

MINISTRY OF PUBLIC WORKS AND TRANSPORT  
DEPARTMENT OF ROADS  
Lao PDR National Road 13 Improvement and Maintenance Project  
(NDF C110)

**Resettlement Action Plan (RAP) for  
Improvement of Sikeut-Sikhai Section  
(KM6 to KM12) of NR-13N  
Final Report**



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## BASIC PROJECT INFORMATION

Topic	Information
Title	Lao National Road 13 Improvement and Maintenance Project Addendum to the Environmental and Social Impact Assessment (ESIA) and the Resettlement Action Planning (RAP) for Improvement of Sikeut-Sikhai Section (Km 6 to Km 12) of NR-13N Ministry of Public Works and Transport (MPWT) Government of Lao PDR
Project No.	NDF/QCBS-01/2021
Executing Agency	Department of Roads, Ministry of Public Works and Transport

## TABLE OF CONTENTS

---

EXECUTIVE SUMMARY .....	vii
1.0 INTRODUCTION, PROJECT DESCRIPTION & KEY LESSONS FROM THE ORIGINAL PROJECT (SIKEUT-PHONHONG SECTION) RAP IMPLEMENTATION .....	1
PROJECT DESCRIPTION .....	1
KEY LESSONS LEARNED FROM THE ORIGINAL PROJECT (SIKEUT-PHONHONG SECTION) RAP IMPLEMENTATION .....	6
2.0 REGULATORY FRAMEWORK.....	8
2.1 APPLICABLE LAW.....	8
2.2 WORLD BANK’S SAFEGUARDS POLICIES AND REQUIREMENTS ON INVOLUNTARY RESETTLEMENT .....	11
2.3 GAP BETWEEN APPLICABLE LAW AND WORLD BANK SAFEGUARD POLICIES ON INVOLUNTARY RESETTLEMENT.....	11
3.0 SOCIO-ECONOMIC CHARACTERISTICS OF THE AHS .....	16
3.1 CHARACTERISTICS OF THE AFFECTED HOUSEHOLDS (SIZE, GENDER, ETHNICITY, AGE, EDUCATION LEVEL) .....	16
3.2 LIVELIHOODS, POOR AND VULNERABLE AFFECTED HOUSEHOLDS .....	17
4.0 POTENTIAL IMPACT AND MAGNITUDE OF DISPLACEMENT .....	18
4.2 IMPACTS ON STRUCTURES .....	20
4.3 IMPACT ON TREES AND CROPS.....	21
4.4 IMPACTS ON BUSINESSES.....	21
4.5 IMPACTS ON PUBLIC UTILITIES AND COMMUNITY ASSETS .....	22
5.0 ELIGIBILITY .....	23
5.1 ENTITLEMENT CATEGORIES OF AFFECTED PERSONS.....	24
6.0 ASSET VALUATION OF AND COMPENSATION FOR LOSSES.....	25
6.1 LOSS OF LAND.....	25
6.2 LOSS OF HOUSES AND RELATED STRUCTURES.....	25
6.4 LOSS OF PUBLIC UTILITIES AND COMMUNITIES’ ASSETS.....	26
6.5 LOSS OF INCOME.....	27
6.6 USE AND/OR ACCESS TO PRIVATE OR COMMON PROPERTY.....	27
7.0 ENTITLEMENT MATRIX .....	28
8.0 LIVELIHOOD RESTORATION .....	33
9.0 STAKEHOLDER ENGAGEMENT .....	33
9.1 SUMMARY OF STAKEHOLDER ENGAGEMENT ACTIVITIES .....	34
10.0 GRIEVANCE PROCEDURES SCALED TO THE PAHS/PAPS NEED .....	44

<b>11.0 ORGANIZATIONAL RESPONSIBILITIES</b> .....	48
<b>11.1 EXECUTING AGENCY: MINISTRY OF PUBLIC WORKS AND TRANSPORT</b> .....	48
<b>11.2 PROJECT MANAGEMENT UNIT</b> .....	48
<b>11.3 PUBLIC WORKS AND TRANSPORT INSTITUTE</b> .....	50
<b>11.4 PROJECT IMPLEMENTATION SUPERVISION AND WORK SUPPORT CONSULTANT</b> .....	50
<b>11.5 OTHER INSTITUTIONS INVOLVED IN RESETTLEMENT ACTIVITIES</b> .....	51
<b>11.5.1 Project Resettlement Committee</b> .....	51
<b>11.5.2 Ministry of Natural Resources and Environment</b> .....	51
<b>12.0 APPROVAL AND DISCLOSURE</b> .....	52
<b>13.0 IMPLEMENTATION SCHEDULE AND BUDGET</b> .....	52
<b>14.0 MONITORING, EVALUATION AND REPORTING</b> .....	56
<b>13.1 MONITORING AND REPORTING</b> .....	56
<b>13.2 INVOLVEMENT OF COMMUNITY MEMBERS IN MONITORING ACTIVITIES</b> .....	58
<b>13.3 REPORTING</b> .....	58

## LIST OF TABLES

---

Table 1: Gap analysis between Lao PDR 2016 Decree on Compensation and Resettlement of People Affected by Development Projects and the World Bank Involuntary Resettlement Policy (OP/BP 4.12) .....	12
Table 2: Education level of the heads and spouses of the affected households .....	16
Table 3: Ethnic groups in the Project affected area .....	17
Table 4: Main occupation heads of the affected households .....	17
Table 5: Permanently Affected Land Plots .....	19
Table 6: Temporarily Affected Land Plots .....	20
Table 7: Affected Structures .....	20
Table 8: Impacts on trees and crops .....	21
Table 9: Affected businesses .....	21
Table 10: Affected businesses by type .....	22
Table 11: Affected public utilities and facilities .....	22
Table 12: Project Categories of Entitled Affected Persons .....	24
Table 13: Summary of Valuation of the Essential Construction Materials between March 2019 and April 2022 .....	26
Table 14: Entitlement matrix .....	29
Table 15: Summary of comments at the Project orientation workshop with the Grievance Committee on 30 November 2021 .....	35
Table 16: Summary of comments of the PAPs at the Consultation meetings on 13 to 23 December 2021 .....	36
Table 17: Summary of comments of the PAPs at the Consultation meetings on 13 to 23 December 2021 .....	38
Table 18: Simplified stakeholder engagement plan .....	39
Table 19: Grievance Procedures .....	45

Table 20: Implementation Schedule.....	53
Table 21: Budget for compensation .....	54
Table 22: Agreed solutions for reducing the compensation costs of involuntary resettlement impacts.....	55
Table 23: Indicators for Monitoring and Reporting of RAP implementation.....	56

## LIST OF FIGURES

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Figure 1: Road Alignment .....	3
Figure 2: Cross Section – 2 Lane through Urban Areas (Asphalt) .....	4
Figure 3: Area of Detailed Measurement Survey.....	6

## LIST OF APPENDIXES

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Appendix 1: Inventory List of Loss	
Appendix 2: Announcement of Cut-off date by MPWT	
Appendix 3: Land, structure and crop prices submitted to Vientiane Capital Assembly after consultation with PAP	
Appendix 4: Combined Socio-Economic Survey and Population and Income Census	
Appendix 5: Village Authority Interview Form	
Appendix 6: DMS and compensation agreement form	
Appendix 7: Establishment of Sikhottabong Grievance Committee	
Appendix 8: Establishment of National Steering Committee	
Appendix 9: Minutes of Project orientation with the Grievance Committee	
Appendix 10: Summary of minutes of first round consultation meetings with PAPs	
Appendix 11: Budget of public utilities relocation	
Appendix 12: Minute of Meeting on the Final Revised Conceptual Design	
Appendix 13: Minutes of Meeting with Steering Committee and Grievance Committee	
Appendix 14: Summary of crops, construction materials valuation and labor costs surveys	

## ACRONYMS/ABBREVIATIONS

Acronyms/Abbreviations	Definition
AH	Affected Households
AP	Affected People
COI	Corridor of Impact
DAFO	District Office of Agriculture and Forestry
DEDP	Division of Environment and Disaster Prevention
DMS	Detailed Measurement Survey
DOJ	District Office of Justice
DONRE	District Office of Natural Resources and Environment
DOPS	District Office of Public Security
ESMP	Environmental and Social Monitoring Plan
GoL	Government of Laos
GRM	Grievance Redress Mechanism
IR	Involuntary resettlement
ISWS	Implementation Supervision Work Support
LTEC	Lao Transport Engineering Consultant
LWU	Lao Women's Union
MONRE	Ministry of Natural Resources and Environment
OPWT	District Office of Public Works and Transport
PAFO	Vientiane Capital Agriculture and Forestry Office
PAP	Project Affected People
PMU	Project Management Unit
PRC	Project Resettlement Committee
PTI	Public Works and Transport Institute
RAP	Resettlement Action Plan
ROW	Right of Way
VCAFO	Vientiane Capital Agriculture and Forestry Office
VCONRE	Vientiane Capital Office of Natural Resources and Environment
VCDPWT	Vientiane Capital Department of Public Works and Transport
WB	World Bank

## GLOSSARY

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Compensation	:	Means payment in cash or in-kind at replacement cost for an asset to be acquired by the Project.
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. The cut-off date is established in the Resettlement Action Plan (RAP). It normally coincides with the date of the census of affected persons within the project area boundaries, or the date of public notification regarding the specific civil works that would cause displacement. Persons not covered in the census, because they were not residing, having assets, or deriving an income from the project area, are not eligible for compensation and other entitlements.
Household	:	Means all persons living and eating together as a single social unit.
Income restoration	:	Means re-establishing income sources and livelihoods of Project Affected Households (PAH) to a minimum of the pre-project level.
Informed consent	:	Means that the people involved are fully knowledgeable about the project and its implications and consequences and freely agree to participate in the project. “Power of choice” means that the people involved have the option to agree or disagree with the land acquisition, without adverse consequences imposed formally or informally by the state. By definition, power of choice—and thus voluntary resettlement—is only possible if project location is not fixed
Land acquisition	:	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State in the implementation of the Project or any of its components in return for consideration.
Livelihood impacts or Economic displacement		Means loss of income generating assets or access to income generating assets; or loss of income sources or means of livelihood, whether or not the affected persons must move to another location, and includes loss, or restriction, of access to protected areas resulting in impacts on the livelihoods of the affected persons.
Physical displacement		Means the physical relocation or shifting of a person from his/her pre-project place of residence and/or business.
Rehabilitation		Means assistance provided to seriously affected people due to the loss of productive assets, incomes, employment or sources of living that require to be compensated in order to improve, or at least achieve full restoration of living standards to pre-project level. The livelihood support may be given in cash or in kind or a combination of the two in order to improve, or at least achieve full restoration of living to improve, or at least achieve full restoration of living given in cash or in kind or a combination of the two in order to improve, or at least achieve full restoration of living standards to pre-project levels.
Project Affected Persons (PAP) or Households (PAH)	:	Includes any person, households, entity, organizations, firms or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, plantations, grazing, and communal land), water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, permanently or temporarily, with or without displacement.
Replacement cost	:	Means the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this

- method of valuation, depreciation of structures and assets is not taken into account. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard.
- Resettlement : Means all direct economic and social losses resulting from land taking and restriction of access, together with the consequent compensatory and remedial measures. Resettlement is not restricted to its usual meaning—physical relocation. Resettlement can, depending on the case, include (a) acquisition of land and physical structures on the land, including businesses; (b) physical relocation; and (c) economic rehabilitation of displaced persons (DP), to improve (or at least restore) incomes and living standards.
- Severe impact : As per WB OP 4.12 when more than 10% of productive assets (land or resources) is taken, physical relocation occurs from one's residence or place of business, or people suffer significant loss of livelihood or income.
- Vulnerable groups : Are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households headed by women, elderly people or people with a disability with no productive labor; (ii) households living below the poverty threshold; (iii) the landless; and (iv) ethnic groups as defined under Indigenous Peoples in the World Bank OP/BP 4.10 revised July 2013.

Note:

In this report, "\$" refers to US dollars; and the Lao PDR currency unit is the Lao Kip (Kip). The exchange rate used is US\$ = 15,000 Kip.

## EXECUTIVE SUMMARY

ES1. The road section of this Project is located in Sikhottabong and Naxaythong districts, Vientiane Capital starting from Sikhai Y-Intersection (KM6) to Sikeut Intersection (KM12) with a length of 6 Km. The entire length of the Project Road is located in an urban area and under the administration of Vientiane Capital.

ES2. The DMS covers the permanent and temporary impacts within the COI marked by the design company, LTEC. The corridor of impact (COI) of this project is the 1-meter minimum distance measured from the road edge, considering safety in equipment use during civil works. The affected areas for compensation are calculated on both permanent and temporary impact areas where land acquisition, affected structures, business of the severely affected households and crops & trees have been investigated for permanent impacts while additional affected structures, crops/trees and temporarily affected businesses have been investigated for temporary impacts expected during the construction phase. Impacts subject to compensation are shown in Figure 3.

ES3. Compensation principles and policy framework for land acquisition and involuntary resettlement are governed by laws, decrees and regulations of the Government of Lao PDR, principally the Constitution (1991), the Land Law (updated in 2019), the Road Law 1999, the Decree 84 Compensation and Resettlement of the Affected People by Development Projects (April 2016), Decree No 207/GoL on the ethnic affairs (March 2020), Decree No 21 on Environmental Impacts Assessment (January 2019), Public Involvement Guidelines by MONRE (2012), Ministerial Instruction No. 8030/MONRE on Environmental and Social Impact Assessment (ESIA) and Initial Environmental Examination (IEE) of Investment Project (2013) and The Law on Handling of Petitions (Grievance Redress) No 035/President.

ES4. The World Bank's Operational Policy 4.12: Involuntary Resettlement is triggered in situations involving involuntary land acquisition and involuntary restrictions of access to legally designated parks and protected areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts. It promotes participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement.

ES5. Where there is a gap in the policy framework for land acquisition and involuntary resettlement between the Lao Government and the World Bank, OP 4.12 Policy Procedures will be applied.

ES6. According to the detailed measurement survey (DMS) the total number of plots is 883 which belong to 860 HHs and 666 are occupied by affected households. There is no affected household in Yapa village but one family is considered vulnerable to disturbance during the civil works. Husband and wife are aged 88 and 72 years respectively. This couple is independent from their children who live in Vientiane Capital, USA and Canada and who sometime send remittance to the parents.

ES7. The majority of landowners and occupants along the Project Road are the Tai Kadai or Lao group. Three households including 2 Hmong and 1 Lu Mien household and both Hmong and Lu Mien are classified in the Sino Tibetan linguistic group. The Hmong and Lu Mien are defined as IP under the OP/BP 4.10 are well integrated into the Lao society and can understand well the Lao language. An affected Hmong household is severely affected and needs to be relocated. This household runs an air condition repair shop and will be closely followed up on the livelihood restoration. Another affected Hmong household has minor impact on the secondary structure. Lastly the affected Lu Mien household has small portion of impact

on the land and secondary structure. The result of impact assessment and consultation carried out with these ethnic PAHs confirms that no additional support is required except the compensation at Replacement value to be paid as soon as possible to enable them to complete resettlement before the work begins. This is mainly due to the facts that these ethnic PAHs is (i) well educated, (ii) assimilated into the mainstream community, and (iii) not identified as the poor and vulnerable households.

ES8. The DMS found that there are 666 affected households, including both businesses and households, of which 507 are the owners of the affected assets while 131 are tenants and 28 are relatives of the owners. Relatives are those who are related to the owners of the affected property and live in the affected property free of charge. They are categorized as the PAPs who will lose income from business operation and access to their residence

ES9. The total land area to be acquired by the Project will be 7,498 square meters of which the residential land that will be permanently affected by the Project will be about 304 plots with the total area of 7,400 square meters belonging to 276 owners while the permanently affected agricultural land will be relatively less which is about 98 square meters on 8 plots belonging to 8 owners. The owners of the 312 permanently affected land plots will be compensated for the land acquisition. The 4 affected plots of government land will not be compensated and the agreement on no future claim shall be signed by the concerned authorities during the consultation on compensation agreement.

ES10. During the construction period there will be temporary impacts on 509 plots of residential land that belong to 461 owners and on 20 plots of agricultural land of 19 owners. The owners or occupants of these temporarily affected plots will not receive cash compensation but they will be provided with access to their premises or businesses as soon as possible after the excavation of the ditch and their affected land will be restored within 2 weeks after the civil works by the contractor. The contractor shall be responsible for compensation for the impacts on PAHs' livelihood and businesses due to his failure to maintain/provide access facilities and the prolonged access lost (beyond the agreed work schedule). **RAP budget specifically the contingency fund shall not be used for this purpose.** A clause on these measures will be specified in the bidding document including the BOQ form and the work contract.

ES11. The structures on both permanently and temporarily affected land plots have been measured and included in the inventory list of loss and the owners of these affected structures will be compensated based on the severity of the impacts as recorded by the DMS. Altogether there are 2 severely affected houses of which the one in Nalao village is the office of the rescue team and another one in Nongniew village is an air conditioner repair workshop on the first floor and residential house on the second floor. Both premises need to be demolished but can be built on the remaining part of the affected land plot. The secondary affected structures include extension part of the main house, veranda, porch, cement slab, fence and etc.

ES12. Some PAPs in 10 of the villages will have their trees and crops affected. The affected crops are insignificant and limited to home gardening crops, these are banana and sugar cane for household consumption. Most affected trees are decoration trees and fruit trees.

ES13. Approximately 474 businesses (including 266 businesses with an attached dwelling) will be affected by the Project of which 1 permanent shop need to be demolished and can be rebuilt on the remaining area of the affected plot, 7 temporary shops/stalls need to be relocated, 16 shops need to be demolished but relocation is not required as they can build the new shops on the remaining area of the affected plots and 328 will be partially affected and need to modify their shop display while 122 will have secondary structures such as cement slab or fenced affected but not the main shop.

ES14. Public utilities along the road length of 6.32 kilometers will be affected and need to be relocated. The costs for the relocation will be under the contract with the construction contractor. Impacts on the common assets are minor and limited to trees, concrete slap and fence.

ES15. Eligibility will be determined with regard to the cut-off date (15/11/2021), which has been issued as MPWT declaration No. 21110/MPWT dated 20/10/2021 stating that after 15 November 2021 the construction of any structure and planting of any trees within 15 meters of the road center line will not be entitled to compensation and assistance under the Project. The objectives of the RAP are (i) to avoid Involuntary Resettlement (IR) impacts wherever feasible; (ii) to minimize impacts where displacement (physical or economic) is unavoidable by choosing alternative viable project options; and (iii) where IR impacts are unavoidable, to enhance, or at least restore, the livelihoods of all APs in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. The dissemination of the cut-off-date has been announced publicly on 2 famous TV channels on 22 October 2021 and on 25 October 2021. <https://fb.watch/f2HSEStiuL/>; (22 October 2021), <https://fb.watch/f2HU785Xuv/> (25 October 2021) as well as through village loud speakers commonly known as 'Community Radio' installed in all villages in Laos used to notify and remind to ensure that all PAHs are aware of the cut-off-date.

ES16. There is no reliable source of information on the real estate market in Vientiane and Lao PDR as the sale prices are not recorded. Real estate prices are driven by current demand, the urgency of the sale, and the land size and geometry. As a result, it is not possible to apply a classic method such as the sales comparison approach for calculating land values. Therefore, a survey on the land sales signs along the Sikhai-Sikeut section was conducted, by asking the land price over the phone without mentioning the Project. Lands are differentiated into two categories: (i) construction land (residential, business or empty land); and (ii) agricultural land. The cost of land in a village is influenced by its proximity to Vientiane Capital, its socio-economic situation, and the population density in the village.

ES17. The rate used for residential land as well as agricultural land, except for Xaymoungkhoun village that already has the unit cost, was calculated based on the unit rate issued by VCONRE in 2021 for land tax collection. Cost adjustment for land is deemed unnecessary at this stage because land prices/market remain largely stable and the unit costs for land were established at replacement value and were agreed with the PAPs.

ES18. The land unit costs has been consulted with the PAPs with the Project Steering Committee as well as with the Grievance Committee. It is expected to be endorsed by the Assembly of Vientiane Capital in October 2022.

ES19. The cost estimates for the loss of structures were calculated based on the unit costs approved by the Governor of Vientiane Capital in 2019 for the current project under Sikeut-Phonhong section that pass through Naxaythong district as well as the market price survey of the construction materials in August 2022, This cost was taken into account for the market price of replacement materials. Labor costs for dismantling, rebuilding and fixing and transport costs for relocation were also added. The unit costs for the structures have been consulted with the PAPs and then the results have been reported to the Project Steering Committee as well as the Grievance Committee for further report to the Assembly of Vientiane Capital for the approval. At the meeting it on 19 August 2022 it has been agreed to adjust the unit cost of the structures to 25% according to inflation in July 2022 from the findings from asset valuation carried out by the consultant in August 2022. It has also been agreed that the unit cost will be adjusted again if there would be a fluctuation of the inflation between August and the time of payment compensation to the PAPs. These costs have been added in the contingency costs for RAP implementation.

ES20. The unit costs for the trees and crops were calculated based on the unit costs approved by the Governor of Vientiane Capital in 2019 for the current project under Sikeut-Phonhong section with 299% adjustment by Vientiane Capital Agriculture and Forestry Department . This unit cost has been consulted with the PAPs with some ongoing concern raised over current fluctuating inflation. It was agreed that in the event if high inflation is observed and reported, further market survey will be made to inform cost adjustment before compensation payment is made.

ES21. Public utilities that will be affected by the Project include electric cable posts, piped water supply, fiber optic cables of 4 telecommunication companies and CCTV. The compensation cost will be included in the engineering work of the construction Contractor. The estimates for relocation of public utilities were based on the BoQ after consultation with each utility service provider for the 6.32-kilometer length of the affected area. BoQ is provided in Appendix 8.

ES22. The affected community assets include the fence, concrete slab and trees of the Eye Hospital in Thongpong village and the concrete slab and trees of the temple in Nongtaeng Neua village.

ES23. Approximately 474 businesses will be affected by the Project of which 8 businesses will be severely affected and need to be relocated while other 16 businesses will also be severely affected but relocation is not required. Amongst those 24 severely affected businesses 23 operate their business in temporary shelters/shops and 1 in the primary structure or house. In addition to other entitlement for the loss of structure or land the loss of their income is calculated based on the monthly income declaration for tax payment multiplied by 3 months. The other 328 businesses will have partial impacts on the structure of their shops and need to modify the display of their shops and thus the loss of the income of those shops is calculated based on the actual number of days spent to complete the work to cover income restoration and it shall not be more than 3 months. The remaining 122 business will not have the impact on their shops as they will lose either the trees, fence or concrete slab or other minor structures so they will not receive compensation for the loss of income. There will be about 457 business operators that may be temporarily disrupted during the civil works and access will need to be provided during the civil works to mitigate the impacts. However, some of these businesses may have to be temporarily closed due to civil works impacts, cash compensation will be provided. The estimates for the cash compensation of temporary revenue loss are based on the declared monthly business income for paying the income tax multiplied by at least three months as discussed above. As already mentioned in ES 10 the contractor shall be responsible for compensation for the impacts on PAHs' assets, livelihood and businesses due to his work and technical error (construction machinery operation) and his failure to maintain/provide access facilities and the prolonged access lost (beyond the agreed work schedule).

ES24. One of the Hmong ethnic households will be severely affected by the road work and needs relocation, will be assisted with disturbance allowances equivalent to 16 kg of rice per person in the household for the duration of one month to help them establish in the new house. Cash compensation at the replacement costs will be provided to the affected household. Another severely affected structure of the rescue team will not receive disturbance allowance. Cash compensation at replacement costs will include costs for demolishing, transporting and rebuilding their new houses which they themselves will be responsible for.

ES25. During the preparation of this RAP 2 public consultations have been carried out with the PAPs. The first round consultation was organized with the attendance of 306 PAPs of whom 133 are female PAPs in December 2021 to disseminate the project objectives, the

conceptual design and the plan for DMS survey. In general the PAPs support the project with some remark that compensation must be fair and must be settled prior to the start of the civil works. The second round consultation was organized with the attendance of 157 PAPs of whom 66 were female PAPs in July 2022 to disseminate the draft RAP and the unit costs. The PAPs agreed with the unit costs for the affected tree and crops but have asked for consideration of the high inflation rate in July 2022 before it's submission for the approval of the Assembly of Vientiane Capital. The comments of the PAPs have been raised at the final meeting on the unit rates with the Project Steering Committee and Grievance Committee and it has been agreed to increase the unit cost of the construction materials to reflect the 25% inflation rate of July 2022 with a remark that if there were fluctuation of the inflation between July 2022 until the time of paying compensation the unit rate for the structure can be further adjusted.

ES26. Grievances are not limited to the environmental impacts and RAP implementation but it includes other social and safety issues such as gender based violence, child abuse, accidents and others. Grievance procedures consist of 4 steps.

<b>level</b>	<b>Government level</b>	<b>Contact Person</b>
1	Village	Village Grievance Focal Persons
2	District	District grievance coordinator at OPWT
2	Vientiane Capital	Safeguard officer of PTI
4	National	Court of law

Complainants can also submit their grievances through the grievance channels of World Bank

ES27. MPWT/DOR/PMU will be responsible for meeting the administrative and legal costs that will be incurred in the resolution of complaints and grievances. If the grievance relates to a dispute over the valuation of an asset to be acquired, then the MPWT/DOR/PMU will use an additional independent assessor to inform the decision of the relevant grievance redress committee. The grievance redress committees will function, for the benefit of PAP and PAH, during the entire life of the project, including the defects liability period.

ES28. DOR/MPWT is the EA for the Project. MPWT is responsible for the planning and construction of public works and transport sector projects. At the central level, within the MPWT, the line departments, including DOR, play an important role supporting MPWT in terms of studies, planning, and macro management of road and bridge infrastructure. A project management unit (PMU) has been established at DOR to coordinate project activities at the national level.

ES29. PTI will assist PMU in overseeing the implementation of the RAP during the pre-construction phase. Later, during the construction phase, PTI will handle the arrangement for compensation of the impacts associated with the civil works. Thus, during the construction phase PTI will be responsible for overall planning and implementation of the environmental and social management (including the RAP) for the Project, as well as facilitating consultation activities and coordination with local authorities, AHs, NGOs/civil society organizations (CSOs) and other stakeholders.

ES30. RAP implementation status will be assessed, and completion report will be developed by the ISWS that will be engaged to assist and support the PMU and PTI in implementation supervision and capacity building so as to ensure the effective implementation of all aspects of the Project including safeguards, land acquisition and resettlement action plan prior to hand over the project site to the contractor

ES31. The Project Resettlement Committee will represent the interests of the APs and stakeholders in dealing with project impacts and mitigation measures. PRC will also be responsible for the endorsement of the RAP as per Decree 84 on compensation and resettlement of the people affected by the development project.

ES32. MONRE has overall responsibility for environment management at the central level. It has the mandate to co-ordinate environmental protection efforts of government ministries as well as provincial authorities. MONRE administers the environmental and social assessment system, in collaboration with relevant line agencies, through review of this RAP and issuance of a certificate of clearance for project development. MONRE is also responsible for overall guidance on the matters pertaining to inspection of, and compliance with, management and monitoring aspects of projects approved at the central level. At Vientiane Capital level these matters are handled by VCONRE.

ES33. The total budget for RAP implementation is about 56,049,720,180 LAK with the 25% average inflation<sup>1</sup> added or equivalent to 3,736,647 US dollars at the exchange rate of 15,000 Kip per US dollar. It will cover the costs for compensation of the affected assets and businesses of the individual households and the communities as well as consultancy cost for the implementation of the RAP but not the cost for utilities relocation that will be under the bidding document including the BoQ and the work contract. The unit rate was calculated in Lao Kip so it will be updated based on the current exchange rate and thus the budget for compensation will be based on the amount in USD. The budget for contingencies will be for the issuance of land titles, the temporary impacts on businesses and the additional impacts during the construction period due to minor modification of design. However, the impacts associated with civil works will be under the responsibilities of the Contractor.

ES34. Budget for relocation of the public utilities will be under the engineering construction contractor while the budget for monitoring of RAP implementation will be under the contract with PTI.

ES35. The budget for compensation reflects the fact that the road passes through the densely populated area of Sikhottabong district that is considered as the urban area. In order to reduce the cost, the conceptual design has been modified based on the comments in Table 18.

ES36. The PMU has the responsibility to supervise the preparation and implementation of the resettlement plan and monitor and report on all land acquisition, compensation and resettlement activities carried out at the provincial, district and village levels. Internal monitoring will assess (i) compliance with agreed resettlement policies and procedures; (ii) the availability of resources and efficient, effective use of these resources; and (iii) requirements for remedial actions.

RES37. APs will be monitored on a monthly, quarterly and annual basis by the PMU and PTI with the support of the Safeguards Specialists. Financiers Team will monitor RAP implementation progress and Project impacts during the periodic supervision missions.

ES38. The village authorities will be involved in monitoring of the project impacts and the implementation of mitigation measures routinely on a daily basis during the implementation of the civil works associated with the Project. During the monthly monitoring of the Safeguards Specialist and the periodic supervision missions by the financiers the villagers will be consulted on how they have been involved in the consultations on the Project impacts and its mitigation.

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<sup>1</sup> based on the latest inflation rate in July 2022 and rapid market survey carried out by the ESIA/RAP consultant on the construction materials.

ES39. On an ongoing basis, the Project will have a routine disclosure and consultation on the Project's performance on RAP implementation including grievances and other new emerging issues on the Project. The RAP will be cleared/approved by the Government of Lao PDR and the World Bank prior to its disclosure. It will be disclosed locally in a language that PAPs and stakeholders understand. Methods for local disclosure will be on the website of MPWT, posters on the entitlement matrix and grievance procedures will be developed, printed out and posted at the village office, markets, hospitals and temples. For any changes made to the disclosed RAP, it will be revised and follow the same clearance and disclosure protocols.

## 1.0 INTRODUCTION, PROJECT DESCRIPTION & KEY LESSONS FROM THE ORIGINAL PROJECT (SIKEUT-PHONHONG SECTION) RAP IMPLEMENTATION

1. The Ministry of Public Works and Transport (MPWT) is the Executing Agency for the *Lao PDR National Road 13 Improvement and Maintenance Project* (the NR13 Project). On 28<sup>th</sup> September 2021, the Public Works and Transport Research Institute (PTI) of MPWT (the Client) entered into a contract with the JV led by Lao Consulting Group Ltd. (LCG), (the Consultant) to provide **Consultancy Services for Carrying out the Environmental and Social Impact Assessment (ESIA) and preparing the Resettlement Action Planning (RAP) for Improvement of Sikeut-Sikhai Section (Km 6 to Km 12) of National Road 13 North** (the Consulting Assignment). The NR13 Project is jointly funded by the Asian Infrastructure Investment Bank (AIIB), the World Bank and the Nordic Development Fund (NDF).

2. The Resettlement Action Plan (RAP) is being developed as part of the Environmental and Social Impact Assessment (ESIA) for the improvement of Sikeut-Sikhai Section (KM6 to KM12) of NR-13N or the “Project”. According to the ToR the tasks for the RAP development include:

- Task 1: Review of Project details
- Task 2: Socio-economic baseline development
- Task 3: Review of Country legal frameworks and World Bank Safeguards requirements
- Task 4: Development of the entitlement matrix
- Task 5: Inventory survey of impacts and affected population or DMS.
- Task 6 Assess impacts and develop compensation and livelihood restoration interventions
- Task 7: Stakeholder consultation and participation

3. The RAP provides information on the involuntary resettlement impacts of the proposed Project, the regulatory framework of Lao PDR and World Bank’s Safeguard policies on involuntary resettlement, the socio-economic characteristics of the AHs, the potential involuntary resettlement impacts, the eligibility of the AHs, the asset valuation, the entitlement matrix, the livelihood restoration, the stakeholder engagement, the grievance procedures, the organizational arrangement for RAP implementation, the implementation schedule and budget and the monitoring, evaluation and reporting on RAP implementation.

## PROJECT DESCRIPTION

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4. National Road 13 (NR-13) is the most important road in Lao PDR serving as a backbone network for the country. It begins at the Chinese border at Boten in Luang Namtha Province in the north of Lao PDR, and connects the major cities from Vientiane to Luang Prabang City in the north, and to the south roughly follows the line of the Mekong River down to the border with Cambodia. Its total length is approximately 1,534km. The road comprises NR-13 North (approximately 699 km) from Vientiane Capital to Boten at the border with China and NR-13 South from Vientiane Capital to the border with Cambodia (approximately 835 km).

5. The MPWT is currently implementing the Lao National Road 13 Improvement and Maintenance Project (the On-going Project) with support from WB, AIIB, and NDF. This on-going project supports improvement works, and maintenance and operation of KM12 to KM70, a 58-km critical section of NR-13N. It also supports a preparation of studies, i.e.,

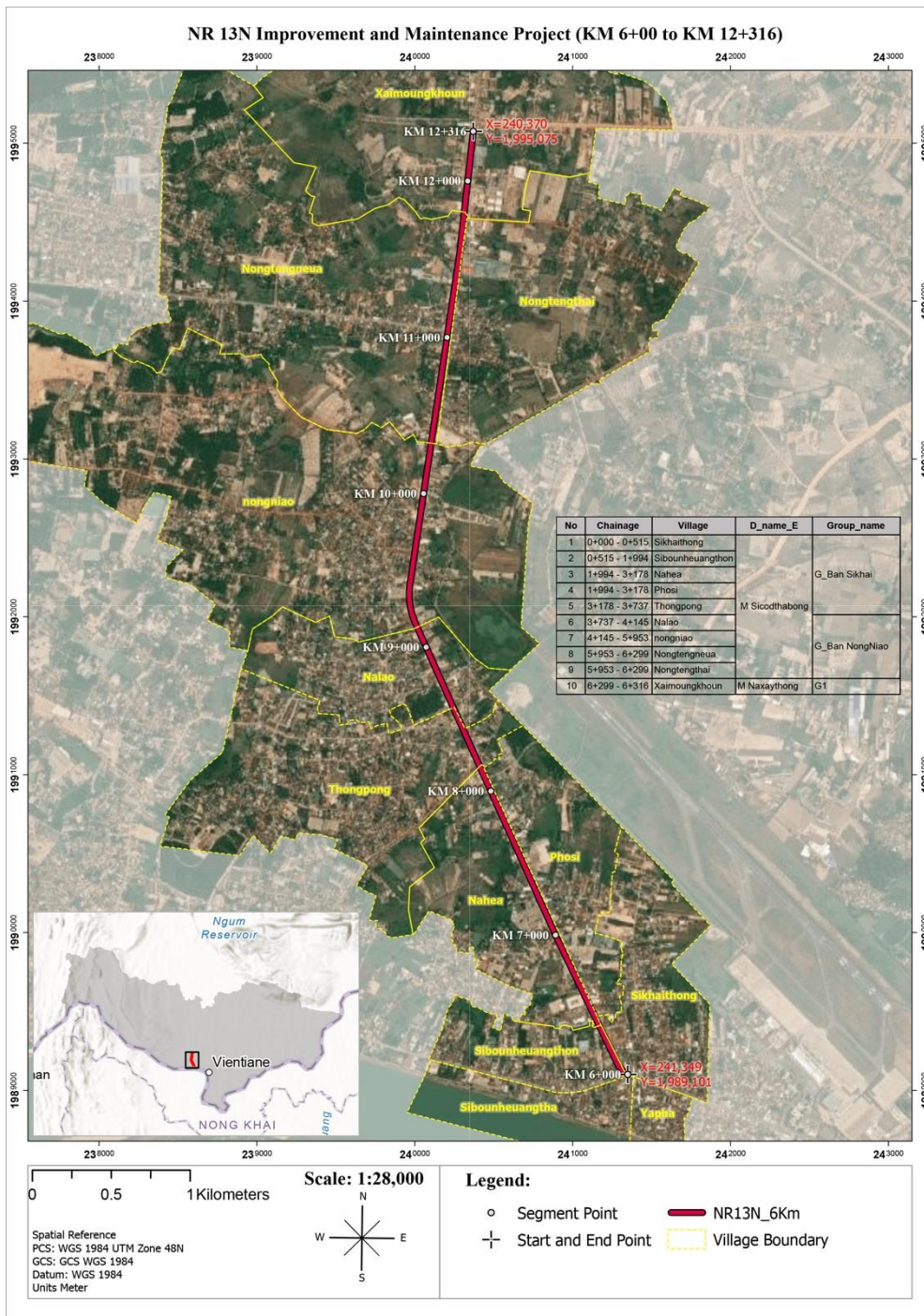
environmental, and social assessments, for future investments on other critical sections of NR13. Currently, the on-going project is under implementation, with civil works starting in January 2020. An ESIA including an ESMP and a Resettlement Action Plan (RAP) of the on-going project was prepared, cleared by the WB, and publicly disclosed in January 2018.

6. As noted above, this ESIA covers the Sikeut-Sikhai section (KM6 to KM12) of NR-13N, connecting to the road section under the ongoing project. This (approximate) 6 km section had not been included in the on-going project scope since the beginning due to budget limitation, time constraints, and government decision at time of the preparation of the ongoing project that this road section would be part of the urban transport development. However, it has now been determined that due to limited fiscal space, it is not feasible to improve this 6 km under the urban transport project. Therefore, the government has requested the financiers to consider financing improvement of this remaining 6 km under the on-going project.

7. The Project in hand focuses specifically on a 6km section of NR-13 North (NR-13N) in Vientiane (KM6 – KM12). This project follows on from the on-going rehabilitation of NR-13N between KM12 and KM70 funded by the World Bank and AIIB.

8. The road section of this Project is located in Sikhottabong and Naxaythong districts, Vientiane Capital starting from Sikhai Y-Intersection (KM6) to Sikeut Intersection (KM12) with a length of 6 Km as shown in Figure 1. The entire length of the project road is located in an urban area and is under the administration of Vientiane Capital.

Figure 1: Road Alignment



- Currently the Project road consists of a 10m to 11m carriageway with 1.50 to 2.00m shoulders with a double bituminous surface treatment (DBST). The road surface conditions vary significantly from good to fair with most road sections being rated as low to medium deteriorated.
- The road alignment passes through flat terrain and urban areas which means that allowable speeds for light vehicles are reduced in most instances to speeds of 60 kph but are as low as 40 kph in crowded areas.

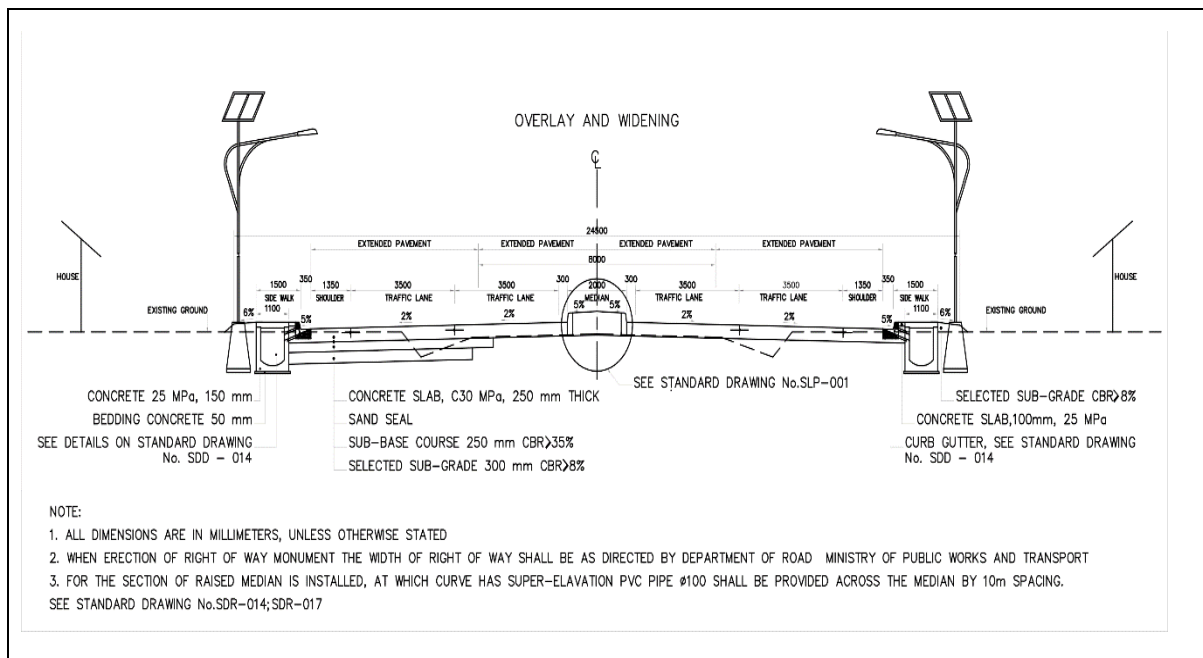
9. The design standard is planned to be the same as in the first sub-section of 19.40km length (Contract Package 1) of road section Sikeut (Vientiane Capital) to Phonhong (Vientiane Province). The sub-section follows urban road standards for 4-lane 2-way divided road, whose design speed is 80kph but in practice traffic conditions do not allow speeds greater than 60kph.

10. According to the 1999 Road Law the ROW of the National Road is 25 meters from each side measured from the center line. Since the project is located in the densely populated and urban area, the civil works will be limited to the 1-meter corridor of impacts measured from the road edge. The design has maintained the existing profile of the road in order to minimize impacts. It is envisaged that the existing road will be upgraded to an Urban Road standard with its physical dimensions as follows:

- Traffic lanes: 3.50m x 4 = 14.00m
- Slow lanes: 1.350m x 2 = 2,70m
- Curb gutter: 0.35m x 2 = 0.70m
- Raised median (included safety space) = 2.60m
- Sidewalks: 1.50m x 2 = 3.00m
- Verges: 0.75m x 2 = 1.50m
- Carriageway width = 20.00m
- Formation width = 23.00m

11. The proposed road cross section is shown in the figure below.

**Figure 2: Cross Section – 2 Lane through Urban Areas (Asphalt)**



12. The pavement design proposed is a rigid pavement Portland Cement Concrete surface (PCC) by Jointed Plain Concrete Pavement (JPCP) type, the pavement design is based on a 20-year design life.

13. Six culverts (one box culvert and five pipe culverts) will be rehabilitated / constructed and side drains constructed along the road. No bridges are required in this section of NR-13N.

14. Some of the key road safety features proposed (based on analysis of traffic accident records) include:

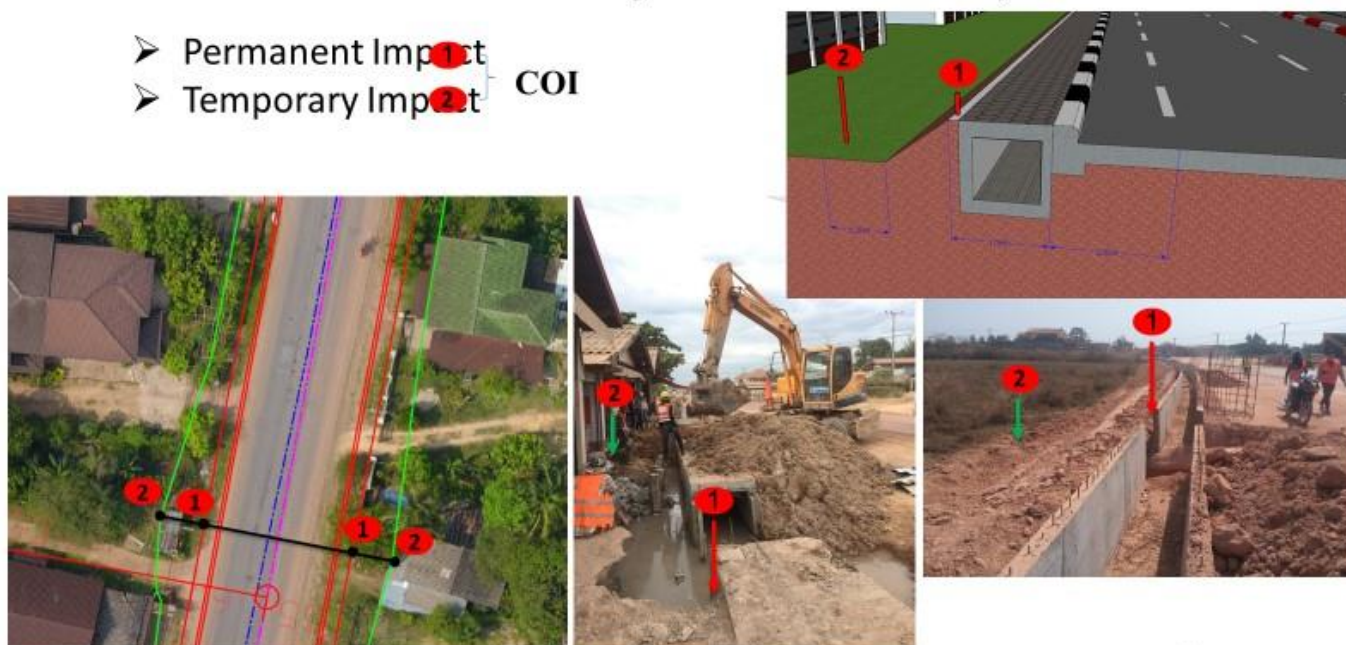
- Provision of a wider (0.5m to 2m depending on proposed road standard) sealed shoulder and sidewalk in community areas.
- Provision of three sky bridges for pedestrian crossing in crowded areas such as schools and market areas.
- Provision of pedestrian zebra crossings at all junctions (four).
- Provision of Bus Bays and public parking area at roadside where there is suitable space.
- Design and installation of a raised median strip for separation of traffic to eliminate head on collisions and reduce cross conflict.
- Speed bumps and/or rumble strips at the entrance of populated areas.

15. The DMS covers the permanent and temporary impacts within the COI marked by the design company, LTEC. The corridor of impact (COI) of this project is the 1-meter minimum distance measured from the road edge, considering safety in equipment use during civil works. Direct or permanent impacts within the COI will be on the structures and trees/crops while the indirect or temporary impacts will be on the land and businesses operation during the civil works. The affected areas for compensation are calculated on both permanent and temporary impact areas where land acquisition, affected structures, business of the severely affected households and crops & trees have been investigated for permanent impacts while additional affected structures, crops/trees and temporarily affected businesses have been investigated for temporary impacts expected during the construction phase. Impacts included in compensation costs are shown in the following figure:

Figure 3: Area of Detailed Measurement Survey

### The area and edge for the DMS Survey

- Permanent Impact 1
  - Temporary Impact 2
- } COI



Impact area	Survey Asset		
	Land	Structure	Crops
Road edge	✓	✓	✓
COI		✓	✓

**Remark:** The sensitive area of  $\geq 50$  cm from the road edge to the COI was considered for the pricey and permanent structure during this survey

## KEY LESSONS LEARNED FROM THE ORIGINAL PROJECT (SIKEUT-PHONHONG SECTION) RAP IMPLEMENTATION

16. Key lessons learned from the original Project can be summarized as followed.

Original Project	Adjustment for the supplementary project 6 km from Sikeut-Sikhai
<b>I. Detailed Measurement Survey (DMS)</b>	
<ul style="list-style-type: none"> <li>• DMS was carried out 3 times: 1) prior to completion of the conceptual design, 2) after conceptual design for the RAP preparation and 3) after detailed design for the RAP implementation. It has created confusion for the PAPs on their affected assets</li> </ul>	<ul style="list-style-type: none"> <li>• DMS has been carried out after the approval of the conceptual design. After DMS some sections have been recommended for design modification in order to incorporate the comments of the PAPs and minimize resettlement impacts</li> </ul>
<ul style="list-style-type: none"> <li>• COI marking was not in the contract of the road design Consultant so RAP preparation Consultant had to hire the road design</li> </ul>	<ul style="list-style-type: none"> <li>• Corridor of impacts has been identified to be 1 meter minimum from the road edge.</li> </ul>

consultant to mark the parameters of the road alignment on the ground to enable the DMS survey to commence	<ul style="list-style-type: none"> <li>The road design Consultant was responsible for COI marking</li> </ul>
1.	
<b>II. Consultation on unit rates</b>	
<ul style="list-style-type: none"> <li>Consultation on unit rates was carried with the PAPs first and then with the grievance committee. Thus, it has created high expectation of the PAPs, and some were unhappy with the approved unit rates</li> </ul>	<ul style="list-style-type: none"> <li>A unit rate valuation committee will be set up set up for unit rate valuation and findings will be presented to the grievance committee first prior to consultation with the PAPs</li> </ul>
<b>III. Compensation process</b>	
<ul style="list-style-type: none"> <li>The compensation was carried out two times:               <ol style="list-style-type: none"> <li>All affected assets (land, structures and trees/crops) were compensated based on the width of the road way and based on the conceptual design</li> <li>Impacts beyond the road way, the bus bays and U turn were compensated after the detailed design</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>In order to avoid two round compensations. The compensation area has been made clearer as shown in figure 3. The affected land will be compensated based on the width of the road edge and in addition, the structures and trees/crops along the temporary affected area will be compensated prior to the construction.</li> </ul>
<b>IV. Grievance Redress Mechanism</b>	
Some members of the Grievance Committees have already retired or assigned to other responsibilities but there was no update on the list of the grievance committees with no official nomination, the successors of those who retired or moved to other positions were reluctant to participate in grievance resolution.	<ul style="list-style-type: none"> <li>To ask for the update of the grievance committee members for Naxaythong district.</li> </ul>

## 2.0 REGULATORY FRAMEWORK

17. Compensation principles and policy framework for land acquisition and involuntary resettlement are governed by laws, decrees and regulations of the Government of Lao PDR, principally the Constitution (1991), the Land Law (updated in 2019), the Road Law 1999, Decree 192/PM on Compensation and Resettlement of Development Projects (July 2005), the regulations for implementing Decree 192/PM issued by the Science Technology and Environmental Agency (November 2005), the Technical Guidelines for Compensations and Resettlement of People Affected by Development Projects (updated March 2010), the Decree 84 Compensation and Resettlement of the Affected People by Development Projects (April 2016), Public Involvement Guideline by MONRE (2012), Ministerial Instruction No. 8030/MONRE on Environmental and Social Impact Assessment (ESIA) and Initial Environmental Examination (IEE) of Investment Project (2013) and The Law on Handling of Petitions (Grievance Redress) No 035/President.

### 2.1 APPLICABLE LAW

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18. The key legislation and policies of the Government of Lao PDR relevant to social safeguards for the Project include the following.

- The Lao PDR Constitution, dated 1991, describing very generally among others the (a) socio-economic system, (b) fundamental rights and duties of citizens, (c) local administrations, and (d) judicial organs.
  - Article 8 provides that the State pursue the policy of promoting unity and equality among all ethnic groups/
  - Article 35 provides that Lao citizens are all equal before the law irrespective of their gender, social status, education, beliefs and ethnic group.
  - Article 41 provides that Lao citizens have the right to file complaints and petitions and to propose ideas to the relevant State organization in connection with issues pertaining to public interest or to their own rights and interests. Complaints, petitions and ideas must be investigated and resolved as provided by the law
- The Lao National Land Law, updated in 2019, including among others (a) defining land use and land ownership, (b) describing land tenure system, (c) providing the regulatory framework for compensation of land but also including relocation of people that are affected by development schemes.
  - Article 3 on land ownership provides that The State grants long term and secured land use rights to Lao citizens as well as legal persons, collectives and organizations of Lao citizens. The State will re-acquire the land use rights back from the users of those lands in case of necessity and for national interests by paying compensation for the damages caused by the reacquisition.
  - Article 8 provides that the State does not allow individuals, legal entities and organizations to take possession of and to encroach onto land. The illegal possession and encroachment of lands are subject to legal sanctions and confiscation of the land. In case there are building or

activities on the land, the building shall be demolished and the activities ceased without any compensation from the State.

- Article 99 provides that a land title is the only main document that serves as legal evidence for land use rights. Note: however, Decree No 84 listed below considers those who possess a legal land title, land use certificate or other acceptable documentation indicating their land use right to be eligible for compensation.
- Article 130 provides that the State acknowledges customary land use rights, defined as the acquisition of occupied and used lands through clearance, development, protection and regular use of the land for more than twenty years prior to implementation of this Law, and without document certifying the acquisition of the land but subjected to certification from the village authorities regarding the continuous land occupation.
- The Lao National Road Law dated 1999, including among other (a) describing public roads and road activities, (b) defining management and land use for roads, (c) explanations on construction of roads and monitoring of road conditions.
  - Article 19 on compensation for land acquired for public road activities provides that if in the construction of various kinds of public roads, it is necessary to use land that is legally owned by a private individual or by an organization, the owner of the expropriated land used for public road construction shall receive reasonable compensation.
- Decree No. 84 on Compensation and Resettlement of People Affected by the Development Projects of 206 replaces Decree No 192/PM of the Prime Minister, dated July 2005. It provides principles, regulations and standards on the management, monitoring of compensation of losses and the management of resettlement activities in order to properly and effectively implement development projects with the aims to ensure that the affected people are compensated, resettled and are assisted with permanent livelihood alternatives leading to improvement of living conditions to be at least at the same level as they were before the project. It specifies that those with customary land use rights are eligible for compensation of land lost provided that they have possessed the land use rights for the “long period of time”. While this period is not defined, it is assumed to be consistent with the twenty years as defined in the updated 2019 Land Law.
- Decree No 207/GoL dated 20.03.2020 on the ethnic affairs provides principles, regulations and measures for the management, monitoring of the ethnic affairs, protection the rights and legitimate benefits of different ethnic groups according to the Constitution and laws of Lao PDR. Article 17 on the policy to have access to the information provides that information dissemination to different ethnic groups must be in their language or through the interpreter, printing materials or social media. Article 18 on policy for access to the laws and juridical process encourage and promotes the organizations and individuals to provide free support to and represent the poor, vulnerable or disable ethnic people in accessing information, legal counseling and documentation works.
- Implementation Guidelines for the Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Projects (No.2432/STEA, dated 11 November 2005) includes detailed procedures for carrying out of public consultation and other participatory processes, to inform affected people of the environmental and social impacts, and to assure their involvement in all aspects of the mitigation and

compensation process from planning to implementation. The guideline was adopted under the Decree 192, thus provisions contained therein that contradict the new Decree 84 are repealed.

- Public Involvement Guidelines by MONRE, 2012 provides guidelines on the procedures for public engagement in data collection for IEE and ESIA development, and during project construction, operation and phase out period. Planning for public engagement is included along with presentation of data and mapping, timeline, responsible parties, implementation arrangement and budget; methodology for public participation including information disclosure, public consultation and participation in decision making, grievance redress mechanism; expected outcomes from participation of each stakeholder; and responsibilities of each party in stakeholder engagement. The public involvement process aims to ensure that stakeholders are adequately consulted and provided with opportunity to articulate their feedback and suggestions on project design and implementation, to avoid and mitigate potential impacts on their livelihoods and environment.
- Decree No 21 dated 31.01.2019 on Environmental Impacts Assessment defines principles, regulations and standards in the management and monitoring of the environmental impacts in order to prevent and mitigate the adverse impacts on the environment and ensure reasonable compensation, resettlement and livelihood restoration of the affected people to be better than before the project. Chapter VI of the Decree provides the rights and obligations of the affected people and the project owner and Chapter X on grievance resolution as follows:
  - Article 56 provides amongst others that the PAPs have the rights to have access to the information on their benefits and the environmental impacts of the investment projects and other activities as well as are entitled to fair compensation of loss, resettlement and livelihood restoration according to the regulations. The PAPs can also file grievances on the impacts of the investment project that they think they don't receive fair treatment.
  - Article 57 provides that the PAPs have the obligation to cooperate and provide information to the project owner and concerned sector on the environmental status in the project area and its vicinity as well as on their land, structures, tree and crops, assets and income. The PAPs also have the obligation to report on the environmental impacts of the investment project and its activities in written, verbal or through different media to each level of local authorities addressing those impacts.
  - Article 64 on information disclosure provides amongst others that the natural resources and environmental sector and the project owner must disclose and facilitate the access to the ESIA as well as the project periodically in both Lao and English to the public through newspaper, television, loud speaker, radio, website, social media and other media.
  - Article 68 on grievance resolution provides that grievance resolution on the environmental impacts can be settled with 5 methods: i) mutual agreement; ii) administrative resolution; iii) through grievance committee for economic conflict resolution, iv) through court; and international resolution.
- The Law on Handling of Petitions (Grievance Redress) No 035/President, revised and approved in 2015 provides objectives, principles and processes of applying and handling different types of grievances, petitions and complaints that may be raised by PAPs or those who believe they are PAPs. The Law on Handling of Petitions, which

has superseded the old version dated November 5, 2005, applies and protects rights and interests of all citizens and entities, state organizations, community and individuals with the aim to ensure justice, social security and order.

## **2.2 WORLD BANK'S SAFEGUARDS POLICIES AND REQUIREMENTS ON INVOLUNTARY RESETTLEMENT**

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19. The World Bank's Operational Policy 4.12: Involuntary Resettlement is triggered in situations involving involuntary land acquisition and involuntary restrictions of access to legally designated parks and protected areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts. It promotes participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement.

## **2.3 GAP BETWEEN APPLICABLE LAW AND WORLD BANK SAFEGUARD POLICIES ON INVOLUNTARY RESETTLEMENT**

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20. The laws of Lao PDR address most requirements of WB's Involuntary Resettlement Policy (OP/BP 4.12). The main objective of the project in relation to land acquisition is to restore the livelihoods of the PAP and PAH to at least their pre-project levels.

21. The Decree No. 84, as with the World Bank's Involuntary Resettlement Policy (OP/BP 4.12), requires that APs are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not worse off than they would have been without the project.

22. Both Lao Law and World Bank policies entitle non-titled APs to compensation for affected land and non-land assets at replacement cost and other assistance so that they are not made worse off due to the Project. However, Decree 84 requires compensation to be paid only for assets (house structures and crops) on land affected while the WB OP/BP 4/12 requires compensation to be paid to both land and assets on the land to be acquired regardless the legal status of land tenure.

23. However, the definition of severely affected APs varies between World Bank's policy at 10% and the Government's Decree 192/PM (Article 8) at 20% of productive and/or income generating assets affected. The government of the Lao PDR and donors such as ADB and World Bank have established that a rate of 10% shall be agreed as the definition of severely affected income under internationally funded Projects' resettlement policy.

24. Both the law (Decree 84) and World Bank policy require that if APs without land titles are required to relocate, the project will ensure they are provided replacement land at no cost to the APs, or cash sufficient to purchase replacement land.

25. Detailed gap analysis of Lao PDR law and World Bank's policy is summarized in the following Table 1.

**Table 1: Gap analysis between Lao PDR 2016 Decree on Compensation and Resettlement of People Affected by Development Projects and the World Bank Involuntary Resettlement Policy (OP/BP 4.12)**

Subjects	Compensation and Resettlement Decree No. 84/GOL (2016)	OP 4.12	GAP	Project Measures to address the gap
<b>I. Land Property</b>				
1.1 Policy objective	PAPs are compensated and assisted to improve or maintain their pre-project incomes and living standards and are not made worse off than they would have been without the project.	<i>PAPs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the project, whichever is higher</i>	There is no gap in the policy objective between Decree No. 84/GOL (2016) and OP 4.12.	OP 4.12 Policy Procedures will be applied - cash compensation at replacement cost for land and structures will be paid without deduction for depreciation or salvageable materials.  Also – income additional payments will be made to restore incomes, crops, trees as well as moving costs and disturbance allowance
1.2 Support for AHs with no legal possession of land they are occupying	PAPs who do not have legal land title, land use certificate or other acceptable documentation indicating their land use right, including customary and traditional land use right, only provides the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and not land.	<i>Financial assistance to all project affected persons to achieve the policy objective (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the project, whichever is higher</i>	Decree No. 84/GOL : PAPs with no legal land title, land use certificate or other acceptable documents will not be entitled to compensation for the loss of their land.  OP 4.12: PAPs who do not have legal title, land use certificates or other acceptable documentation certificates or other acceptable documentation indicating their land use right will still be entitled to financial assistance to achieve the objective of the involuntary resettlement policy	OP 4.12 Policy Procedures will be applied.  PAPs who do not have legal title, land use certificates or other acceptable documentation certificates or other acceptable documentation indicating their land use right will still be entitled to financial assistance to achieve the objective of the involuntary resettlement policy (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher). If relocation is needed, they will receive in kind or in cash support to find a new plot of land for their business or residence.
1.3 Compensation for structure on the land with no legal status of the PAPs	PAP who do not have legal land title, land use certificate or other acceptable documentation indicating their land use right, including customary and traditional land use right, only provides the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and not land.	<i>Compensation at full cost for all structures regardless of legal status of the PAP's land and structure.</i>	There is no gap between Decree No. 84/GOL (2016) and OP 4.12 in compensation of structure on the land with no legal status of PAPs	OP 4.12 Policy Procedures will be applied.  Compensation at full replacement cost will be given for all affected structures, regardless of legal status of the land and structure. Those structures that need relocation moving allowance will be provided based on structure types.
<b>II. Compensation</b>				

Subjects	Compensation and Resettlement Decree No. 84/GOL (2016)	OP 4.12	GAP	Project Measures to address the gap
<p>2.1 Methods for determining compensation rate</p>	<p><u>Article 2</u> provides that the compensation shall be in the form of land, material or money for the affected land, crops, livestock and incomes by development projects based on replacement value.</p> <p><u>Article 4</u> provides that replacement value means the value calculated in the form of material, money or land, structures, agricultural products, livestock and incomes affected by development projects</p> <p><u>Article 8</u> provides that in case if the RAP could not be implemented within 12 months after registration of the affected assets and the entitled PAPs, revaluation of the affected assets must be carried out</p> <p><u>Article 9</u> provides that asset valuation must be carried out by the local resettlement committee for estimation of replacement costs of the affected land, structures, crops, livestock and incomes. In addition, consultations with PAPs must be carried out to identify the right and appropriate options based on prices applied by the state, market prices or average prices applicable for period of compensation and based on the types of properties and locations.</p> <p>The prices applied by the state (middle prices) are the prices specified in a separate regulation which are identified and regulated by the Ministry of Natural Resources and Environment from time to time.</p>	<p><i>Compensation for lost land and other assets should be paid at full replacement cost</i></p>	<p>OP 4.12 requires asset valuation at full replacement cost at the time of compensation payment while Decree No. 84/GOL (2016) provides that asset revaluation shall be after 12 months of affected assets registration.</p>	<p>OP 4.12 Policy Procedures will be applied.</p> <p><u>Land valuation:</u></p> <ul style="list-style-type: none"> <li>• Reference to the unit costs applied for the section Sikeut-Phonhong,</li> <li>• Unit rate forecast by VCONRE and with consideration of the inflation rate of 25% in July 2022</li> <li>• Land value obtained from village heads</li> <li>• Land value obtained from those who are putting their land on sale</li> <li>• Collateral values obtained from a private bank</li> </ul> <p><u>Lost structures valuation:</u></p> <ul style="list-style-type: none"> <li>• Market price of replacement materials (taken into account inflation of 25% as of July 2022)</li> <li>• Labor costs for dismantling</li> <li>• Labor costs for rebuilding/fixing</li> <li>• Transport costs for relocation when needed</li> </ul> <p>Appraised by the Consultant for full replacement costs. The unit cost will be adjusted again based on the inflation rate at the time of paying compensation. The variance of the inflation between July 2022 till the time of compensation payment has been budgeted in the contingency costs of the RAP.</p>

<p>2.2 Compensation for loss of income sources or means of livelihood</p>	<p>Article 8 provides that loss of income should be compensated at replacement costs.</p>	<p><i>Loss of income sources should be compensated (whether or not the affected persons must move to another location)</i></p>	<p>There is no gap between Decree 84/GOL and OP 4.12</p>	<p>Loss of income will be minor and it is expected to be during the construction work. The most project affected households will be those that sell food along the road and may lose their customers due to access constraint and dust during the construction and thus:</p> <p>Loss of income of food stalls and restaurants that cannot be operated during the construction will be compensated for the period of non-operation but not more than 3 months of their net income based on income tax declaration to the concerned authorities.</p> <p>The contractor shall be responsible for compensation for the impacts on PAHs' assets, livelihood and businesses due to his work and technical errors (construction machine operation) his failure to maintain/provide access facilities and the prolonged access lost (beyond the agreed work schedule). <b>RAP budget specifically the contingency fund shall not be used for this purpose.</b> A clause on these measures will be specified in the bidding document including the BOQ form and the work contract.</p>
<p>2.4 Livelihoods restoration and assistance</p>	<p>Article 15 provides that the project owner must restore the livelihoods of the PAPs be better or at the same level as the pre-project period. Special attention must be given to the vulnerable households.</p> <p>Article 16 provides that each relocated PAP must receive food allowance during the transition period as well as the loss of income.</p>	<p><i>Provision of livelihood restoration and assistance to achieve the policy objectives</i></p>	<p>There is no gap between Decree 84/GOL and OP 4.12</p>	<p>The disruption is expected to be minor; income restoration will be addressed on a case-by-case basis, with additional payments being made to restore incomes and livelihoods to pre-displacement rates.</p>
<p>2.5 Consultation and disclosure</p>	<p><u>Article 5:</u> The compensation and resettlement shall be carried out in compliance with the following principles:</p>	<p><i>Participation in planning and implementation, specially confirming the eligibility criteria for compensation and</i></p>	<p>There is no gap in consultation and disclosure between</p>	<p>OP 4.12 Policy Procedures will be applied.</p> <p>During the preparation of this RAP, consultation meetings have been carried out</p>

	<ul style="list-style-type: none"> <li>Protection of the rights and legitimate benefits of affected people;</li> <li>Ensure equality, correctness, transparency, disclosure and fairness;</li> </ul> <p>Ensure coordination, consultation and participation between the project owner, PAPs, state agencies and other relevant stakeholders</p>	<i>assistance, and access to grievances redress mechanisms</i>	Decree 84/GOL and OP 4.12.	with the PAPs in all 12 affected villages as well as with the district grievance committees. In addition, the head of each AH has participated in the DMS survey of their affected assets. Subsequent consultations and participation has been conducted to disclose the draft RAP including the unit rate for compensation for the comments of the PAPs. The final RAP in both Lao and English version will also be disclosed on the website of MPWT. In addition, during the RAP implementation individual consultations will be carried out with the representatives of each affected household on their entitlements and for their endorsement of the total compensation costs.
<b>III. Grievance Redress Mechanism</b>				
3.1 Procedures for recording and processing grievances	Chapter 7 provides articles on grievance redress mechanism. Article 23 provides that the PAPs can file grievance to the concerned authorities	<i>Grievance redress mechanism should be under Government Officials Responsibilities for handling grievances with clear procedures for recording and processing grievances</i>	There is no gap in grievance redress mechanism between Decree 84/GOL and OP 4.12	Grievances from PAPs and PAHs in connection with the implementation of the RAP will be handled through negotiation with the aim of achieving consensus. Complaints will go through three stages before they may be elevated to a court of law as a last resort.
<b>IV. Monitoring &amp; Evaluation</b>				
	Chapter 6 provides articles on monitoring of the RAP implementation. Article 26 provides the list of government agencies for internal and external monitoring. These include the following: <u>Internal monitoring:</u> Project owner and grievance committee <u>External monitoring:</u> MONRE, National Assembly, Government Audit Agency, Government Supervision and Anti corruption Agency	<i>Internal and external independent monitoring are required</i>	.External independent agency in Decree 84 listed government agencies not private sector.	The PMU in close coordination with PTI and District Grievance Committee will conduct internal monitoring on resettlement implementation with the support of the RAP implementation monitoring consultant. The monitoring will include progress reports, status of the RAP implementation, information on location and numbers of people affected, compensation amounts paid by item, and assistance provided to the AHs. The report of monitoring results will be prepared by PTI with support of the monitoring Consultant and submitted to DoR and WB on a monthly, quarterly and annual basis

### 3.0 SOCIO-ECONOMIC CHARACTERISTICS OF THE AHS

26. According to the detailed measurement survey (DMS) the total number of plots is 883 which belong to 860 HHs and 666 are occupied by affected households. The team interviewed 723 landowners or occupiers or business managers (213 businesses and 426 households were interviewed, and 84 a mixture of empty land, empty houses and government offices - 55 (incl. 39 households) could not be interviewed and the remainder owned multiple plots and were therefore interviewed only once). The reluctance/refusal to be interviewed included the precaution of the PAPs against the spread of COVID-19, reluctance to be interviewed for other reasons, and inability to locate some landowners. In total, the socio-economic survey was carried out with 88.1% (587) of the affected land plots, and 81.9% overall. However, the DMS survey has been carried out with all 666 affected households. The following information provides the overall socio-economic characteristics of both male and female headed households in the affected area.

#### 3.1 CHARACTERISTICS OF THE AFFECTED HOUSEHOLDS (SIZE, GENDER, ETHNICITY, AGE, EDUCATION LEVEL)

27. The average size of the affected households is 5.56 persons with the number of occupants ranging from 1 to 21. Women and girls represent about 41% of the PAPs. The average age of the household heads is 56 and ranges from 25 to 91. A total of 681 male or female heads and their spouses (if any) have been interviewed from the 426 affected households who were available for interview. Approximately 23% of the respondents have university or post graduate level of education with men having a much higher education than women (31% for men and 16% for women).

Table 2: Education level of the heads and spouses of the affected households

Description	Male		Female		Total	Percentage
	Total	Percentage	Total	Percentage		
No education	3	0.9	6	1.7	9	1.3%
Primary	34	10.7	65	17.9	99	14.5%
Lower secondary	39	12.3	56	15.4	95	14.0%
Upper secondary	74	23.3	117	32.2	191	28.0%
Vocational	61	19.2	55	15.2	116	17.0%
University	97	30.5	58	16.0	155	22.8%
No Response	10	3.1	6	1.7	16	2.3%
<b>Total</b>	<b>318</b>	<b>100%</b>	<b>363</b>	<b>100%</b>	<b>681</b>	<b>100%</b>

28. The vast majority of landowners and occupants along the Project Road are the Tai Kadai or Lao speaking group. There are small numbers of others, including foreigners, as shown in the Table below. Three households including 2 Hmong and 1 Lu Mien household and both Hmong and Lu Mien are classified in the Sino Tibetan linguistic group. The Hmong and Lu Mien are defined as IP under the OP/BP 4.10 are well integrated into the Lao society and can understand well the Lao language. All 3 IP households with the total number of 22 PAPs of whom 9 are female will be affected by the project, An affected Hmong household with the total number of 6 PAPs of whom 1 is a female PAP is a severely affected as their house need to be demolished but it can still be built on the remaining area of the affected plot. This household runs an air condition repair shop and will be closely followed up on the livelihood restoration. Another affected Hmong household with the total 11 PAPs of whom 5 are female partial shop structure and concrete slab affected. Lastly the affected Lu Mien with the total

number of 5 PAPs of whom 3 will have spirit house, fence and concrete slab affected. Based on the result of impact assessment and consultation carried with the ethnic PAH, no additional support is required except the compensation at Replacement value to be paid as soon as possible to enable the PAH to complete resettlement before the work begin. This is mainly because the ethnic PAH is a) well educated, 2) assimilated into the mainstream community, and is relatively better off with his own business on air conditioners sale and installation services.

Table 3: Ethnic groups in the Project affected area

Ethnicity	Number	%	Mother tongue
Lao	407	95.5	Lao
Thai	2	0.4	Thai but can understand Lao
Nyouan	1	0.2	Lao with different accent
Hmong	2	0.5	Sino Tibetan but the families are well integrated in the Lao society.
Iu Mien	1	0.2	Sino Tibetan but the family well integrated in the Lao society
Vietnamese	10	2.3	Viet operating businesses and can speak Lao
Chinese	3	0.7	Chinese operating businesses and can speak Lao
<b>Total</b>	<b>426</b>	<b>100.0</b>	

### 3.2 LIVELIHOODS, POOR AND VULNERABLE AFFECTED HOUSEHOLDS

29. The Project Road along the six kilometers directly to the north of the city is densely populated with commercial buildings and residences. The anticipated benefits of this project will be the reduction of traffic congestion, improved road safety especially in for the school children and women working at the markets and other businesses centers. In addition, it will provide better access to the markets in the area for the agricultural products of the farmers in other areas and thus improve the income of both small holders and traders in the area who are mainly the women. The social economic survey of the affected households reveals that about 63% of the heads of the AHs are occupied in business or retail trades while agricultural work is much less significant in this area, providing the main occupation for only 2% of the population. Government officers constituted 9% of the residents. The number of retired and home duties heads of households was relatively high at 17%.

Table 4: Main occupation heads of the affected households

Description	Male heads of HHS		Female heads of HH		Total	Percentage
	Total	Percentage	Total	Percentage		
Business owner	121	34%	116	29%	237	31%
Trader	97	27%	149	37%	246	32%
GoL officer	41	11%	14	3%	55	7%
Unemployed	38	11%	10	3%	48	6%
Home maker/retired	32	9%	97	24%	131	17%

Farmer	9	3%	5	1%	14	2%
Private sector employee	8	3%	5	1%	13	2%
Hired labor	10	2%	4	1%	14	2%
Others	4	1%	6	1%	10	1%
<b>Total</b>	<b>360</b>	<b>100%</b>	<b>406</b>	<b>100%</b>	<b>766</b>	<b>100%</b>

30. There is no affected household in Yapa village but one family is considered vulnerable to disturbance during the civil works. Husband and wife are aged 88 and 72 years respectively. This couple is independent from their children who live in Vientiane Capital, USA and Canada and who sometime send remittance to the parents. They are retired business people who still run a small workshop with 3 workers making bricks. Their production is about 390 pieces per day with the unit cost of 1700 Kip. They own a small truck to deliver the products and in addition, they also have a sedan and motorbike.

## 4.0 POTENTIAL IMPACT AND MAGNITUDE OF DISPLACEMENT

31. The Census/ DMS reveals that there are 666 affected households, including both businesses and households, of which 507 are the land owners of the assets while 131 are tenants and 28 are relatives of the owners. Relatives are those who are related to the owners of the affected property and live in the affected property free of charge. They are categorized as the PAPs who will lose income from business operation and access to their residence.

### 4.1 LAND ACQUISITION

32. The total area of land required for the project will be 7,498 square meters of which the residential land that will be permanently affected by the Project will be about 304 plots with the total area of 7,400 square meters that belong to 276 households with the total number of 1107 PAPs of whom 564 are the female PAPs. The permanently affected agricultural land will be much less at about 98 square meters on 8 plots that belong to 8 households with the total number of 34 PAPs of whom 22 are the female PAPs. These permanently affected households will be compensated for the land acquisition. The 4 permanently affected plots of government land will not be compensated and the agreement on no future claim shall be signed by the concerned authorities during the consultation on compensation agreement.

33. Article 3 of the 2019 Land Law provides that the State grants long term and secured land use rights to Lao citizens as well as legal persons, collectives and organizations of Lao citizens. The State will re-acquire the land use rights back from the users of those lands in case of necessity and for national interests by paying compensation for the damages caused by the reacquisition. The process to be followed for land acquisition will include the following:

- i. Consultation with the PAPs on the project objectives, expected benefits and impacts and on the support and concerns of PAPs on the project;
- ii. Detailed measurement survey of the affected area and to be endorsed by both husband and wife of the AHs, the village authorities as well as the district grievance committee;
- iii. Consultation meeting with the district grievance committee on the final draft RAP including the unit rate for compensation of the affected assets one day before Lao New Year on 13 April 2022;
- iv. Consultation on the unit rates and the final draft RAP with the PAPs and get their consensus and inform the PAPs to open their bank account with

Banque pour le Commerce Exterieur Laos if they did not have it 12 days by the end of July 2022;

- v. Unit rate approval process by each concerned sector (VCONRE, PAFO and DPWT of Vientiane Capital), the Assembly of Vientiane Capital and the Governor of Vientiane Capital with 30 working days after the kick of meeting of the compensation payment Consultant Team;
- vi. Consultation with husband and wife of all AHs to declare the total costs for compensation disaggregated by each affected asset and get their signatures on the agreement compensation costs witnessed by the village authorities and representation of the district grievance committee within 10 working days after the approval of the unit rate by the Governor of Vientiane Capital. This consultation process will take on average about 4 working days for each affected village thus all together will be about 48 working days;
- vii. Compilation of the list of the AHs and get it certified by the chairperson of the district grievance committees and PTI for the approval of DoR for the transfer process into the bank accounts of the PAPs. It will take about 15 working days.

**Table 5: Permanently Affected Land Plots**

No.	Village	Residential							Agricultural					
		HH	PAP	Fem PAP	Male PAP	GoL Land	Plot	Area (m <sup>2</sup> )	HH	PAP	Fem PAP	Male PAP	Plot	Area (m <sup>2</sup> )
1	01_Yapa	0				0	0	0	0				0	0
2	02_Sibounheuang Tha	1	5	3	2		1	2						
3	03_Sibounheuang Thong	19	59	30	29		20	111						
4	04_Sikhai Thong	1	7	6	1		2	34						
5	05_Nahea	23	74	38	36		25	411	1	8	5	3	1	1
6	06_Phosi	52	168	88	80	2	66	1,703	1	2	1	1	1	9
7	07_Thongpong	16	55	23	32		17	572						
8	08_Nalao	11	34	18	16	2	11	185						
9	09_Nongniew	67	288	145	143		71	2,201						
10	10_Nongteng Neua	41	185	101	84		44	1,268	3	8	4	4	3	47
11	11_Nonnteng Tai	32	167	77	90		34	641	1	6	5	1	1	28
12	12_Xaymoungkhoun	13	65	35	30		13	272	2	10	7	3	2	14
	<b>Total</b>	<b>276</b>	<b>1107</b>	<b>564</b>	<b>543</b>	<b>4</b>	<b>304</b>	<b>7,400</b>	<b>8</b>	<b>34</b>	<b>22</b>	<b>12</b>	<b>8</b>	<b>98</b>

34. During the construction period there will be temporary impacts on 509 plots of the residential land that belong to 461 households with the total number of 1827 PAPs of whom 954 are the female PAPs and on 20 plots of agricultural land of 19 households with the total number of 51 PAPs of whom 26 are the female PAPs. The owners or occupants of these temporarily affected plots will not receive cash compensation but their affected land will be restored after the civil works. The temporary impacts will be the access disturbance, noise and dust disturbance during civil works. Their loss will be on the income for those who run businesses along the road and risk of vehicles damages or loss for parking the car in the temporary parking area. Noise and dust disturbance can create physical as well as mental health problems and mitigation of these impacts are provided in the ESMP.

Table 6: Temporarily Affected Land Plots

No.	Village	Residential							Agricultural					
		HH	PAP	Fem	Male	GoL Land	Plot	Area (m <sup>2</sup> )	HH	PAP	Fem	Male	Plot	Area (m <sup>2</sup> )
1	01_Yapa													
2	02_Sibounheuang Tha	3	6	4	2		3	14						
3	03_Sibounheuang Thong	31	110	62	48		33	450						
4	04_Sikhai Thong	13	34	22	12		14	224						
5	05_Nahea	49	184	95	89	1	54	1,412	4	10	4	6	5	119
6	06_Phosi	6	230	120	110	2	87	3,772	1	3	1	2	1	11
7	07_Thongpong	26	112	61	51	1	27	1,306	2	5	3	2	2	32
8	08_Nalao	32	79	36	43	8	33	1,222	1	2	1	1	1	66
9	09_Nongniew	105	443	222	221		113	4,360	1	2	1	1	1	10
10	10_Nongteng Neua	53	232	130	102	2	57	3,221	3	9	4	5	3	103
11	11_Nonteng Tai	56	295	145	150	2	58	1,966	3	7	4	3	3	247
12	12_Xaymoungkhoun	25	102	57	45		30	1,388	4	13	8	5	4	139
	<b>Total</b>	<b>461</b>	<b>1827</b>	<b>954</b>	<b>873</b>	<b>16</b>	<b>509</b>	<b>19,334</b>	<b>19</b>	<b>51</b>	<b>26</b>	<b>25</b>	<b>20</b>	<b>725</b>

## 4.2 IMPACTS ON STRUCTURES

35. The structures on both permanently and temporarily affected land plots have been measured and included in the inventory list of loss and these affected structures will be compensated based on the severity of the impacts resulting from the DMS. There are 2 primary affected structures, but relocation is not required. The one in Nalao is the office of the rescue team and another one is an air conditioner repair shop on the first floor and the second floor is the residential area with the total number of 6 PAPs of whom 1 is a female PAP. The secondary affected structures include extension parts of the main house, verandas, porches, cement slabs, fences and etc.

Table 7: Affected Structures

No.	Village	Primary structure but no relocation required					Secondary structures				
		HH	PAP	Fem	Male	House	HHs	PAP	Fem	Male	Other structures
1	01_Yapa										
2	02_Sibounheuang Tha										
3	03_Sibounheuang Thong						40	134	71	63	70
4	04_Sikhai Thong						21	44	26	18	36
5	05_Nahea						77	233	110	123	227
6	06_Phosi						71	233	120	113	217
7	07_Thongpong						40	138	76	62	73
8	08_Nalao (rescue office)	1				1	50	145	72	73	94
9	09_Nongniew	1	6	1	5	1	125	498	254	244	372
10	10_Nongtaeng Neua						58	257	137	120	192
11	11_Nongtaeng Tai						56	246	117	129	155
12	12_Xaymoungkhoun						32	118	63	55	82
	<b>Total</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>570</b>	<b>2046</b>	<b>1046</b>	<b>1000</b>	<b>1,518</b>

### 4.3 IMPACT ON TREES AND CROPS

36. Due to land acquisition as well as temporary impacts within the COI during the civil works the PAPs in 10 villages will have trees and crops affected. The affected crops are insignificant and limited to sugar cane and banana bushes. Most affected trees are decorative trees and fruit trees. The industrial trees are those trees that do not bear fruits but can provide timber for construction purpose or making furniture. All trees within the COI will be cut for enabling civil works.

**Table 8: Impacts on trees and crops**

No.	Village	Fruit tree		Industrial tree		Décor tree		Crops	
		HH	Tree	HH	Tree	HH	Tree	HH	crop
1.	03_Sibounheuang Thong	3	3			3	5		
2.	04_Sikhai Thong	1	3			3	7		
3.	05_Nahea	8	12	1	2	9	19	1	1
4.	06_Phosi	12	18	1	2	9	14	1	1
5.	07_Thongpong	6	10	2	2	3	9		
6.	08_Nalao	5	14			3	5		
7.	09_Nongniew	23	42	1	1	18	26		
8.	10_Nongteng Neua	14	24	1	2	13	21	2	2
9.	11_Nonteng Tai	19	25	2	2	9	13		
10.	12_Xaymoungkhoun	4	5	2	2	5	7		
	<b>Total</b>	<b>95</b>	<b>156</b>	<b>10</b>	<b>13</b>	<b>75</b>	<b>126</b>	<b>4</b>	<b>4</b>

### 4.4 IMPACTS ON BUSINESSES

37. Severely affected businesses include 1 air-condition repair workshop of a Hmong household that will be demolished but it can be rebuilt on the remaining area of the affected land plot, 7 temporary shops will be relocated, 16 shops that can rebuild a new ones on the remaining land areas of the affected land plots. About 328 businesses will be partially affected and need to modify their shops display in the remaining part of the affected structure.

**Table 9: Affected businesses**

No.	Level of impacts	No of affected businesses	Affected people	
			Total	Female
1.	Severely affected businesses operated in primary structure that need demolition but no relocation	1	6	1
2.	Severely affected businesses operated in temporary shops that need relocation	7	7	5
3.	Permanently affected businesses operated in temporary shops but no relocation	16	71	36
4.	Partially affected and need modification of shop display	328	1,339	680
5.	Shop not affected but trees or other structures attached to the shop such as fence or cement slap are affected	122	209	63
	<b>Total</b>	<b>474</b>	<b>1632</b>	<b>785</b>

Table 10: Affected businesses by type

Description	Number	Percentage
Consumable shops/minimart/drug store	75	16%
Motorbikes/spare part/ bicycle	63	13%
House supplies/ furniture/construction materials shop	60	13%
Car/ trucks shop	46	10%
Restaurant/catering/coffee shop/internet café	44	9%
Car /motorbike/mechanic repair workshop	43	9%
Construction/logistics company/rice mill/printing shop	39	8%
Electric supplies/ telephone/ battery shop	27	6%
Cloth shop/optical shop/gift shop	22	5%
Agricultural products/fingerlings	16	3%
Import/export company/market operator	10	2%
Bank/finance institution	7	1%
Clinic	7	1%
Beauty salon	6	1%
Gas station	3	1%
School/Guest house	4	1%
Unidentified	2	0
<b>Total</b>	<b>474</b>	<b>100%</b>

38. Approximately 579 businesses may be affected during the civil works due to access constraint.

#### 4.5 IMPACTS ON PUBLIC UTILITIES AND COMMUNITY ASSETS

39. Public utilities along the road length of 6.32 kilometer will be affected and need to be relocated. The costs for the relocation will be under the contract with the construction contractor. The affected community assets include the fence, concrete slab and trees of the Eye Hospital in Thongpong village and the concrete slab and trees of the temple in Nongtaeng Neua village. In addition, the access to the 2 cemeteries in Phosi village will be temporary disrupted during the civil work.

Table 11: Affected public utilities and facilities

No.	Description	Quantity/length (Km)	Affected assets	Location Village	km
				Village	
1	Electricity	6.32	Posts and Cable	Sikhai to Xaymoungkhoun	Along both sides of the road
2	Water supply	6.32	pipe network	Sikhai to Xaymoungkhoun	
3	Lao Telecom	6.32	Cable	Sikhai to Xaymoungkhoun	
4	ETL	6.32	Cable	Sikhai to Xaymoungkhoun	
5	UNITEL	6.32	Cable	Sikhai to Xaymoungkhoun	
6	Cable TV	6.32	Cable	Sikhai to Xaymoungkhoun	

No.	Description	Quantity/length (Km)	Affected assets	Location Village	km
				Village	
7	Fiber optic	6.32	Cable, Service Control cabinet, Traffic video record system and License Plate Recognition Camera System	Sikhai to Xaymoungkhoun	
8	Temple	1	Concrete slab, and trees	Nongtaeng-Nua	10+825
9	Eye Hospital	1	Fence, concrete slab and trees,	Thongpong	8+400
10	Catholic cemetery	1	Access	Phosi	8+125
11	Vietnamese cemetery	1	Access	Phosi	8+025

## 5.0 ELIGIBILITY

40. Eligibility will be determined with regard to the cut-off-date (15/11/2021), which has been issued by MPWT declaration No. 21110/MPWT dated 20/10/2021 stating that after 15 November 2021 the construction of any structure and planting of any trees within 15 meters of the road center line will not be entitled to compensation and assistance under the Project. The cut-off-date was disseminated via 2 TV channels: Lao Star and Lao Economic Daily<sup>2</sup> as well as via village Lao speakers. Although, all PAHs have TVs and access to these programs, the village speaker or commonly known as 'Community Radio' installed in all villages in Laos is used to disseminate and notify PAHs of the cut-off date to ensure that all PAHs are aware of this important date.

41. The objectives of the RAP are (i) to avoid IR impacts wherever feasible; (ii) to minimize impacts where displacement (physical or economic) is unavoidable by choosing alternative viable project options; and (iii) where IR impacts are unavoidable, to enhance, or at least restore, the livelihoods of all APs in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

42. The APs eligible for compensation and assistance under the Project include the following:

- Those APs whose land is affected (permanently or temporarily) by the Project, whether they own or have title to the land or not including; (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of Lao PDR); (b) those who do not have formal legal rights to land at the time the census, but have a claim to such land or assets - provided that such claims are recognized under the laws of Lao PDR or become recognized through a process identified in the resettlement plan; and (c) those who have no

<sup>2</sup> <https://fb.watch/f2HSEStiuL/>; (22 October 2021); <https://fb.watch/f2HU785Xuv/> (25 October 2021)

recognizable legal right or claim to the land they are occupying (non-titled users); APs under the first two types above shall be compensated for the affected land and assets upon land. APS under the third type shall not be compensated for the affected land; only for the affected assets upon land and are entitled to assistance if they have to be relocated. APs without legal title on land and required to be relocated will be provided replacement land at no cost or cash sufficient to purchase replacement land;

- Those APs whose houses or structures are in part, or in total, affected temporarily or permanently by the Project;
- Those APs whose businesses are affected in part, or in total, (temporarily or permanently) by the Project;
- Those APs whose livelihoods, employment or hired labor is affected, temporarily or permanently, by the Project; and
- Those APs whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project.
- Those APs with temporary loss of access to residences, business/livelihood sources and common property.

## 5.1 ENTITLEMENT CATEGORIES OF AFFECTED PERSONS

43. In the context of the Project, different categories of people using or occupying land and/or assets in the Project area may be affected and, as a consequence, be designed as APs. The categories of APs are determined on the basis of: (i) Lao law and practice to define legal users including unregistered users;(ii) WB’s policies regarding APs with affected structures; and (iii) a review of the conditions that are likely to apply in the Project area.

Table 12: Project Categories of Entitled Affected Persons

No.	Categories of APs
1.	<b>Land:</b> Legal users include individuals, households or organizations with recognized land use rights evidenced by (i) documents such as a registered land title/certificate, survey certificates, land tax receipts, residency certificates and documents supporting customary land use rights; or, (ii) having applied for and awaiting receipt of recognized land use rights documents, e.g., registered Land Title. Legal users also include (iii) unregistered users that have written permission of village authorities to occupy and/or use land.
2.	<b>Land:</b> Non-legal users include individuals, households or organizations without legal, possessory or recognized land use rights
3.	<b>Primary and secondary structures:</b> Owners of houses, shops and other structures whether or not a) there is recognized land use rights or b) a permit was issued to construct the structure.
4.	<b>Commerce and/or Business:</b> Owners of businesses whether or not the businesses are registered.
5.	<b>Lease or promissory users:</b> Users/occupants that lease or have permission to use affected land and/or affected structures (houses, shops, market stalls, etc.) whether or not a) the land and/or structures are owned by private parties or the State or b) the tenancy is based on a formal lease or permission of the owner.
6.	<b>Laborer and/or Employees:</b> Agricultural laborers, non-agricultural laborers and employees temporarily or permanently affected by the Project

No.	Categories of APs
7.	<b>Crops and Trees:</b> Persons/households whose crops (annual/perennial) and trees are affected by the Project.
8.	<b>Use and/or access to private and common property:</b> Persons or households who stand to lose access to private or common property resources and community assets (temporarily or permanently) due to the Project.

## 6.0 ASSET VALUATION OF AND COMPENSATION FOR LOSSES

44. The asset valuation has been carried out for the land, structures and trees/ crops on the affected area for the estimates of the replacement costs.

### 6.1 LOSS OF LAND

45. World Bank's policy (OP/BP 4.12) and Decree 84 require that compensation for any land or assets loss as a result of project development to be compensated at replacement cost. Five land valuation sources have been referred to for the preparation of this RAP (based on the DMS), including the unit costs applied to section Sikeut-Phonhong, the forecast by PONRE Vientiane Capital, land values provided by village heads, selling values asked by the owners and collateral values obtained from a private bank, as presented in Appendix 3.

46. There is no reliable source of information on the real estate market in Vientiane and Lao PDR as the sales are not properly recorded. Real estate prices are driven by current demand, the urgency of the sale, and the land size and geometry. As a result, it is not possible to apply a classic method such as the sales comparison approach for calculating land values. Therefore, a survey on the land sales signs along the Sikhai-Sikeut section was conducted, by asking the land price over the phone without mentioning the Project. Lands are differentiated into two categories: (i) construction land (residential, business or empty land); and (ii) agricultural land. The cost of land in a village is influenced by its proximity to Vientiane Capital, socio-economics, and the population density in the village.

47. The rate used for residential land as well as agricultural land, except for Xaymoungkhoun village that already has the unit cost, was calculated based on the unit rate issued by VCONRE in 2021 for land tax collection and the data obtained from the village authorities on the land price in each village. Cost adjustment for land is deemed unnecessary at this stage because land prices/market remain largely stable and the unit costs for land were established at replacement value and were agreed with the PAPs.

48. The land unit costs have been consulted with the PAPs and the results from public consultations have been reported to the Project Steering Committee as well as to the Grievance Committee for further report to the Assembly of Vientiane Capital that is expected to be approved in October 2022.

### 6.2 LOSS OF HOUSES AND RELATED STRUCTURES

49. The cost estimates for the loss of structures were calculated based on the unit costs approved by the Governor of Vientiane Capital in 2019 for the current project under Sikeut-Phonhong section that pass through Naxaythong district as well as the market price survey of the construction materials in August 2022, This cost was taken into account for the market price of replacement materials. Labor costs for dismantling, rebuilding and fixing and transport costs for relocation were also added. The unit costs for the structures have been consulted with the PAPs and then the results have been reported to the Project Steering Committee as

well as the Grievance Committee for further report to the Assembly of Vientiane Capital for the approval. At the meeting it on 19 August 2022 it has been agreed to adjust the unit cost of the structures to 25% according to inflation in July 2022 from the findings from asset valuation carried out by the consultant in August 2022. It has also been agreed that the unit cost will be adjusted again if there would be a fluctuation of the inflation between August and the time of payment compensation to the PAPs. These costs have been added in the contingency costs for RAP implementation.

Table 13: Summary of Valuation of the Essential Construction Materials between March 2019 and August 2022

N0	Matrial Type	Unit	Market Price Mar.2019 (KIP)	Market Price Aug.2022 (KIP)	% of Increasement	Reference sources
I	General Material					
1	Granular	m3	130,000	150,000	115%	Phonpaserth Supplier: Contact 020 55925251
2	Sand	m3	60,000	67,000	112%	Phonpaserth Supplier: Contact 020 55925252
3	Mixed Ciment	T	760,000	920,000	121%	Bounlerd Shop: Contact 021 212586
4	Portland Ciment	T	890,000	1,000,000	112%	Bounlerd Shop: Contact 021 212586
II	Steel Material					
5	Steel bar VSI SD40	T	7,800,000	11,500,000	147%	Viengkham Construction Material : Contact 020 55027037
6	Steel tube 30x30x6x1.4	unit	75,600	175,600	232%	Khambai Steel shop: Contact 021 453171 / 020 59999295
III	Roofing Material					
7	Aluzing Sheet	m	50,500	61,200	121%	JG steel Shop: Contact 020 52238063
8	Metal sheet	m	37,500	45,500	121%	JG steel Shop: Contact 020 52238063
9	Tile	unit	30,500	34,522	113%	Souvanny Shop: Contact 021 561111
IV	Wall Material					
10	Brick	unit	600	700	117%	Truck Supplier 0305300856
11	Concrete Masonery	unit	1,500	2,000	133%	Factory 450 years Contact 020 55799991
12	Hardwood for framework	m3	7,800,000	8,125,000	104%	Xangpeurk shop: Contact 020 2252 9944
V	Fence Material					
13	Hardwood post	unit	20,000	20,000	100%	AJ Fence material Shop 020 5904 6070
14	Barbed wire	Roll	100,000	125,000	125%	AJ Fence material Shop 020 5904 6071
15	Concrete post 10cm	Unit	80,000	85,000	106%	Factory 450 years Contact 020 55799991
Average					125%	construction material's price in Vientiane Capital by comparing in March.2019 and August.2022 (By DMS team interrogate the market price)

### 6.3 LOSS OF TREES AND CROPS

50. The unit costs for the trees and crops were calculated based on the unit costs approved by the Governor of Vientiane Capital in 2019 for the current project under Sikeut-Phonhong section with 299% adjustment by Vientiane Capital Agriculture and Forestry Department .

### 6.4 LOSS OF PUBLIC UTILITIES AND COMMUNITIES' ASSETS

51. Public utilities that will be affected by the Project include electricity posts, piped water supply, cables including fiber optic cables of 4 telecommunication companies and CCTV. The compensation cost will be included in the budget of the engineering works construction Contractor. The estimates for relocation of public utilities were based on the BoQ consulted with each utility service provider for the 6.32-kilometer length of the affected area. See Appendix 8.

52. The loss of cultural and religious assets of the community such as spirit's stupa, and the decoration of entrance gate and fence of the temple was estimated based on the

compensation costs for similar impacts of the Sikeut-Phonhong section. These costs include ritual ceremonies and art works for the main gate and fence. But the design for this 6-km section will be revised in order to avoid impact on assets.

## **6.5 LOSS OF INCOME**

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53. Approximately 474 businesses will be affected by the Project of which 8 businesses will be severely affected and need to be relocated while other 16 businesses will also be severely affected but relocation is not required. Amongst those 24 severely affected businesses 23 operate their business in temporary shelters/shops and 1 in the primary structure or house. In addition to other entitlement for the loss of structure or land the loss of their income is calculated based on the monthly income declaration for tax payment multiplied by 3 months. The other 328 businesses will have partial impacts on the structure of their shops and need to modify the display of their shop and thus the loss of the income of those shops is calculated based on the actual number of days spent to complete the work to cover income restoration and it shall not be more than 3 months. The remaining 122 business will not have the impact on their shops as they will lose either the trees, fence or concrete slab or other minor structures so they will not receive compensation for the loss of income. In addition, there area about 457 businesses that are not affected by the detailed design.

54. Thus there will be about 579 business operators that may be temporarily disrupted during the civil works so accessibility will be provided during the civil works to mitigate the impacts. To minimize impacts on PAH's livelihood and businesses, the project will ensure that the contractor maintain access to all PAHs houses and businesses and if necessary install temporary access facilities during the construction period to enable them to continue their businesses and livelihood. However, if some of these businesses may have to be temporarily closed due to civil works impacts, cash compensation will be provided. The estimate for the cash compensation of temporary revenue loss is based on the declared monthly business income for income tax or the number of days that they have to close their businesses but limited to 3 months. Those businesses that have not paid tax for 2021 will be asked to settle their tax for 2021 with the concerned local authority either with the village or district authorities depending on the scale of the businesses to be used as a proof of their business income. The project will continue to monitor until the PAHs settle their tax payment and complete all compensation payments. For temporary close of the business the PAP must submit a request letter with certification from the head of the village and the chair-person of the district grievance committee to the District Industry and Commerce Office for the approval of temporary closure of the business. This closure form shall be submitted to PTI with supporting document on the business income tax payment for calculation of compensation payment. The project will continue to monitor and ensure compensation payment is made to all affected business after their tax is cleared.

## **6.6 USE AND/OR ACCESS TO PRIVATE OR COMMON PROPERTY**

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55. During the civil works there will be temporary impact on the access to houses, to public as well as community facilities such as village offices, hospitals, temples and cemeteries. The Contractor will be responsible to ensure access to the houses and to common property.

## 7.0 ENTITLEMENT MATRIX

56. The following entitlement matrix is developed based on the type of loss associated with the Project. It has been disclosed to the PAPs during the second round of public consultation carried out in July 2022.

57. The legal owners of the affected land are those whose names are identified the land title while the occupants could be those who have no land title but have customary ownership recognized by the village and district authorities and both categories of PAPs are entitled to compensation of the affected land.

58. The unit of measure in the entitlement matrix is the affected household because in one household it will be the owner of the assets and his/her spouse are entitled to compensation not all affected people in the household. However, family members of the AHS or workers of the affected businesses are considered as the affected people so they will receive different allowances as stated in the entitlement matrix.

Table 14: Entitlement matrix

Type of loss	Definition of AP	# of AH	# of plot/ Structure/ Tree/Crop Business	Entitlement
i. LOSS OF LAND				
<b>A. Permanently affected</b>				
A-1 Agricultural Land	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the DMS survey.	8	8	(i) Cash compensation for the lost portion of the land at replacement costs (ii) If crops or trees are lost, then compensation for loss of crops and trees will be in cash at market values and compensation for from subsequent crops that cannot be planted as per Item D. (iii) Land title must be issued within 70 working days after the completion of the construction work at each respective section. (iv) Registration and/or land transfer fees will be paid by the Project;
A-2 Residential Land	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the DMS survey.	276	304	(i) For non-relocating households - cash compensation for the affected portion of the land at replacement costs (ii) For those households that will lose most of their land holdings - replacement land equivalent to the size or replacement value the land lost or cash compensation for the affected land at replacement costs. (iii) For relocating households with land title- replacement land equivalent to the size or productive value the land loss to be prepared suitable for house and other buildings with construction at Project expense or cash compensation at replacement costs. (iv) Cash compensation for difference in area/size of land lost and new plot issued (v) Land title must be issued within 70 working days after the completion of the construction work at each respective section. (vi) Registration and/or land transfer fees will be paid by the Project;
<b>B. Temporarily affected during the construction</b>				
B-1 Agricultural Land	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the DMS survey.	19	20	The temporary affected area will be restored within 7 days after the completion of the civil works at each respective section to the same condition and productivity as before the civil works
B-2 Residential Land	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the DMS survey.	461	509	The temporary affected area will be restored within 7 days after the completion of the civil works at each respective section to the same condition and productivity as before the civil works
ii. LOSS of HOUSES & OTHER STRUCTURES				
<b>Permanently affected</b>				

Type of loss	Definition of AP	# of AH	# of plot/ Structure/ Tree/Crop Business	Entitlement
C-1 Primary structure and relocation is needed		1	1	(i) Cash compensation at market price for building of a new house or a replacement house of equivalent or larger size and standard at the resettlement site, and compensation in cash for additional structures affected and not provided at the new site; (ii) Compensation of income loss as per item E-1 (iii) Disturbance allowance as per item F-1 (iv) Transport allowance as per item F-2
C-2 Primary structures need demolition but new house can be built on the remaining area that will be affected		1	1	(i) Cash compensation at market price for building of a new house or a replacement house of equivalent or larger size and standard at the resettlement site, and compensation in cash for additional structures affected and not provided at the new site; (ii) Disturbance allowance as per item F-1 (iii) Transport allowance as per item F-2
C-3 Secondary Structures		570	1518	(i) Cash compensation and replacement costs for the loss of fence, cement slab, porch, veranda and other secondary structures (ii) The Contractor will be responsible for restoring/repairing or constructing the secondary private and public structures, including new access bridges and roads, drainage and water supply systems to replace those damaged or affected by the Contractor during civil works (iii) Loss of the existing drainage system associated with the civil works will be restored by replacing it with the new drainage system. This cost will be included in the BoQ and contract. No cash compensation is provided for the affected drain structures.
<b>iii. LOSS OF CROPS &amp; TREES</b>				
D-1 Crops	Owners	4	4	Cash compensation for the affected crops. Affected crops are insignificant with the total compensation cost of less than 50 USD as they are limited to sugar cane and banana bushes for household consumption.
D-2 Fruit trees	Owners	99	169	Cash compensation of affected fruit trees is based on the annual value of the produce multiplied by three years
D-3 Industrial trees	Owners	10	13	Cash compensation of affected industrial trees is based on the age of the tree at the market rate
D-4 Decoration trees	Owners	99	189	Cash compensation of affected decoration trees is based on the age of the tree at the market rate
<b>iv. IMPACT ON BUSINESS AND INCOME</b>				
E-1 Permanent with relocation prior to the civil works	Business/shop owner and employee of the shops that are severely affected and need to be relocated	7	7	(i) Cash compensation for the loss of business revenue during transition or re-establishment period calculated based on the declared income for tax payment multiplied by 3 months or longer based on the period for settlement at the new location and transport allowance as per item F-3. (ii) The employees will receive allowances equivalent to the loss of their income during the transition period and it shall not exceed 3 months. (iii) Cash compensation for loss of income prepaid for rental of premise for business operation

Type of loss	Definition of AP	# of AH	# of plot/ Structure/ Tree/Crop Business	Entitlement
E-2 Permanent but with no relocation prior to the civil works	Business/shop owner and employee of the shops that are severely affected but can build a new shop on the remaining land plot	17	17	(i) Cash compensation for the loss of business revenue during transition or re-establishment period calculated based on the declared income for tax payment multiplied by 3 months or longer based on the period for settlement at the new location and transport allowance as per item F-3. (ii) The employees will receive allowances equivalent to the loss of their income during the transition period and it shall not exceed 3 months. (iii) Cash compensation for loss of income prepaid for rental of premise for business operation
E-3 Partially prior to the civil works	Business/shop owner and employee of the shops that are severely affected but can operate business after modification of the structure	328	328	(i) Cash compensation for the loss of business revenue during transition or re-establishment period calculated based on the declared income for tax payment multiplied by the number of days of business closure for settlement at the new shop (ii) The employees will receive allowances equivalent to the loss of their income during the transition period and it shall not exceed 3 months. (iii) Cash compensation for loss of income prepaid for rental of premise for business operation
E-4 Temporarily during the construction	Business owner and employee	579	579	(i) These businesses may be disturbed during the civil works. It is not expected that they will have a loss in business revenue as accessibility will be provided to their businesses during the civil works. However, if disruption was caused by the impact of the civil works, cash compensation of revenue loss will be calculated based on their declared income for tax payment and the number of days that they have to close their businesses but limited to 3 months. The contractor shall be responsible for compensation for the impacts on PAHs' assets, livelihood and businesses due to his technical work error (machine operation) and his failure to maintain/provide access facilities and the prolonged access lost (beyond the agreed work schedule). <b>RAP budget specifically the contingency fund shall not be used for this purpose.</b> A clause on these measures will be specified in the bidding document including the BOQ form and the work contract (ii) The employees will receive allowances equivalent to the loss of their income during the business closing period associated with the civil works and it shall not exceed 3 months.
v. ASSISTANCES				
F-1 Disturbance Allowances	1 severely affected household	1	1	Cash payment for disturbance allowance of 1-month supply of rice per person in the household with the allowance equivalent to 16 kg of rice at current market price
F-2 Transport Allowances	1 relocating household with attached business	1	1	A lump sum allowance equivalent to actual costs of relocation and shifting household assets to the new site (transport hires, labors, etc.)
F-3 Transport allowances	7 relocating businesses	7	7	All 10 relocating businesses shall receive a lump sum allowance equivalent to actual costs of relocation and shifting household assets to the new site (transport hires, labors, etc.)
F-4 Vulnerability Allowances	Affected households of the poor or single or elderly or disable (mental and physical) headed family with no	0	0	(i) An additional allowance of 1 month supply of rice per person in the household with the allowance equivalent to 16 kg of rice at current market price (ii) Livelihood restoration plan will be developed and monitored during the construction period.

NR-13N Sikeut – Sikhai (KM6 – KM12), RAP

Type of loss	Definition of AP	# of AH	# of plot/ Structure/ Tree/Crop Business	Entitlement
	labor for income generation or source of income.			
vi. LOSS OF COMMON PROPERTY RESOURCES				
G-1 Land	Government	16		No compensation as these are government property. To ensure that possible future claim for compensation is not raised, an agreement or note should be reached and signed between the PMU/DOR and the state land occupiers or GOL agencies using the land.
G-2 Fence and cement slap	Eyes hospital	1		Cash compensation for restoration and at works at replacement costs
vii. IMPACT ON PUBLIC UTILITIES & FACILITIES				
H-1 Electricity and telecommunication poles and cables, water supply pipes	Utilities service providers' management bodies		6.32 km	Cash compensation for cost to dismantle, transfer and rebuild for poles to be covered by engineering work construction Contractors
H-2 Feeder roads link to the 6 km of the project road Sikeut-Sikhai	Community members			Contract term for Contractor to facilitate access during civil works and to restore damaged access roads before completion of all construction works
H-3 Drainage canals including culverts	Community members and private households		6.32 km	Contract term for Contractor to restore damaged canals, culverts before completion of all construction works
viii. USE AND ACCESS TO COMMON PROPERTY				
I-1 Access to house	Private individual			(i) Contract term for Contractor to ensure alternative access to houses as soon as possible after the start of the excavation work during the civil works (ii) The contractor shall be responsible for compensation for the impacts on PAHs' livelihood and businesses due to his failure to maintain/provide access facilities and the prolonged access lost (beyond the agreed work schedule). <b>RAP budget specifically the contingency fund shall not be used for this purpose.</b> A clause on these measures will be specified in the bidding document including the BOQ form and the work contract (iii) For those houses with temporarily access problem to park their cars a specific parking area with 24 hours guards must be identified and provided by the Contractor
I-2 Access to village offices, temples and cemeteries	Community facilities			(i) Contract term for Contractor to ensure alternative access to the temples and cemeteries as soon as possible after the start of the excavation work during the civil works

## 8.0 LIVELIHOOD RESTORATION

59. All eligible APs are entitled to livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels. With the exception of the resettling households and 10 relocating businesses all affected businesses will benefit from the road improvement as they will have better accessibility and visibility to their businesses. It is expected that during the civil work those businesses will face challenges with accessibility so they will be provided with access to their businesses as soon as possible after the start of the excavation work and the temporary affected area will be restored within 7 days after the completion of the civil work in their respective section.

60. A severely affected Hmong ethnic household, will be assisted with disturbance allowances equivalent to 16 kg of rice per person in the household for the duration of one month to help them establish in the new house. The owner has asked for cash compensation at the replacement costs. Cash compensation at replacement costs will include costs for demolishing, transporting and rebuilding their new houses which they themselves will be responsible for. The household heads of this AH will take responsibility for the relocation/resettlement (demolishing their affected houses, moving and building their new houses) themselves after they've received the full cash compensation. Compensation agreement to be signed between the Household heads including husband and wife and the grievance committee as well as PMU, PTI has a clause on relocation responsibility by the PAPs within 30 days after receiving compensation. (See appendix 5 on compensation agreement form). The rescue team that will have its office relocated will receive cash compensation at replacement costs that will include costs for demolishing, transporting and rebuilding their new houses which they themselves will be responsible for. The 7 relocating businesses will be assisted in finding new location for their businesses. Strategy for livelihood restoration of these affected households will be the support to have access to micro credit and training in business or financial management by a qualified NGO hired by the Project. In addition, they will also be supported in advertising their businesses through social media.

## 9.0 STAKEHOLDER ENGAGEMENT

61. This chapter provides guidelines on how to engage different stakeholders throughout the RAP preparation, implementation and monitoring period prior and during the construction work with the objective to establish a systematic approach to help the Project in i) Identifying PAPs and other stakeholders and build and maintain a constructive relationship with them; ii) Assessing the level of interest of the PAPs and support for the Project and to enable PAPs' views to be taken into account in Project design and environmental and social performance. The specific objectives of the stakeholder consultations to be conducted under the Project are summarized below:

- Inform the PAPs and communities of the proposed Project and obtain their views, concerns and contribution to inform Project design;
- Determine the viability and feasibility of proposed interventions and identify potential alternatives;
- Build a trusting relationship with the PAPs and other interested stakeholders;
- Ensure effective engagement with PAPs and other relevant stakeholders in the RAP development, implementation and monitoring; and

62. The most important Lao legal frameworks concerning public participation in decision-making process are the Constitution of Lao PDR, Environmental Protection Law and the guideline on Consultation with Ethnic Group. Article 41 of the Constitution provides that Lao citizen have the rights to lodge complaints and petitions and to propose ideas to the relevant State organizations in connection with issues pertaining to the public interest or to their own rights and interests. Article 13 of the Environmental Protection Law provides the promotion and public participation in the environmental protection. In 2013 Lao Front for National Construction launched a guideline on Consultation with Ethnic Group aiming at (a) ensuring the implementation of consultation with ethnic groups follows effective principles and processes in line with the relevant national Laws and regulations, (b) ensuring the rights and lost assets of the ethnic people affected by development projects are fairly compensated by development projects, and (c) preventing or mitigating the potential environmental and social impacts on ethnic groups generated by development project and ensuring proper project design for the sustainability.

63. The primary stakeholders from the government offices at the central level are the PMU under the Department of Roads, Division of Environment and Social under PTI while at Vientiane Capital level it is the Department of Public Works and Transport. Other government stakeholders are MoF, MONRE, Vientiane Capital level government agencies VCONRE, VCAFO, Lao Front for National Development, Vientiane Capital Assembly and the Administrative Offices.

64. The government stakeholders at the district level are the concerned government offices in Naxaythong and Sikhottabong districts that include the district administrative offices, DPWT, DAFO, DONRE, Lao Front for National Construction, LWU, DOJ, DOPS and District Assembly.

## 9.1 SUMMARY OF STAKEHOLDER ENGAGEMENT ACTIVITIES

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65. The consultation process follows 4 core principles below:

- supporting the government in taking responsibility for assuring public involvement;
- undertaking public involvement activities in a flexible manner, adapting and responding to Lao PDR's particular national and local circumstances;
- making public involvement activities broad-based and sustainable; and
- carrying out activities in a transparent and open manner and provided full documentation of public involvement.

66. **On 30 November 2021** Public Consultation on the Project was initiated on with the grievance committees of both Naxaythong and Sikhottabong districts to share the information of the Project background and the implementation schedule of the Project as well as of the environmental and social impacts assessment activities including DMS and public consultations. The workshop also discussed the conceptual design for comments of from **32 participants of whom 5 were the female participants** from PMU, district grievance committee members and consultants. Minutes of meeting (Lao version) is in the Appendix 7. The main comments and responses during this meeting are summarized in the following Table.

Table 15: Summary of comments at the Project orientation workshop with the Grievance Committee on 30 November 2021

Comments	Responses
<b>I. Endorsement of the conceptual design</b>	
<ul style="list-style-type: none"> <li>The conceptual design has been technically endorsed by MPWT with the 4 lanes, 7 bus bays and 3 pedestrian bridges</li> </ul>	<ul style="list-style-type: none"> <li>The conceptual design follows the existing alignment, and it will be improved as well as modified by the Contractor during the construction phase to be appropriate to the local condition and it must be based on the technical principles of MPWT.</li> <li>The COI must be identified about 4 meters from the drain based on the Law on Urban Plan</li> </ul>
<ul style="list-style-type: none"> <li>To elevate the road level to prevent flood especially at Sikhai and Thongpong area</li> </ul>	
<ul style="list-style-type: none"> <li>The design of the drain at Sikhai and Lao Aussie market shall be at least 1.5 meters width to ensure effective drain</li> </ul>	
<ul style="list-style-type: none"> <li>To modify the design for installation of the lighting posts to the raised median to reduce the resettlement impacts</li> </ul>	
<ul style="list-style-type: none"> <li>To check the capacity of the drain to prevent flood especially at Sibounheuang Thong, Sikhai Thong and the section at Souvanny Home Décor shop</li> </ul>	
<ul style="list-style-type: none"> <li>To clearly identify the COIs and the ROW where the PAPs could sell or change the ownership or build houses</li> </ul>	
<b>II. Public Consultation</b>	
<ul style="list-style-type: none"> <li>The cut-off-date has been distributed to the authorities of all affected villages to announce it to the villagers for prohibit the sale and purchase of any asset as well as the building of any structures along the Project area.</li> </ul>	<ul style="list-style-type: none"> <li>During RAP development in addition to the social economic survey of the AHS and DMS, there will be 2 rounds of public consultations. The first round will be on the Project objectives, the conceptual design and to hear the concerns of the PAPs related to the Project. The second round will be on the draft RAP on the entitlement and unit rate for valuation of the effected assets.</li> </ul>
<ul style="list-style-type: none"> <li>To carry out consultations with the PAPs on the design, the COI, their entitlements and the grievance committee members must provide the same information</li> </ul>	
<ul style="list-style-type: none"> <li>Training must be provided to the grievance committee members, the DMS team in order to disseminate the same information</li> </ul>	
<b>III. Establishment Grievance Committee</b>	
<ul style="list-style-type: none"> <li>The members of grievance committee in Naxaythong need to be updated because some members have retired</li> </ul>	<ul style="list-style-type: none"> <li>Members of grievance committee in Naxaythong will be updated</li> </ul>
<ul style="list-style-type: none"> <li>All forms that need consensus or agreement with the PAPs must be detailed, clear and consistent</li> </ul>	
<b>IV. COI marking and Detailed Measurement Survey</b>	
<ul style="list-style-type: none"> <li>After the approval of the conceptual design the COI must be marked for carrying out the DMS. From the experience of RAP development for Sikeut-Phonhong section the COI was not clearly marked and it has affected the accuracy of the DMS resulting in the second round DMS during the construction phase</li> </ul>	<ul style="list-style-type: none"> <li>LTEC the company responsible for the conceptual design will help marking the COI.</li> <li>The DMS will be carried out within the COI that will include permanent and temporary impacts on land and permanent impacts on the structures and crops/trees. The temporary impacts on land will not have cash compensation but it will be restored after the completion of the civil works.</li> </ul>
<b>V. Valuation and drafting of the unit rate</b>	
<ul style="list-style-type: none"> <li>To set up a committee for valuation of the land unit rate which should be based on the current market price of each area, unit rate of PONRE VT Capital, Decree 84/GoL, Article 70 of Lao Law, Decree 352 but the rate must be at replacement costs acceptable to the PAPs</li> </ul>	<ul style="list-style-type: none"> <li>The valuation of the unit rate for compensation of the affected land, structures and crops and trees will be updated for the approval of the Assembly of Vientiane Capital</li> <li>The unit rate applied in this RAP has been consulted with the PAPs yet because VCONRE has requested for the establishment of the unit rate valuation committee that has been nominated in June 2022 and the unit rate consultation with the PAPs is expected to be carried out in July 2022 before submission for the endorsement by the Assembly of Vientiane Capital.</li> </ul>
<ul style="list-style-type: none"> <li>Compensation cost for each type of the affected assets must be accurate and detailed.</li> </ul>	
<b>VI. Compensation implementation</b>	
<ul style="list-style-type: none"> <li>Before implementing the compensation program, a manual and training must be provided to the grievance committee</li> </ul>	<ul style="list-style-type: none"> <li>Training will be in the plan for RAP implementation phase.</li> </ul>

Comments	Responses
<ul style="list-style-type: none"> <li>With regard to the impacts on businesses there must be a memo with the PAPs for reference of the grievance committee.</li> </ul>	<ul style="list-style-type: none"> <li>Memo will be signed with the PAPs on the impacts of the civil works on business operation</li> </ul>
<ul style="list-style-type: none"> <li>The measurement of bus bay impacts bus shelter for compensation</li> </ul>	
<b>VII. IEE certificate</b>	
<ul style="list-style-type: none"> <li>The consultant in cooperation with VCONRE must draft the IEE for the issuance of the environmental certificate</li> </ul>	<ul style="list-style-type: none"> <li>Draft IEE is one of the deliverables of the consulting firm on ESIA development. PMU/PTI will take further step for its approval.</li> </ul>
<b>VIII. Grievance procedures</b>	
<ul style="list-style-type: none"> <li>The grievance committee of Sikhottabong district should learn from Naxaythong grievance committee on grievance resolution.</li> </ul>	

67. Prior to carrying out the DMS with all affected households and the socio-economic survey of the AHs, public consultations were carried out with the PAPs in all 12 affected villages on **13-23 December 2021**. The participants at public consultations included **306 PAPs of whom 133 were women** and 3 members of village authorities in each of the 12 affected villages. Three participants from the district grievance committee, two from PTI and 4 from the consulting company facilitated the meetings in 12 affected villages. Summary of the minutes of meetings is in the Appendix 9. Overall, all PAPs participated in the meeting agreed with the improvement of this road section for Sikeut to Sikhai but they have expressed some concerns and requests as follows:

Table 16: Summary of comments of the PAPs at the Consultation meetings on 13 to 23 December 2021

Comments	Responses
<b>I. Road design</b>	
<ul style="list-style-type: none"> <li>Concerns about flood and the design of the drainage system must be good enough to effectively drain the storm water during the rainy season</li> </ul>	The Engineer will investigate the capacity of the existing outlets to address the issues of drainage
<ul style="list-style-type: none"> <li>To reduce the raised median of the road in order to reduce the level of involuntary resettlement impacts.</li> </ul>	The reduction of the raised median will consider safety issues, normally it is about 2.60 meters.
<ul style="list-style-type: none"> <li>The design should balance the impacts on both sides of the road;</li> </ul>	The design of the road follows the existing alignment with the exception of some sections with safety issues that cannot avoid imbalance impacts on both sides of the road
<ul style="list-style-type: none"> <li>Pedestrian crossing bridges must be located on empty land with no structures; the location of the U turn must avoid impacts as much as possible, lighting posts must be in the median strip of the road</li> </ul>	This concern will be raise with PMU for possible revision of the detailed design
<ul style="list-style-type: none"> <li>It is proposed to start from Sikhai section first and to construct one lane at a time</li> </ul>	This comment will be reported to PMU for consideration when planning the civil works
<b>II. Compensation</b>	
<ul style="list-style-type: none"> <li>Sources of fund for compensation and how long will compensation cost be determined</li> </ul>	It will be 2 sources of funds for compensation the first one is rom NDF and another source is from Road Fund We need to carry out assets valuation and after that it will be consulted with the PAPs and then endorsed by the Assembly of Vientiane Capital for the approval of the Governor. AT this stage we cannot provide the time for the approval.
<ul style="list-style-type: none"> <li>Compensation must be with fair price and must be settled before the civil works</li> </ul>	Compensation will be calculated based on the unit costs and the inventory of loss of the assets of each

	affected household. The unit rate will be at full replacement costs
<ul style="list-style-type: none"> <li>Valuation of unit cost for land compensation must be participatory with the PAPs, compensation costs must be fair and must be settled before the construction work; land title must be issued after the compensation payment</li> </ul>	Unit costs will be obtained from different sources such as village authorities, the advertisements for land sale, the government unit cost and the bank estimation for loan guarantee. The unit cost will be consulted with the PAPs prior asking for the endorsement by the Assembly of Vientiane Capital.
<ul style="list-style-type: none"> <li>Impacts during construction period such as dust and traffic obstruction should be minimized and mitigated</li> </ul>	The project will develop environmental social management plan for mitigation of dust and traffic obstruction to be implemented by the Contractor.

68. **On 28 February 2022** technical working group meeting was organized at VCONRE to discuss results from the land valuation survey with the total **9 participants of whom 1 is female** participant from land management sector at Sikhottabong district and Vientiane Capital level. The meeting was facilitated by the consultant team of 3 experts including an engineer, a public consultation expert and a resettlement expert. The meeting agreed to establish the committee for asset valuation that composed of technical staff from VCONRE, VCPWT and VCAFO to be responsible for all process of unit rate approval including consultations with the PAPs and the concerned authorities on the unite rates of land, structures and trees and crops and getting the approval at all levels from the PAPs to the Assembly of Vientiane Capital.

69. **On 1<sup>st</sup> March 2022** a consultation meeting was carried out with the total **3 participants from PMU and PTI and 4 participants from the consulting firm of whom 3 are the female** participants to discuss the modification of conceptual design, the draft RAP and the process for unit rate approval. PMU agreed for the design modification and asked the Consulting firm to carry out field investigation about the suggested solutions, whether they will satisfy the community and whether the impacts will be minimized by focusing on the bus bay and junction designs. With regard to the draft RAP the wrong calculation of the total figures for compensation must be corrected. To add utility relocation and monitoring cost of PTI in the RAP budget. The consulting firm also informed at the meeting that VCONRE has asked for the establishment of the unit rate valuation committee to be responsible for unit rate approval process including consultation on unit rates with the PAPs and the concerned authorities for the endorsement of the Assembly of Vientiane Capital.

70. **On 29 June 2022** a consultation meeting on the project background, project’s timeline, main findings on the social and environmental impacts assessment and mitigation measures as well as **to** get support from the Project Steering Committee in speeding up the unit rates approval process. Participants were members of the Project Steering Committee, the Grievance Committee, PMU, PTI and the national experts from the consulting firm with the total 43 participants of whom 11 are the female participants. It has been agreed at the meeting that priority must be given to finalize the unit costs for submission to the Assembly of Vientiane Capital and prior to submission consultation with the PAPs on the unit cost needs to be carried out.

71. **On 12 July 2022** consultations on draft RAP and unit rates have been carried out with **157 PAPs of whom 66 were the female PAPs** and 3 members of village authorities in each of the 12 affected villages. Three participants from the district grievance committee, 2 from PTI and 4 from the consulting company facilitated the meetings at the temples of Nongteng and Nahea villages. In general the PAPs support the project and ask for clarification on the following:

Table 17: Summary of comments of the PAPs at the Consultation meetings on 13 to 23 December 2021

Comments	Responses
<b>I. Road design</b>	
<ul style="list-style-type: none"> <li>To share the most updated conceptual design of the road</li> </ul>	The design has been revised and it is the conceptual design that will be updated by the Contractor during the construction phase. The conceptual design will be used for calculation of compensation and it will be shared during consultation on the full compensation costs with each PAP and it is expected to be in October 2022.
<ul style="list-style-type: none"> <li>When will be the completion of the project?</li> </ul>	The civil works are expected to be started in November 2022 and completed in November 2024
<b>II. Compensation</b>	
<ul style="list-style-type: none"> <li>The compensation to be settled before the start of the civil works</li> </ul>	It is the requirement of the financiers that compensation must be paid before the start of the civil work
<ul style="list-style-type: none"> <li>The land unit cost in Nongteng village should be 300 USD per square meter and the variance between villages should be small, the unit cost for the structure must taken into consideration the current inflation rate, the unit rate or crops are acceptable</li> </ul>	The land and structures unit rates consulted with the PAPs has addressed the inflation rate and it will be updated and will take into consideration of the current inflation rate at the time of compensation.
<ul style="list-style-type: none"> <li>How much will be the total compensation costs for each affected household?</li> </ul>	The total compensation cost for each affected household will be based on the level and types of the impacts. There will be another round of consultation with each individual AH to declare it for their endorsement as a proof for the bank transfer.
<ul style="list-style-type: none"> <li>Is the 128 million USD the cost ?</li> </ul>	This is the total budget of the original project from Sikeut to Phonhong. The budget for this Sikeut Sikhai section is the saving from the original project which is about 17 million USD
<ul style="list-style-type: none"> <li>How will the businesses be compensated and how about the restaurants and how about the prepaid for rental of the premises?</li> </ul>	The Contractor will be asked to ensure alternative access to all businesses including restaurants. If the operators cannot run its businesses due to the civil works they can inform the district Industry and Commerce Office to suspend its operation. The project will cover the loss of the income of the affected people up to 3 months but the civil works cannot be completed within 3 months at the particular section, the Contractor will be ask to be responsible for addition compensation of income loss. The project will help to request for income tax exempt during the business closure period. The project will be responsible for compensation of the prepaid for rental of the business building.

72. **On 19 August 2022** the final consultation on the unit costs was organized with the members of Project Steering Committee, the Grievance Committee, PMU, PTI, world Bank and the national experts from the consulting firm with the total participants of 24 of whom 5 are female to discuss the final unit rate for submission to the Assembly of Vientiane Capital. Based on the comments of the PAPs the meeting it has been agreed to add up 25% of the inflation of July 2022 to the unit rates that have been consulted with the PAPs. The unit rate will be adjusted again if there were fluctuation in the inflation between July 2022 and the time of compensation payment.

73. Details on organizational arrangements for the implementation of the RAP are covered in Chapter 11. The following Table provides a simplified stakeholder engagement plan for the Project.

Table 18: Simplified stakeholder engagement plan

Stakeholder Group	Why included	Participation methods	Responsibility	Timeline
<b>I. Government at the central level</b>				
Department of Road	<ul style="list-style-type: none"> <li>➤ Play an important role supporting MPWT in terms of studies, planning, and macro management of road and bridge infrastructure</li> <li>➤ Project executing Agency with support of PMU</li> <li>➤ Held accountability to both government and financiers in Project implementation, monitoring and financial management</li> </ul>	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>• Obtain necessary approvals and clearances of environment and resettlement from MONRE prior to awarding of civil works contracts</li> <li>• Undertake monitoring of compliance of social and environmental safeguards</li> <li>• Ensure fund availability for compensation of loss associated with the Project</li> <li>• Ensure coordination in the implementation and monitoring of the RAP</li> <li>• Disclose the RAP on the MPWT's website within one week once the RAP is approved and it is expected to be by mid July 2022.</li> <li>• Supervise the implementation of social and environmental safeguards and including timely disclosure of safeguards documents.</li> <li>• Supervise the implementation of the Consultation and Participation Plan, Gender Action Plan, and ethnic minority plan;</li> <li>• Supervise the implementation of the resettlement plan including adequate measures to mitigate adverse resettlement impacts;</li> <li>• Approve compensation payment</li> <li>• Provide logistic support for compensation payment</li> <li>• Provide final comments for grievance resolution that cannot be resolved at the district level before the PAP submit the complaint to the court of laws</li> </ul>	Monthly during pre-construction and construction phases
Department of Finance	<ul style="list-style-type: none"> <li>➤ Financial management of government as well as donors funded projects of MPWT</li> </ul>	Meeting Telephone	<ul style="list-style-type: none"> <li>• Financial management for compensation is compliant with government and donor principles and regulations</li> <li>• Perform financial control of compensation payment</li> <li>• Perform financial transaction into the bank account the DPWT VT Capital or the PAPs' bank account</li> <li>• Report on the expenses on compensation</li> </ul>	Monthly during pre-construction and construction phases
PTI	<ul style="list-style-type: none"> <li>➤ Represent MPWT to implement and monitor the environment and social of the infrastructure projects of MPWT</li> </ul>	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>• Ensure Project's compliance with the government's and well as financiers' environmental and safeguard requirements</li> </ul>	Monthly during pre-construction and construction phases

Stakeholder Group	Why included	Participation methods	Responsibility	Timeline
			<ul style="list-style-type: none"> <li>Assist PMU to obtain necessary approvals and clearances of environment and resettlement from MONRE prior to awarding of civil works contracts</li> <li>Updating and implementing the RAP during the construction phase</li> <li>Quality control of the list of the affected households prior to submission to DoR</li> <li>Assist PMU to undertake monitoring of compliance of social and environmental safeguards</li> <li>Preparing internal progress reports as required and reporting to DoR and financiers</li> </ul>	
Ministry of Finance	<ul style="list-style-type: none"> <li>Central level financial management and supervision of public investment as well as donors funded funds</li> </ul>	Meeting Telephone	<ul style="list-style-type: none"> <li>Supervise and Control the use of government as well as financiers' funds to comply with the conditions between the government and the financiers in the bilateral agreement.</li> </ul>	Quarterly during pre-construction and construction phases
MONRE	<ul style="list-style-type: none"> <li>MONRE administers the environmental and social assessment system, in collaboration with relevant line agencies, through review of this RAP and issue of a certificate of clearance for project development.</li> </ul>	Site visits Telephone	<ul style="list-style-type: none"> <li>MONRE will be an observer to ensure that Lao PDR environmental and resettlement policies are satisfied within the context of the Project.</li> </ul>	Annual during construction phase
<b>II. Government Department at Vientiane Capital level</b>				
Department of Public Works and Transport	<ul style="list-style-type: none"> <li>Play an important role supporting MPWT in terms of studies, planning, and management of road and bridge infrastructure at Vientiane Capital level</li> </ul>	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>Representing PMU to maintaining good relations and communication with the local communities</li> <li>Assign Deputy Project Manager to assist the Project Manager in dealing with grievance redress</li> <li>Assign technical staff to assist in DMS</li> <li>Participate in valuation of the effected structures</li> <li>Participate in consultation on the unit rate of the affected structure</li> <li>Propose unit rate of the affected structures to the Governor of Vientiane Capital</li> <li>Participate in grievance investigation and resolution</li> </ul>	Quarterly during Pre-construction, construction phases
Department of Natural Resources and Environment	<ul style="list-style-type: none"> <li>Administers the environmental and social assessment system, in collaboration with relevant line agencies, through review of this RAP and issue of a certificate of clearance for project development.</li> </ul>	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>PONRE will provide Government clearance of the ESIA including ESMP and RAP of the Project.</li> <li>Assign technical staff to participate in DMS of the affected land</li> <li>Participate in consultation on the unit rate of the land in the affected area</li> </ul>	

Stakeholder Group	Why included	Participation methods	Responsibility	Timeline
	<ul style="list-style-type: none"> <li>➢ Manage land use and land registration in Vientiane Capital</li> </ul>		<ul style="list-style-type: none"> <li>• Propose land unit rate in the affected villages to the Governor of Vientiane Capital</li> <li>• Issuance of new land titles for the affected households</li> </ul>	
PAFO	<ul style="list-style-type: none"> <li>➢ Promotion of agricultural production in Vientiane Capital</li> <li>➢ Valuation of unit rates for the crops and trees in Vientiane Capital</li> </ul>		<ul style="list-style-type: none"> <li>• Assign technical staff to participate in DMS of the affected trees and crops</li> <li>• Participate in consultation on the unit rate of the affected tree and crops</li> <li>• Propose unit rate of the affected tree and crops to the Governor of Vientiane Capital</li> <li>•</li> </ul>	
Cabinet of VT Capital Governor	<ul style="list-style-type: none"> <li>➢ Amongst other roles and responsibilities, the Cabinet of VT Capital shall organize, facilitate, supervise and monitor the performance of the government departments and agencies at Vientiane Capital level as well as the performance of the 9 districts under its administration</li> </ul>	Meeting Telephone	<ul style="list-style-type: none"> <li>• Nomination of District Grievance Committee members</li> <li>• Approve unit rates for compensation of the affected assets</li> <li>• Approve transaction of compensation amount into the bank account of the PAPs.</li> </ul>	Quarterly during pre-construction and construction period
Assembly of VT Capital	<ul style="list-style-type: none"> <li>➢ Protect the rights of people in Vientiane Capital</li> <li>➢ Represent people in VT Capital to raise their voices and concerns</li> </ul>	Meeting Telephone	<ul style="list-style-type: none"> <li>• Endorsement of the unit rate for the approval of the Governor of VT Capital</li> </ul>	ASAP during the pre-construction
<b>III. Government Offices of both Naxaythong and Sikhottabong district</b>				
District Administration Office	<ul style="list-style-type: none"> <li>➢ Amongst other roles the district Administration Office shall organize, facilitate, supervise and monitor the performance of the government offices at the district level as well as the performance of the village authorities under its administration</li> </ul>	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>• Coordinate with the concerned offices to assist in public consultations, DMS, census survey of PAPs and grievance redress</li> <li>• Lead the grievance resolution at its respective district</li> <li>• Coordinate with the Village authorities to assist in public consultations, DMS, census survey of PAPs and grievance redress</li> <li>• Nominate village grievance committee members</li> <li>• Sign off the list of the affected households as well as their compensation costs prior submission to PTI for quality control</li> </ul>	Monthly during pre-construction and construction period
OPWT	<ul style="list-style-type: none"> <li>➢ Support DPWT Vientiane Capital in terms of studies, planning, and management of road and bridge</li> </ul>	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>• Assign District grievance coordinator to assist the Project Manager in dealing with grievance redress</li> <li>• Assign technical staff to assist in DMS</li> <li>• Participate in valuation of the effected structures</li> </ul>	Monthly during pre-construction and construction period

Stakeholder Group	Why included	Participation methods	Responsibility	Timeline
	<p>infrastructure at Vientiane Capital level</p> <p>➤</p>		<ul style="list-style-type: none"> <li>• Participate in consultation on the unit rate of the affected structure</li> <li>• Participate in grievance investigation and resolution</li> </ul>	
DONRE	<p>➤ Administers the environmental and social assessment system, in collaboration with relevant line agencies at the district level.</p> <p>➤ Manage land use and land registration in its respective office</p>	<p>Email, Meeting Telephone Site visits</p>	<ul style="list-style-type: none"> <li>• Assign technical staff to participate in DMS of the affected land</li> <li>• Assist in the valuation of the land unit rate in the affected area</li> <li>• Assist in the Issuance of new land titles for the affected households</li> </ul>	<p>Monthly during pre-construction and quarterly during construction period</p>
DAFO	<p>➤ Amongst other roles and responsibilities DAFO is taking care</p>	<p>Meeting Telephone Site visits</p>	<ul style="list-style-type: none"> <li>• Assign technical staff to participate in DMS of the affected tree and crops</li> <li>• Assist in the valuation of the unit rate of the trees and crops in the affected villages</li> </ul>	<p>Monthly during pre-construction</p>
DOJ	<p>➤ Responsible for matters connected with the administration of justice that falls within the district jurisdiction.</p>	<p>Meeting Telephone Site visits</p>	<ul style="list-style-type: none"> <li>• Participate in unit rate valuation consultation meeting</li> <li>• Participate in grievance redress</li> <li>• Represent DoJ as member of the district grievance committee</li> </ul>	<p>As needed during pre-construction and construction period</p>
DOSP	<p>➤ Supervise and control security of the publics from all forms of violence in the district under its responsibilities</p> <p>➤ Ensure law enforcement towards all forms of crimes</p>	<p>Meeting Telephone Site visits</p>	<ul style="list-style-type: none"> <li>• Participate in unit rate valuation consultation meetings</li> <li>• Participate in grievance redress</li> <li>• Represent DOSP as member of the district grievance committee</li> </ul>	<p>As needed during pre-construction and construction period</p>
Lao Front for National Construction Office	<p>➤ Protect legitimate rights of all ethnic people living in its respective district and participate in mediation of conflicts</p>	<p>Meeting Telephone Site visits</p>	<ul style="list-style-type: none"> <li>• Assist in public consultations and grievance redress</li> <li>• Assist the affected villages in ritual ceremonies for the affected religious structures and sacred trees</li> <li>• Participate in unit rate valuation consultation meetings</li> <li>• Monitor compensation compliance with the entitlement of the effected ethnic people</li> <li>• Represent the district authorities in grievance resolution at the village level</li> </ul>	<p>Monthly during pre-construction and quarterly during construction period</p>
LWU	<p>➤ Protect the rights of the women and children in its respective district against all forms of violence</p>	<p>Meeting Telephone Site visits</p>	<ul style="list-style-type: none"> <li>• Assist in public consultations and grievance redress including SEA/SH, GBV and VAC related grievances and incidents</li> <li>• Participate in unit rate valuation consultation meetings</li> <li>• Assist in monitoring of women and child protection issues during the construction period</li> </ul>	<p>Monthly during pre-construction and quarterly during construction period</p>
<b>IV. Community level</b>				

Stakeholder Group	Why included	Participation methods	Responsibility	Timeline
Village Leaders	➤ Protect the rights of the villagers against the social and environmental impacts of development works	Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>Assist the Project in organizing public consultation meetings by inviting the PAPs, coordination for finding of appropriate venues for the village level meetings</li> <li>Participate in the DMS and PAPs census survey</li> <li>Certify DMS and compensation agreement documents</li> <li>Provide village socio-economic data to the public consultation team</li> <li>Assign a village focal point for grievance redress</li> <li>Assist the PAPs in filing grievances</li> <li>Participate in grievance resolution at all levels</li> </ul>	Monthly during both pre-construction and construction period
PAPs	➤ Claim their rights against the social and environmental impacts of development works	Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>Participate in public consultations to raise their concerns on the Project</li> <li>Facilitate and provide information on their affected assets to the DMS team</li> <li>Provide interviews on household socio-economic data to the PAPs census team</li> <li>Sign the agreement on compensation costs</li> <li>Demolish, remove the affected structures, crops and trees from the Col</li> </ul>	Monthly during both pre-construction and construction period
<b>V. Local NGO</b>				
Local CSO working on the rights of the ethnic, elderly, women and children	➤ Specialized in promoting the rights of the ethnic, elderly, women and children	Email, Meeting Telephone Site visits	<ul style="list-style-type: none"> <li>Assist PMU to support and monitor livelihood restoration of the vulnerable households</li> </ul>	Quarterly during construction period

74. Budget for the implementation of stakeholder engagement plan will be responsible the Project. It will be under the contracts with consulting firms for the development of the RAP, implementation of the RAP during the pre-construction phase; and PTI during the construction phase.

## 10.0 GRIEVANCE PROCEDURES SCALED TO THE PAHS/PAPS NEED

75. Due to differing perceptions, values, objectives and responsibilities among different stakeholders, a range of conflicts may occur among and between affected people, Contractor and sub-contractors, district authorities, central government and others. Obviously, avoidance is preferable to resolution, but that is not always possible. While the consultative and participatory nature of the impact assessments and RAP are aimed at reducing disagreements and conflicting positions, in instances where disagreements do occur, it is important that they are resolved quickly before positions harden and the conflict escalates. The earlier that discord is recognized and dealt with, the higher the chance of a successful outcome. Grievances related to environmental and social issues including gender-based violence, safety and health from directly or indirectly affected people as a result of implementation of the project will be resolved by the Grievance Redress Committee (GRC) through the project grievance redress mechanism

76. Articles 23 and 24 of the C&R Decree (No. 84/GOL, 2016) require the project to establish an effective mechanism for grievance resolution. The decree requires that the project proponent, MPWT/DOR/PMU, is responsible for setting up the grievance redress mechanism and to take actions to resolve issues.

77. District Grievance Committee has been updated for Naxaythong district and set up for Sikhottabong district with the decision No. 393/VTC dated 29.11.2021. The grievance committee members in Sikhottabong district composed of the following parties:

- Deputy Chief of the District as the chair person
- Deputy Director of DPWT of Vientiane Capital as deputy chair
- Chairman of District Lao Front for National Development
- Head of District Administration Office
- Chairman of District Lao Women Union
- Head of District PWT Office
- Head of District Office for Natural Resources and Environment
- Head of District Agriculture and Forestry
- Head of District Finance Office
- Technical staff from District Housing and Urban Planning Office

78. The roles and responsibilities identified in the decision of the Governor of VT Capital is summarized below.

- Coordinate with MPWT, village authorities and other concerned parties to create awareness of the APs on the project purposes and to mobilize for cooperation with the project
- Monitor compensation of the affected land plots, structures and crops

- Coordinate with the Project executive agency in monitoring of compensation payment of the affected land plots, structures and crops approved by the government
- Resolve grievances, problems and settle compensations according to legal frameworks and with peaceful arrangement
- Report periodically on the compensation implementation to the higher authorities and to seek guidance.

79. The process by which people concerned with or potentially affected by the project can express their grievances for consideration and redress will be modified slightly from the procedures for the Sikeut-Phonhong Road section to reflect on the current context as summarized in the following Table.

Table 19: Grievance Procedures

Steps	Actions and Level of Intervention	Day
1	VILLAGE	1-2 days
	<p><b>Contact Person for Complaint: Village Mediation Committee's Coordinator</b></p> <p>1-1 Complaints from the project affected people towards the Village Mediation Committee's coordinator (Representative from Village Front for National Development) and the village resource person who has experience in public works. The complaints are not limited to only RAP implementation issue but it can be on the environmental and social impacts such as dust, flood, road safety, child abuses, gender based violence and etc.</p> <p>1-2 To solve through explanation and actions as/if required. If the complaint was related to accident, child abuse, gender base violence, village mediation committee coordinator and law enforcement officers must be reported directly with no delay.</p> <p>1-3 If required engineering construction work Supervision Consultant and Contractor's site engineer to be involved</p> <p>➤ If complaint cannot be solved at this stage, the 2<sup>nd</sup> step below is to apply</p>	
2	<p><b>Contact Person for Complaints: District Grievance Committee. Mr. Khamla, the head of OPWT Sikhotabong district. Tel. No. +856 20 22453265</b></p> <p>2-1 Complainant can address district grievance coordinator (safeguard officers from OPWT).</p> <p>2-2 If required to involve the safeguards officer of PTI (DEDP)</p> <p>2-3 If required to involve engineering construction work Supervision Consultant and Contractor's site engineer</p> <p>2-4 To solve through corrective action with agreed deadline</p> <p>➤ If complaint cannot be solved at this stage, the 3<sup>rd</sup> step below is to apply</p>	1-5 days
	<p><b>Contact Person for Complaints: PTI. Mr. Thatsada Xaymahathep, technical staff of PTI. Tel. No. +856 20 96294069</b></p> <p>3-1 Complainant can submit his/her grievance to PTI via WhatsApp or telephone. Complainant can also call hotline of MTPC number 1458 to file their grievance.</p> <p>3-2 PTI acts on behalf of MPWT</p> <p>3-3 PTI to verify with district grievance committee</p> <p>3-4 If required, an independent external opinion in this matter could be considered (MONRE)</p> <p>3-5 Ministerial decision about solution</p> <p>➤ If complaint cannot be solved at this stage, the 4<sup>th</sup> step below is to apply</p>	
4	<p><b>National level</b></p> <p>4-1 Final step to solve the complaint</p> <p>4-2 The complainant may submit directly or through the Cabinet of MPWT his/her case to the Court of Law</p> <p>5-3 Court will take note and register the case</p>	10 – 15 days

Steps	Actions and Level of Intervention	Day
	5-4 Court to provide juridical decision	
	5-5 In case of required actions, the complainant and or the Project have to follow those actions.	
<b>World Bank</b>		
	Project affected individual or community or their authorized representative can submit a complaint by the following methods:	
	➤ Online: <a href="http://wbgcmgrs.powerappsportals.com/en-US/new-complaint/">wbgcmgrs.powerappsportals.com/en-US/new-complaint/</a>	
	➤ By email to <a href="mailto:grievances@worldbank.org">grievances@worldbank.org</a>	
	➤ By letter or by hand delivery to the World Bank Country Office in Lao PDR	

80. **Who can Submit a Grievance?** A Grievance can be sent by any individual or group of individuals that believes it has been or will be harmed by the Project. If a Grievance is to be lodged by a different individual or organization on behalf of those said to be affected, the Claimant must identify the individual and/or people on behalf of who the Grievance is submitted and provide written confirmation by the individual and/or people represented that they are giving the Claimant the authority to present the Grievance on their behalf. The GRM will take reasonable steps to verify this authority. Grievances can be submitted anonymously, or the aggrieved person can also request their name be kept confidential. When grievances are received, the committees and focal persons responsible for GRM will request the complainant for consent whether her/his personal data can be disclosed and processed if required. The focal persons will make the complainant aware that s/he is free to deny the request without undue adverse effects for her/him; (2) intended use and processing of her/his personal data and (3) how her/his personal data is managed.

81. **How is the Grievance Communicated?** The GRM shall maintain a flexible approach with respect to receiving Grievances in light of known local constraints with respect to communications and access to resources for some affected people. A Grievance can be transmitted to the GRM by any means available i.e., by email, letter, phone call, meeting, SMS, WhatsApp, etc.

82. To **facilitate** communications with and between the GRM and potential Complainants, the GRM will receive support from the village grievance committee members and relevant local government units.

83. **What information should be included in a Grievance?** The Grievance should include the following information:

- a) the name of the individual or individuals making the Complaint (the “Claimant”);
- b) means for contacting the Complainant (email, phone, address, other);
- c) if the submission is on behalf of those alleging a potential or actual impacts, the identity of those on whose behalf the Grievance is made, and written confirmation by those represented of the Complainant’s authority to lodge the Grievance on their behalf;
- d) the description of the potential or actual impact;
- e) Complainant’s statement of the risk of impacts or actual impacts (description of the risk/impacts and those affected, names of the individuals or institutions responsible for the risk/impacts, the locations and dates of harmful activity);
- f) what has been done by Complainant thus far to resolve the matter;
- g) whether the Complainant wishes that their identity is kept confidential; and
- h) the specific help requested from the GRM .

84. **Logging, Acknowledgment, and Tracking.** All Grievances and reports of conflict received will be assigned a tracking number, acknowledged to Complainant, recorded electronically, and subject to periodic updates to the Complainant as well as the office file .

Within one (1) week from the receipt of a Grievance, the GRM will send a *written* acknowledgement to Complainant of the Grievance received with the assigned tracking number. Oral acknowledgments can be used for expediency and also recorded but it must be followed by a written acknowledgment. Each Grievance file will contain, at a minimum:

- i) the date of the request as received;
- j) the date the written acknowledgment was sent (and oral acknowledgment if also done);
- k) the dates and nature of all other communications or meetings with the Complainant and other relevant Stakeholders;
- l) any requests, offers of, or engagements of a Mediator or Facilitator;
- m) the date and records related to the proposed solution/way forward;
- n) the acceptance or objections of the Complainant (or other Stakeholders);
- o) the proposed next steps if objections arose;
- p) the alternative solution if renewed dialogues were pursued;
- q) notes regarding implementation; and
- r) any conclusions and recommendations arising from monitoring and follow up.

**85. *Maintaining Communication and Status Updates.*** Files for each Grievance will be kept by OPWT and PTI and will be available for review by the Complainant and other Stakeholders involved in the Grievance, or their designated representative. Appropriate steps will be taken to maintain the confidentiality of the Claimant if previously requested. The GRM will provide periodic updates to the Claimant regarding the status and current actions to resolve the Grievance. Not including the acknowledgment of receipt of the Grievance, such updates will occur within reasonable intervals (not greater than every thirty (30) days).

**86. *Investigation and Consensus Building.*** Within one (1) week of receiving a Grievance, PTI will notify the Supervision Engineer or vice versa and PMU of the receipt of the Grievance. PTI will coordinate with Supervision Consultant to develop a response to the Grievance. The names of these individuals will be made available to the Complainants. The designated staff of PTI will promptly engage the Complainant and any other relevant Stakeholders deemed appropriate, to gather all necessary information regarding the Grievance. Through PTI staff, the GRM will have the authority to request from PMU any information (documents or otherwise) relevant to resolving the Grievance and avoiding future Grievances of the same nature. As necessary, the PTI will convene one or more meetings with relevant individuals and concerned district offices as needed. The objective of all investigative activities is to develop a thorough understanding of the issues and concerns raised in the Grievance and facilitate consensus around a proposed solution and way forward. At any point during the investigation, PTI may determine that an onsite field investigation is necessary to properly understand the Grievance and develop an effective proposed solution and way forward.

**87. *Making Proposed Actions and Solutions Public and Overseeing Implementation.*** PTI through grievance coordinator from OPWT will communicate to the Complainant one or more proposed actions or resolutions and clearly articulate the reasons and basis for proposed way forward. If the Complainant does not accept the resolution, PTI will engage with the Complainant to provide alternative options. If the Complainant accepts the proposed solution and way forward, the GRM will continue to monitor the implementation directly and through the receipt of communications from the Complainant and other relevant parties. As necessary, the GRM may solicit information from the relevant parties and initiate renewed dialogue where appropriate.

**88.** MPWT/DOR/PMU will be responsible for meeting the administrative and legal costs that will be incurred in the resolution of complaints and grievances. If the grievance relates to

a dispute over the valuation of an asset to be acquired, then the MPWT/DOR/PMU will use an additional independent assessor to inform the decision of the relevant grievance redress committee. The grievance redress committees will function, for the benefit of PAP and PAH, during the entire life of the project, including the defects liability period. To address and facilitate the process of grievance resolution for SEA/SH, GBV and VAC incidents if any, Lao Womens' Union (LWU), a mass organization will be engaged. The LWU is mandated to advocate and protect women and children and play a leading role in disseminating, reinforcing and monitoring implementation of the Law on preventing and combating violence against women and children (2014). The LWU has strong territorial presence nationwide from the village up to the central level. The head or representative of village LWU included in the village mediation committee established in all villages across the country serves as a focal point to facilitate and monitor the process of SEA/SH related grievances and incidents if any using survivor-centered approach. The GRM and the responsible committees for both SEA/SH and the entire project were trained and will be supported by the Social Specialist of the supervision firm and the Social Consultant hired by the PMU throughout the project lifetime.

## **11.0 ORGANIZATIONAL RESPONSIBILITIES**

### **11.1 EXECUTING AGENCY: MINISTRY OF PUBLIC WORKS AND TRANSPORT**

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89. DOR/MPWT is the EA for the Project. MPWT is responsible for the planning and construction of public works and transport sector projects. At the central level, within the MPWT, the line departments, including DOR, play an important role supporting MPWT in terms of studies, planning, and macro management of road and bridge infrastructure. A project management unit (PMU) has been established at DOR to coordinate project activities at the national level. Following completion of this RAP, MPWT is required to review and endorse this document that are sent to PONRE for final approval.

### **11.2 PROJECT MANAGEMENT UNIT**

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90. The PMU has been established within DOR, and will be responsible for assessment, implementation and monitoring of environmental and social safeguards. The responsibilities of the PMU are summarized below:

- Overall responsibility for project implementation and coordination of project activities;
- Supervise the activities of the Project Implementation Teams organized within the District Authorities;
- Undertake procurement of goods, works and services including recruitment of consultants for project management support and independent audit and safeguards monitoring;
- Develop and adapt a project performance management system in monitoring project activities using indicators and parameters in the design and monitoring framework;
- Obtain necessary approvals and clearances of environment and resettlement from MONRE prior to awarding of civil works contracts;
- Manage separate project financial records and accounts, and prepare financial reports;
- Supervise the implementation of social and environmental safeguards and including timely disclosure of safeguards documents;
- Supervise the implementation of the Consultation and Participation Plan, Gender Action Plan, and ethnic minority plan;

- Supervise the implementation of the resettlement plan including adequate measures to mitigate adverse resettlement impacts;
- Ensure that environment management plans, ethnic and gender considerations are incorporated in the detailed engineering designs and included in the civil works contracts;
- Undertake regular quality control inspection of project facilities;
- Manage the handover of project facilities to agencies responsible for operation and maintenance;
- Prepare and submit quarterly and annual physical and financial progress reports to the EA; and
- Undertake monitoring of compliance of social and environmental safeguards.

## 11.3 PUBLIC WORKS AND TRANSPORT INSTITUTE

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91. PTI will assist PMU in overseeing the implementation of the environment and social safeguard plans including ESMP and RAP during the pre-construction phase and later on during the construction phase PTI will handle the arrangement for compensation of the impacts associated with the civil works. Thus, during the construction phase PTI will be responsible for overall planning and implementation of the environmental and social management (including the RAP) for the Project, as well as facilitating consultation activities and coordination with local authorities, PAPs, NGOs/civil society organizations (CSOs) and other stakeholders. PTI will monitor and report on the effectiveness of implementation of the EMMPs and RAPs and coordinate activities during construction and post-construction aimed at improving the environmental and social performance of the Project.

92. PTI will support the PMU to prepare all documentation and reports concerning the environmental and social aspects of the Project including resettlement progress reports to be submitted to PMU during the construction phase. PTI will appoint resettlement specialist to undertake resettlement activities, and update RAP on behalf of PTI.

93. The resettlement specialist will be provided with TOR and job descriptions and will ensure all plans are updated and complied with. The resettlement specialist will be considered to be part of PTI and will report to the Head of Division of Environmental and Disaster Protection.

94. PTI will act as the first point of contact for the PRC. It will receive all complaints and grievances arising in the course of implementation of any EMMP and RAP, and resolve them as far as it can with the concerned parties. If the complainant is not satisfied, the matter will be resolved through appeal and tracking through the grievance redress procedure.

95. PTI will report directly to DoR, provincial/district authorities, and if required the World Bank. The role of the Head of Division of Environmental Research and Disaster Protection will be to ensure that the environmental and social mitigation and monitoring measures are implemented during the course of Project construction and operation.

## 11.4 PROJECT IMPLEMENTATION SUPERVISION AND WORK SUPPORT CONSULTANT

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96. To assist and support the PMU and PTI, a consultant shall be engaged for the purposes of both implementation supervision and capacity building so as to ensure the effective implementation of all aspects of the Project including safeguards, land acquisition and resettlement action plan. The ISWS consultant shall comprise a team of international and national social and resettlement specialists for the duration of the Project. In respect of safeguards the principal tasks of the ISWS will be as follows:

- To carry out formal and on-the job training on social preparation, social impact assessment, ethnic groups development, and gender and development;
- To assist and support PMU and PTI in implementation of all environment and social safeguards activities;
- To assist in the needs and demand assessments for mitigation of adverse effects on ethnic minority communities, identification of specific income restoration

- measures for vulnerable ethnic minority households affected directly by land acquisition, and to then assist in the design of the most effective programs; and
- To brief and/or assist in the briefing of social organizations to a) increase their awareness of the project, b) increase their awareness of the Project's grievance mechanism for resettlement and land acquisition issues so that they would be enabled to provide support to affected households.
  - Provide monthly, quarterly and annual environmental and social safeguard monitoring report to PMU.

## **11.5 OTHER INSTITUTIONS INVOLVED IN RESETTLEMENT ACTIVITIES**

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### **11.5.1 Project Resettlement Committee**

97. The further planning and implementation of the Project will be undertaken through consultation with, and advice from, provincial and district government agencies, through the Project resettlement committee. The main function of the PRC is to represent the interest of the APs and stakeholders in dealing with project impacts and mitigation measures.

98. The PRC will meet regularly, and will have an inaugural meeting at least one month before the start of the Project and will operate during the construction of the subprojects and for up to two years after completion of construction activities (to monitor impacts and take action where necessary). The minutes of meetings and activities of PRC will be incorporated into overall Project internal and external monitoring.

99. The responsibilities of PRC will be as follows:

- Coordination of relevant Government organizations with ESMU to ensure that RAP is properly implemented;
- Review and provide comments on valuation of land and assets (crops, production, market values, etc.) for compensation for APs
- Organization of provincial and district level meetings and consultations as required;
- Monitoring and auditing funds that are earmarked for RAP implementation; and
- Participation in resolution of, and follow through, of claims or complaints lodged via the established grievance redress procedure.

### **11.5.2 Ministry of Natural Resources and Environment**

100. MONRE is the central environment management agency which has the mandate to co-ordinate environmental protection efforts of government ministries as well as provincial authorities. MONRE administers the environmental and social assessment system, in collaboration with relevant line agencies, through review of this RAP and issue of a certificate of clearance for project development. MONRE is also responsible for overall guidance on the matters pertaining to inspection of, and compliance with, management and monitoring aspects of projects approved at the central level. At Vientiane Capital level these matters are handled by PONRE.

101. MONRE will be an observer to ensure that Lao PDR environmental and resettlement policies are satisfied within the context of the Project. PONRE will provide Government clearance of the EMMP and RAP of the Project.

## 12.0 APPROVAL AND DISCLOSURE

102. The RAP will be cleared/approved by the Government of Lao PDR and the World Bank prior to its disclosure. It will be disclosed locally in a language that PAPs and stakeholders understand. Methods for local disclosure will be on the website of MPWT, posters on the entitlement matrix and grievance procedures will be developed, printed out and posted at the village office, markets, hospitals and temples. For any changes made to the disclosed RAP, it will be revised and follow the same clearance and disclosure protocols.

## 13.0 IMPLEMENTATION SCHEDULE AND BUDGET

103. Land acquisition, compensation and relocation of PAPs cannot commence until GOL and WB has approved the final RAP, and the road work will not start until the compensation and resettlement process is completed.

104. All land acquisition, compensation and resettlement activities will be completed before the onset of civil works schedule.

105. The implementation schedule for land acquisition, compensation and resettlement activities is presented in the following table including (i) activities that have been completed to prepare the RAP; (ii) resettlement implementation activities; and, (iii) RAP monitoring activities.

106. Procedures for compensation payment after the PAPs sign the compensation agreement include the following steps:

- i) Consulting firm to compile the list of the AHs with the details of the PAPs' bank account number and the total costs for compensation of each affected households and their bank account;
- ii) The chairman of District Grievance Committee and PTI to certify the compiled list of the AHs;
- iii) DoR to approve the list of the AHs;
- iv) Department of Finance of MPWT to transfer the money into the bank account of CVDPWT; the Finance Division of CVDPWT to transfer the money into the bank account of the PAPs; and finally
- v) The bank to issue the details of the bank transfer into the bank account of each PAP as proof of transfer to be informed to each PAP by telephone or WhatsApp.

Table 20: Implementation Schedule

No	Main RAP activity	Responsible party	2022												2023				2024			
			1	2	3	4	5	6	7	8	9	10	11	12	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>I RAP Preparation</b>																						
1.1	Detailed eMeasurement survey and Socio-economic Survey	Consulting firm for RAP preparation	■																			
1.2	Asset valuation survey and consultation with the Project Steering and Committee and Grievance Committee	Consulting firm for RAP preparation, Asset Valuation Committee	■	■	■	■	■	■	■													
1.3	Public consultation with PAPs on the draft RAP and unit rate	Consulting firm for RAP preparation						■														
1.4	Draft IEE for PMU to get Environmental certificate from VCORE	Consulting firm for RAP preparation							■													
1.5	RAP approval by MPWT and WB	WB, PMU								■												
<b>II RAP Implementation</b>																						
2.1	Endorsement of unit rate by VC Assembly	Deputy Director of PMU								■												
2.2	Consultation and agreement with PAPs on compensation costs	Consulting firm for RAP implementation									■	■										
2.3	Compensation payments	Consulting firm for RAP implementation, PTI and grievance committee										■	■									
2.4	Implementation of rehabilitation measures	Consulting firm for RAP implementation, PTI and grievance committee										■	■									
2.5	Clearance of acquired land, (demolishment of the affected structures and trees removal)	PMU, PTI, grievance committee										■	■									
2.6	Award of civil work contract	DoR, PMU											■									
<b>III RAP Implementation Monitoring</b>																						
3.1	Monitoring of compensation payment and assessment of resettlement completion	ISWS, PTI and grievance committee											■	■								
3.2	Monitoring and reporting of the environmental and social impacts associated with civil works	ISWS, PTI and grievance committee											■	■	■	■	■	■	■	■	■	■
3.3	Grievance resolution and updates	ISWS, PTI and grievance committee											■	■	■	■	■	■	■	■	■	■

107. The total budget for RAP implementation is about 56,049,720,180 LAK with the 25% average inflation<sup>3</sup> added or equivalent to 3,736,647 US dollars at the exchange rate of 15,000 Kip per US dollar. It will cover the costs for compensation of the affected assets and businesses of the individual households and the communities as well as consultancy cost for the implementation of the RAP but not the cost for utilities relocation that will be under the bidding document including the BoQ and the work contract. The unit rate was calculated in Lao Kip so it will be updated based on the current exchange rate and thus the budget for compensation will be based on the amount in USD. The budget for contingencies will be for the issuance of land titles, the temporary impacts on businesses and the additional impacts during the construction period due to minor modification of design. However, the impacts associated with civil works will be under the responsibilities of the Contractor.

108. Budget for relocation of the public utilities will be under the engineering construction contractor while the budget for monitoring of RAP implementation will be for the cost of PTI.

<sup>3</sup> based on the latest data from BOL, Jul 2022 and rapid market survey carried out by the ESIA/RAP consultant on the construction materials.

Table 21: Budget for compensation

No.	Items as listed in the Entitlement Matrix	Description	Amount Exchange rate @15,000 Kip/USD		Remark
			LAK	USD	
<b>A. Compensation and Mitigation</b>					
A1.	LOSS OF LAND	-312 plots	25,027,421,750	1,668,495	Final Revised Conceptual Design to 23m wide all along the road
A2.	LOSS of HOUSES & OTHER STRUCTURES	Primary:	1,539,724,034	102,648.27	
		Secondary:	10,728,645,390	715,243.03	
		<b>Subtotal (A2)</b>	<b>12,268,369,424</b>	<b>817,891</b>	
A3.	LOSS OF CROPS & TREES	D-1 Crops	200,000	13.333	
		D-2 Fruit trees	24,410,000	1627.333	
		D-3 Industrial trees	4,680,000	312.000	
		D-4 Decoration trees	70,790,000	4719.333	
		<b>Subtotal (A3)</b>	<b>100,080,000</b>	<b>6,672.00</b>	
A4.	IMPACT ON BUSINESS AND INCOME	Displace businesses	80,000,000	5,333	
		Temporary affected businesses	2,330,000,000	155,333	
		<b>Subtotal (A4)</b>	<b>2,410,000,000</b>	<b>160,666</b>	
A5.	LOSS OF PUBLIC FACILITIES	G-2 Eyes Hospital	16,614,488	1,107.63	STP-H162
		<b>Subtotal (A5)</b>	<b>16,614,488</b>	<b>1,107.63</b>	
A6.	LOSS OF COMMON PROPERTY RESOURCES	Government land			No compensation. To sign the agreement between the PMU/DOR and the state land occupiers or GOL agencies using the land.
A7.	ASSISTANCES		300,000,000	20,000	
A8.	INCOME RESTORATION		944,000,000	62,933	
	<b>Total Compensation and Mitigation (A)</b>		<b>41,083,100,150</b>	<b>2,738,872</b>	
<b>B.</b>	<b>Public Utility Relocation</b>		<b>17,524,665,000</b>	<b>1,168,311</b>	The costs for public utility relocation will be included in the BoQ and work contract. Not summed up in this table
<b>C.</b>	<b>RAP Implementation and Monitoring</b>				
C1.	RAP Implementation		4,500,000,000	300,000	
C2.	RAP Implementation Monitoring (PTI)		2,250,000,000	150,000	
	<b>Total RAP implementation and monitoring (C)</b>		<b>6,750,000,000</b>	<b>450,000</b>	
<b>D.</b>	<b>Contingencies (20% of subtotal (A))</b>	For issuance of the new land titles, livelihood restoration, temporary	8,216,620,030	547,774	This fund shall not cover costs of impacts (loss and damage) caused by the contractor

No.	Items as listed in the Entitlement Matrix	Description	Amount Exchange rate @15,000 Kip/USD		Remark
			LAK	USD	
		impacts on businesses, impacts associated with modification of the design and livelihood restoration support.			himself (contract machine and vehicle operation and their workers misconduct) and prolonged delay in its work with construction materials and excavated side ditch left opened blocking and making PAP business unable to continue.
<b>Grand Total (A+C+D)</b>			<b>56,049,720,180</b>	<b>3,736,647</b>	

109. The budget for compensation has taken into account the fact that the road passes through the densely populated business area of Sikhottabong district. In order to reduce the cost, PMU has agreed modifying the conceptual design as shown in the following Table.

Table 22: Agreed solutions for reducing the compensation costs of involuntary resettlement impacts

Km	Factors	Agreed Solutions
06+000	The road was designed with a width over 23 meters in order to widen the three-way junction; Bus bay km6+300 (L) width=28m; Three Junction Km6+830-7+00 width=30m	Remove the bus bay in question because 300 meters(L) from that location there is another bus bay has been designed on a temple's land and revised the car parking at Sikhai market to avoid private land's impact. Thus, the road width of the junction area should be reduced to 23m wide completely
07+000	The road was designed with a width greater than 23 meters in order to widen the three-way junction and the bus bay; Bus bay km7+150 (L+R) width=27m; Three junction Km7+00-7+100 width=30m; Three junction Km7+700-7+875 width = 29 m	Reduce the road width of the junction area that exceeds 23 meters and remove all of bus bay at this km 7.
08+000	The road was designed with a width higher than 23 meters in order to widen the three-way junction; Bus bay km8+250 (R) width=28m; Three junction Km8+275-8+550 RoW=32m	Reduce the road width of the junction area where it exceeds 23 meters on the right side since it is comprised of private land, but the left side could be revised widened as far as suitable since it is public land
09+000	The bus bay is proposed for a densely populated area; Bus bay km9+500 (L+R) width=28m	Change the bus bay's location to the temple's land at km 9+00
10+000	The road was designed with a width greater than 23 meters in order to widen the three-way junction; Three junction Km10+350-10+575 width=32m; Three junction Km10+925-10+125 width = 32 m	Reduce the road width of the junction area where it exceeds 23 meters on both side, especially km10+750+10+775 of the left-hand side. The loss of cultural and religious assets might happen in this area so the Project revised the design to 21 ssm wide at this location

Km	Factors	Agreed Solutions
11+000	The road was designed with a width greater than 23 meters in order to widen the three-way junction and the bus bay; Bus bay km11+300 (L+R) width=28m; Three junction Km11+400-11+700 width=30m	Reduce the road width of the junction area to 23 meters and remove all bus bay and pedestrian sky bridge.

## 14.0 MONITORING, EVALUATION AND REPORTING

### 13.1 MONITORING AND REPORTING

110. The PMU has the responsibility to supervise the preparation and implementation of the resettlement plan and monitor and report on all land acquisition, compensation and resettlement activities carried out at the provincial, district and village levels. Internal monitoring will assess (i) compliance with agreed resettlement policies and procedures; (ii) the availability of resources and efficient, effective use of these resources; and (iii) requirements for remedial actions.

111. The monitoring should also focus on (a) assessing if mitigation measures and compensation are sufficient, (b) identifying methods of responding immediately to mitigation problems through remedial actions, (c) smooth transition between the resettlement activities and start of civil works, (d) updates of complaints overviews and their management by applying the grievance redress mechanism, (d) following-up of contract with contractor concerning social and environmental safeguard requirements (preference for AH for job opportunities) and (f) others, as necessary.

112. During the construction period monitoring will also cover the work of the contractor in ensuring that no damage has been done to property/land during construction work and/or are reinstated as part of the contractually required rehabilitation and construction work.

113. RAP will be monitored on a monthly, quarterly and annual basis by the PMU and PTI with the support of the Safeguards Specialists. Financiers Team will monitor RAP implementation progress and Project's impacts during the periodic supervision missions.

Table 23: Indicators for Monitoring and Reporting of RAP implementation

No.	Indicator	Target	Monitoring and reporting main responsibility	Reporting period
1.	Acquisition of land, buildings, trees and crops	100% of the relocated households are compensated and moved out from the area  At least 95% of other AHs received compensation	Social Safeguard specialists of Supervision Consultant  PTI	Monthly, quarterly and annual

No.	Indicator	Target	Monitoring and reporting main responsibility	Reporting period
		before the start of the civil work		
2.	Relocation of public utilities	75% before the start of the civil works	Contractor PMU Social Safeguard specialists of Supervision Consultant	Monthly, quarterly and annual
3.	Impacts on businesses	100% after the completion of the construction work	Social Safeguard specialists of Supervision Consultant PTI	Quarterly and annual
4.	Compensation and rehabilitation and re-establishment of community resources (temple fence)	100% before the start of the civil work at the respective section of the road	Social Safeguard specialists of Supervision Consultant PTI	Monthly, quarterly and annual
5.	Number of government agencies, civil society organizations, ethnic people's groups and other stakeholders that have been involved in the RAP implementation	Members of grievance committee and focal person is the representative of the district Lao Front for National Development	Social Safeguard specialists of Supervision Consultant PTI	Monthly, quarterly and annual
6.	Number of engagement (Meetings, workshops, consultations, telephone calls) with stakeholders during the RAP preparation, implementation and monitoring	At least 75% of the representative of each AH attended consultation meetings. The remaining are reached by phone calls	Social Safeguard specialists of Supervision Consultant PTI	Monthly, quarterly and annual
7.	Grievances handling mechanism how grievances are received, and results communicated to all stakeholders	Grievance log detailing the types of grievances updated on a monthly basis. At least 70% of grievance cases are resolved every month	Environmental, Social Safeguard specialists of Supervision Consultant PTI	Monthly, quarterly and annual

## 13.2 INVOLVEMENT OF COMMUNITY MEMBERS IN MONITORING ACTIVITIES

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114. The village authorities will be involved in monitoring of the project impacts and the implementation of mitigation measures routinely on a daily basis during the implementation of the civil works associated with the Project. During the monthly monitoring of the Safeguards Specialist and the periodic supervision missions by the financiers the villagers will be consulted on how they have been involved in the consultations on the Project impacts and its mitigation.

115. The local community members and the PAPs can take part in monitoring of the RAP implementation, the environmental and social impacts of the civil works, the quality of the civil works as well as the Contractor's performance through village grievance redress mechanism that will include a representative of the PAPs.

## 13.3 RE

## 13.4 REPORTING

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116. The project impacts and proposed mitigation measures will be immediately reported by the authorities of the affected villages to OPWT. **Reporting of project impacts can be verbally, via telephone or in writing.** After OPWT receives the information it will immediately investigate the impacts with the villagers and assist them to develop mitigation measures. However, if the impact is beyond the capacity of OPWT to mitigate it thus OPWT must contact DPWT for the advice and assistance. DPWT can seek advice from PMU and PTI. Within 5 working days the village authorities must be consulted to agree on the mitigation measures or reported on the actions that have been taken to resolve the project impacts. Communication with the village authorities must follow the preferred notification means stated earlier in Table 14. In addition, complainant can also call hot line of MTPC number 1458 to file their grievance.

117. On an ongoing basis, the Project will have a routine disclosure and consultation on the Project's performance on RAP implementation including grievances and other new emerging issues on the Project. The disclosure will be done to all stakeholders through periodic meetings and reports as well as village loudspeakers and social media on a monthly basis. The Social Safeguards Consultants will also provide inputs to the monthly and quarterly progress reports of ISWS on social impacts, grievances and stakeholders engagement. The annual monitoring report will be submitted separately on the social and environmental impacts of the project and finally at the end of the project the final or completion report on social and environmental impacts of the project is to be submitted to PMU and WB.