period of two years. The contractors will be encouraged to employ APs, including affected women, in the recruitment of local labourers. The contractors will be encouraged not to discriminate against the employment of women in the road construction labour force. Employment in the project construction will be an added source of income in the income restoration process of the affected households.

The monitoring will address the opportunities to include beneficiaries in project works and the skills that beneficiaries will have gained as a result of taking part in construction activities.

### **7.3 Land Tenure Issues**

A number of households along the road have Form 01 Land Use Rights Certificates for their homestead and agricultural land. These are declaration and tax forms and do not provide either security of tenure or household collateral (i.e. they can not be used for loan or mortgage purposes). These are issued in order that the province can levy taxes, often the actual land holding (the area of land a household has the right to use) is underestimated by the household in order to reduce the amount of tax payable. They do, however, provide the household with more security than being without one as Government recognises the Land Declaration Certificate as a land use right, and, at least in theory, will compensate households for any developed land required for public works. The land use right can be sold or bequeathed, but as stated above, may not be used for raising a loan from a bank.

Some households also have a Temporary Land Use Certificate, this is not a land registration document but serves to assign land for development purposes and can be applied for after a household has been using or developing land for three or more years. The Temporary Land Use Certificate is issued by the Department of Forestry (DOF) under the Ministry of Agriculture & Forestry, under the Land Use Planning and Land Allocation Program (LUP/LA) and is required prior to the issuance of a Land Declaration

Certificate. A holder of a Temporary Land Use Certificate can apply to the Land Office to have the Temporary Land Use Certificate registered. The issuance of Temporary Land Use Certificates and their registration is seen as problematic by some people working the land-titling sector because while the primary purpose of the Temporary Land Use Certificate process is to re-allocate land, the system is being misused to assign large land holdings, issue Temporary Land Use Certificates without land development, and encourage registration of those Temporary Land Use Certificates.

Both the Land Use Rights Certificates and the Temporary Land Use Certificates provide the right to use land i.e. they are land-use right documents. While these rights can be sold, bequeathed or given away they do not provide security of tenure in terms of title to, or ownership of, the land.

The Department of Lands, Ministry of Finance only issues two documents; a Survey Certificate, determined by a land user applying to the Land Office for registration of a land parcel on a one-off (or referred to as sporadic) basis (the Survey Certificate is considered as part way to full land title), and a Land Title, determined through the systematic adjudication and registration of a land parcel. It is only these two documents that can provide the household security of tenure on the land.

The presence of all-season roads will attract people from outside the project area who may take advantage of the less worldly and disadvantaged. Some of these people will be from ethnic minority communities, and some will be outsiders. Rapid increases in local populations in some places will seriously impact local communities through increased demands on local resources (land and NTFPs are good examples), infrastructure, and services.

Conflicts with existing residents may ensue to the disadvantage of the minorities who are not necessarily comfortable in either Lao language or culture. People lose land through lack of knowledge of their rights and ignorance of the land's value.

Providing land titling for all households in the project area as a mitigation measure and an awareness programme in the community education campaign would ensure that households in the villages along the route have secure tenure and help protect them against "land grabbers".

Based on information provided by the World Bank and AusAID funded Land Titling Project, an estimate of the cost of providing titles to the people of the project area was in the order of US\$1 million, and can not be funded under the project. The MCTPC has requested that households in the Project Area be given land titles on a priority basis. In the meantime, the Project will facilitate issuance of Land Use Rights Certificates for households that do not already have them and education about land use rights. Details are provided in the Social Action Plan, section 2.2.4 (a) (i).

Full title to replacement land as a priority is identified as an entitlement of APs, even though it is likely to be some time before titling can be undertaken along the project road it is important to retain this in the entitlements as the way to provide security of tenure to APs in the project area.

## 7.4 Gender and Resettlement

In Lao society, women have multiple roles in economic activities. They provide labour, particularly in the terraced fields, and share the economic burden of the family, including marketing of the agricultural products. However, their access to productive assets, technical skills, and income generation opportunities are extremely limited.

Implementation of resettlement activities and community development planning will pay special attention to the role of women, their needs, and provision for appropriate livelihood development, including employment in the project civil work and road maintenance. A Gender Strategy has been prepared for the project and is detailed in the Social Action Plan.

## 7.5 General Contract Clauses

A number of clauses are to be included in the bidding packages for the works' contracts to ensure that a range of best practice and social impact mitigation measures are included as part of the contract documentation. These will be reviewed for compliance during monitoring to be undertaken by the project construction supervision consultant. The clauses include:

- (i) The design consultant shall seek the participation of affected communities in the location and design of realignments;
- (ii) The contractor shall avoid placing fill or spoil on agricultural, cultivated or productive land. Consultation must be undertaken with village administration regarding the placement of fill and spoil within village boundaries;
- (iii) The contractor shall avoid using agricultural, cultivated or productive land for borrow or cut. Consultation must be undertaken with village administration regarding the location of borrow pits or areas of cut within village boundaries;
- (iv) The contractor shall assist with the clearance and preparation of replacement land, as identified in consultation with the affected communities and recorded in the updated resettlement plan;
- (v) The contractor shall make good any damages caused to land or structures to the satisfaction of the APs and village administration. If land or structures can not be restored to their original condition, the contractor must compensate the AP according to the compensation and replacement rates identified in the resettlement plan and finalized during the process of detailed measurement survey and updating resettlement costs;
- (vi) The contractor will ensure that all workers participate in an HIV/STD awareness and prevention program designed and implemented under the project; and
- (vii) All resettlement activities will be coordinated with the civil works schedule. No civil works contract for any part of the project will be awarded unless Government has completed satisfactorily and in accordance with the approved resettlement plan compensation payment and resettlement, and ensured rehabilitation assistance is in place and the area for the civil works contract has become clear of all encumbrances.

## 8. Institutional Arrangements and Implementation

### 8.1 Resettlement Organizations and Framework

In 1998, DOR established a Social and Environment Division (SED) under the Planning and Technical Division (PTD) for better management of land acquisition, resettlement and environmental issues in road projects. The SED is headed by a director who is presently on one-year's study leave to obtain an engineering degree and will return to SED in November 2003. The other seven professional staff are engineers, one of whom is currently on a two-year study leave to obtain a masters degree in environmental studies at Asian Institute of Technology (AIT) in Bangkok financed under a World Bank project. The project will provide the opportunity for one staff to obtain environmental graduate education and another staff to obtain a degree in social sciences<sup>26</sup>.

Beginning in January 2004 ADB will finance a TA to strengthen the social and environmental management capacity within DOR through on-the-job training.<sup>27</sup> The TA training will deal with issues concerning (i) principles and procedure of land acquisition; (ii) assessment of property value; (iii) consultation and participation; (iv) payment of compensation; (v) income restoration and social development activities for poverty reduction; (vi) resettlement infrastructure development; (vii) resettlement organization and institutional framework; (viii) grievances redressal; and (ix) monitoring and evaluation.

### 8.2 Role of DOR/Project Manager

The DOR-SED Director will be responsible for overall coordination of all relevant departments and agencies involved in resettlement activities (including the resettlement committees at various levels) and supervision/monitoring of the resettlement plan implementation. The Deputy Director of SED/or a staff member will be deputed to the project on a full-time basis as the Chief Resettlement Officer (CRO) to assist in the day-to-day activities related to resettlement implementation.

The CRO will be responsible for organizing the affected districts and villages to carry out the designated activities of the resettlement plan.

The DOR-SED Director will monitor, directly and/or through the CRO and Provincial/District Resettlement Committees, the progress of land acquisition and resettlement management along the project road.

The construction supervision resettlement team will provide technical support to the project team/DOR in the implementation of the resettlement plan.

The main responsibilities of the DOR through the SED and CRO are as follows:

- (i) Ensure that the resettlement plan process, policies and principles are disclosed to the affected community (i.e. during resettlement plan preparation and periodically during resettlement implementation) in order to maintain participation and transparency;

<sup>26</sup> Social development graduates of the University of Lao; Faculty of Forestry and the University Research Institute would be good candidates for Masters degrees in social science. Khon Kaen University has a good two-year masters program in the Social Science Faculty.

<sup>27</sup> TA 3557-LAO *Strengthening Social and Environmental Management Capacity in the Department of Roads, and is thought to be commencing in January 2004.*

- (ii) Ensure that compensation unit rates have been established at replacement cost at current market value for all categories of lost assets, and that the rates have been developed in full consultation with, and agreement of, APs;
- (iii) Periodically supervise resettlement plan progress and activities;
- (iv) Coordinate and work with Provincial and District Resettlement Committees and concerned government authorities;
- (v) Work closely with other DCTPC staff and contractors on civil works activities and schedule and integrate resettlement activities and schedule;
- (vi) Conduct consultation with APs;
- (vii) Carry out census, inventories of assets, socio-economic surveys, and detailed measurement surveys;
- (viii) Establish database for APs for each subproject road and be responsible for internal monitoring, reporting and action in response to the findings of internal monitoring;
- (ix) Provide assistance to APs during compensation and relocation;
- (x) Prepare report regularly on progress and outstanding issues;
- (xi) Work closely with the APS, concerned local administrative authorities and local-based organizations; and
- (xii) Together with the construction supervision consultants, validate that resettlement activities have been satisfactorily completed as a condition for award of civil works contract.

Consultation with DOR-SED during preparation of the resettlement plan has indicated that capacity in resettlement planning and implementation is a concern for both DOR-SED and DCTPCs. The construction supervision resettlement specialists will provide capacity building to DOR-SED and DCTPCs throughout the implementation of the project through on-the-job training for all aspects of resettlement activities and also in the provision of workshops at the commencement of the project, and at other times during the project if considered necessary or if requested by DOR-SED.

An introductory 1-2 day workshop shall be held prior to the start of resettlement activities. The workshop shall present the:

- (i) Main elements of the new policy and decree and technical guidelines;
- (ii) ADB's Policy on Involuntary Resettlement;
- (iii) The broad principles of resettlement planning and the concepts of entitlements for losses;
- (iv) Issues related to restoration and rehabilitation of livelihoods and the need for replacement costs as the basis of compensation;
- (v) The basis of resettlement planning for ADB 10, issues specific to implementation of the resettlement plans, the nature of the Resettlement & Community Development Framework and the process for preparation of resettlement plans and community development plans for the other roads to be financed under ADB 10; and
- (vi) The links between, and main roles and tasks of, DOR-SED, DCTPCs and the Resettlement Committees at various levels to be established for the project and the construction supervision resettlement specialists.

### 8.3 Provincial Resettlement Committee

The Vice-Governor of Attapu will chair the Provincial Resettlement Committee (PRC). Other members include officials from relevant departments such as DOR, Agriculture & Forestry, Information & Culture, Social Service and the Xaisetha and Sanxai District Governors. The PRC will be responsible for coordination of all resettlement activities including the information campaign and consultation with APs, payments of cash compensation, and grievance resolution. Further, PRC will monitor physical progress of all resettlement components under the project and ensure that the program is completed within the agreed time schedule.

Assisted by the District Resettlement Committee (and Village Resettlement Committee where appropriate), its responsibilities include:

- (i) Verification of the loss of land and other assets due to project implementation;
- (ii) Determine the market rates /replacement cost for all kinds of loss incurred, and validate that rates are acceptable to APs;
- (iii) Hold consultation meetings with the affected people;
- (iv) Pay cash compensation and allowances;
- (v) Act as grievance officers;
- (vi) With assistance from Lao Women's Union, implement rehabilitation measures; and
- (vii) Monitor and report on all resettlement plan activities.

### 8.4 District Resettlement Committee

The District Resettlement Committee (DRC) is pivotal in the implementation of the resettlement plan. The District Governor (*Chao Muang*) will chair the Committee. DRC members shall include representative from DOR, Agriculture & Forestry, Lao Women's Union, Lao Front for National Construction, APs and minority groups.

The DRC will carry out consultation among the affected households and communities regarding resettlement, prepare the final inventory, valuation of assets, identify and allocate replacement land, and organize and coordinate with Lao Women's Union in the implementation of rehabilitation measures and other enhancement measures for poverty reduction.

DRC will also supervise and monitor the activities of the Village Resettlement Committees (VRCs) and resolve grievances.

The actual acquisition, land transfer, and compensation will be carried out under the supervision of the DRC at the district level. Village Chiefs (through the VRCs) may also be involved in the negotiations with individual and family land users.

### 8.5 Village Resettlement Committee

The Village Resettlement Committees (VRC) can either be formed by individual villages or by a cluster of small villages that consider they share similar characteristics to form one, rather than individual, committees. The VRC will choose its own chair. In the cases of villages with a high proportion of ethnic minority population, a person from the ethnic minority group *must* head the VRC.

Other members of the VRC shall be from the affected households and other relevant stakeholders. The VRC will consult with the affected households on resettlement issues, identify replacement land, assist the DRC and Lao Women's Union in the implementation of resettlement plan, and social development/poverty reduction programs.

Local-based organizations such as Lao Women's Union, Lao National Front for Construction, Farmers, Elders, Youth and Trade Unions will be represented. They will actively participate in the planning and implementation of the resettlement plan and in the community education, public information and consultation process. The local village authorities will be responsible for informing residents not to construct houses/structures in the right-of-way during land clearance and construction.

The types of tasks handled at this level will include:

- (i) Coordination with PRC and DRC, and DOR/DCTPC and the CRO when required, in relation to conducting consultation, census and social surveys and resettlement-related activities;
- (ii) Acting as 'first step' grievance officers and ensure that grievance are resolved;
- (iii) Assisting APs during the negotiation and compensation activities;
- (iv) Involving the local-based organizations to carry out the resettlement plan activities;
- (v) Certifying the list of APs and sign compensation documents;
- (vi) Identifying replacement land;
- (vii) Facilitating village assistance to relocating households, food-for-work for preparation of paddy land, household and village fencing; and
- (viii) Monitoring and registering relocation and land title transfer data.

## 8.6 Construction Supervision Contract Resettlement Staff

The construction supervision consultant must be resourced with sufficient personnel to assist with the implementation and monitoring of resettlement activities. The resettlement team (for the three roads under ADB 10) shall consist of:

- (i) An international social impact and resettlement specialist (12 person-months);
- (ii) National social impact and resettlement specialists (48 person-months for all project roads); and
- (iii) Community mobilizers (148 person-months for all project roads).

One of the main duties of the international and national resettlement specialists will be to provide capacity building and training to DOR-SED and DCTPCs. This will as a minimum consist of an introductory workshop held prior to the commencement of resettlement activities, and on-the-job training. Additional workshops will be organized during the project implementation to provide incremental training to DOR-SED and DCTPCs. The resettlement plans to be prepared and implemented for the roads included under the project's Resettlement & Ethnic Minority Development Framework<sup>28</sup> can be progressed by the construction supervision resettlement specialists as a training module for the EA as these will effectively be the first plans to be prepared by DOR-SED and DCTPCs under the new National Policy and Decree. This will enable the EA to be taken right through the resettlement process, under the guidance and supervision of the construction supervision resettlement specialists.

<sup>28</sup> Hongsa – Thaxoang road (Xaignabouli) and Pakton – B. Vang road (Vientiane province).



The construction supervision resettlement specialists will assist with resettlement implementation including the detailed measurement survey and updating the replacement costs, and provide overall guidance and quality control of the resettlement planning, implementation, monitoring and reporting process.

It will also be the responsibility of the resettlement specialists to assist DOR-SED and DCTPCs undertake any additional survey required for identifying APs due to alignment changes for shape correction or realignments, following inclusion of additional APs the resettlement plan will be updated and forwarded to ADB, or if the changes are not significant, only the DMS summary and detailed cost tables will be submitted to ADB.

Reporting of resettlement activities is also under the ambit of the construction supervision team. The construction supervision Resettlement specialists together with the CRO will validate satisfactory completion of all resettlement activities as a condition for award of civil works contract. An annual report will be prepared on the training and capacity building undertaken in the preceding year, the outcomes of that training, and actions required for further capacity building for DOR-SED and DCTPCs.

The community mobilizers will have an important role to play in social preparation for the project. They will facilitate dialogue between the communities (and APs) and the construction supervision consultant and contractors, and will provide support to the construction supervision consultant in its assistance to the EA, particularly in the implementation of various aspects of the resettlement activities.

The main tasks of the community mobilizers include:

- (i) Assist with the project community education campaign (as outlined in the Social Action Plan);
- (ii) Assist the Resettlement specialists with survey and resettlement data updating as a result of any alignment changes;
- (iii) Liaise between the villages and works' contractors - particularly in respect of community consultation regarding alignment design and mitigation and ensuring that any adverse effects or damages caused during construction are remediated;
- (iv) Assist the village with identification of replacement land, preparation of replacement land, food-for-work to prepare paddy land, household and community fencing, village assistance to relocating households;
- (v) Assist the village identify livelihood development opportunities;
- (vi) Assist with the grievance redressal process; and
- (vii) Assist with the issuance of Land Use Rights Certificates for villages along the road.

## 9. Resettlement Budget and Financing

### 9.1 Replacement Costs

For the purpose of budgeting, costs have been estimated using the replacement costs that were obtained through consultation with village administrations during fieldwork and consultation with affected communities in the project area. These costs are considered to reflect the realistic replacement costs and rates for land and structures in the project area.

In order to obtain the replacement rates, discussions were held with district level CTPC and village administrations in the field. Different types of structures (concrete, wooden and simple houses, shops and bamboo fencing) and land (agricultural and rural and urban homestead land) were discussed and this process led to the establishment of rates for structures and land, based on current market value and at replacement costs in the villages along the route. The rates obtained through consultation were then discussed with DCTPC, Land Office and the District Governor. The rates obtained from the field could not be agreed and DCTPC issued its own list of rates.

The DCTPC rates for compensating structures are half the cost of actual construction and therefore are not replacement rates. The compensation rates for land as provided by DCTPC are also lower than the rates obtained through consultation with village administrations (refer to sheet 2, Appendix 3).

The rates presented in the table below show the rates of construction and the compensation rates as currently provided by DCTPC.

**Table 13: Comparison of Construction & Compensation Rates**

Structures & Land	Construction Rates		Compensation Rates	
	Kip/m <sup>2</sup>	US\$/m <sup>2</sup>	Kip/m <sup>2</sup>	US\$/m <sup>2</sup>
Concrete/Brick house with fibre cement or tin roofing	238,000	22.40	119,048	11.20
Concrete/Brick & wooden houses with fibre cement or tin roofing	260,400	24.60	130,208	12.30
Wooden houses with fibre cement or tin roofing	72,000	7.00	36,734	3.50
Houses made of simple material	10,500	1.00	5,250	0.50
Homestead lands in urban areas			7,900	0.75
Homestead lands in rural areas			2,300	0.21
Paddy Lands			1,200	0.11

Source: DCTPC rates attached as provided in telecon 21<sup>st</sup> March 2003.

In the cost estimation, the rates obtained from the village administrations (the average for the road as per Sheet 2 of Appendix 3) have been used.

DOR-SED will undertake discussions with DCTPC regarding the basis for replacement rates viz-a-viz the new National Policy and Decree. Final rates for all categories of loss will be determined during the detailed measurement survey and after further consultation with APs and validation as to what the actual replacement cost rates should be. This will be done with assistance of the project construction supervision consultant who will assist with a replacement cost survey to be undertaken prior to implementation.

## **9.2 Resettlement Costs and Budget**

The total estimated cost for land acquisition and resettlement for the road (including a 20 percent contingency) is 277 million Kip or US\$26,215 (Table 14).

The major cost items for resettlement are homestead land, paddy land, and the relocation of traditional and simple structures. Additional items such as monitoring, enhancement measures and administration costs have also been identified.

Some measures to mitigate the social risks of the project are more general (i.e. the community education campaign including HIV/STD risk mitigation, traffic safety awareness, and land titling issues) and are presented in the Social Action Plan.

**Table 14: Estimated Compensation and Rehabilitation Costs<sup>29</sup>**

Item & Unit	Quantity	Estimated Costs & Budget		
		Unit Cost Kip <sup>a</sup>	Cost Kip	Cost US\$
<b>Land</b>				
Homestead (m <sup>2</sup> )	5,560	2,536	14,100,160	1,330
Agricultural (m <sup>2</sup> )	10,744	1,875	20,145,000	1,990
<b>Structures</b>				
Modern - (m <sup>2</sup> )	64	100,000	6,400,000	604
Traditional - (m <sup>2</sup> )	494	72,455	35,792,700	3,377
Simple - (m <sup>2</sup> )	1,092	8,000	8,736,000	824
<b>Simple shops</b>	8			778
<b>Rice bins</b>	11			377
<b>Allowances</b>				
Transition subsistence allowance - relocating APs	40	900,000	36,000,000	3,396
Transition subsistence allowance - severely affected APs	8	1,800,000	14,400,000	1,358
Materials transport allowance <sup>b</sup>	40	262,500	10,500,000	1,000
Agricultural extension to severely affected farmers <sup>c</sup>	8	530,000	4,240,000	404
<b>Income Loss<sup>d</sup></b>	40	300,000	12,000,000	1,132
<b>Business Loss<sup>d</sup></b>	8	300,000	2,400,000	226
<b>Crop Loss</b>				
Standing crop				
Trees	0			0
<b>Mitigation Measures</b>				
Bamboo Fencing (m)	3,600	1,500	5,400,000	509
<b>Monitoring &amp; Evaluation<sup>e</sup></b>			22,857,100	2,156
<b>Subtotal</b>			<b>192,971,030</b>	<b>18,205</b>
Operational/Administrative Cost (20%)			38,594,206	3,641
<b>Estimate subtotal</b>			<b>231,565,236</b>	<b>21,846</b>
<b>Contingency (20 %)</b>			<b>46,313,047</b>	<b>4,369</b>
<b>ESTIMATE TOTAL</b>			<b>277,878,283</b>	<b>26,215</b>

## Notes:

- <sup>a</sup> Average for road, village details provided on Sheet 2-Land and Structures.
- <sup>b</sup> To be determined following the replacement cost survey.
- <sup>c</sup> To be determined during the DMS. Cost for line item based on \$50/severely affected household.
- <sup>d</sup> To be determined during the DMS. Cost for line item based on daily Kip15,000 per day for 20 days per household.
- <sup>e</sup> Based on monitoring costs for roads included under ADB 9; total of 160,000,000 Kip, pro-rated as 22,857,100 Kip or US\$2,100 per road.

<sup>29</sup> All costs are estimates only based on field work during RP preparation. Prior to implementation, and in conjunction with the Detailed Measurement Survey, all compensation unit rates and amounts of allowances will be updated to ensure they are sufficient to pay full replacement costs at current market value at the time of compensation, with no deductions for submitted to ADB for approval.

## 10. Implementation Schedule

A time-bound implementation schedule is provided below, this assumes a start date of January 2004. The overall schedule for implementation is based on the principle that all APs will receive their entitlements (compensation for land and structures) prior to land clearance and relocation; other resettlement benefits, including compensation for loss of business/work days and poverty reduction programs shall start immediately after the relocation phase is completed in order to assist the affected persons in restoring livelihoods and income sources.

All resettlement activities will be coordinated with the civil works schedule. No civil works contract for a part of the Project will be awarded unless Government has completed satisfactorily and in accordance with the approved resettlement plan compensation payment and resettlement, and ensured rehabilitation assistance is in place and the area for the civil works contract has become clear of all encumbrances.

### 10.1 Activities During Resettlement Plan Implementation

The APs will participate throughout the various stages of the implementation of the resettlement plan. To ensure that information about the project, entitlements, compensation and rehabilitation options and grievance mechanisms are in place, the public information booklet has been translated into the Lao language. The public information booklet has been written in way that is easily understood by the affected communities and includes:

- (i) objectives of the Project;
- (ii) project policies on entitlement and compensation;
- (iii) mitigation and enhancement measures;
- (iv) project schedule and activities;
- (v) grievance redressal;
- (vi) monitoring; and
- (vii) importance of ongoing community participation.

The public information booklet was distributed to the affected communities prior to the ADB's appraisal mission. Copies will also be available at concerned offices and local administrative authorities.

### 10.2 DMS and Updated Data and Costs

Following verification of the detailed design (including any realignments), the Detailed Measurement Survey and Replacement Cost Survey will be undertaken the DOR-SED together with the APs, RCs, and local-based organizations. Compensation rates shall be updated and applied to the AP Compensation Form and entitlements for each AP. The AP Compensation Form" together with the corresponding entitlements will be presented to APs for their final approval.

The established price list for land and other assets will be used as compensation rates for the project. These rates will be reviewed and updated on an annual basis during the course of project implementation.

If APs do not agree on the proposed compensation payment, he/she will file his or her complaint following the grievance process established for this project.

APs will have 14 days to review and confirm or otherwise the losses and entitlement as set out on the AP Form (see below).

The summary of detailed measurement survey data and cost tables representing replacement cost at current market value shall be submitted to ADB for approval before commencement of any implementation activities.

### **10.3 Compensation Payment & Clearance of Right-of-Way**

A number of tasks are to be completed prior to the clearance of the right-of-way. These tasks are the shared responsibility of all stakeholders in the project. The tasks of the DOR-SED and PRC include:

- (i) Prepare individual "AP Compensation Form" which details all types of losses with its corresponding established compensation rates. This will also include all types of relocation assistance;
- (ii) Inform APs regarding payment schedule at least two (2) weeks in advance;
- (iii) Present to APs proposed compensation amount. Explain in detail APs' rights and entitlements based on Project policies and explain how compensation amount were calculated;
- (iv) Leave the "AP Compensation Form" with APs for further review and inform PAP to decide and submit the form within fourteen (14) days;
- (v) If compensation payment is acceptable to APs, process payment and inform APs of exact date of release of payment;
- (vi) Effect compensation payment. Copies of compensation payment documents will be provided to APs. Copies will also be provided to Project construction supervision consultants for the project and external agency for monitoring and reporting;
- (vii) Prepare and update regularly list of APs containing date of payment made to the AP database for proper recording and monitoring; and
- (viii) Issue advance notification for land clearance upon receipt of compensation by APs.

The responsibilities of APs include:

- (i) Seek assistance from the community mobilizer, construction supervision resettlement specialists, VRC, other support organizations and family members during the compensation process. APs will request for clarification and explanation, if there is any;
- (ii) Review carefully the AP Compensation Form within fourteen (14) days. If APs are not satisfied with the proposed compensation payment or if there is disagreement between AP and CRO and RCs, APs will file a complaint using the grievance process presented in this resettlement plan;
- (iii) Sign the said documents and acknowledge receipt of compensation payment if all compensation documents are in order;
- (iv) Request CRO and RCs to reschedule day of payment if APs will not be available to claim compensation on the scheduled date;
- (v) Obtain and keep one (1) copy of all compensation forms; and
- (vi) Clear the area within the specified time in order for construction works to begin.

The responsibilities of the RCs and local-based organizations include:

- (i) Witnessing payment process based on the schedule made by DOR/DCTPC;
- (ii) Ensuring that AP is aware of his/her rights and entitlements;
- (iii) Documenting grievances and process; and
- (iv) Signing as witness to the compensation activity.

#### **10.4 Implementation Schedule**

The award of the construction supervision contract is expected to be made in December 2004 with mobilisation activities from January 2005. Resettlement activities will also commence with the mobilization of the supervision consultant's resettlement specialists in January 2005 and will continue until the DMS data and cost tables have been updated and satisfactorily implemented by the end of August 2005. Award of the works contract packages will be made in July 2005, with a period of several months for mobilization, construction camp and field office establishment and general preparatory work. Land clearance and works will not commence until November 2006, following satisfactory implementation of resettlement activities. The project is expected to be undertaken over a period of 36 months.

The process for resettlement includes the following steps: marking out of the construction corridor following detailed design, undertaking the DMS and determining replacement cost, ADB approval of the plan, implementation of resettlement activities (following which is the award of civil works contract). The schedule for all resettlement activities must be agreed and settled by all stakeholders before resettlement activities begin.

The implementation schedule is provided in Table 15.

**Table 15: Implementation Schedule**

<b>ACTIVITIES</b>	<b>SCHEDULE</b>
Award of construction supervision contract	December 2004
Mobilisation of construction supervision consultant	January 2005
Mobilize DOR-SED & Resettlement Officers	January 2005
Construction supervision resettlement specialists brief and train community mobilizers and DOR-SED	January 2005
Commence internal monitoring program (quarterly)	April 2005
Establish and train Resettlement Committees at all levels (PRC, DRC and VRC)	February 2005
Verification of detailed design, engineering and alignment surveys	January 2005
Right-of-way marked on ground	February 2005
Community education campaign commences, consultation with various stakeholders	March 2005 - Nov 2008
Conduct detailed measurement survey	Mar 2005
Undertake valuation of losses and establish compensation rates (replacement cost survey)	Mar-Apr 2005
Issue AP Compensation Forms (14 days review per AP)	April 2005
Finalize AP data base and update replacement costs, forward DMS data summary and cost table to ADB for approval	May 2005
Negotiate and effect compensation payments	June 2005
Issue advance notification for clearance of right-of-way upon receipt of compensation by APs	June 2005
Implement relocation and rehabilitation assistance and issue Land Use Rights Certificates to APs	July-December 2005
Clearance of all encumbrances in the construction corridor	July 2005
Award of civil works contracts	July 2005
Post-resettlement impact evaluations (9 months after completion of resettlement)	September 2006



## **11. Monitoring and Evaluation**

### **11.1 Supervision, Monitoring, and Evaluation**

Land acquisition and resettlement implementation will be supervised and monitored by the DOR-SED in co-ordination with the CRO, the RCs at the various administrative levels, and the construction supervision resettlement specialists.

The monitoring will be done to provide feedback to DOR and to assess the effectiveness of the resettlement plan implementation, and to provide an early warning system for any adjustments that might be needed to make resettlement entitlements and procedures more effective.

The procedures for monitoring are discussed further, including reporting requirements. In addition, separate poverty reduction monitoring will be carried out by the EA, with support from the construction supervision team for preparation of the baseline and as required. Because of the low number of APs (120) and because the construction supervision resettlement specialists will be assisting DOR-SED on a full-time basis with resettlement plan planning, implementation and monitoring, it is felt that an independent external monitor will not be required. The construction supervision consultants will also assist DOR-SED, with the participation of APs, to conduct a post-resettlement evaluation nine months after the completion of resettlement activities.

### **11.2 Internal Monitoring**

During updating of the resettlement plan, together with the construction supervision consultant, DOR-SED will develop a monitoring and reporting framework for resettlement activities. Central to this framework will be the census of APs and the inventory of assets and DMS. The DOR-SED will oversee the progress in resettlement preparation and implementation through regular progress reports, monitoring key indicators of finance, inputs and activities.

The specific objective of the internal monitoring and supervision is to: (i) inform management of any deficiencies so that necessary and corrective actions can be taken to resolve problems; (ii) verify that the baseline information of all APs has been collected and that the valuation of assets lost or damaged, and the provision of compensation, resettlement and other rehabilitation entitlements has been carried out in accordance with the provisions of the resettlement plan; (iii) oversee that the resettlement plan is implemented as designed and approved; and (iv) verify that funds for implementation of the resettlement plan are provided by the project in a timely manner and in amounts sufficient for their purposes, and that such funds are used in accordance with the provisions of the resettlement plan.

#### **11.2.1 Monitoring Indicators**

The main indicators that will be monitored regularly are:

- (i) The adequacy of entitlements to meet the plan's objectives i.e. whether compensation amounts are sufficient to enable replacement of lost assets, or whether allowance amounts are sufficient to cover all expenses incurred in relocation and transition;

- (ii) The entitlements of the APs are in accordance with the approved resettlement plan and that the assessment of compensation is carried out in accordance with agreed procedures;
- (iii) Payment of compensation to the affected people in the various categories according to the level of compensation described in the updated resettlement plan;
- (iv) Public information and public consultation and grievance procedures are followed as described in the resettlement plan;
- (v) Consultation with, and participation of APs in identifying appropriate rehabilitation assistance measures;
- (vi) Establishment and effective implementation of the grievance mechanism, and resolution of grievances to the satisfaction of APs;
- (vii) Provision of replacement land, preparation of replacement residential and paddy land;
- (viii) Relocation, reorganization, and payment of subsistence and shifting allowances are made in timely manner;
- (ix) Enterprise relocation, compensation and its adequacy;
- (x) Restoration of the public facilities and infrastructure affected by the project;
- (xi) Fencing of villages, livestock pens and gardens;
- (xii) Job creation (number of persons who need job provision and the number who have found a job);
- (xiii) Provision of rehabilitation measures to those entitled to such assistance; and
- (xiv) The linkage of resettlement and the award of civil works contracts and commencement of civil works.

### 11.2.2 Methodology

The monitoring and reporting framework shall provide a routine flow of information from the field level to the DOR-SED, based on predefined indicators, together with periodic supervision and verification by the SED/CRO. DOR-SED assisted by the construction supervision consultant will:

- (i) Interview a random sample of APs in open-ended discussions to assess their knowledge and concerns regarding the resettlement process, their entitlements and rehabilitation measures.
- (ii) Conduct focus-group and community meetings on specific issues.
- (iii) Participate in public consultations for APs at the village or town level.
- (iv) Observe the functioning of the resettlement operation at all levels to assess its effectiveness and compliance with the resettlement plan.
- (v) Check the type of grievance issues and the functioning of grievance redress mechanisms by reviewing processing of appeals at all levels and interviewing aggrieved APs.
- (vi) Advise project management on remedial measures to improve the implementation practices.

Because DOR-SED will be assisted by resettlement specialist supervision consultants to implement the RP, an independent monitoring agency will not be recruited.

### 11.3 Time Frame and Reporting Requirements

Resettlement monitoring is an ongoing process. SED-CRO will carry out further information campaign and public consultation in association with provincial, district and village resettlement committees. This will continue through the rest of the project preparation and during implementation phase. Director-SED, assisted by CRO, will prepare quarterly reports on the progress of resettlement activities and forward copies of the report in English to the ADB and STEA. The monitoring report will be prepared to include, but not be limited to, the following sections (each section should include targets, accomplishments and time-bound action plan):

- (i) Information dissemination, consultation and participation activities;
- (ii) Grievance redressals (mechanisms, number/cases of grievances filed and resolved);
- (iii) Status of compensation, resettlement and rehabilitation measures for relocating households;
- (iv) Status of compensation, allocation and preparation of replacement land for farmers;
- (v) Severely affected households and vulnerable groups. Special assistance provided to them;
- (vi) Infrastructure repair, relocation or replacement;
- (vii) Breakdown of payment as per entitlement;
- (viii) Compensation payment activities;
- (ix) Budget and disbursements;
- (x) Resettlement plan implementation schedule (chart);
- (xi) A schedule and action plan per section to arrive at a realistic date in order to complete the resettlement plan implementation activities;
- (xii) Status on completion of compensation and resettlement activities and clearance of the project area of all encumbrances;
- (xiii) Adjustment of delivery mechanisms and procedures as required; and
- (xiv) Outstanding issues, actions required.

The types of indicators that will be monitored and reported are shown in Table 16.

**Table 16: Monitoring and Evaluation Indicators**

Type	Indicator	Monitoring Parameters
Process Indicator	Staffing	Number of DOR/DCTPC staff on Project - by time (part or full), job function. Number of Resettlement Officers. Number of line agency officials available for tasks and involved in process. Social & resettlement staff within STEA. Training and capacity building received during project implementation.
	Consultation, Participation, & Grievance Resolution	Number of consultation and participation programs held with various stakeholders. Grievances by type and resolution. Number of NGOs participating in project.
	Procedures in Operation	DMS and asset verification/quantification procedures in place. Effectiveness of compensation delivery system. Coordination between DOR/DCTPC and other line agencies.
Output Indicator	Acquisition of Land	Area of cultivation land acquired by village. Area of other private land acquired by village. Area of communal/government land acquired by village.
	Structures	Number, type and size of private structures acquired. Number, type and size of community structures acquired. Number, type and size of government structures acquired.
	Trees and Crops	Number and type of private crops and trees acquired. Number and type of government/community crops and trees acquired. Crops destroyed by area, type and number of owners.
	Compensation and Rehabilitation	Number of households affected (land, houses, trees, crops). Number of owners compensated by type of loss. Amount compensated by type and owner. Number and amount of allowances paid. Number of replacement houses constructed by concerned owners. Number of replacement businesses constructed by concerned owners. Number of owners requesting assistance with purchasing of replacement land. Number of replacement land purchases effected. Number of delivery of entitlements. Number of use of entitlements by APs. Suitability of entitlements to APs as per resettlement plan objectives. Number of poor and vulnerable APs requesting assistance to allocate land and provide lease/temporary rights. Number of assistance made related to land allocation to poor and vulnerable APs.
Impact Indicator	Household Earning Capacity and Livelihood Development	Employment status of economically active members. Economic activities. Household income by primary and secondary sources. Numbers of income earners per household. Landholding size, area cultivated and production volume, by crop Selling of cultivation land. Changes to livestock ownership – pre- and post disturbance. Changes to income-earning activities (agriculture) – pre- and post disturbance. Changes to income-earning activities (off-farm) – pre- and post disturbance. Amount and balance of income and expenditure.

**Appendix 1: Consultation List**

Location	Name	Designation	Date
Bolikhann District	Mr. PKhamhai Nhaymivong	Head of Administration Office	11/12/2002
	Mr. Keo Oudon	Deputy Director of CTPC	11/12/2002
Ban Phonsy	Mr. Bounmark	Village Chief	18/12/2002
	Mr. Xiengpheng	Deputy Village Chief	18/12/2002
	Mr. Phanmaha	Deputy Village Chief	18/12/2002
Ban Phonthong		Village Chief	17/12/2002
Ban Phonsavath	Mr. Bounmy	Village Chief	17/12/2002
Ban Nalong	Mr. Silavorn	Village Chief	16/12/2002
	Mr. Sikerveu	National front	16/12/2002
	Ms. Thipphaivan	Lao Women's Union	16/12/2002
Ban Houana	Mr. Vanthong	Village Chief	16/12/2002
	Mr. Inthong	Deputy Village Chief	16/12/2002
	Mr. Ornsy	Lao Front for National Const.	16/12/2002
Ban Phameuang	Mr. Noupphan	Village chief	15/12/2002
	Mr. Chantho	Lao Front for National Const.	15/12/2002
	Mr. Xiengmi	Village Advisor	15/12/2002
Ban Dong	Mr. Khamsaeng	Village Chief	14/12/2002
	Mr. Khamphan	Lao Front for National Const.	14/12/2002
	Mr Sornxai	Deputy Village Chief	14/12/2002
Ban Khaen Yong	Mr. Dorn	Deputy Village Chief	14/12/2002
	Mr. Phomy	Lao Front for National Const.	14/12/2002
	Mr. Thorng	Head of Unit 4	14/12/2002
Ban Thasi	Mr. Bounheuang	Deputy Village Chief	13/12/2002
	Mr. Khamphuang	Deputy Village Chief	13/12/2002
	Mr. Chan Inthavong	Lao Front for National Const.	13/12/2002
Bolikhambxay Province	Mr Denepy	Director - DCTPC	10/03/2003
	Mr Vong Deuan	ADB 10 Coordinator	10/03/2003
Bolikhann District	Mr Sanai Vongsa	Deputy - District Administration	10/03/2003
		Deputy Governor	10/03/2003
	Mr Keo Oudon	Deputy Director - CTPC	10 & 11/03/03
	Mr Bamkham	Administration Officer	10/03/2003
	Mr Sichan	CTPC Technician	11/03/2003
Ban Sisavad	Mr. Bounnam	Village Chief	16/03/2003
Ban Simoungkhoun	Mr. Boun Ghang	Village Chief	16/03/2003
Ban Vattad		Village Chief	16/03/2003
Ban Houaykhoun	Mr. Khamphian	Village Chief	17/03/2003
Ban Somseun	Mr. Chao	Village Chief	17/03/2003
Ban Phiangdi	Mr. Biuakham	Village Chief	17/03/2003
Ban Nonsomboun	Mr. Toui	Village Chief	17/03/2003
Bolikhann District		Chief Finance Office	17/03/2003
	Mr. Phornthilad Sitsathorn	Deputy District Governor	17/03/2003
Ban Thong Gnai	Mr. Bounpheng	Village Chief	18/03/2003
Ban Thong Noy	Mr. Khammao	Village Chief	18/03/2003
Ban Nampa	Mr. bounxou	Village Chief	18/03/2003

<b>Xaignabouli - Hongsa Road</b>			
<b>Location</b>	<b>Name</b>	<b>Position</b>	<b>Date</b>
Xaignabouli Province	Mr. Pheng Nilanh	Deputy Director - DCTPC	31/12/2002
	Mr. Soukan	ADB 10 Coordinator	31/12/2002
	Mr. Thanousin	ADB 10 Coordinator	31/12/2002
Xaignabouli District	Mr. Duangmala	Head - Administration Office	31/12/2002
Ban Natak	Mr. Thitphaeng	Village Chief	01/01/2003
	Mr. Xieng Phanh	Deputy Village Chief	01/01/2003
Ban Vangsoy	Mr. Sompheng	Village Chief	02/01/2003
	Mr. Bounthaen	Deputy Village Chief	02/01/2003
	Mr. Ai Hin	Village Advisor	02/01/2003
Ban Na Ngiew	Mr. Bounthieng	Village Chief	02/01/2003
	Mr. Sithat	Deputy Village Chief	02/01/2003
	Mr. Sima	Lao Front for National Const.	02/01/2003
Ban Nasao	Mr. Boukhong	Village Chief	02/01/2003
	Nang Sy	Lao Women's Union	02/01/2003
Ban Houayloon	Mr. Thongpann	Village Chief	03/01/2003
Ban Thalonrngkone	Mr. Thit Khamphanh	Village Chief	03/01/2003
	Mr. Laoker Yia	Deputy Village Chief	03/01/2003
	Mr. Xiengliab	Lao Front for National Const.	03/01/2003
Ban Namon	Mr. Houmphaeng	Village Chief	04/01/2003
	Mr. Sack	Deputy Village Chief	04/01/2003
	Mr. Bounthanh	Lao Front for National Const.	04/01/2003
Ban Longsaeng	Mr. Khamsing	Village Chief	05/01/2003
	Mr. Bounheuang	National Front	05/01/2003
Ban Namthiew	Mr. Sichanh	Village Chief	05/01/2003
	Mr. Teuva	Deputy Village Chief	05/01/2003
	Mr. Yiasua	Lao Front for National Const.	05/01/2003
Hongsa District	Mr. Charn Phoumma	Deputy Governor	07/01/2003
	Mr. Bounthanh	Chief of Administration Office	07/01/2003
	Mr. Khampheth	Director - CTPC	07/01/2003
	Mr. Somboun	Deputy Director - CTPC	07/01/2003
Ban Phonsoung	Mr. Bounpheng	Village Chief	07/01/2003
	Mr. Xiengkhamla	Deputy Village Chief	07/01/2003
	Mr. Chanpheng	Lao Front for National Const.	07/01/2003
Ban Thaenkham	Mr. Chanpanh	Village Chief	08/01/2003
	Mr. Bounphaeng	Deputy Village Chief	08/01/2003
	Mr. Thavorn	Lao Front for National Const.	08/01/2003
Ban Phonxai	Mr. Ornkham	Village Chief	08/01/2003
	Mr. Chanthi	Lao Front for National Const.	08/01/2003
Ban Thaenkham	Mr. Chanpanh	Village Chief	08/01/2003
Ban Namkaen	Mr. Song	Village Chief	09/01/2003
	Mr. Khoun	Deputy Village Chief	09/01/2003
	Mr. Somlith	Lao Front for National Const.	09/01/2003

Location	Name	Designation	Date
Ban Napong	Mr. Xieng Khamfan	Village Chief	09/01/2003
	Mr. Laoly	Deputy Village Chief	09/01/2003
	Mr. Than	Lao Front for National Const.	09/01/2003
Ban Phoulaengkang	Mr. Bounthan	Teacher & Village Advisor	10/01/2003
Ban Kiew Ngiew	Mr. Bountheung	Village Chief	10/01/2003
	Mr. Nhon	Lao Front for National Const.	10/01/2003
Ban Phoulaengtai	Mr. Lou	Lao Front for National Const.	11/01/2003
Ban Houaychuang	Mr. Khamvaen	Village Chief	11/01/2003
	Mr. Khammorn	Deputy Village Chief	11/01/2003
	Mr. Lek	Lao Front for National Const.	11/01/2003
<b>Xaisettha - Sanxai Road</b>			
Location	Name	Designation	Date
Xaisettha District	Mr. Phetmixai	Deputy Director of CTPC	24/01/2003
	Mr. Bouthavi	ADB 10 Coordinator	24/01/2003
	Mr. Somboun Chanthamad	District Governor	24/01/2003
	Mr. Bounmy	Head of Administration Office	24/01/2003
Ban Oudomxai	Mr. Khambai	Village Chief	24/01/2003
	Mr. Souksavaeng	Deputy Village Chief	24/01/2003
	Mr. Khamkorng	Lao Front for National Const.	24/01/2003
Ban Touay	Mr. Sibou	Village Chief	25/01/2003
	Mr. Vatsadi	Deputy Village Chief	25/01/2003
	Mr. Khamphoui	Lao Front for National Const.	25/01/2003
Ban Phiakeo	Mr. Samai	Village Chief	26/01/2003
	Mrs. Soun	Lao Women's Union	26/01/2003
Sanxai District	Mr. Bounsai Khmmanivong	District Governor	27/01/2003
	Mr. Phimphorn Keo Manisorn	Deputy District Governor	27/01/2003
	Mr. Ounsai Xaimany	Head - District Administration	27/01/2003
	Mr. Souvansin Vilaphon	Chief - Planning Office	27/01/2003
	Mr. Khamson Silanontha	Chief - Personnel Office	27/01/2003
	Mr. Boun Nim	Head - Education Office	27/01/2003
	Dr. Khammanh Khounlavong	Head - Health Office	27/01/2003
Ban Mixay	Mr. Souvansorn	Village Chief	27/01/2003
	Mr. Boun Orn	Deputy Village Chief	27/01/2003
	Mr. Duangsi	Lao Front for National Const.	27/01/2003
Ban Chalengxai	Mr Kham Arng	Village Chief	29/01/2003
	Mr. Xai Samluang	Lao Front for National Const.	29/01/2003
Ban Tadkhanad	Mr. Bounkham	Village Chief	29/01/2003
	Mr. Bounsam	Deputy Village Chief	29/01/2003
Ban Somboun	Mr. Chanthaboun	Party Secretariat	30/01/2003
	Mr. Xiengvai	Village Chief	30/01/2003
	Mr. Khamsaen	Lao Front for National Const.	30/01/2003
Ban Dakhiat	Mr. Thornghpa	Village Chief	30/01/2003
		Lao Front for National Const.	30/01/2003
Attapu	Mr. Phouvanh	Provincial Administration	31/01/2003
	Mr Soulintha Sengdalavong	Dep Dir - Dept of Planning Coop	31/01/2003

<b>General Project Consultation</b>			
UNDCP	Mr Kou Chansina	Director General	12/12/2002
GTZ Health Project	Dr Heio Hohmann	Program Coordinator	14/03/2003
IUCN	Latsamay Sylavong	Senior Program Officer	14/03/2003
Dept Nat. Land Ping	Mr Phounmy	Director General	24/03/2003
Land Titling Project	Chris Lunny	AusAID – Project Leader	25/03/2003
STE A	Mr Soukata Vichit	Director General	19/05/2003
SED-DOR	Mr Xayabandith Insisiengmay	Deputy Director	19/05/2003
GTZ Health Project	Dr Heio Hohmann	Program Coordinator	20/05/2003
MCTPC – Road Safety	Mr Sisamouth	Deputy Director	21/05/2003
NCCAB	Dr Beuang Vang Vanh	Ministry of Health	21/05/2003
IUCN	Latsamay Sylavong	Senior Program Officer	21/05/2003
Dept of Finance - Pakxan	Mr Bounpasong	Deputy Director – Land Office	22/05/2003
DCTPC – Road Safety	Mr Vanh	Road Safety Officer	22/05/2003
Agriculture & Forestry Office	Mr Khamphai	Agri. & Forestry Officer - Bolikhan	22/05/2003
Khen Yong	Mr Thong Vanh	Village Leader	22/05/2003
PCCA - Pakxan	Ms Chanthavong	PCCA Deputy Chair & President Lao Women's Union	23/05/2003
NCCAB/Lao Women's Union	Ms Lavan Southisan	Vice Chief External Relations Div.	23/05/2003
Non-formal Education Development Centre	Mr V Vattana	Director	23/05/2003



## Appendix 2: Resettlement Survey

Identification				Homestead Land & Structures										Agricultural Land & Structures										
District	Village Name	PAP No.	Household Name	Type			Structure Standard				Homestead Land			Replacement Land			Type			Dimensions			Replacement Land	
				Land	House	Shop	Modern	Traditional	Simple	Area m <sup>2</sup>	Length m	Width m	Area m <sup>2</sup>	Rear of existing	Alternative plot	Other	Paddy	Trees	Rice Store	Length m	Width m	Area m <sup>2</sup>	Adjacent to existing	Other
Xaisettha	Oudomxai	001	Neuang	1	1		1			64	25	3	75	1										
Xaisettha	Oudomxai	002	Ae Bounlert	1	1				1	30	25	3	75	1										
Xaisettha	Oudomxai	003	Bounthan	1		1			1	24	25	3	75	1										
Xaisettha	Oudomxai	004	Bounnhok	1	1						25	3	75	1				1			4		1	
Xaisettha	Oudomxai	005	Eb	1		1			1	24	25	3	75	1										
Xaisettha	Oudomxai	006	Nhor	1		1			1	12	25	3	75	1										
Xaisettha	Oudomxai	007	Vang	1	1			1		12	25	3	75	1				1	1	140	4	560		1
Xaisettha	Oudomxai	008	Sangkhanha															1	1	70	4	280		1
Xaisettha	Oudomxai	009	Lian															1	1	60	4	240		1
Xaisettha	Oudomxai	010	Luan	1	1				1	30	25	3	75	1				1	1	100	4	400		1
Xaisettha	Oudomxai	011	Loon															1	1	160	4	640		1
Xaisettha	Oudomxai	012	Charvan	1	1			1		42	25	3	75	1										
Xaisettha	Oudomxai	013	Khanthalai																	200	4	800		1
Xaisettha	Touay	014	Chan	1	1			1		36	25	3	75	1				1		70	4	280		1
Xaisettha	Touay	015	Bounmy	1	1			1		12	25	3	75	1				1		50	4	200		1
Xaisettha	Touay	016	Bounhou	1	1			1		42	25	3	75	1				1		50	4	200		1
Xaisettha	Touay	017	Bounthiang	1	1				1	30	25	3	75	1				1		70	4	280		1
Xaisettha	Touay	018	Thong															1		120	4	480		1
Xaisettha	Touay	019	Phom															1		160	4	640		1
Xaisettha	Touay	020	Ki															1		140	4	560		1
Xaisettha	Touay	021	Phansoeng															1		100	4	400		1
Xaisettha	Touay	022	Ingkor															1		100	4	400		1
Xaisettha	Touay	023	Thin	1	1			1		36	25	3	75	1				1		50	4	200		1
Xaisettha	Touay	024	Vong	1	1				1	30	25	3	75	1				1		60	4	240		1
Xaisettha	Touay	025	Bounthan															1		100	4	400		1
Xaisettha	Touay	026	Vatsadi	1	1			1		36	25	3	75	1				1		60	4	240		1
Xaisettha	Touay	027	Phoui															1		60	4	240		1
Xaisettha	Touay	028	Lian															1		90	4	360		1
Xaisettha	Touay	029	Phan															1		20	4	80		1
Xaisettha	Touay	030	Som	1	1			1		30	25	3	75	1										

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Identification				Homestead Land & Structures										Agricultural Land & Structures											
District	Village Name	PAP No.	Household Name	Type			Structure Standard				Homestead Land			Replacement Land			Type			Dimensions			Replacement Land		
				Land	House	Shop	Modern	Traditional	Simple	Area m <sup>2</sup>	Length m	Width m	Area m <sup>2</sup>	Rear of existing	Alternative plot	Other	Paddy	Trees	Rice Store	Length m	Width m	Area m <sup>2</sup>	Adjacent to existing	Other	
Sanxai	Phiakeo	031	Lae	1		1			1	4	25	3	75	1											
Sanxai	Phiakeo	032	Nheun	1	1				1	30	25	3	75	1											
Sanxai	Phiakeo	033	Somboun	1	1			1		36	25	3	75	1											
Sanxai	Phiakeo	034	Phansomboun														1				50	4	200		1
Sanxai	Phiakeo	035	Lone														1				80	4	320		1
Sanxai	Phiakeo	036	Phoun														1				100	4	400		1
Sanxai	Phiakeo	037	Kalaketh														1				100	4	400		1
Sanxai	Phiakeo	038	Dert														1				70	4	280		1
Sanxai	Phiakeo	039	Pho														1				100	4	400		1
Sanxai	Phiakeo	040	Morn														1				100	4	400		1
Sanxai	Mixai	041	Kahae	1							30	3	90	1											
Sanxai	Mixai	042	Ther	1	1				1	9	30	3	90	1											
Sanxai	Mixai	043	Trang	1							30	3	90	1											
Sanxai	Mixai	044	Khamkong	1							30	3	90	1											
Sanxai	Mixai	045	Sounthorn	1							30	3	90	1											
Sanxai	Mixai	046	Thio	1							30	3	90	1											
Sanxai	Mixai	047	My	1							30	3	90	1											
Sanxai	Mixai	048	Sibou	1	1			1		36	30	3	90	1											
Sanxai	Mixai	049	Inpanh	1	1				1	36	30	3	90	1											
Sanxai	Mixai	050	Khankoeng	1	1			1		40	30	3	90	1											
Sanxai	Mixai	051	Thongna	1	1			1		54	30	3	90	1											
Sanxai	Mixai	052	Kannha	1	1				1	36	30	3	90	1											
Sanxai	Mixai	053	Somsy	1	1				1	25	30	3	90	1											
Sanxai	Mixai	054	Souvantai	1	1			1		36	30	3	90	1											
Sanxai	Mixai	055	Sivorn	1	1			1		24	30	3	90	1											
Sanxai	Mixai	056	Ko	1	1				1	30	30	3	90	1											
Sanxai	Mixai	057	Thongphan	1	1				1	30	30	3	90	1			1				50	4	200		1
Sanxai	Somboun	058	Bounheuang	1		1			1	48	20	3	60	1											
Sanxai	Somboun	059	Bounke	1	1				1	36	20	3	60	1											
Sanxai	Somboun	060	Mai	1		1			1	48	20	3	60	1											

Identification				Homestead Land & Structures										Agricultural Land & Structures										
District	Village Name	PAP No.	Household Name	Type			Structure Standard				Homestead Land			Replacement Land			Type			Dimensions			Replacement Land	
				Land	House	Shop	Modern	Traditional	Simple	Area m <sup>2</sup>	Length m	Width m	Area m <sup>2</sup>	Rear of existing	Alternative plot	Other	Paddy	Trees	Rice Store	Length m	Width m	Area m <sup>2</sup>	Adjacent to existing	Other
Sanxai	Somboun	061	Ten	1		1			1	36	20	3	60	1										
Sanxai	Somboun	062	Bounsuan	1		1		1		48	20	3	60	1										
Sanxai	Somboun	063	Nhed	1							20	3	60	1										
Sanxai	Somboun	064	Phuad	1							20	3	60	1										
Sanxai	Somboun	065	Pho	1							20	3	60	1										
Sanxai	Somboun	066	Naeng	1							20	3	60	1										
Sanxai	Somboun	067	Buasi	1							20	3	60	1										
Sanxai	Vangxai	068	Sivansad	1							20	2	40	1										
Sanxai	Vangxai	069	Inphorn	1							20	2	40	1										
Sanxai	Vangxai	070	Buapha	1							20	2	40	1										
Sanxai	Vangxai	071	Insavan	1							20	2	40	1										
Sanxai	Vangxai	072	Sin Yob	1							20	2	40	1										
Sanxai	Vangxai	073	Mae	1							20	2	40	1										
Sanxai	Vangxai	074	Phob	1							20	2	40	1										
Sanxai	Vangxai	075	Soum	1							20	2	40	1										
Sanxai	Vangxai	076	Khamtiang	1							20	2	40	1										
Sanxai	Vangxai	077	Khor	1							20	2	40	1										
Sanxai	Vangxai	078	Mom	1							20	2	40	1										
Sanxai	Vangxai	079	Chanked	1							20	2	40	1										
Sanxai	Vangxai	080	Thongsorn	1							20	2	40	1										
Sanxai	Vangxai	081	Nha	1							20	2	40	1										
Sanxai	Vangxai	082	Theam	1							20	2	40	1										
Sanxai	Vangxai	083	Noeng	1							20	2	40	1										
Sanxai	Dakhiad	084	Then	1							10	6	60	1						1		4		1
Sanxai	Dakhiad	085	Xiang	1							10	6	60	1						1		4		1
Sanxai	Dakhiad	086	Seui	1							10	6	60	1						1		4		1
Sanxai	Dakhiad	087	Thongpha	1							10	6	60	1						1		4		1
Sanxai	Dakhiad	088	Vord	1							10	6	60	1						1		4		1
Sanxai	Dakhiad	089	Bounseui	1	1				1	20	10	6	60	1										
Sanxai	Dakhiad	090	Bia	1	1				1	20	10	6	60	1										

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Identification				Homestead Land & Structures										Agricultural Land & Structures											
District	Village Name	PAP No.	Household Name	Type			Structure Standard				Homestead Land			Replacement Land			Type			Dimensions			Replacement Land		
				Land	House	Shop	Modern	Traditional	Simple	Area m <sup>2</sup>	Length m	Width m	Area m <sup>2</sup>	Plot of existing	Alternative plot	Other	Paddy	Trees	Rice Store	Length m	Width m	Area m <sup>2</sup>	Adjacent to existing	Other	
Sanxai	Dakhiad	091	Thongpha	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	092	Therb	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	093	Souvanchai	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	094	Lao	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	095	Nhed	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	096	Phian	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	097	Seui	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	098	Thongkeo	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	099	Yorn	1	1				1	20	10	6	60	1											
Sanxai	Dakhiad	100	Khamduan	1	1				1	20	10	6	60	1											
Sanxai	Chalenzai	101	Phornsouvan	1							20	3	60	1											
Sanxai	Chalenzai	102	Keokham	1							30	3	90	1											
Sanxai	Chalenzai	103	Mang	1							20	3	60	1											
Sanxai	Chalenzai	104	Phorn Oun	1	1				1	30	20	3	60	1											
<b>TOTAL ROAD</b>		104		<b>84</b>	<b>40</b>	<b>8</b>	<b>1</b>	<b>14</b>	<b>33</b>	<b>1402</b>	<b>1790</b>	<b>287</b>	<b>5560</b>	<b>84</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>11</b>	<b>2680</b>	<b>120</b>	<b>10744</b>	<b>29</b>	<b>7</b>	

**Appendix 3: Resettlement Costs for Land and Structures**

Village	Homestead Land			Wooden House/Structure			Brick & Wood House/Structure			Simple House/Structure			Paddy Land		
	Cost/m2*	Area m2**	Cost***	Cost/m2*	Area m2**	Cost***	Cost/m2*	Area m2**	Cost***	Cost/m2*	Area m2**	Cost***	Cost/m2*	Area m2**	Cost***
Oudomxai	3,750	450	1,687,500	98,425	58	5,708,650	100,000	64	6,400,000	10,000	90	900,000	1,875	2,920	5,475,000
Thouay	...	...	...	78,740	162	12,755,906	...	...	...	8,000	90	720,000	1,875	5,200	9,750,000
Phiakeo	2,300	225	517,500	67,000	36	2,412,000	...	...	...	6,000	34	204,000	1,875	2,400	4,500,000
Mixai	2,500	1,530	3,825,000	59,055	190	11,220,450	...	...	...	8,000	160	1,280,000	1,875	200	375,000
Somboun	2,300	600	1,380,000	59,055	48	2,834,640	...	...	...	8,000	168	1,344,000	...	...	...
Vangxai	2,300	640	1,472,000	...	...	...	...	...	...	...	...	...	...	...	...
Dakhiat	2,300	1,020	2,346,000	...	...	...	...	...	...	8,000	260	2,080,000	...	...	...
Chalensexai	2,300	270	621,000	...	...	...	...	...	...	8,000	290	2,320,000	...	...	...
<b>Total</b>	<b>2,536</b>	<b>5,560</b>	<b>11,849,000</b>	<b>72,455</b>	<b>494</b>	<b>34,931,646</b>	<b>100,000</b>	<b>64</b>	<b>6,400,000</b>	<b>8,000</b>	<b>1,092</b>	<b>8,848,000</b>	<b>1,875</b>	<b>10,720</b>	<b>20,100,000</b>
<b>Total kip</b>	<b>82,128,646</b>														
<b>Total US\$</b>	<b>7,748</b>														

\* The total for each "cost/m2 column is actually the average cost/m2

The unit costs/m2 were obtained through consultation during the Replacement Cost Survey. These costs will be re-validated during the DMS.

\*\* The total for each "Area" column is the actual area as determined through the Inventory of Losses.

\*\*\* The total for each "Cost" column is the total compensation amounts for each village as determined during the Replacement Cost Survey.

Replacement costs derived through consultation with Village Administration

Village	Structure				Land		Fruit Tree Value for 3 Years Kip/Tree
	Brick 8m x 9m or 300 m2	Wood 7m x 8m or 250 m2	Brick & Wood 8m x 8m or 400 m2	Bamboo 7m x 8m or 250 m2	Homestead Kip/Hai (1600m2)	Paddy Kip/Hai (1600m2)	
Oudomxai	30,000,000	25,000,000	40,000,000	2,500,000	6,000,000	3,000,000	100,000
Touay		20,000,000		2,000,000		3,000,000	
Phiakeo				1,500,000		3,000,000	
Mixay	40,000,000	15,000,000	45,000,000	2,000,000	4,000,000	3,000,000	200,000
Somboun		15,000,000		2,000,000			
Vangxai				1,500,000			
Dakhiad				2,000,000			
Chalensexai		10,000,000		2,000,000		4,000,000	100,000
<b>Average</b>	<b>35,000,000</b>	<b>21,250,000</b>	<b>42,500,000</b>	<b>1,937,500</b>	<b>5,000,000</b>	<b>3,200,000</b>	<b>133,333</b>

Replacement costs recalculated to square meters

Village	Structure				Land		Fruit Tree Value for 3 Years Kip/tree
	Brick 8m x 9m or 300 m2 Kip/m2	Wood 7m x 8m or 250 m2 Kip/m2	Brick & Wood 8m x 8m or 400 m2 Kip/m2	Bamboo 7m x 8m or 250 m2 Kip/m2	Homestead Kip/Hai (1600m2) Kip/m2	Paddy Kip/Hai (1600m2) Kip/m2	
Oudomxai	100,000	98,425	100,000	10,000	3,750	1,875	100,000
Touay		78,740		8,000		1,875	
Phiakeo				6,000		1,875	
Mixay	133,333	59,055	112,500	8,000	2,500	1,875	200,000
Somboun		59,055		8,000			
Vangxai				6,000			
Dakhiad				8,000			
Chalensexai		39,370		8,000		2,500	100,000
<b>Average</b>	<b>116,667</b>	<b>83,661</b>	<b>106,250</b>	<b>7,750</b>	<b>3,125</b>	<b>2,000</b>	<b>133,333</b>

## **Appendix 4: Public Information Booklet**

FIGURE 1: PROPOSED PROJECT ROAD

INSERT MAP

**ROADS FOR RURAL DEVELOPMENT PROJECT – ADB 10  
XAISETHA – SANXAI ROAD**

**PUBLIC INFORMATION BOOKLET**

**Prepared by:  
MINISTRY OF COMMUNICATION,  
TRANSPORTATION, POST AND CONSTRUCTION  
DEPARTMENT OF ROADS  
ENVIRONMENT AND SOCIAL DIVISION**

**November 2003**

*December 2003*



**1. QUESTION: WHAT IS THE ROADS FOR RURAL DEVELOPMENT – ADB 10?**

**ANSWER:** The Government of Lao PDR, with assistance from the Asian Development Bank (ADB), is improving rural access roads in a number of provinces throughout Laos. The Roads for Rural Development Project (ADB 10) intends to improve the road between XAISSETTHA - SANXAI in Attapu. ADB 10 aims to support rural development, through the rehabilitating sections of the rural road network and enhance the social and economic impacts of the recently rehabilitated national roads and also contribute to poverty reduction. Specific objectives are:

- i) Poverty reduction through reducing household vulnerability by improving access to markets and therefore improving food sufficiency; and
- ii) Improved access to key services (i.e. education, health and agricultural extension).

**2. QUESTION: IS IT TRUE THAT YOU ARE GOING TO CONSTRUCT XAISSETTHA - SANXAI ROAD?**

**ANSWER:** Yes. One of the road projects under ADB 10 is the road between XAISSETTHA and SANXAI, which aims to improve the physical access to markets and reduce transport and marketing costs. The total length of the project road is 54 km. The road project will start about 3 km east of Xaisettha town, where it branches off NR 18B and follow the existing alignment to Sanxai. The right-of-way (ROW) of the road is 15 meters either side of the road centerline.

**3. QUESTION: IF THERE WILL BE ROAD IMPROVEMENTS ALONG OUR ROAD, WILL WE BE AFFECTED?**

**ANSWER:** The design and construction of the XAISSETTHA - SANXAI Road will attempt to avoid or at least minimize the impacts on the communities. Based on the initial inventory of potential losses of physical assets conducted between November 2002 and January 2003, there are some affected houses, residential and agriculture land and other properties of the people living along the road. During detailed design, these potential effects may be avoided or minimized since actual alignments of the new road will be

determined through consultation with you and the rest of the local communities. After detailed design, the corridor of impact (COI) that will be affected by the Project will be marked on the ground and houses will be marked so affected persons (APs) will know that they will be affected.

In case the effects on land, houses and structures can not be avoided, APs will be properly compensated in cash or in kind for their land, houses, structures, crops and trees and even community properties in order for them to restore their lost assets, resource or income. Rehabilitation assistance will also be provided to APs who will be required to relocate in another location within their village. The Government of Lao PDR has recently approved the **National Policy and Decree on Resettlement & Compensation**, all entitlements are based on this new policy.

**4. QUESTION: WHAT IF MY LAND WILL BE AFFECTED BY THE PROJECT?**

**ANSWER:** For affected agricultural land, compensation will be in the form of replacement land of equal or better productive capacity than the lost land and be satisfactory to APs. The Project will clear replacement land and assist in preparing the new land.

For affected residential land where the AP has enough remaining land to move back, the AP will have the choice of either compensation in cash at current market value or replacement land and coordinate provision of agricultural extension assistance. If more than 20% of a family's total productive land is lost, a food subsidy will be provided equal to 6 months supply of rice for the family. If the family has to move to another place in the village, the Project will prepare a replacement dwelling site. The Project will prepare sites for vegetable gardens and livestock and assist villages to fence the gardens and livestock and to fence along the road to keep children and animals from running onto the road.

**5. QUESTION: DO WE NEED TO HAVE A LAND TITLE IN ORDER TO BE COMPENSATED?**

**ANSWER:** No. Lack of formal legal rights (title) to land does not prevent any APs from receiving compensation and rehabilitation assistance. All people

who were occupying or using the affected land at the time of the cut-off date will be entitled to full compensation and assistance under the Project.

**6. QUESTION: DOES COMPENSATION APPLY TO MY AFFECTED HOUSES OR OTHER STRUCTURES?**

**ANSWER:** Yes. Houses and all other structures that will be affected by the project shall be compensated at replacement cost so as to enable the owners to have a house or structure of the same size and standard. All houses and other structures, including shops and rice bins will be compensated at full replacement cost for materials and labor to build a new house or structure, and you can re-use your old materials.

**7. QUESTION: WHAT ABOUT MY CROPS AND TREES?**

**ANSWER:** Affected crops and trees will be compensated at current market value. Compensation for crops will be based on the anticipated harvest at market value while trees will be based on the type, age and productivity. Fruit-bearing trees will be compensated at 3 years production value at the current market value

**8. QUESTION: WHAT ABOUT OUR COMMON PROPERTY RESOURCES?**

**ANSWER:** For common property resources, the affected land will be replaced in areas identified in consultation with affected communities and relevant organizations. Affected buildings and structures will be restored to original or better condition. If community income loss is expected (e.g. irrigation, community forest, income from village fishpond), the affected village will be entitled to compensation for the total production loss (over 3 years). This compensation should be used collectively for income restoration measures and/or new infrastructure.

**9. QUESTION: IN CASE THERE WILL BE RELOCATION OF HOUSES OR BUSINESS INVOLVED, HOW CAN THE PROJECT HELP ME REBUILD MY HOUSE DURING RELOCATION?**

**ANSWER:** Apart from the compensation for loss of land and other assets at replacement costs, the Project shall ensure that the standard of living of APs

is maintained or improved after the Project. Therefore, the Project shall provide relocation and subsistence allowance to relocating APs:

- **Materials transportation allowance in cash or kind** to cover the costs of transporting personal effects and salvaged or new building materials;
- **Transition subsistence allowance** to provide food support to family members in relocating households; relocating APs losing household income will be entitled to 6 months supply of rice; relocating APs not losing household income will be entitled to 3 months supply of rice;
- **Repair allowance** over and above compensation for the affected part of structures, to cover the cost of repair of the remaining structure; and
- **Special assistance for socially and economically vulnerable households** (like the very poor or landless or ethnic minorities, or households headed by the aged, women, or the disabled without support) will be provided according to the actual situation.
- **Loss of income during relocation.** Heads of households with structures affected will be entitled to compensation for loss of workdays during the period of dismantling, moving, and rebuilding their structures. The amount will be equivalent to the provincial daily wage rate for the transition period.
- **Loss of business income during relocation.** The owner of businesses or shops affected will be entitled to cash compensation for loss of business during the period of dismantling, moving, rebuilding, and re-establishing their business at the new location. For informal businesses, cash compensation equivalent to the provincial daily wage rate for the transition period. For formal businesses, cash compensation for the lost income during the transition, based on tax declaration.

**10. QUESTION: DOES THIS MEAN THAT ANYBODY IN OUR COMMUNITY CAN CLAIM COMPENSATION?**

**ANSWER:** No. Entitled APs are those persons who will have been surveyed during the detailed measurement survey. The cut-off-date of eligibility is the date that the survey is completed. Persons who encroach into the area after

the cut-off-date will not be entitled to compensation or any other form of resettlement assistance.

**11. QUESTION: WHEN WILL THE DETAILED MEASUREMENT SURVEY BE CONDUCTED?**

**ANSWER:** The activity will be carried out after the actual alignment has been identified. The detailed measurement survey team will be composed of Project Representatives, concerned departments, the Provincial, District and Village Resettlement Committees, representatives from the Lao Women's Union and other organizations. The survey will only be carried out in the presence of the APs. The APs and the local authorities will be informed prior to the survey.

**12. QUESTION: DO WE NEED TO CLEAR THE COI AREA IMMEDIATELY ONCE OUR LAND, HOUSES OR STRUCTURES HAVE BEEN IDENTIFIED AS AFFECTED?**

**ANSWER:** No. Clearing the project COI shall only take place AFTER compensation for affected land or other lost assets has been received by APs. After the AP has acknowledged receipt of payment, the Project shall provide a reasonable time and assistance for APs to clear the area in order for construction activities to commence. The time will be approximately 90 days to relocate permanent structures, 60 days to relocate temporary houses and rice bins, and 30 days to relocate shops.

**13. QUESTION: IF THERE ARE ANY DISAGREEMENTS OR PROBLEMS ARISING DURING PROJECT IMPLEMENTATION SUCH AS COMPENSATION, TECHNICAL AND GENERAL PROJECT-RELATED DISPUTES? DO I HAVE THE RIGHT TO VOICE MY COMPLAINT?**

**ANSWER:** Yes. Any AP may file a complaint. The APs may present their complaints to the concerned local administrative officials and Resettlement Committees. The complaint can be filed first at the village level and can be elevated to the highest or provincial level if the APs are not satisfied with the decisions made by the village and district levels/committees. APs will be exempted from all taxes, administrative and legal fees. Attempts will be made to settle the issues at the village level through community consultation, involvement of social and resettlement experts as

required, NGOs and mediators and facilitators if required. The concerned resettlement committees will properly document all complaints and resolutions.

**14. QUESTION: WHEN IS THE PROJECT EXPECTED TO COMMENCE?**

**ANSWER:** The civil work is expected to start in MONTH & YEAR TO BE INSERTED and be completed at the end of YEAR TO BE INSERTED.

**15. QUESTION: AS A RESIDENT OF ATTAPU PROVINCE, WHAT CAN I DO TO HELP?**

**ANSWER:** We would like you to participate fully in all consultation meetings and other project-related activities to ensure that you are fully informed and your views are known and taken into account.

Your active participation during the survey, detailed design and implementation will allow us to determine measures to mitigate impacts, to identify problems or potential problems, and to identify methods of responding immediately to solving these problems.

**16. QUESTION: HOW WILL YOU KNOW IF THE OBJECTIVES OF THIS PROJECT ARE MET?**

**ANSWER:** The Project Management Unit will monitor all project activities. MCTPC will undertake internal monitoring and report on resettlement implementation and recommend solutions to problems that APs may raise. Reports will be prepared and submitted to ADB. A post-resettlement evaluation will also be undertaken to assess whether impacts of the Project have been mitigated adequately and the pre-project standard of living of APs has been restored as a result of the resettlement and project.

The ADB will also monitor these activities during its regular supervision missions during the period of project implementation.

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If you have further queries and suggestions, please call or see us at:

PROVINCIAL DCTPC OFFICE or Resettlement Management Unit:

Address:

Phone Number: \_\_\_\_\_

# **Part 2:**

# **Community Development Plan**

**Part 2: Community Development Plan**

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**Appendix 1: Draft Outline Terms of Reference****Appendix 2: Cost Estimate****References**

## 1. Introduction

### 1.1 Purpose and Objectives of Community Development Plan

The ADB's *Policy on Indigenous People* requires that if the social assessment determines that indigenous or ethnic minority groups are likely to be significantly and adversely affected by an ADB intervention or that ethnic minority groups are disadvantaged or vulnerable in an intervention because of their social or cultural identity, a specific development plan addressing ethnic minority groups, their concerns and the specific socio-economic issues that are significant must be prepared. The community development plan is required to be a time-bound action plan with appropriate budget provisions and be incorporated as an integral part of project design.

In this case, the project road traverses an area where ethnic minority groups have very low levels of literacy and education compared with the literacy rates of Lao Loum households in the project area. The social assessment has identified that this is likely to disadvantage them, act as a constraint on their ability to enjoy Project benefits from improved access to marketing opportunities, and leave them vulnerable to an influx of people from outside associated with construction and operation of the road. This risk triggers the ADB's safeguard policy in respect of ethnic minority people and therefore requires identification of measures and actions to mitigate this risk. This plan has been prepared in accordance with ADB's policy and has been termed a community development plan to reflect the Lao situation which recognises that while integration of ethnic minority and non-ethnic minority groups has been occurring naturally and with support from Government programs, a community development driven approach is still required for those villages that have high proportions of ethnic minority households and are particularly vulnerable.

The overall objectives of the community development process are to seek the greatest possible reduction in poverty amongst ethnic minority groups, and in cases where adverse cultural effects are unavoidable, to minimise these effects through identification of appropriate mitigation measures. Furthermore, the community development plan actively strives to incorporate mechanisms into ADB 10 planning and design that will ensure the equal or enhanced enjoyment of project benefits by ethnic minority groups. Such an approach recognises that even programmes that are aimed at improving quality of life (i.e. poverty reduction projects) do not necessarily equally reach all sectors of the community, and invariably, ethnic minority people - for a raft of reasons - often bear a disproportionate burden of adverse social and economic effects of development.<sup>30</sup> This certainly is the case in Laos where ethnic minority households are poorer and less literate than their Lao Loum counterparts. Therefore, ADB 10 from an overall perspective must include strategies to overcome such constraints.

Any such strategy would also need to provide specific mechanisms for the concerns of ethnic minority women to be identified and addressed through the subproject process. To this end OM 53/BP notes that

*"...development interventions that will affect indigenous people should ensure that they have opportunities to participate in and benefit equally from the interventions."*

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<sup>30</sup> ADB's *Policy on Indigenous Peoples*; page 10.

To ensure that ethnic minority people are included in appropriate ways in the development process OM 53/BP requires the preparation of a development plan that will include:

- (i) Identification of the problems facing specific ethnic minority groups and a needs assessment
- (ii) Identification of the desires and preferred development options of ethnic minority people; both male and female
- (iii) Identification of potential adverse effects of subprojects
- (iv) Recommendation of measures to avoid, mitigate or compensate for adverse effects
- (v) Identification of measures to ensure and strengthen the capacity of the social, legal and technical skills of government institutions that are responsible for ethnic minority development
- (vi) Involvement of appropriate existing institutions, local organisations, and non-government organizations (NGOs) with expertise in matters relating to ethnic minorities
- (vii) Consideration in subproject design, of local patterns of social organisation, cultural beliefs, ancestral territory, and resource use of ethnic minority groups.

The overall objectives of the community development plan are to ensure that construction of the Xaisetha - Sanxai Road does not cause adverse social and cultural impacts, and that it provides the opportunity for ethnic minority groups to reap project benefits that are equal to, or greater than, the dominant cultural group by ensuring that ethnic minorities participate fully in project planning.

## 1.2 Links with Social Action Plan

A social action plan has been prepared for the project. The social action plan describes each of the interventions required to mitigate the risks associated with the project, over and above the risks associated with resettlement and ethnic minority development that are dealt with separately, in order that the social safeguard policies of ADB and Government are met.

The social action plan describes the community education campaign for the overall project. The community education campaign will cover a number of aspects related to public information dissemination and awareness raising regarding the various components and benefits of the project.

In summary, social preparation for the overall project will include the following components:

- (i) Resettlement, compensation and rehabilitation process and activities including production and distribution of the public information booklet;
- (ii) Non-formal education (numeracy, literacy and marketing skills) for villages with low literacy rates and high proportions of ethnic minorities and a social marketing program to assist villages in taking advantage of new agricultural and production opportunities following improvement in access (xaignabouli and Attapu);
- (iii) A special action for non-timber forest product (NTFP) management included in the resettlement plan for Pakxan - B. Thasi road ; and
- (iv) A community education campaign including an HIV/STD and trafficking of women and children awareness and prevention program, community traffic safety and education program, and land rights awareness and process for



providing Land Use Rights Certificates to any household that does not have one already.

### **1.3 Ethnic Minorities and the Project**

The approach used for the community development plan focuses on ethnic minority communities, however defined, and their needs and desires with respect to poverty reduction, protection of the vulnerable, the capacity to absorb the shocks and the impacts of development, and determining within these communities who are the poor, vulnerable, and otherwise unable to withstand or participate in the development process. This is in keeping with the ADB's *Policy on Indigenous People*.

The Bank's concerns about the equitable involvement of ethnic minorities in its operations have been met in this project. Seventy-six percent of population of the project area belong to ethnic minority groups. The access road is consistent with the needs and aspirations of these people to the extent that it will contribute towards a reduction in poverty, a reduction in opium cultivation, and a reduction in shifting cultivation.

The project is generally compatible with the social and economic institutions of the groups within the project area and, apart from resettlement effects which will be mitigated through a series of measures (Refer to Part 1 - Resettlement Plan), will not create any significant negative effects. This is largely because ethnic minority communities in the project area have already adopted many of the social and cultural institutions of national society, including sending their children to school and using the Lao language. In recent years, they have also been the subject of specific "rural development" initiatives that have been encouraging relocation from the upland and midland areas to the lowlands. In short, they have already undergone the initial effects of resettlement and regular contact with other groups. That said, there are many ways that ethnic minority groups are at a disadvantage when trying to establish their livelihoods in the "mainstream" and predominantly Lao Loum culture. This community development plan has been prepared to ensure that the ethnic minority communities in the project area receive the same level of benefits from construction of the Xaisetha-Sanxai road and the livelihood development and enhancement measures that are available through implementation of the project, and to reduce any adverse social effects that villages along the road may experience as a result of their social and cultural identity.

## 2. Institutional Framework for Ethnic Minority Development

### 2.1 Government Policy

Since 1975 the Government has shown great interest in rural people and ethnic minority groups. The Central Committee for Ethnic Minorities (CCEM) was created in 1975 to develop a policy regarding ethnicity in Lao PDR. The concept of multiple cultures and ethnicity was strongly advocated. The main policy of the CCEM was to continue strengthening the solidarity and conciliation among all ethnic groups and to create a unified force to protect both the sovereignty of the nation and the development of the country. Its priority activity was to conduct research regarding all aspects of the nation's ethnic groups and report the results to the Central Party.

Various decrees and laws throughout the 1980s and 1990s aimed to strengthen protection of the rights of all ethnic groups in the country. Increasing emphasis was made on the importance of diversity, which is increasingly seen as strength rather than as a threat.

#### 2.1.1 Ethnic Minority Affairs in 1981

In 1981 by recognizing the lack of policy and attention towards some ethnic groups, the Political Bureau issued a resolution concerning the affairs of ethnic groups, although the resolution was aimed specifically at issues of the Hmong and became known as the 'Hmong Policy'. The main items in the resolution included:

- (i) Improving the political foundations at the sub-district and village levels;
- (ii) Emphasizing production and improvement of livelihood;
- (iii) Strengthening the security and defense mechanisms;
- (iv) Establish four model/focal districts (in Muang Hom, Muang Nong Het, Muang Duk Cheung and Muang Pak Xong); and
- (v) Increasing the level of Party leadership in ethnic affairs, especially the appointment of Hmong officials into the administration in the regions where Hmong people are the majority.

The second item was primarily focussed on shifting cultivation in rural development and required that the livelihoods of the people, both materially and mentally, be improved. In the case of Hmong, the policy required conditions to be in place to allow a solid basis for production and over the next five-year period various resettlements of highland groups were undertaken in an attempt to improve their food security. The policy also required consultation and a remedial approach to solving problems of land shortage, land dispute between Hmong and other ethnic groups, and problems created by resettlement during the war and through rural development (including those who wished to return to their original territory or move to the new ones).

The policy showed that Government was aware of deficiencies in meeting the basic needs of the rural ethnic people, especially the Hmong, and proposed solutions which emphasised participation and consensus of traditional/local leaders as well as the people themselves.

The Third Party Congress (April 1982) while focusing on economic development and national defence, followed an agenda in relation to the development of the ethnic minorities that included:

- (i) The stabilization of shifting cultivation by allocating 3 to 5 plots of land for each midland and highland household, especially in the northern provinces that have high proportions of ethnic minority groups; and
- (ii) Relocation and resettlement of upland villages to lowland areas where there was 'potential' for paddy rice cultivation.

The policy on stabilization of shifting cultivation and relocation of villages was aimed specifically at ethnic minorities. Due to the insufficient preparation of both resettling and host communities and inadequate resources and experience to support the policy most of the resettlement projects failed to meet expectations and in some cases resulted in resettled villages moving back to their previous land within a few years.

The Fifth Party Congress (March 1991) reiterated commitment to the maintenance of ethnic identities and the economic development of all groups. In addition, the Congress subsequently confirmed adoption of the 'new economic mechanism' and reaffirmed that transition from a subsistence to a market economy must be accompanied by the progressive abandoning of slash and burn practices.

There were two main achievements of the Fifth Party Congress in relation to ethnic minorities; the first being the adoption of the Constitution of Lao PDR that recognized citizens of all ethnicity (refer to Section 2.1.2); and the second being the recognition that implementation of the 1981 ethnic policy had been ineffectual, resulting in the 1992 Resolution on Ethnic Affairs in the New Era (refer to Section 2.1.3).

### **2.1.2 The Constitution**

The Constitution of Lao PDR was passed in 1991 as a consolidation of the rights and responsibilities of the State and the people. Throughout the Constitution the term "citizens of all ethnicity" is used. The Constitution states that all citizens have rights in education, health, land use and ownership, domicile of choice, and economic development regardless of sex, religion, social status, education, or ethnicity; as well as freedom of religion, freedom of speech; freedom to peacefully assemble and to protest. All citizens have the right to work and carry out their chosen livelihoods. Articles 8 and 22, guarantee that there will be no discrimination on the basis of ethnicity or gender.

Articles in the Constitution where ethnic minorities are specifically mentioned are as follows:

- (i) Article 1 - Laos is a nation unified and indivisible of all ethnic groups;
- (ii) Article 2 - all power is of people, by people, and for the use of the multiethnic people;
- (iii) Article 3 - the right of a multi-ethnic people to be owners of the nation is exercised and guaranteed by the political system;
- (iv) Article 7 - mass organizations are the focal point for the solidarity and mobilization for citizens of all backgrounds and ethnicity as participating members in the safeguarding and edification of their rights and interests;
- (v) Article 8 - the State will carry out a policy of unity and equality among the various ethnic groups. All ethnic groups have the right to preserve and improve their own traditions and culture and those of the nation. Discrimination between ethnic groups is forbidden. The state will carry out every means in order to continue to improve and raise the economic and social level of all ethnic groups;
- (vi) Article 13 - the economic system is for the purpose of improving the standard of living, materially and spiritually, of a multi-ethnic people;

- (vii) Article 19 - the State and the people will collaborate to build schools of all levels in order that a complete education system will be available to all, especially areas inhabited by ethnic minorities; and
- (viii) Article 22 - all Lao citizens, regardless of their sex, social position, education, beliefs or ethnicity, are equal before the law.

These articles form the foundation of a policy signed by the President in 1992 entitled *Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era*. The general policy of the Party concerning ethnic minorities is discussed below.

### **2.1.3 The 1992 Resolution**

In 1992 the Party Central Committee issued a resolution on Ethnic Affairs in the New Era. The first section of the Resolution constitutes an evaluation of the implementation of the 1981 Ethnic Affairs Policy. While acknowledging some progress, this section is essentially a strong critique of the lack of progress in most areas of implementation, summarized as follows:

- (i) The problems of the ethnic minorities had not been given enough attention by several authorities and organizations;
- (ii) The livelihood of the ethnic minorities both in term of materials and cultures had not been improved sufficiently, and the policy on land allocation and resettlement (permanent occupation) of 'mountainous' people had not been seriously implemented and resulted in turmoil;
- (iii) Many ethnic minority children were not attending school and the illiteracy rate was increasing. The Hmong and Khmou scripts had not been included in the curriculum or teaching at ethnic schools;
- (iv) Civil servants from minorities had not been adequately trained and motivated to work in their own areas;
- (v) Political awareness had not been established in politically sensitive areas;
- (vi) There had been no in-depth research on the issues related to the realities of socio-economic life for ethnic minorities; and
- (vii) There had been a lack of co-ordination between government agencies responsible for addressing problems facing ethnic minority groups.

The 1992 Resolution required implementation of five tasks:

#### **(a) Building and improving a strong political foundation**

Focusing on awareness raising amongst ethnic minorities and strengthening the roles of their leaders in promotion and maintenance of solidarity between ethnic groups. The policy calls for resolution of disagreement between members of the same ethnic minority, between ethnic minority groups, and government officials.

#### **(b) Encouraging production and commercialisation in mountainous areas**

The policy highlighted the need to continue stabilising shifting cultivation by arranging permanent occupation of non-mountainous areas (through resettlement). The policy also required that every government office prepare a 'cooperative plan' for the development of rural mountainous areas with the Lao Front for National Construction as the central organization to reduce the differences between urban and rural areas.

**(c) Expanding education, culture, health and social benefits to rural mountainous areas**

The network of formal primary education should be expanded to guarantee that all children of school age attend school. It was also pointed out that minority children have the same rights to education as other children in the lowland areas and cities. A detailed plan for teacher training was required, directed at the ethnic minorities in remote areas. Under this item, the mandate was given for relevant organizations to carry out research on the Hmong and Khmou scripts, and for teaching them together with Lao language and script. This included increasing dissemination of information in remote areas through radio broadcasting in minority languages with appropriate programs that specifically relate to their livelihoods and life style.

**(d) Increasing the level of Party leadership in ethnic minority affairs**

This item of the Resolution required strengthening of the organizations responsible for ethnic affairs. At the central and provincial levels, establishing an appropriate mechanism for ethnic development under the Lao Front for National Construction. The Lao Front for National Construction central administration is designated as advisor to the Party Central Organization and Government, while at local level Party committees should assist Lao Front for National Construction in carrying out its duties.

**(e) Responsibilities**

Finally, the Resolution assigned responsibilities to relevant government agencies to implement the ethnic minority policy as follows:

- (i) Lao Front for National Construction has overall responsibility for ethnic minority development and preparation of action plans (in coordination with various sectors in implementation of the Resolution). Lao Front for National Construction also has the duty to monitor and encourage implementation of the policy and action plans, and report to Party Central Committee and Government on strengths, constraints and lessons learnt;
- (ii) The Propaganda & Training Committee (of the Central Committee) is responsible for training and information dissemination through culturally appropriate methods via the Ministry of Information & Culture;
- (iii) The Party Central Committee Organization Board in collaboration with the Committee for Building Political Administrative Grass Roots is responsible for improving the grassroots communication and resolving personnel problems;
- (iv) The Ministry of Defense must raise awareness of the Policy amongst military personnel especially those who are stationed in ethnic areas;
- (v) Ministry of Interior has the duty to prepare plans for peace keeping in politically sensitive areas; and
- (vi) There was a general requirement on central level agencies to devote attention to coordination with Lao Front for National Construction in implementation of the Resolution in order to develop a viable socio-economy in ethnic minority areas.

This policy was to be implemented through both political and economic development activities. Included in the latter was the halting of shifting cultivation and the permanent settlement of the people who practiced it. This was to be followed by programs to improve their livelihoods.

## 2.2 Asian Development Bank Policy

The ADB's *Policy on Indigenous People* (1999) focuses on the circumstances of ethnic minority people and on identifying and satisfying the needs and developmental aspirations of these people. It emphasizes the participation of ethnic minorities in development and the mitigation of its negative effects and impacts.

The ADB policy then stipulates that Bank-funded projects in which ethnic minorities are affected should be:

- (i) Consistent with the needs and aspirations of affected ethnic minority peoples.
- (ii) Compatible in substance and structure with affected ethnic minorities' culture and social and economic institutions.
- (iii) Conceived, planned, and implemented with the informed participation of affected communities.
- (iv) Equitable in terms of development efforts and impact.
- (v) Not imposing the negative effects of development on ethnic minorities without appropriate and acceptable compensation.

The community development plan framework for the project, is based on the laws and programmes of the Government and ADB's *Policy on Indigenous People* (1999)<sup>31</sup>.

The term 'indigenous people' is generic and includes cultural minorities, ethnic minorities, indigenous cultural communities, tribal peoples, scheduled tribes, natives and aboriginals. The definition, as used in ADB's OM 53/BP, is encompassing and describes ethnic minority people as having the following characteristics:

“...(i) descent from population groups present in a given area before modern states or territories were created, and (ii) maintenance of cultural and social identities separate from mainstream or dominant societies or cultures. Additional characteristics include (i) self-identification and identification of others as being part of a distinct indigenous cultural group, and the display of desire to preserve that cultural identity; (ii) a linguistic identity different from that of mainstream or dominant society; (iii) social, cultural, economic, and political traditions and institutions distinct from mainstream or dominant culture; (iv) an economic system oriented more toward a traditional system of production than the mainstream system; or (v) a unique tie and attachment to traditional habitat and ancestral territory and natural resources.”

The approach adopted by ADB in project and programme development is to seek the greatest possible reduction in poverty amongst ethnic minority people, and in cases where adverse cultural effects are unavoidable, to minimise these effects through identification of appropriate mitigation measures. Furthermore, where ethnic minority people are to be affected by a project, it is important to incorporate mechanisms into project planning that will ensure the equal or enhanced enjoyment of project benefits by ethnic minority people.

This approach recognises that even programmes that are aimed at improving quality of life (i.e. poverty reduction projects) do not necessarily equally reach all sectors of the community, and invariably, ethnic minority people - for a raft of reasons - often bear a disproportionate burden of adverse social and economic effects of development.

<sup>31</sup> Projects funded by the ADB must also comply with the Operations Manual & Guidelines on Operational Procedures: Section 53 - Indigenous People (January 2001).

Therefore, project planning must include strategies to overcome such structural constraints and appropriate communication avenues are identified, particularly when conventional approaches to information dissemination may not be adequate. Any such strategy would also need to provide specific mechanisms for indigenous women's concerns to be identified and addressed through the project process. To this end OM 53/BP notes that *"...development interventions that will affect indigenous people should ensure that they have opportunities to participate in and benefit equally from the interventions."*

To ensure that ethnic minority people are included in appropriate ways in the development process OM 53/BP requires the preparation of an indigenous peoples' development plan (IPDP). To reflect the historical development of culture and tradition in Lao PDR, the IPDP process for ADB 10 is referred to as the Community Development Plan process.

### **3. Ethnic Minorities in Lao PDR**

#### **3.1 Ethno-linguistic Classification**

While ethnic minorities constitute a relatively small part of the populations of most of the countries of the ADB's region, the situation is different in the Lao PDR. Ethnic minorities comprise a significantly large proportion of the population.

If ethnic groups in Lao PDR are classified ethno-linguistically, i.e. by named groups having their own distinctive language different from Lao, then by some estimates about 70 percent of the population can be classified as ethnic minorities. The other 30 percent would be the Lao Loum who speak Lao as their first language. At the same time, there are ethnic groups who speak languages that are closely related to Lao and whose cultures are closely related to those of Lao Loum, sometimes referred to as Lao-Tai. If these groups are classified together with the Lao Loum, they make up 66 percent of the population, and the remaining 34 percent would be the ethnic minorities.

A more detailed breakdown of the ethnic groups shows that there are eight groups with between 1 percent and 53 percent of the population. The Lao Loum group dominates with 53 percent of the population, followed by the Khmou group with 11 percent and Phou Thay group with 10 percent. The next largest group are the Hmong with 7 percent of the population and this is the largest group within the Chine - Tibetan ethno-linguistic group. The other ethnic groups in the top eight include Leu (Tai Kadai) with 23 percent, Katang (Chine - Tibetan) with 2 percent, Makong with 2 percent and Kor with 1 percent. The remaining ethnic groups each have 1 percent or less of the population and together comprise 11 percent of the whole population.

However, there is wide socio-cultural variation, besides language, among the ethnic minorities, and many of the groups -or local communities within the groups - have more in common with Lao Loum groups than they do with other ethnic minorities. Different ethnic groups whose languages are closely related can also be very different in terms of other socio-cultural parameters.

While the Lao Loum are considered the majority group, and their language is the official language, they do not hold this dominant position exclusively. Many people of ethnic minority origin speak Lao, live in towns, and are members of mainstream society. In fact, there are high-ranking party and government officials who come from ethnic minority groups. Furthermore, many ethnic minority groups are able to participate to varying degrees in the national society.



**Table 3.1.1: Ethnicity of Total Population**

Ethno-linguistic families	Number of ethnic groups	Population	%
<b>Tai - Kadai or Lao - Tai</b>	<b>8</b>	<b>3,029,154</b>	<b>66.2</b>
Lao		2,403,891	52.5
Phou Thay		472,458	10.3
Leu		119,191	2.6
Nyouan		26,239	0.6
4 other groups		7,375	0.2
<b>Mon - Kmer</b>	<b>32</b>	<b>1,037,655</b>	<b>22.7</b>
Khmou		500,957	11.0
Katang		95,440	2.1
Makong		92,321	2.0
Xouay		45,498	1.0
Laven		40,519	0.9
Taoey		30,876	0.7
Thin		23,193	0.5
Talieng		23,091	0.5
Phong		21,395	0.5
Tri		20,906	0.5
22 other groups		143,459	3.1
<b>Hmong - lu Hmien</b>	<b>2</b>	<b>338,130</b>	<b>7.4</b>
Hmong		315,465	6.9
lu Mien		22,665	0.5
<b>Chine - Tibetan</b>	<b>7</b>	<b>122,653</b>	<b>2.7</b>
Akha		66,108	1.4
Sengsaly Ba		35,635	0.8
5 other groups		20,910	0.5
<b>Hor</b>	<b>1</b>	<b>8,900</b>	<b>0.2</b>
<b>Other not specified</b>	<b>5</b>	<b>38,356</b>	<b>0.8</b>
<b>Total</b>	<b>50</b>	<b>4,574,848</b>	<b>100</b>

Source: Atlas of Laos (Lao Front National Construction; 1995).

### 3.2 Classification by Economic Life

A more common way of classifying ethnicity in Lao PDR, which has been widely used since 1975, is by location within the physical environment and means of adaptation or economic life.

This approach has three categories; Lowland Lao (Lao Loum), Midland Lao (Lao Theung) and Upland Lao (Lao Sung). In terms of the proportion of the overall population they account for, Lowland Lao make up 60-70 percent, the Midland Lao comprise 20 -25 percent, and the Upland Lao account for 10-15 percent.

While these categories are sometimes useful, it needs to be pointed out that many Lao Theung and Lao Sung individuals and communities have moved to permanent settlements in lowland areas - often intermingling with other ethnic groups - where they

have adopted paddy rice and other forms of lowland cultivation. And, in places where land suitable for paddies has run out, Lao Loum often move up the slopes and practice opportunistic forms of shifting cultivation, further clouding the picture. Further, Chamberlain<sup>32</sup> notes that there are many exceptions to these stereotypic village locations and therefore such universalities need to be used with care.

### 3.2.2 Lao Loum

The lowland Lao (Lao Loum and Lao Tai), whose traditional form of adaptation is paddy rice cultivation along with the urban services and political structures which accompany lowland adaptations to form an integrated state society.

Different from some of the Lao Theung and Lao Sung communities, however, all the Lao Tai ethnic minority communities are able to effectively communicate well beyond their own communities. They engage in trade and other kinds of interaction with the ethnic Lao and other ethnic groups, and their awareness of being part of a wider society is well established. Their leaders, furthermore, participate in the national political arena. Consequently, they are less likely to be vulnerable to the economic, environmental and social shocks of rapid socio-economic change due to development interventions than the other ethnic minorities.

Not all the Lowland Lao in the project area are the predominant Lao, but belong to different ethnic groups. These groups and their languages are closely related to the ethnic Lao and the Lao language. While the traditional ethnic Lao areas tend to be in the lowlands of the Mekong flood plain, Lao Tai groups are generally found in upland river valleys where they grow paddy rice and sometimes supplement it with dry rice and shifting cultivation.

### 3.2.3 Lao Theung

The midland Lao (Lao Theung), are people who live in the lower altitudes of the mountains and who mainly practice integral or rotational shifting cultivation on the steep slopes. There are different Lao Theung ethnic groups represented in the project area accounting for 458 of the families. None of them traditionally speak languages related to the Lao language, although most of them speak Lao now. As indicated in the socio-economic profile presented in the S&PA, which notes that nearly three quarters of the Lao Theung households speak Lao. They practice shifting cultivation for their subsistence, growing mainly rice. Some of them raise additional cash crops like coffee, tobacco, or cotton or weave traditional fabrics, which they trade for basic needs with neighbouring communities or with Lao Loum. The Lao Theung groups in the project area are: Alak, Tariang, Oy, Satang, Lavae and Yae.

These are the people who can most benefit from the project, but who at the same time are the most vulnerable to negative impacts. This is because their ability to communicate with other groups is limited by their remoteness and a lack of good roads, their trade is very localized, and their awareness of the wider society and its institutions tends to be naive.

In the project area a number of Lao Theung villages have also begun to suffer adverse effects of the resettlement associated with the rural development program. It was noted during field investigations that households that have resettled in villages associated with Nam Pa Focal Site are actually worse off than they were previously.

<sup>32</sup> *Poverty Alleviation for All: Potentials and Options for People in the Uplands* (J. Chamberlain & P. Phomsombath; SIDA, September 2002; p.23)

The land they have been provided with is of poor quality and they have not been supported with any agricultural training or extension to assist with the transition from cultivation of dry or upland rice to cultivation of lowland or paddy rice. While it is not the role of ADB 10 to mitigate these effects, the project must be cognisant of the context within which additional developments are taking place and that the cumulative effects of such could exacerbate the vulnerability or exposure to vulnerability that these households face. The program recommended in this community development plan will provide some support to households in nine villages, some of whom are experiencing the negative effects of resettlement.

### 3.2.3 Lao Sung

The highland Lao (Lao Sung), who mainly practice pioneer shifting cultivation at the higher altitudes and who sometimes cultivate opium. Traditionally, they practice pioneer shifting cultivation with both dry rice and maize, raise livestock (buffaloes, cattle, pigs and chickens).

There are no Lao Sung (Hmong) in the project area of the Xaisetha - Sanxai Road.

### 3.2.4 Summary of Ethnic Minorities in the Project Area

As can be seen from the table below, 76 percent of the project area is made up of ethnic minority families, all are Lao Theung groups, there are no Lao Sung in the project area.

**Table 3.2.1: Ethnic Minority Representation in the Project Area**

Total Population	Number of Households	Lao Loum	Lao Theung	Lao Sung	Average H'hold Size
6,929	1,122	24.7%	76.3%	0.0%	6.2

Source: PPTA village administration interviews (November 2002 - January 2003).

## 3.3 Issues for Ethnic Minority Development

### 3.3.1 Health

In general the human development of Lao PDR is hampered by a number of constraints in the health sector, for ethnic minority groups issues related to health are even more pressing than in predominantly Lao Loum communities and ethnic minority groups fare much poorer than Lao-Tai groups over a number of health indices. For example, the infant mortality rate, which for the country averages above 100 per 1,000 live births (1995) is higher by some 30 percent in provinces with high proportions of ethnic minorities. Similarly, the 1995 mortality rate for children under five-year was about 50 percent for Austro-Asiatic speakers.

Supply of health services is still limited. The Ministry of Health in Lao PDR has been expanding the coverage of health services throughout the country. However, this coverage is often not very effective. Most district hospitals suffer from a lack of supplies, public services and a lack of trained personnel. Rural ethnic families often live far from roads and regional centers, effectively restricting their access to formal health services.

In addition, few of the formal sector medical personnel are from rural ethnic groups, which limits their ability to communicate with patients and to bridge the cultural gap. In 1998, only 5 percent of students studying to be physicians were from ethnic minority groups. The following table presents some indicators by main ethno-linguistic family.

**Table 3.3.1: Health Indicators by Ethnicity**

Indicator (% by village or household)	Ethno-Linguistic Family			
	Tai-Kadai	Mon-Kmer	Hmong-Mien	Tibeto-Burman
Villages with clean water supply	48	35	10	7
Villages with at least 1 modern medical practitioner	84	60	47	39
Villages with traditional healers	45	30	31	22
Villages with village health volunteers	63	54	22	30
Villages with traditional birth attendant	53	32	31	13
Villages within 4 hours of a hospital in dry season	90	68	53	52
Villages within 1 hour of pharmacy in dry season	82	48	34	26
Villages with basic drugs & medicine available	57	30	25	21
Villages with minimum 4 EPI visits in last year	31	24	15	4
Villages with mos. net impregnation session in year	27	32	7	30
Households which impreg. at least 1 mosquito net	17	19	4	16
Households which know usefulness of iodised salt	39	18	11	7
Households with iodised salt	33	38	42	43

Source: Laos Primary Health Care Expansion Project (ADB; 1999).

### 3.3.2 Education

The problems that ethnic minority populations face are often related to supply and access to education. Approximately 70 percent of villages have at least primary school to grade two or three, although many of these schools are incomplete. In general, provinces with high ethnic populations have more villages without schools and more incomplete primary schools.

There are two main problems; firstly, an insufficient number of teachers and despite some incentives from villages such as rice and food, most teachers are not committed to teach longer than two or three years in the remote rural schools; and secondly, most teachers - at all levels - are from Lao-Tai speaking groups who have little knowledge of the language and culture of different ethnic minority groups. Teachers from Lao-Tai speaking groups account for 86 percent of all teachers, while teachers from Austro-Asiatic groups account for 9 percent and teachers from Hmong Yao and Sino Tibetan groups account for only 3 percent.<sup>33</sup>

Many schools have only one teacher, who may not be trained or equipped to handle a multi grade classroom. Due to the lack of rural ethnic students in lower secondary schools and above, it is not surprising that there are few ethnic teachers. Many of the more isolated schools must depend on unqualified teachers, local residents who have some formal education but who do not meet the official requirements to be teachers.

The curriculum is also not geared toward the needs of rural ethnic children. The national curriculum is designed and taught in Lao-Tai languages, which are foreign to many rural ethnic children. Another dilemma is that only the Hmong and Khmou ethnic groups have their own scripts while other groups have only spoken languages.

<sup>33</sup> *Education for All: Year 2000 Assessment* (Final Country Report; UNDP, UNESCO, UNFPA, UNICEF & World Bank).

Ethnic minority people clearly have a literacy rate that is well below the national average and the average for the Lao Loum populations. With the exception of the Lao-Tai speaking groups, differences between male and female illiteracy rates are significant. Typically men are more than twice as likely to be able to read and write as women; while in some groups the difference is more than five times. Census data revealed that literacy rates for the ethnic minorities are considerably lower than the 73 percent for Tai Kadai groups and 60 percent for the country as a whole; about 37 percent for Austro-Asiatic groups, 27 percent for Hmong-Mien and less than 20 percent for Sino-Tibetans (with the Lahu group having only a 2 percent literacy rate).

**Table 3.3.2: Literacy and Ethnicity**

Ethno-linguistic Group	Male Literacy Rate	Female Literacy Rate	National Literacy Rate
Tai Kadai	84.4%	62.3%	72.9%
Austro Asiatic	55.6%	19.9%	36.9%
Hmong Yao	45.7%	8.1%	26.5%
Sino Tibetan	22.3%	12.0%	17.0%
Other	60.8%	32.9%	46.8%
TOTAL	73.5%	47.9%	60.2%

Source: Results of the Population Census 1995 (NSC, 1997).

Regarding access to higher education, after graduation from primary or secondary school, due to their limitation in Lao language, many rural ethnic students cannot compete with the Lao speaking students for further education. Moreover, due to the lack of educational facilities, many students who graduate from high school fail for admission to the university for skill training. In most cases high school graduates are more competitive than the rural ethnic students for admission to skill training.

The *Education Strategy Vision to Year 2020* as formulated in a draft Discussion Paper pays very little - if any - attention to the educational constraints of minority groups. In practice, however, there are some promising indicators such as; Ministry of Education's Education for Ethnic Minorities Division playing a major role in extending formal schooling to ethnic minorities via the boarding school system, and the Ethnic Affairs Department of Lao Front for National Construction also understands the importance of relating the curriculum to rural life. Target groups in this respect are children of ethnic minorities, and those who are living in mountainous areas where education is impossible to access.

The Department of Non-formal Education (DNFE) and Non-formal Education Development Centre (NFEDC), both under the Ministry of Education, are responsible for developing the national curriculum in formal education and basic vocational non-formal education, with a particular emphasis on ethnic minorities. The DNFE is the strategy and policy arm while the NFEDC (under the Department) is responsible for the implementation of program and activities. The main activities of the NFEDC are aimed at areas where ethnic minorities present high illiteracy, low levels of Lao language skills, and low numeracy.

Activities and programs include:

- (i) Developing curriculum for basic vocational education on non-formal education targeting sewing, food processing, tourism services, agro-agriculture, and livestock raising;
- (ii) Developing additional curriculum focusing on the needs of girls and women, population education, environmental conservation and HIV/AIDS

- and trafficking awareness and prevention and drug use and prevention;  
and
- (iii) Developing materials (booklets, posters, leaflets, media campaigns) on vocational knowledge and life skills.

The NFEDC has been consulted on the nature of the program proposed in the community development plan and has expressed a keen interest to be involved in the detailed design and implementation of the program (refer to Section 6.4).

### 3.3.3 Agriculture

The agricultural system in Lao PDR can be classified based on production type and topography as influenced by the Mekong watershed. Lowland areas of the country consist of alluvial plains along the Mekong River and its tributaries. The main agricultural activities in these areas are rain-fed paddy rice cultivation and fishing. Some larger irrigation schemes are located here as well.

Fruit trees and vegetables are grown near houses or along riverbanks for cash income. In addition, secondary crops such as cotton, sugar cane, and tobacco may be sold. Livestock (cows, buffalo and pigs) serves as a form of saving that may be liquidated in case of emergency. Thus, the lowland areas where the majority of its inhabitants are Tai-Kadai, are the major sources of food supply of the country.

Paddy land located on valley floor is scarce, but contributes significantly to the overall performance of agro-ecosystems where paddy and swidden cultivation are combined. Where water resources are available, some farmers have developed traditional irrigation systems. Valleys and lowland areas are generally inhabited by Lao speakers, but a few others, such as members of the Mon-Khmer families in the South, or the Sing Sally (Phou Noy) in the North are found in this area as well.

Rolling hills and low to mid-elevation mountain slopes form the focus of most rotational swidden cultivation. Upland rice, cassava, and maize are grown as the main crops, while the raising of livestock is also important to livelihood. The Mon-Khmer groups are the major practitioners of rotational swidden agriculture. They are primarily subsistence oriented and rely heavily upon forests for supplemental food, medical plants, fuel wood and shelter.

Highland zones on or near to the tops of mountain support production systems which include upland rice, maize, beans, and root crops; small and large animals; and in some cases opium. Fruit trees are grown, and home gardens are prominent. Many of its habitants, which belong primarily to the Hmong-Mien ethnic linguistic groups, practice shifting cultivation.

Shifting cultivation is one of the key development issues in Lao PDR due to the fact that about 300,000 families are practicing it, a figure that represents more than 40 percent of rural families. Practically all of these families are from Mon-Khmer, Hmong-Mien or Tibeto-Burman groups who live in the remote areas and hard to access.

Its reduction and stabilization has been identified as a major objective since the Third Party Congress in 1982. It has also been mentioned in the 7th Party Congress that shifting cultivation must be eliminated by 2020.

In general the Hmong-Mien and Tibeto-Burman practice shifting cultivation on the tops of mountains; the Mon-Kmer practice shifting cultivation on middle slopes; and the Tai-Kadai practice it by encroaching on marginal and forested land on the lower slopes. Until

recent years many of these people, particularly the Mon-Khmer have been living in harmony with nature based upon a stable shifting cultivation system. However, population pressures, market demand for timber and non-timber forest products, dislocation and destruction resulting from the war, and the aspiration of the highland farmers to participate in national education and health systems have combined to disrupt traditionally sustainable systems to a degree where shifting cultivation practices are now at the center of a nation-wide controversy.

Resettlements have been carried out aiming at protection of the forest resources and provision of education, health care, social services and economic opportunities to the rural ethnic people. In addition, the improvement of the infrastructure has also encouraged the concentration of villages in the area of road confluence and the establishment of paddy field. However, in many cases these resettlement programs are poorly designed and incautiously executed. Since 1996, the overall program for focal site development has identified some 87 locations for the implementation of focal sites. The scope of the program has since been reduced to 59 sites. One of the sites is located in project area—Nam Pa focal site—and has been encouraging people from the villages at the Sanxai end of the road to resettle in the B. Paam area. The district headquarters have been temporarily moved to B. Paam, however they will move back to Sanxai once the road is completed.

## 4. Ethnic Minority Communities in the Project Area

### 4.1 Population

Ethnicity varies considerably between the villages in the project area, from two villages that are predominantly Lao Loum to villages that are entirely (or nearly entirely) ethnic minority. B. Oudomxai, at the start of the route, is the only village that is 100 percent Lao Loum.

**Table 4.1.1: Ethnicity of Project Area**

Village	Population	Households	Lao Loum	Lao Theung	Average H'hold Size
Oudomxai	810	125	100.0%	0.0%	6.5
Thouay	968	168	86.9%	19.0%	5.8
Keng Gnai	822	129	0.0%	100.0%	6.4
Tadkhoun	300	46	0.0%	100.0%	6.5
Phiakeo	362	64	0.0%	100.0%	5.7
Myxai	920	159	3.1%	96.9%	5.8
Daksud	143	33	0.0%	100.0%	4.3
Pakpe	100	23	0.0%	100.0%	4.3
Phoudeng	117	23	0.0%	100.0%	5.1
Somboun	384	62	1.6%	98.8%	6.2
Vangxai	508	57	0.0%	100.0%	8.9
Dakhiat	443	81	0.0%	100.0%	5.5
Dakkiat	230	33	0.0%	100.0%	7.0
Chalensexai	822	119	0.0%	100.0%	6.9
<b>Project Area</b>	<b>6,929</b>	<b>1,122</b>	<b>24.7%</b>	<b>76.3%</b>	<b>6.2</b>

Source: PPTA village administration interviews (November 2002 - January 2003).

Ten of the 14 villages in the project area are 100 percent ethnic minority, while B. Myxai and B. Somboun are very close to being entirely Lao Theung.

### 4.2 Poverty and Marginalization

This data is also reported in the resettlement plan and S&PA and is presented here to give some context. Based on data provided by the village administrations,<sup>34</sup> poverty in the project area. Attapu ranks as the seventh poorest province in Laos with 45 percent of the population below the poverty line. With a fifth of households along the route being reported as poor, this does not correlate well with the either the provincial (45 percent) or district data which indicates that 87 percent of M. Sanxai are poor.

Even though the proportion of poor for this road is reported to be lower than the district poverty level and the other two roads, by any number of measures, the people along the Xaisetha - Sanxai road are poor.

<sup>34</sup> Of the 18 villages in the project area, interviews were undertaken with 15 village administrations. The definition of a poor household being that contained in the June 2001 Instruction.



**Table 4.2.1: Poverty Levels in the Project Area**

Village	% of very poor households	% of poor households	Number of months food sufficiency for very poor households	Number of months food sufficiency for poor households	Average Monthly income of very poor households	Average Monthly income of poor households	Average Monthly income of food sufficient households
Oudomxai	7.2%	9.6%	2	6	25,000	30,000	80,000
Thouay	0.0%	7.1%		6		50,000	100,000
Phiakeo	7.8%	31.3%	2	5	10,000	20,000	50,000
Myxai	12.6%	37.7%	2	8	40,000	80,000	120,000
Somboun	6.5%	16.1%	1	6	10,000	30,000	100,000
Vangxai	5.3%	31.6%	1	4	10,000	20,000	70,000
Dakhiat	0.0%	12.3%		8		10,000	30,000
Chaleunxai	12.6%	25.2%	2	5	15,000	30,000	60,000
<b>TOTAL</b>	<b>6.7%</b>	<b>20.6%</b>	<b>2</b>	<b>6</b>			

Source: PPTA village administration interviews (November 2002 - January 2003).

The monthly incomes for poor and food sufficient households are lower than along the other two Project roads.

Subsistence agriculture is the main economic activity along the road, and north of B. Mixai, most people are shifting cultivators. Other forms of production for households along the road include livestock raising, NTFP collection and some cash cropping. Nearly all households (90 percent) keep poultry, and 82 percent raise buffaloes, 78 percent keep pigs, and only 6 percent raise cattle. Just over half of households (52 percent) gather NTFPs.

Most cash income is earned by the households located along the southern part of the road, (closer to Xaisetha). Over half (58 percent) of households sell rice with incomes ranging from 150,000 to 3 million kip/year and averaging 945,000 kip/year. Livestock and livestock products are sold by 88 percent of households, with incomes ranging from 50,000 to 3.4 million kip/year. Cash crops are sold by 48 percent of households providing an average household income of 228,000 kip/year.

The main sources of non-agricultural income are NTFP collection and working for wages. Fifty-two percent of households collect non-timber forest products. The incomes range from 50,000 to 500,000 kip/year, and average 225,000 kip/year. In addition, 40 percent of households have at least one member who works outside the home for cash income ranging from 84,000 to 2.8 million kip/year (averaging 958,000 kip/household/year). Less than a quarter (22 percent) of households engage in trading but the households that do earn an average income of about 1.1 million kip/year.

The surveys captured respondents from each of the three beneficiary types that were from households earning 60,000 kip/month or less, providing a total of nearly 8 percent in the lowest income category. Three quarters of respondents came from households earning between 61,000 and 150,000 kip/month, a much higher proportion in this income category than that occurring on either of the other roads. Only 1.3 percent of respondents were from households earning between 401,000 and 800,000 kip/month compared with nearly a quarter on the other two roads. Also, fewer vehicle owners occur in the two higher income categories than along the other two Project roads. There were no respondents from households earning more than 801,000 kip/month.

**Table 4.2.2: Income Distribution of Beneficiaries**

Beneficiary Type	Household Monthly Income (Kip)				
	< 60,000	61,000 - 150,000	151,000 - 400,000	401,000 - 800,000	> 801,000
Vehicle Owners	2.5%	32.5%	8.8%	1.3%	
Farmers	3.8%	17.5%	6.3%		
Passengers	1.3%	17.5%	8.8%		
<b>Total Road</b>	<b>7.5%</b>	<b>67.5%</b>	<b>23.8%</b>	<b>1.3%</b>	<b>0</b>

Source: PPTA field surveys (November 2002 - January 2003).

### 4.3 Shifting Cultivation

Most of the ethnic minority families in the project area practice shifting cultivation, also called swidden or slash-and-burn cultivation, as opposed to permanent field or paddy cultivation. It is practiced in the hilly areas or the low to middle altitudes of the mountains. Plots are cleared and burnt off, and crops are planted among the burnt stumps and fallen trees. Dry or upland rice is usually the main crop, although maize or cassava is sometimes grown.

Under “rotational” shifting cultivation, a plot is used for a few years and then is left fallow for several years before being used again. The people who farm it over and over come from a nearby permanent village community. The raising of livestock on grassy areas and crop residues is also important to their livelihood. Communities who practice this type of adaptation are also dependent on the surrounding forests and streams for supplemental food, medicinal plants, and wood for fuel and shelters. Rotational shifting cultivation is practiced mostly by the Lao Theung.

“Pioneer” shifting cultivation is practiced in the highland areas on or near the tops of mountains. This involves the periodic movement of village communities into densely forested areas, which are then completely cleared, burnt off, and farmed until the soil fertility is depleted. Crops here include dry rice, maize, grain legumes, and tubers. Fruit trees and vegetable gardens are found. Livestock are also raised. When the soil is exhausted, either more land is cleared, or the community moves to a new area and starts over again. The abandoned area is left in such a condition that regeneration of soils and forest will take many years. It is practiced mostly by the Lao Sung.

The communities of shifting cultivators are increasingly unable to practice their traditional way of life or to remain as closed systems. Their traditional resource base is disappearing, and they are being drawn into the wider market economy. Thus, they are not rich - or will not be rich much longer - in terms of their traditional system, because their traditional system is breaking down. And they are certainly not rich in terms of the wider society. Indeed, they are very poor.

With the amount of land available to a community becoming less and less, the production of subsistence and cash crops becomes less. In the remote areas where these people live, furthermore, there are no other resources that support productive opportunities that generate employment and income. And, there are few programs and services to alleviate this state of poverty into which these people are falling. Interventions that promote poverty reduction are, therefore, paramount.

An issue for the ethnic minority groups in the project area is lack of access to lowland paddy. Most villages have only upland rice fields, which yield between 1 and 1.5 tons/ha less than lowland rice fields.

## **4.4 Ethnic Minority Women**

### **4.4.1 Division of Labor**

While there are minor variations among ethnic groups and specific communities, the broad general patterns of division of labor by gender among shifting cultivators in the Lao PDR is consistent. Men have traditionally been responsible for intermittent heavy tasks, activities which take them away from the home, and for village security. Women, consistent with their role in child rearing which restricts their mobility, have traditionally been responsible for a wide range of routine tasks in the home, in the swiddens, and in nearby forests.

In food production, men are mainly involved in cutting down trees, clearing and burning swiddens, and constructing fences. Hunting and house construction are done by men. They also maintain political relationships with other communities and do the fighting when these break down. Women, on the other hand, are mainly responsible for child rearing, maintenance of the home, food preparation, and several different tasks in food production. These include helping with clearing, planting with dibble sticks, weeding, and most of the harvesting. They also fetch water and firewood, take care of the smaller livestock, and gather wild foods in the forest. Elderly people help out with taking care of children, and older children are responsible for taking care of buffaloes and other large livestock.

### **4.4.2 Women under Conditions of Social Change**

It is quite clear that the day-to-day burden of labor of women in communities of shifting cultivators is enormous. Even under traditional conditions, it is much heavier than that of males. Under current conditions of social change, the workload of males has decreased. Forestry regulations have limited the cutting down of large trees for swiddens or house construction. Hunting has also been curtailed in favor of biodiversity. And, in most places, the role of providing protection and security is minimal in these times of peace. On the other hand, the workload of women has remained constant or increased. An example of the latter is that in some places where shifting cultivation has been stabilized women have to go further away to get wild foods or firewood and carry them back to the village.

While other aspects of men's activities have changed, their role of maintaining political relationships with entities outside of the village continues. In fact, as more and more forces of social change impact themselves on the community, this role is enhanced. Women are not part of these outside contacts and, thus, have very little say in what happens between the village and the outside world, including the government. This has serious implications for their gaining access to and participating in development activities. This needs to be addressed in terms of the Bank's policy on women in development.

## 5. Project Impacts on Ethnic Minorities

### 5.1 Social and Cultural Impacts

The wider social impacts of the project have been detailed in Section 3 of the SPA and this includes a discussion of the potential effects on culture and traditions. As noted in the SPA it is important to ensure that ethnic minority groups can access the anticipated benefits from the project and that they are not affected in any way that could exacerbate their vulnerability. In terms of protecting ethnic minorities' unique culture, traditions and lifestyle, therefore, the project will identify ways and measures in which the benefits from road improvement can be enhanced and where investment can be made in tandem with other initiatives that cater specifically for the socio-economic development of ethnic minority groups.

### 5.2 Project Benefits

The major positive social impacts of the Project are those that will contribute to poverty reduction and improving the quality of life and well-being of ethnic minority people living in the project area. These include:

#### **(a) Reduced Isolation**

Currently, roads in the hilly areas, where most of the ethnic minority villages are located, are of very poor quality and can only be used during the dry season (October-May). Thus, movement between communities is difficult, and many of them are isolated for much of the time. Better roads will increase contact and trade among neighbouring villages.

The inaccessibility of M. Sanxai has prompted the district headquarters to relocate to B. Paam in order that access to provincial headquarters is easier. Once the road is completed the headquarters will move back to M. Sanxai.

#### **(b) Improved access to markets and agricultural extension services**

Some of the ethnic minority farmers produce cash crops and livestock products which could be readily sold if they had access to markets. The Project will provide this. The ability to get to markets will encourage them to produce more and better products, and improved access to agricultural extension services and inputs will assist them with this.

The Sanxai plateau has great potential to be developed in a similar manner to the Bolaven Plateau in Champasak, once the road is improved agricultural extension services can be encouraged to support new productivity and training for farmers growing new crops at the Sanxai end of the road. The social marketing component of the non-formal education program will assist the Department of Agriculture & Forestry (DAF) and Agriculture & Forestry Office (AFO) in identifying the potential for new crops and assist in providing the capacity to the farmers to grow the new crops.

Also, under the resettlement plan, income restoration will be provided to severely affected farmers (losing 20 percent or more of their total agricultural land holding) by way of agricultural extension to increase productivity on the remaining or new land.

**(c) Improved access to health, education, and other services**

While basic health services or small hospitals are available in every district, and some villages have health centers run mostly by poorly qualified staff, most villagers in the project area have great difficulty in getting to them in times of sickness and injury. It is even more difficult to get to the provincial hospitals for more serious cases.

It is the same with schools. Many village children are unable to travel the distance the nearest school. Or, children who finish primary school in their village are unable to go on to secondary school, because the nearest one is too far away. These and other services, such as veterinary, tool and bicycle/motorcycle repair, rice milling, etc. will become more available when the roads are improved.

**(d) Greater opportunities for income and employment**

Besides producing and marketing increased and better agricultural products, contacts with towns and other communities will provide opportunities for cottage industries and individuals with specialized trades or skills to market their goods and services over a much wider area. For some villages there will also be opportunities for off-farm or off-season work in the towns.

Additional measures have been identified to assist nine villages that are the poorest (and most vulnerable) and have the lowest rates of adult literacy of the villages in the project area. These villages are in most need of assistance and support to access project benefits that will result from agricultural diversification and increased competition.

### **5.3 Adverse Social Impacts**

The major negative social impacts are in terms of the ethnic minorities as being vulnerable groups who are poor and often unable to absorb all the economic, environmental, and social shocks of the development process. These include:

**(a) Relocation and Resettlement**

As discussed earlier, there are a number of villages that have been resettled to the Nam Pa Focal Site. Many households in these villages have not been coping well with the changed environment and production base (i.e. a shift from upland to lowland rice cultivation). The Lao Front for National Construction representative in one village has commented that it is likely that a number of households will in fact return to their original villages.

The first part of this Report (the resettlement plan), concludes that negative resettlement effects directly associated with the project will be minimised through implementation of compensation and rehabilitation measures that are aimed at ensuring that every family that is affected will either be better off, or the same as without the project, once the measures have been implemented.

Relocation will affect a total of 30 Lao Loum households and 74 Lao Thueng households. Additional measures have been identified to assist nine villages.

**(b) Road Safety Issues**

Construction of the road will improve access, the corollary of this being that traffic will increase. Existing traffic volumes are low, ranging from a 126 vehicles per day on the Xaisetha - Sanxai road to 964 vehicles per day on the Pakxan - B. Thasi road. By upgrading the roads to an all-weather standard, it is expected that traffic will increase sevenfold over 20 years.

An increased potential for traffic accidents, due to increased traffic volumes and higher speed traffic, is an impact that must be recognised and mitigated. Currently, the roads are an integral part of the village community; children play in the road, and due to the low level of traffic, pedestrians amble along and all over the road.

Mitigation of this potential effect includes:

- (i) Erection of bamboo fences through villages to keep children and animals from running onto the road;
- (ii) Traffic calming measures to reduce vehicle speeds through villages (i.e. speed limits, signage and speed bumps); and
- (iii) Safety education and road safety awareness programs to be run in local schools and community halls.
- (iv) This is described in the social action plan.

**(c) Disruption during construction**

While road construction is always disruptive to the communities through which it passes, the disruption will be diminished by the fact that the population density in the project area is low. Camps, equipment storage, and materials dumps will be established away from the villages. However, the usual traffic, noise, and dust will occur when work is being done or near the villages, and workers will come from the outside. Local authorities will prepare the people for the disruptions, for keeping children and animals out of the way of heavy equipment, and for problems that may arise between outside construction workers and villagers.

It will be one of the primary responsibilities of the construction supervision consultant to ensure that nuisance is avoided, or at least, reduced, during construction of the road. Dust problems can be mitigated through watering of the road by the contractor.

**(d) Increased Migration into the Project Area**

The presence of all-season roads will attract people from outside of the project area who may take advantage of the "less worldly" and disadvantaged ethnic minority households. Some of these people will be from ethnic minority communities, and some will be outsiders. Rapid increases in local populations in some places will seriously impact local communities through increased demands on local resources, infrastructure, and services. Conflicts with local ethnic minorities may ensue to the disadvantage of the minorities. The situation will need to be monitored.

A critical element of community education campaign (refer to the social action plan) will be to increase awareness regarding land rights and value and ensure that all households in the villages along the route have at least a Land Use Rights Certificate.

Increasing awareness in this manner will assist them in recognising the value of their land and resources, and in preserving their rights to the valuable resources of their land and

other natural resources such as non-timber forest products in order that they are not taken advantage of by “land grabbers”. This will require two separate yet linked activities; issuing of Land Use Rights Certificates as a first step in increasing knowledge about the value of land and land rights, and non-formal education to improve numeracy and literacy in the project area.

**(e) Increased Exposure to Communicable Diseases**

Linked to (c) above is the risk of increased communication facilitating the spread of communicable diseases. As noted in Section 3.1 of the Social and Poverty Assessment, roads can effectively become vectors for the transmission of HIV/STDs. The dangers of increased exposure to exploitation have been discussed above.

The exploitation of women and girls can lead to prostitution and the ensuing problem of STDs, including HIV/AIDS.

Another factor encouraging prostitution will be the rising awareness of what money can buy, and the new presence of middlemen, drivers, and other unattached males, such as construction workers.

The Social Action Plan includes a package designed to mitigate the risk of HIV/STD spread, associated with road development, in the project area. The package aims at (i) increasing awareness and behaviour change for high-risk groups (construction workers, communities along the road, government employees, mobile population including sex workers); (ii) for construction workers, provide knowledge and condoms, counselling and testing for STDs/HIV; and (iii) support for NCCAB in its national surveillance survey by supporting behaviour surveillance sexually transmitted infection (STI) and HIV surveys in the project provinces.

The project would provide an international consultant to provide oversight and coordination, as well as a domestic team of experts to work together with the Provincial Committee for Control of AIDS (PCCA). The project would coordinate closely with all other programs in the province, beginning by facilitating a PCCA planning and coordination exercise, followed by detailed design of the program to be undertaken by the project.

**(f) Increased Exposure to Trafficking of Women and Children**

In Lao PDR while overall poverty levels are high, rural poverty is predominant specially in the northern region (50-75%), particularly among ethnic minorities. Rural women and girls, particularly ethnic minority women, are poor and lack access to opportunities for poverty reduction on account of gender inequality. They lack property rights, and do not have opportunities to participate in education, and are not consulted in community level decision making. Low age at marriage, lack of education and training, lack of access to land and capital, physical, financial, and social capital, lack of access to social services, food shortages, and heavy work burdens characterize women's lives. Labor migration is increasing particularly in provinces bordering Thailand, in the provinces in the north and the north west.. Boys and girls migrate searching for work opportunities. The sending communities do not know where they are or what they do. Such young persons lack education and skills, valid documentation, and are often trafficked into situations of forced labor, sex work, in the construction industry and in agriculture.

Trafficked persons and illegal migrants who are at risk of being trafficked, form a large percentage of migrants. Lao PDR is a sending country for trafficked women and girls mainly into the commercial sex trade. In recent times there has been a growing

awareness of the dangers of trafficking and illegal migration and the need to ensure safe migration for adults, as an important economic option. Governments in the region have taken steps both domestically and regionally, to prevent trafficking and punish traffickers. Thailand has been the most proactive in terms of developing MOUs between government departments, with NGOs, and neighbouring countries. These MOUs are intended to take comprehensive steps to deal with trafficking and improve conditions for the safe migration of peoples across borders. International agencies such as UNIAP, IOM, ILO, have regional and national programs to combat trafficking at various levels.

The Social Action Plan includes a package designed to mitigate the risk of trafficking of women and children, associated with road development, in the project area. The package aims at (i) increasing awareness for high-risk groups (women and children in communities along the road) for prevention of trafficking and promotion of safe migration as a valid economic option for poor women and men. The project will provide an international consultant (NGO or UNV background) to provide oversight and coordination, as well as a domestic team of experts to work together with the Ministry of Labor and Social Welfare.

#### **5.4 Capacity to Absorb Project Benefits**

The villages in the project area are already served by a road, and therefore have contact with other communities and have awareness of the “outside world” through travel and trade, as limited as it may currently be.

The Xaisetha - Sanxai road traverses through a number of villages that have either made decisions, or encouraged, to settle in the lowland and near the road in order to take advantage of more permanent agriculture, forestry, or trade, or have been encouraged to do so under the Government’s rural development programme that seeks to attract midland and upland dwellers to the newly established villages in the lowlands. Some ethnic minority villages remain further away from the road but still within the project area. Thus, many of the social impacts arising from road access, both positive and negative, are already being experienced by the communities in the project area. As noted previously, a number of household are finding it very difficult to cope at the new focal site, there is inadequate support and resources to ensure that their transition from the upland to the lowland is successful. As a result many families are in fact worse off than before they moved to the Nam Pa site.

Discussions with the Lao Front for National Construction representative indicated that some families were going to move back to their original villages. These households are particularly vulnerable and will need special assistance in order to absorb project benefits. There are 57 AP households in B. Vangxai which is one of the villages in the Nam Pa focal site.

A process of socio-cultural change has begun whereby communities of shifting cultivators adopt crops, goods, ideas, and patterns of behaviour usually associated with the lowlands or the wider society, and this process has been going on for a number of years. In most villages, this has been a gradual process. Some more remote and traditional ethnic minority villages, however, will experience difficulties.

Communities which have been characterized by great autonomy and face-to-face relationships will be increasingly integrated into wider society, bringing with it more contact with non-traditional behaviour patterns, increased travel to other places, and many other changes that will be difficult to absorb. Some social stress and disruption will ensue, and the communities will need to be assisted.



Aiming specific assistance measures at those villages that without assistance are least likely to absorb benefits, or which would be most vulnerable to changes associated with improved access, will ensure that the Project will comply with ADB safeguard policies regarding resettlement and community development planning.

The main constraints on the communities along the road being able to enjoy project benefits are the low levels of education and literacy, and their vulnerability to an influx of outsiders. These risks can be managed through implementation of a non-formal education program (refer to Section 6).

## **5.5 Impacts on Ethnic Minority Women**

Ethnic women living in the project area will benefit from both the physical construction of the project (i.e. improving access to education and health services) and from the range of measures to be implemented as mitigation and enhancement measures. The extent to which these benefits will flow is also dependent on other projects and programmes (for example water supply, irrigation and electricity reticulation that need to be developed by others).

Given the fact that women will continue to be less mobile than men, they will benefit more from the services that will be attracted to their villages and to a lesser degree on improved transportation services. It is likely that families will still be reluctant to send girls away from the village to school, not only because they need their involvement with home and farming activities, but also because they are more protective of their daughters. In some cases, however, it may be possible for young women and girls to stay with relatives in nearby towns and therefore girls and young women can be encouraged to take advantage of this. Access to markets will provide greater opportunities to sell agricultural products, handicraft and clothing. Since women do much of the work in these sectors, they will have direct opportunities to benefit. Accordingly, measures will need to be implemented to make sure that women are not given added burdens of labour that become excessive and inhibit their ability to benefit from the project. Further, it will be necessary to identify explicit ways that ensure women benefit from increased income generated by their efforts.

The potential dangers to women have been identified above. Exploitation of women and girls can lead them to drug taking, promiscuity and prostitution and ensuing problems with STDs that results from the inevitable increased contact with outsiders (especially unattached males and the new presence of middle men) and the awareness of "what money can buy". Thus it will be imperative that the participatory and consultative process of the community development plan seeks to identify measures to prevent and avoid such negative impacts on women and girls.

## **5.6 Summary**

The foregoing illustrates that a range of positive and negative cultural impacts can be expected from the ADB 10. Benefits include the potential to assist in poverty reduction and improving the quality of life of ethnic minority families in the project area.

**Table 5.6.1: Positive and Negative Cultural Impacts**

Impact	Effect
<b>Positive Cultural Impacts</b>	
Reduced isolation	Roads, where they exist, in the hilly areas-where most ethnic minority groups are located-are of poor condition and can only be used during the dry season. Movement between communities and cultural exchange is difficult and many of them remain isolated. Improving the roads will increase contact, facilitate cultural exchange and improve trade among neighbouring villages and communes.
Improved access to markets and agricultural extension	Some ethnic minority farmers produce cash crops and livestock products that could be readily sold if they had access to markets. ADB 10 roads will facilitate this. The ability to get goods to market will encourage APs to produce more and higher value products and move out of subsistence farming. This will be assisted by improved access to agricultural extension services.
Improved access to health and education	While basic health and education services and facilities are available at both district and village level, some health centers are in poor physical condition and run by inadequately trained staff. This is exacerbated by villagers having difficulty travelling to health centers when they are sick or injured. It was noted in the surveys and interviews that it is even more difficult for people to get to the district and provincial hospitals in times of serious illness or emergency cases. A similar situation exists with schools. Many children are unable to travel the distance to the nearest school. Or children who finish primary school cannot continue to secondary school because it is too far away. Access to health and education services will be improved.
Greater opportunities for income and employment	In addition to the potential to produce more products and improve marketing, contact between communes and towns will provide opportunities for cottage industries and individuals with specialised trades or skills to market their goods and services over a much wider area. For some villages there will also be the opportunities for off-farm employment and seasonal work in towns.
Increased national integration	Increased trade, contact and cultural exchange as a result of improved roads will raise awareness of ethnic minority people in the remote villages of 'national' society and their place within it. Thus, poor and marginalized ethnic minority people will be brought closer to the economic and social mainstream of modern Lao culture.
<b>Negative Cultural Impacts</b>	
Disruption during construction	Road construction is always disruptive to the communities through which subprojects traverse, this is negated somewhat by the very low population densities in the project area and particularly in the project area. Construction camps, equipment and plant storage and materials dumps will be established away from villages and traditional hunting and fishing grounds. Noise and dust nuisance during construction will not affect ethnic minorities to any greater or lesser extent by virtue of their ethnicity.
Increased exposure to exploitation	Improved communications will provide channels and conduits for social and political advancement and manipulation, particularly as these relate to money-making opportunities both within and beyond the villages. People who are more experienced in the cash economy and more knowledgeable in the ways of trade and business will be in a position to take advantage of those with less experience and awareness. A large proportion of ethnic minority groups live in relative isolation and therefore are susceptible to manipulation by unscrupulous "outsiders". Women and children may be particularly vulnerable. Unless this situation is dealt with sensitively and carefully, problems of household indebtedness, exploitive labour contracts, undistributed assistance and development funds, debt slavery and trafficking in children and women can be significant adverse, albeit unintentional, impacts of the project.
Increased migration into the project area	The presence of all weather roads will attract people from outside the project area to take advantage of improved access. Some of these people will be from ethnic minorities and some will be outsiders. Rapid increases in local populations can seriously impact local communities through increased demands and pressure on local resources, infrastructure and services. Conflicts between the 'indigenous' (i.e. those with long and established tenure in the area) people and others may result and this is more likely to disadvantage ethnic minorities as they have less experience at dealing with outsiders and people of other ethnic groups.
Increased exposure to communicable disease and trafficking of women and children	There is a risk of spread of HIV/AIDS in the project area because of the influx of construction workers. Increased communication facilitates the spread of communicable diseases. Casual sex with road users (truck drivers and traders) and visitors (tourists and outsiders) has the potential to introduce STDs including HIV/AIDS to communities along the route. The Project will increase awareness of this issue and highlight effective ways to address this problem in a tactful and culturally appropriate manner. The Project will include an HIV/AIDS/STDs awareness and prevention program for communities and construction workers. Similarly, the project will also provide awareness and preventive education about trafficking of women and children, and promote safe migration.

## **6. Development Plan**

### **6.1 Interventions and Assistance**

The social analysis identified a number of project-related issues or problems that will need to be mitigated, some of these effects such as HIV/AIDS/STD and trafficking awareness and prevention, potential for increased exploitation of NTFPs, and land tenure issues are not specific to ethnic minorities because of their ethnicity, and measures to mitigate these effects will be required for all APs and beneficiaries in the project area (refer to the social action plan). However, there are also effects that will be specific to some communities by virtue of their ethnicity and these need additional interventions to ensure that the vulnerability of ethnic minority families and households is not exacerbated by the project.

The impacts (as summarised in Section 5.2) and the interventions identified to address the risks are shown in the table.

**Table 6.1.1: Project Risks and Interventions**

Issues & Risks	Intervention	Objectives
HIV/AIDS/STDs transmission	HIV/STD awareness and prevention program (described in the Social Action Plan)	<ul style="list-style-type: none"> <li>➤ To reduce the risk of HIV/STD transmission along road corridors and in the project area.</li> <li>➤ To facilitate ongoing efforts in HIV/STD awareness and assist with coordination of activities in HIV/STD spread prevention sector.</li> </ul>
Trafficking of women and children	Anti-trafficking awareness and prevention program and promotion of safe migration (described in the Social Action Plan)	<ul style="list-style-type: none"> <li>➤ To reduce the risk of trafficking of women and children because of increased access in and out of the project area due to road improvements.</li> <li>➤ To facilitate ongoing efforts in anti-trafficking awareness promotion of safe migration and assist with coordination of activities in the project area.</li> </ul>
Road accidents	Fencing of properties along roadside through villages, and safety awareness campaign (described in the Social Action Plan)	<ul style="list-style-type: none"> <li>➤ To increase awareness about traffic safety in communities in the project area.</li> <li>➤ To improve safety of children.</li> <li>➤ To reduce traffic accidents involving pedestrians/children/animals and drivers.</li> </ul>
In-migration to the project area, potential loss of land	Community education campaign to raise awareness of land rights and value of land. Land Use Rights Certificates to be issued to all households in the project area that do not already have them (LDC to be prepared in the name of both husband and wife). Entitlement for APs identified in the resettlement plan is full title to replacement land as a priority. (Described in Social Action Plan)	<ul style="list-style-type: none"> <li>➤ To provide a forum for beneficiaries to understand their rights with respect to land use and title.</li> <li>➤ To assist beneficiaries understand the value of their land resource.</li> <li>➤ To support the eventual establishment of a land market economy in the project area provinces (following land titling).</li> </ul>
Vulnerability to exploitation, and constraints on ability to participate in project benefits	Non-formal education program: Improving numeracy, literacy and marketing skills (Described below)	<ul style="list-style-type: none"> <li>➤ To mitigate against competition from, and encroachment by, people from outside the village (including new comers to villages).</li> <li>➤ To teach and enhance skills in diverse income generation and livelihood development.</li> <li>➤ To assist in improving education and literacy standards in the project area.</li> <li>➤ To improve understanding of important notices and documents (Land Use Rights Certificates for example) written in Lao.</li> <li>➤ To facilitate access to project benefits.</li> </ul>

## **6.2 Non-Formal Education and Social Marketing for Vulnerable Communities**

### **6.2.1 Need for the Intervention**

As noted in Section 3.3.2, ethnic minority people clearly have a literacy rate that is well below the national average and the average for the Lao Loum population (between 20 and 37 percent). Furthermore, within ethnic minority groups the differences between male and female illiteracy rates are significant. Typically men are more than twice as likely to be able to read and write as women; while in some ethnic minority groups the difference is more than five times.

For many ethnic minority students, access to higher education is restricted due to their limitation in Lao language, which makes it more difficult for them to access higher education compared with Lao speaking students. Moreover, due to the lack of educational facilities in ethnic minority communities, many students who graduate from primary or lower secondary school fail admission to high schools, colleges, or institutions for skills training. This creates a group of young adults (15 to 20 years) and adults (20 years and over) that have low education levels, low literacy in the Lao language, and limited skills in being able to compete for the opportunities provided through development (for example the project road).

The Ministry of Education's Education for Ethnic Minorities Division is playing a major role in extending formal schooling to ethnic minorities via the boarding school system, and the Ethnic Affairs Department of Lao Front for National Construction also understands the importance of relating the curriculum to rural life. However, these processes will take a long time to become established and it will therefore be well beyond the life of project implementation before any real improvements in education and literacy levels of ethnic minority groups in the project area are seen. In order to create a more immediate impact so as to ensure that people are able to access project benefits and reduce their vulnerability to the risks associated with the project, an intervention - implemented in parallel with the project - is required.

The NFEDC with support from UNICEF has been undertaking a Children & Mothers Development Project in eight provinces including Attapu. The project has been implementing activities in Xaisetha, there are no programs being undertaken in Sanxai, and none are planned in the near future, primarily due to the lack of access. The NFEDC have stated that for the Children & Mother's Development Project access is one of the criteria for selecting districts and villages to participate.

The problems facing education of ethnic minority groups are borne out in the project area. Along the project road only one village – B. Chalenxai (M. Sanxai) - has a lower secondary school and this is at the end of the road, and none of the villages have a higher secondary school. There is a lower and higher secondary school at Xaisetha which is accessible for the students from B. Oudomxai and B. Thouay. Literacy is 48 percent for the road as whole, although adult literacy in the predominantly Lao Loum villages is high (80 percent or more), it is much lower in the predominantly Lao Theung villages. Indeed, there are several villages with adult literacy rates of 50 percent or below, and it is assumed that these villages would also rank poorly for numeracy and basic marketing skills.

**Table 6.2.1: Literacy in the Project Area**

Village	Literacy Rate %	Village	Literacy Rate %
Oudomxai	85	Pakpe	10
Thouay	80	Phoudeng	30
Keng Gnai	40	Somboun	60
Tadkhoun	20	Vangxai	...
Phiakeo	...	Dakhiat	50
Myxai	70	Dakkiat	25
Daksud	20	Chalensexai	80
<b>Project Area 48</b>			

In the project area, a number of Lao Theung villages have also begun to suffer adverse effects of the resettlement associated with the rural development focal site program. It was noted during field investigations that households that have resettled in villages associated with Nam Pa Focal Site are worse off than they were previously. The land they have been provided with is of poor quality and they have not been supported with any agricultural training or extension to assist with the transition from cultivation of dry or upland rice to cultivation of lowland or paddy rice. As noted earlier, there are 57 AP households located in the Nam Pa focal site (in B. Vangxai).

The particular characteristics of these villagers - poverty and low literacy rates - are such that they are not in a strong position to cope with the stress caused by inadequately planned or prepared resettlement. Their low levels of education and poor ability to function in market situations makes them increasingly vulnerable to outside forces. While it is not the role of ADB 10 to mitigate the effects of resettlement under Government programs, the project must be cognisant of the context within which additional developments are taking place and that the cumulative effects of such could exacerbate the vulnerability, or exposure to vulnerability, that these households face.

The main issue for ethnic minority households is increased vulnerability following improvement in access and due to poor levels of education and low levels of literacy not being equipped with the ability to compete for benefits brought to agricultural production and diversification in the area. Ethnic minority villages are considered to be at more of a disadvantage than Lao Loum villages because (i) they have moved into the area more recently (and therefore are not as established), and, (ii) are attempting to be assimilated into a culture where the written and spoken language as well as a number of specific cultural traits must be learned. It is for these reasons that a specific intervention has been designed that will reduce the vulnerability of the ethnic minority villages along the road.

It is clear from discussions with NFEDC that the villages in M. Sanxai will not be the beneficiary of any programs until access is improved, however NFEDC recognises the need to assist in improving the life skills of people in these villages, especially as the new road will offer many opportunities, NFEDC seeks to be a partner in a program designed to reduce the vulnerability of these villages and support the diversification of household production following the potential for new agricultural opportunities both along the road and on the Sanxai Plateau.

## 6.2.2 Scope and Components of the Intervention

The project will undertake social preparation of villages along the road to ensure that they are able to benefit from, and cope with, the changes and opportunities that the road will bring. The particular intervention aimed at the poorest villages and villages with low literacy is a non-formal education program including training for adults in speaking, reading and writing in Lao language and basic numeracy, and social marketing (skills in micro-finance, small business development, new product cultivation, processing, and marketing).

Nine villages have been identified; B. Keng Gani, B. Tadkhoun, B. Phaikeo, B. Daksud, B. Pakpe, B. Phoudeng, B. Dakhiat, B. Dakkiat, and B. Vangxai. A third of households in B. Phaikeo and B. Vangxai are poor and these are 100 percent Lavae and Oy villages and it could therefore be expected that adult literacy levels would be low. It should be noted that literacy data for these two villages was not available, should it be found that literacy is high, these village can be excluded from the program. The justification for selecting these nine villages is that they represent the poorest communities in the project area, the other three predominantly ethnic minority villages in the project area have much higher levels of literacy (i.e between 60 and 80 percent. The other two villages are predominantly Lao Loum and have significantly lower levels of poverty and literacy rates over 80 percent.

For developing the program it has been assumed that an average of 50 people per village (25 children/adolescents and 25 adults) will participate in the program, the exact number in each village will be determined in the detailed planning stage. The program will aim for 75 percent of the village participants to be women and girls. As noted in Section 1.2, the Social Action Plan includes a community education campaign. It will be an important aspect of the social preparation for the project to raise levels of awareness as to potential dangers from improved access as well as to highlight the benefits and in conjunction with the non-formal education program will provide some support to households in nine villages, some of whom are experiencing the negative effects of resettlement (under the focal site program).

The benefits from the non-formal education and social marketing program will be enhanced with implementation of the community education campaign which aims at increasing awareness about road development related issues including resettlement effects and compensation, HIV/STD and trafficking risk, land titling issues, and traffic safety.

### (a) *Non-formal Education*

Non-formal education for both adolescents (with special emphasis on girls) and adults who have not had access to formal education opens up the possibility for them to engage in development activities and enterprise opportunities to a much greater degree and with increased confidence than otherwise.

While the program aims to improve Lao language skills and literacy of adults, it recognises the need to include children and adolescents because as much as parents pass information on to their children, they also learn from their children. Messages taken into the home by children is a way of reinforcing what is being taught through, and learnt from, the program. Supporting the formal curriculum and education system for children and adolescents is a way of ensuring that the development initiatives provided under the program are sustainable.

Basic literacy, numeracy, and Lao language fluency training built around a curriculum which includes the key economic activity (business, micro-enterprise, and marketing) messages is a powerful method for reinforcing and strengthening the development process.

Through consultation with the NFEDC, the general types of activities and resources required to implement them have been identified (i.e. activities, inputs and personnel resources, equipment, and support to existing agencies). The NFEDC suggested the approach of detailing the program once the consultant has been mobilised and further consultation is undertaken with the nine villages and the participating district level agencies. The non-formal education sub-component will be linked with the social marketing aspects to ensure that curriculum developed for the adult students caters to the nature of production opportunities and agricultural diversification being undertaken in the area. The component will work with through the existing system of extension provided through the provincial and district DNFE, the NFEDC and other donors (UNICEF) to support basic literacy, numeracy, and fluency training (for two years, thereafter supported by a user pays system) basic literacy, numeracy, and fluency training which will include:

- (i) Capacity building of institution at district and village level as well as village volunteers
- (ii) Training of NFE trainers (village teachers) in teaching illiterate students in reading, writing and basic arithmetic and communicating in Lao language. The educators (teachers) who will be resident in the village (who can then provide their services on a user pays system after two years);
- (iii) Conduct reading and writing courses by village teachers any time students and teachers are available;
- (iv) Provision of basic educational materials/equipment for students participating in the program, and promotional material regarding non-formal education;
- (v) Publication of materials for NFE skills, vocational guidance, and social marketing activities; and
- (vi) Training in Lao language skills, literacy, numeracy and basic household budgeting and bookkeeping.

**(b) Social Marketing**

The social marketing component of the program will focus on identifying the new agriculture and production opportunities associated with opening up of the road and direct market access for the villages on the Sanxai Plateau where the agricultural potential is expected to be similar to that of the Bolaven Plateau in Champasak. The main components of the social marketing aspect of the program will include:

- (i) Identification of potential for new crops and goods;
- (ii) Capacity building to DAF and AFO (focusing on Sanxai);
- (iii) A study tour to Bolaven Plateau;
- (iv) Support and agricultural extension to assist villages to produce new crops and fruit;
- (v) Support for fortnightly exhibition/market;
- (vi) Construction of a permanent market site at Sanxai;
- (vii) Training in basic business skills, savings and credit systems and book-keeping skills and income generation activities, particularly for women; and
- (viii) Micro-finance/enterprise, product processing and marketing (including production of promotional materials).



The main activities and expected outcome of the program have been identified in Table 6.2.2. The institutional arrangements are described in Section 6.2.3, the table refers to implementing agencies. The program will require either two suitably qualified national specialists, or expatriates with a UNV/NGO background, as the coordinator and social marketing adviser.

**Table 6.2.2: Activities and Outcomes of Program**

<b>Activities</b>	<b>Implementing Agency</b>	<b>Expected output after the completion of the program</b>
Selection of participants	NFEDC, Coordinator, Soc Mktg Adviser	Confirm villages and identify beneficiaries and willingness to participate in program
Establishment of village volunteers for different components (maybe from one household)	NFEDC, Coordinator	All villages have active village volunteers in different sectors, volunteers must be willing to carry out their role and responsibilities
Prior to implementing any activities, conduct a study tour for target groups to the best example province or district – Bolaven Plateau	NFEDC, DAF, AFO Coordinator, Soc Mktg Adviser	Target groups would be aware of the potential for developing new crops and fruits etc and be able to identify their options both within and beyond the project life
Capacity building of institution at district and village level as well as village volunteers	NFEDC, Coordinator, Soc Mktg Adviser	Concerned designated district technical staff, village administration and village volunteers would be able to do activity plans, implement and manage their planned activities.
Training of NFE trainers (village teachers) in teaching illiterate students in reading, writing and basic arithmetic and communicating in Lao language	NFEDC, Coordinator	Improve the skills of, and curriculum taught by, village teachers and NFE trainers, improve the life skills of students that are highly motivated
Conduct reading and writing courses by village teachers any time students and teachers are available	NFEDC, NFE trainers	An average of 50 students (mostly women) per village would be able to read and write and calculate basic arithmetic and apply these skills to records & book-keeping of social marketing activities
Publication of materials for NFE skills, vocational guidance, and social marketing activities	NFEDC, Coordinator, Soc Mktg Adviser	Target groups have sufficient reading materials to prevent impairment of gains in literacy, materials for NFE and social marketing continue to promote program (or similar), improvements in knowledge of social-technical marketing skills e.g. instruction to basic hygiene and sanitation, fish pond and fishery management.
Identification of potential of agriculture, livestock and fishery, cropping and off-farm marketing activities	NFEDC, Coordinator, Soc Mktg Adviser	All villages would have their own social marketing plans according to the availability of resources and strengths of the village
Training the selected groups in identified agriculture, cropping, livestock and fishery and off-farm marketing activities	NFEDC, Soc Mktg Adviser, DAF, AFO	Different target groups would have been trained in livestock, different cropping and techniques (including tropical crop and semi tropical fruit trees), mushroom production, fishery and aquaculture, technical off-farm activities, and other related trading and business activities.
Construction of a market place at Sanxai	District Govt, village volunteers	A market place with market facilities constructed in the vicinity of the Sanxai district HQ in order to facilitate people trading new goods
Monitoring and evaluation	NFEDC, Coordinator, Soc Mktg Adviser	All activities should have been followed up and monitored. Mid-term review should be made to allow lessons learned to improve plan for second year. Post-evaluation monitoring organized by an external or third party at the end of the program

### 6.2.3 Institutional Arrangements

The aim in delivering any of the components of the project has been to work through existing frameworks wherever possible. This has the twofold advantage of preventing duplication of structures and systems in delivering services and programs, and providing capacity building to Government counterpart agencies at provincial and district level where institutional strengthening is most required. Therefore the program will link with existing NFE initiatives offered by NFEDC and agricultural extension being managed through DAF and AFO.

The program was designed to this stage through consultation with NFEDC, which has endorsed the program in principle. NFEDC is very keen to develop the program and extend activities currently being provided (under UNICEF funding) in Xaisetha to Sanxai. As noted above the program will require either two suitably qualified national specialists or expatriates with a UNV/NGO background to be the overall program coordinator and the social marketing adviser, and two NFE trainers (who could be from an NGO). This team will work with two staff from NFEDC who will provide regular inputs on as required basis after a two-month input at the commencement of the program.

The non-formal education and social marketing program will be an identifiable package or contract under the overall responsibility of the construction supervision consultant for the project. The package will be put out to international competitive bidding by international agencies (NGOs and consultants) based in Lao. A draft outline terms of reference has been prepared and is attached as Appendix 1.

Detailed design and implementation of the program will be undertaken in coordination with, and with the full participation of, all relevant agencies and community stakeholders including the NFEDC, DAF and AFO, participating villages, DCTPC, and Lao Women's Union. The DOR-SED will receive on-the-job training in the monitoring of such social development activities through support from the construction supervision consultant.

The organisations invited to submit proposals for the package will have experience in the non-formal education and social marketing sectors and will have demonstrable skills in participatory development. The construction supervision consultant will be responsible for agreeing with DCTPC, NFEDC and DAF/AFO the scope of the program, preparing the TOR, and if required, assisting in the selection of an appropriate organisation for delivery of the program.

### 6.2.4 Cost Estimate

The cost estimate has been developed in consultation with NFEDC who identified the activities and personnel and resource requirements of the program. A number of assumptions have also been made in developing the cost estimate:

- (i) The program is relatively small in scale, therefore establishing, supplying and running a separate program office is not considered necessary. It has been assumed that the District Education Office can be used as a base. A monthly contribution to office communication and supplies has been included in the cost estimate;
- (ii) The community mobilizers that are included for the social preparation (resettlement and community education campaign program) and who will be part of the construction supervision consultant's team will assist with program implementation as required, as well as social preparation and community education campaign activities;

- (iii) That general community education and awareness is being undertaken through a parallel and complimentary program as part of overall Project mitigation and enhancement. The costs of the community education campaign have been included in the general mitigation measures (refer to the Social Action Plan); and
- (iv) The cost estimate is included in Appendix 2, including a 20 percent contingency the estimated cost of the program is US\$215,950.

### 6.2.5 Implementation Schedule

Due to the necessity for the social preparation of the project overall to commence well in advance of the civil works contractor mobilisation (to ensure that awareness programs are implemented prior to works commencing), recruitment of the NGO or locally based consultant for the non-formal education and social marketing program package will begin as soon after mobilisation of the construction supervision consultant as is practicable. The construction supervision consultant will assist the DOR-SED to prepare TOR for the contract package. Requests for proposals will be called for from NGOs or locally based consultants with experience in the non-formal education and social marketing and participatory development sectors.

Implementation of the program will be expected to dovetail with the community education campaign and resettlement activities implementation in order to maximise community exposure to the activities and programs being implemented by the project.

**Table 6.2.4: Implementation Schedule**

ACTIVITIES	SCHEDULE
Award of Construction Supervision contract	December 2004
Mobilisation of Construction Supervision consultant	January 2005
TOR for NFE & social mktg program contract package prepared & reviewed (DOR/ADB)	March 2005
Tenders called for NFE & social mktg program contract package	April 2005
Engage NGO/locally based consultant for NFE & social mktg program contract package	June 2005
Monitoring & evaluation	June 2006 & June 2007

### 6.2.6 Supervision, Monitoring and Evaluation

Detailed design of the administrative and management structure of the program will be carried out during the early phases of program planning. An institutional framework for the component has been included in Section 6.2.4 for further consultation and planning purposes.

Overall oversight of the non-formal education and social marketing program will be one of the principal responsibilities of the construction supervision consultants and relevant Government counterpart. The NGO or locally based consultant undertaking the contract package will undertake monitoring with the assistance of NFEDC and AFO as a mid-term review of the program in order to document lessons learned and improve the second year plan of the program.

### 6.3 Special Considerations

#### (a) *Development in Very Remote Areas*

Ethnic minority communities living in close proximity to the road will be better integrated than those communities that are isolated and living in more remote hilly and mountainous areas. Measures to involve them in project planning and implementation will need to be coordinated and integrated with other development initiatives that seek to reduce shifting cultivation and introduce these ethnic minorities to more permanent settlement based on paddy and crop agriculture.

The Government is encouraging voluntary resettlement by shifting cultivators under rural development and focal site development programs. The project's community development plan aspects will need to be mindful that such activities are also ongoing, and it may be prudent to include Lao Front for National Construction as well as local government representatives (District and Village leaders) as participants in the community development plan and resettlement process.

#### (b) *Special Consideration for Women and Children*

As pointed out in Section 5.2, women and children, especially girls, will face increased exposure to being exploited as a result of the improved road access and the opening up of previously isolated areas.

Training and information programs (primarily under the community education campaign) and the measures identified in the non-formal education and social marketing program which target women and girls, will be carried out to counteract these negative impacts on women and girls. These will need to be carried out with assistance from, and coordinated by the Lao Women's Union, which is already working in this area and will be involved in the implementation of the non-formal education program as well as other programs under the umbrella of the community education campaign. The need for involvement of the Lao Women's Union has been included in the cost estimates prepared for the community development plan and the community education campaign (refer to the social action plan).

#### (c) *Additional Measures*

The ethnic minority communities living along the existing road sections have made lowland adaptations, they may speak Lao, and some may be well integrated into the wider national society. Thus, interventions aimed at improving their ability to function in the "Lao world", such as the non-formal education program, will have enormous benefit. In general, construction of the Xaisetha - Sanxai road will provide the much-needed impetus for improving access to social services and markets, increasing and diversifying production, and contribute to poverty reduction in the project area. Indeed, a number of villages in the project area have been isolated due to the lack of a road and travel distances of between 2 and 3 days' walk which has clearly inhibited the economic development along the route. There are a number of additional measures that can enhance the benefits for ethnic minority groups and the need for such can be identified during the community development plan implementation and post-evaluation of Project activities undertaken by the construction supervision consultant. Such additional measures to be investigated further include:

- (i) Improved physical access for more remote villages in the project area - proposals can be developed for trails and foot-bridges to be designed and

- constructed through village consultation and participation in response to community needs;
- (ii) Improved community infrastructure and services - consideration of provision of small-scale water supply and electricity schemes; installation of tube wells and repairing of existing defunct ones; construction of community halls, school buildings or other community facilities required in any specific location; construction of village fishponds and renovation of existing fishponds;
  - (iii) Training and capacity building - the benefit of additional programs for training ethnic minority youths in different skilled and semi-skilled jobs and various self-employment schemes can be evaluated following completion of the first year of the non-formal education program and community education campaign activities. It was mentioned during several visits that agricultural support, training and extension would be beneficial, the Sanxai plateau area has potential for agricultural development similar to that of the Bolaven plateau in Champassak.
  - (iv) The community education campaign and community development plan activities could identify specific requirements in this regard and develop a Japan Fund for Poverty Reduction proposal for funding a pilot program for activities identified under the social marketing program;
  - (v) Sustainable enterprise development - to help maximize the sustainable development activities and opportunities being afforded through other programs. Activities to be considered could include the development of fishponds, tree planting, livestock-raising (pigs, chickens, ducks, goats). Agro-based and cottage-based industries shall be encouraged through the provision of, and linkage with, micro-credit schemes or subsidy; and
  - (vi) Restoration or improved access to village resources - for ethnic minority groups losing access to forests or timber gathering areas, compensatory plantation on both sides of the road for use by ethnic minority community shall be considered and developed along with social forestry/mixed plantation programs and resource management projects.

## **Appendix 1: Draft Outline Terms of Reference Non-Formal Education and Social Marketing Program**

### **A. BACKGROUND INFORMATION**

The Government of Lao PDR (the Government), with assistance from Asian Development Bank (ADB) is improving rural access roads in a number of provinces throughout Laos. The Roads for Rural Development Project, in the form of Technical Assistance (TA) to the implementing agency - Ministry of Communication, Transport, Post & Construction (MCTPC)], is one of a number of TA and loan projects developed from the TA 2889-LAO Rural Access Roads Improvement Project commenced in 1999 and with some detailed work being completed for the roads that are the subject of this TA in 2000. This project - known as ADB 10 - is progressing a package of roads identified under the earlier studies.

Government has as one of its highest priorities the development of the maximum length of all-weather roads to provide as much of its population as possible with access to the national road network. The Project is an important element of ADB's sectoral strategy of assisting development of the rural road network linked with the specific development priorities of Government. Targeted to supporting rural development, the rehabilitation of sections of the rural road network proposed by the project will provide basic infrastructure for rural development and enhance the social and economic impacts of the recently rehabilitated national roads and also contribute to poverty reduction efforts in selected provinces.

The project includes three roads in Xaignabouli (Xaignabouli – Hongsa), Attapu (Xaisetha – Sanxai) and Bolikhamxay (Pakxan – B. Thasi).

A project supervision consultant will be engaged to assist the Project Executing Agency, MCTPC, to implement the project. Under the TA resettlement plans, community development plans and a social action plan were prepared, and it will be one of the tasks of the project supervision consultant to support the Department of Roads' Social and Environment Division (DOR-SED) in the implementation and monitoring of these plans.

The community development plans (Xaignabouli and Attapu) and the social action plan include separate packages of consultancy services, covering HIV/AIDS/STD awareness and prevention, non-formal education and social marketing, and a small non-timber forest product management program (included under the resettlement plan for the road in Bolikhamxay), to be provided under the project.

Two components – road safety awareness and land rights awareness and issuance of Land Use Rights Certificates – will be run through the existing programs of DCTPC and provincial and district Land Offices respectively. Overall coordination of the packages will be the responsibility of the project supervision consultant.

The project will undertake social preparation of villages along the road to ensure that they are able to benefit from, and cope with, the changes and opportunities that the road will bring. The particular intervention aimed at the poorest villages and villages with low literacy is a non-formal education program including training for adults in speaking, reading and writing in Lao language and basic numeracy, and social marketing (skills in micro-finance, small business development, new product cultivation, processing, and marketing).

## **B. THE CONSULTANT**

The consultant recruited for this component is expected to be an association of either international (UNV type background) and national, or solely national, specialists with appropriate capabilities and experience to execute the services. The organisations invited to submit proposals for the package will have experience in the non-formal education and social marketing sectors and will have demonstrable skills in participatory development. The organisation or association will nominate personnel with appropriate experience for the roles identified.

It is anticipated that the organisation's team will essentially be as set out in Section D, although in the preparing of the proposal the consultant may propose alternative arrangements which, in their opinion, will provide serves of an equivalent quality.

The terms of reference for the services are as follows:

## **C. CONSULTING SERVICES REQUIRED**

The scope of work for this component will assist the MCTPC, through DOR-SED, implement the community development plan developed for the Xaisetha – Sanxai road for the following nine villages; B. Keng Gani, B. Tadkhioun, B. Phaikeo, B. Daksud, B. Pakpe, B. Phoudeng, B. Dakhiat, B. Dakkiat, and B. Vangxai.

Overall, the consultant will prepare, design and implement a detailed program for the delivery of the non-formal education and social marketing component. The design of the program will be undertaken in coordination with, and with the full participation of, all relevant agencies and community stakeholders including the NFEDC, DAF and AFO, participating villages, DCTPC, and Lao Women's Union.

### **(i) Non-formal Education**

The non-formal education sub-component will be linked with the social marketing aspects to ensure that curriculum developed for the adult students caters to the nature of production opportunities and agricultural diversification being undertaken in the area. The component will work with through the existing system of extension provided through the provincial and district DNFE, the NFEDC and other donors to support basic literacy, numeracy, and fluency training (for two years, thereafter supported by a user pays system) basic literacy, numeracy, and fluency training.

In close coordination with the DOR-SED and NFEDC, the consultant will prepare a detailed program for the following activities:

- (i) Non-formal education for both adolescents (with special emphasis on girls) and adults who have not had access to formal education opens up the possibility for them to engage in development activities and enterprise opportunities to a much greater degree and with increased confidence than otherwise;
- (ii) Capacity building of institution at district and village level as well as village volunteers;
- (iii) Training of NFE trainers (village teachers) in teaching illiterate students in reading, writing and basic arithmetic and communicating in Lao language. The educators (teachers) will be resident in the village (who can then I provide their services on a user pays system after two years);

- (iv) Conduct reading and writing courses by village teachers any time students and teachers are available;
- (v) Provision of basic educational materials/equipment for students participating in the program, and promotional material regarding non-formal education;
- (vi) Publication of materials for NFE skills, vocational guidance, and social marketing activities; and
- (vii) Training in Lao language skills, literacy, numeracy and basic household budgeting and book-keeping.

**(ii) Social Marketing**

The social marketing component of the program will focus on identifying the new agriculture and production opportunities associated with opening up of the road and direct market access for the villages on the Sanxai Plateau where the agricultural potential is expected to be similar to that of the Bolaven Plateau in Champasak. In close coordination with the DOR-SED, NFEDC and DAF/AFO, the consultant will prepare a detailed program for, and implement, the following activities:

- (i) Identification of potential for new crops and goods;
- (ii) Capacity building to DAF and AFO (focusing on Sanxai);
- (iii) A study tour to Bolaven Plateau;
- (iv) Support and agricultural extension to assist villages to produce new crops and fruit;
- (v) Support for fortnightly exhibition/market;
- (vi) Construction of a permanent market site at Sanxai;
- (vii) Training in basic business skills, savings and credit systems and book-keeping skills and income generation activities, particularly for women; and
- (viii) Micro-finance/enterprise, product processing and marketing (including production of promotional materials).

#### **D. PERSONNEL AND BUDGET**

The aim in delivering any of the components of the project has been to work through existing frameworks wherever possible. Therefore the program will link with existing NFE initiatives offered by NFEDC and agricultural extension being managed through DAF and AFO.

The program will require a consultant to provide four suitably qualified persons; two either suitably qualified national specialists, or expatriates with a (UNV/NGO background), one will be the overall program coordinator and the other will perform the role of social marketing adviser, and two NFE trainers (which could be from an NGO). This team will work with two staff from NFEDC who will provide regular inputs on as required basis after a two-month input at the commencement of the program.

The summary budget for the program is as follows.

For a detailed cost estimate, see the Social Action Plan.



<b>Item</b>	<b>Budget</b>
Project staff (coordinator, social mktg adviser, two NFE trainers, driver)	85,000
Project staff per diem	6,000
Government counterpart staff	3,200
Government staff per diem	480
NFE teachers and LWU representatives	5,500
Vehicles, travel, contribution to EO office running costs	22,500
Equipment (computer, supplies, materials)	16,500
Market development	26,000
Workshops, study tour, training & reporting	13,600
Subtotal	178,780
20 % contingency	35,756
<b>TOTAL</b>	<b>214,536</b>

#### **E. TRAINING AND REPORTING REQUIREMENTS**

The consultant will report to DOR-SED through the project supervision consultant.

The program will include workshops and other training sessions with relevant government agencies.

The reporting will include an inception report setting out the detailed program to be undertaken following consultation within 6 weeks of commencement of the component. The consultant will also be required to submit annual and final progress reporting, and a report documenting the lessons learned through implementation of the program.

**Appendix 2: Cost Estimate**

<b>Item</b>	<b>Budget</b>
Project staff (coordinator, social mktg adviser, two NFE trainers, driver)	85,000
Project staff per diem	6,000
Government counterpart staff	3,200
Government staff per diem	480
NFE teachers and LWU representatives	5,500
Vehicles, travel, contribution to EO office running costs	22,500
Equipment (computer, supplies, materials)	16,500
Market development	26,000
Workshops, study tour, training & reporting	13,600
Subtotal	178,780
20 % contingency	35,756
<b>TOTAL</b>	<b>214,536</b>

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