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PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

MINISTRY OF PUBLIC WORKS AND TRANSPORT
DEPARTMENT OF ROADS



The Southeast Asia Regional Economic Corridor and Connectivity Project(P176088)

**FEASIBILITY STUDY AND ENVIRONMENT AND SOCIAL
ASSESSMENT (ESA) STUDY FOR IMPROVEMENT AND
MAINTENANCE OF NATIONAL ROAD 2**

**Local Road Climate Resilient Improvement and
Maintenance in Oudomxay Province
(Local Road Number 1202 and 1867)**

VOLUME 6A

Abbreviated/Resettlement Action Plan (ARAP)

CONSULTANT:



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Abbreviations and Acronyms

AH	Affected Household
APs	Affected Persons
ARAP	Abbreviated Resettlement Action Plan
CR	Compensation and Resettlement
COI	Corridor of Impacts
DMS	Detail Measurement Survey
DoR	Department of Road
DONRE	District Office of Natural Resources and Environment
DPWTs	Departments of Public Works and Transport (provincial level)
DRC	District Resettlement Committee
DRO	District Resettlement Office
EA	Environmental Assessment
ECC	Environmental Compliance Certificate
ESIA	Environmental and Social Impact Assessment
EG	Ethnic Groups
EGEF	Ethnic Groups Engagement Framework
EGEP	Ethnic Groups Engagement Plan
EDPD	Environmental and Disaster Prevention Division
ESMF	Environmental and Social Management Framework
E&S	Environment and Social
ESS	Environment and Social Standard
ESU	Environmental and Social Unit
FGD	Focus Group Discussions
HHs	Households
IEE	Initial Environmental Examination
IP	Indigenous Peoples
IR	Involuntary Resettlement
GDP	Gross Domestic Product
GoL	Government of Laos
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
LAK	Lao Kip
Lao PDR	Lao People's Democratic Republic
LFND	Lao Front for National Development
LWU	Lao Women Union
MAF	Ministry of Agriculture and Forestry
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MPWT	Ministry of Public Works and Transport
NA	National Assembly
NEIO	Natural Resources and Environment
NTFPs	Non-Timber Forest Products
NUOL	National University of Laos
O&M	Operation and Maintenance
OPBRC	Output- and Performance-Based Road Contract

PAHs	Project Affected Households
PAPs	Project Affected Persons
PMU	Project Management Unit
PONRE	Provincial Office of Natural Resources and Environment
PRO	Project Resettlement Office
PRC	Provincial Resettlement Committee
PTI	Public Transport Institute
SEARECC	South East Asia Regional Economic Corridor and Connectivity
RoW	Right of Way
RPF	Resettlement Policy Framework
UXO	Unexplored Ordinances
WB	World Bank

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Definitions and Terms

- **Beneficiary** - all persons and households from the villages who voluntarily seek to avail of and be part of the Project.
- **Compensation** - payment in cash or in kind of the replacement cost of the acquired assets.
- **Cut-off Date** - the date prior to which the ownership or use establishes eligibility as displaced persons for compensation or other assistance. The cut-off date is established in the RP. It normally coincides with the date of the census of affected persons, or the date of public notification regarding the specific civil works that would cause displacement. Persons coming into the project area after the cut-off date are not eligible for compensation or other assistance.
- **Displaced persons** - refers to all of the people who, on account of the activities listed above, would have their (1) standard of living adversely affected; or (2) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and “displaced person” means any of the displaced persons.
- **Entitlement** – range of measures comprising compensation, income restoration, transfer assistance, income substitution and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.
- **Household** - means all persons living and eating together as a single social unit. The census used this definition and the data generated by the census forms the basis for identifying the household unit.
- **Income restoration** - means re-establishing income sources and livelihoods of PAPs to a minimum of the pre-project level.
- **Improvements** – structures constructed (dwelling unit, fence, waiting sheds, pig pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.
- **Land acquisition** – refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies¹.

¹ WB’s ESS5

- **Livelihood** - refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade and bartering².
- **Project Affected Persons (PAPs)** - includes any person or entity or organization affected by the Project, who, on account of the involuntary acquisition of assets in support of the implementation of the Project, would have their (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house and buildings, land (including residential, commercial, agricultural, plantations, forest and grazing land) water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily; and (iii) business, profession, work or source of income and livelihood lost partly or totally, permanently or temporarily.
- **Rehabilitation** - the process by which displaced persons are provided sufficient opportunity to restore productivity, incomes and living standards. Compensation for assets often is not sufficient to achieve full rehabilitation.
- **Replacement cost** is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive³.
- **Resettlement** – is the general term related to land acquisition and compensation for loss of asset whether it involves actual relocation, loss of land, shelter, assets or other means of livelihood.
- **Restrictions on land use** - refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected

² WB's ESS5

³ As above

areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones⁴.

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

⁴ WB's ESS5

Executive Summary

The Government of Lao PDR (GoL), through the Ministry of Public Works and Transport (MPWT), and with the assistance of the World Bank (WB) and the European Investment Bank (EIB) is implementing the Southeast Asia Regional Economic Corridor and Connectivity Project (SEARECC). *Sub-Component 1.2.* of SEARECC focuses on the rehabilitation of local roads in selected provinces, and this Abbreviated Resettlement Plan (ARAP) deals specifically with land acquisition impacts as a result of the proposed rehabilitation of Local Roads No. 1202 and 1867 of Namor District and Houn District, Oudomxay Province (22km + 40km = 62 Km). The project is implemented under an Output and Performance Based Road Contracts (OBPBC).

Details of the starting and ending points of these local roads are as follows:

- The local road no. 1202 starts from Keungkham Village to Teukar Village, Namor District, Oudomxay Province. This local road is 22 Km length that connects to provincial road no. 1A Teukar Village. The provincial road no. 1A has direct connect to the NR2E in Khua district, Oudomxay province.
- The local road no. 1867 starts from Phonesavanh Village to Somxay Village, Houn District, Oudomxay Province. This local road is 40 Km length that connects NR2W at Phonesavanh Village, Houn District, Oudomxay Province to the local road no. 1506, Viengphoukha district, Luangnamtha province.

The SEARECC local road rehabilitation follows a “Fence-to-Fence” approach, thereby avoiding land acquisition impacts as much as possible by rehabilitating within the existing road corridor. However, even with the Fence-to-Fence approach, there are some land acquisition impacts expected to structures such as wooden houses, porches and fences due to their proximity to the road corridor/Right of Way.

This ARAP identifies measures to ensure that PAPs are, (i) informed about and consulted on the proposed project and agree in principle with the Project; (ii) informed about their options and rights pertaining to land acquisition impacts; (iii) consulted on, offered choices among, and provided with suitable compensation and/or resettlement alternatives; and (iv) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project.

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 (amended 2015), the Land Law (updated in 2019), the Road Law 1999, the Law on Handling of Petitions (Grievance Redress) No 035/President (2015), the Law on Resettlement and Occupation No 204/President (August 2018), the Decree 84 Compensation and Resettlement of the Affected People by Development Projects (April 2016), Decree No 207/GoL (2020) on the ethnic affairs, Decree 389/GoL dated 20 October 2022 on the on Environmental Impact Assessment, Public Involvement Guideline by MONRE (2012). WB Environmental and Social Standards (ESS) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, also applies. The Decree (No. 84/GOL, 2016) is largely consistent with the main

principles of the World Bank's ESS5. However, where there is a gap between the Lao legal framework and the ESS5 of the WB, the ESS5 will prevail.

Given the Fence to Fence approach, there will be relocation of a shop in Somphone Village of Houn District. This shop can be re-established on the same plot of land that remains, no residential land, farmland and or agricultural land will be affected by this local road project. Unit price applied for calculation of the compensation cost is based on the similar WB project in Oudomxay province and it will be updated at the replacement cost to reflect the inflation rate as of the day of compensation payment.

Only a shop of 1 affected household along the Local Road No. 1867 in Houn District with the total affected people of 5 of whom 2 are females will be, This, affected household is the Khmu ethnic household.

The owner of the affected shop structure that needs to be relocated will be entitled to cash compensation at replacement costs of about USD 4,845. This is a grocery shop that can be re-established on the same plot of land behind the demolish one, along the road side. The owner is also entitled to receive transition subsistence allowance in cash equivalent to 16 kg of milled rice at current market value for 6 months per household member with the total cost of USD 75. Additionally, a 3-month cash compensation equivalent to average revenue for the business over the previous 12 months equivalent to USD 562.50 will also be paid to the shop owner. The owner of this affected shop is still entitled to be compensated even if the shop has been demolished after the DMS survey.

Public consultations have been carried in the villages along the 2 local roads No 1202 and 1867 in May and September 2022 and January 2023 with 513 residents of whom 176 were females. After public consultation separate meetings have been carried out with the heads of the 88 affected households to inform them about the result of the detailed measurement survey, their affected structures and their entitlements.

Grievances related to the implementation of this ARAP will be managed by the Grievance Redress Committee (GRC) through the Project GRM and the process will follow grievance procedures presented in Figure 4. PAP can make complaint or appeal on all aspects of project design and implementation, including issues related to resettlement in written form or verbally and it can be anonymous if the PAP does not want to disclose itself. Local translator will be used to help the ethnic complainant who cannot communicate well in Lao language.

The cut-off date was declared by MPWT on 2 August 2022 and announced by the village authorities on the ineligibility to compensation of those who build and extend their structures

beyond the cut-off date. Compensation of PAPs cannot commence until GOL and WB has approved the final ARAP, and the road work will not start until the compensation is completed.

The internal monitoring of the project land acquisition, compensation and resettlement work will be organized by the Project Resettlement Office with provision of overall guidance from TD/DoR and/or EDPD/PTI of MPWT for road subprojects. The Project will hire the supervision consultants including an environmental and social specialist who will assist the TD/DoR and/or EDPD/PTI of MPWT and the Project Resettlement Office, on matters related to resettlement and land acquisition.

The total budget for compensation is estimated at **LAK 125,808,000** (Exchange rate 1 UDS= 16.000LAK) or equivalent to **USD 7,675**. It will cover compensation of the 1 affected structure of a shop (USD 4,845.00), affected business of 1shop (USD 562.50), transition subsistence allowance for the affected shop (USD 75), and 40% contingencies for the travel costs for inflation rate adjustment, settlement of compensation payment, internal monitoring of the implementation of this ARAP, relocation of public utilities if future impacts are identified and etc. (USD 2,193).

Along the local road no.1202 the contractor needs to pay extra attention at the chainages of km 5, 13, 16, 17 and 20, while along the local road no. 1867 extra attention also needs to be paid at the chainages of km 0 to 8, 14, 16, 17 and 24 to avoid impacts on 22 and 53 primary and secondary structures along the roads no. 1202 and 1867 respectively.

1 Project Description

The Government of Lao PDR (GoL), through the Ministry of Public Works and Transport (MPWT), and with the assistance of the World Bank (WB) and the European Investment Bank (EIB) is implementing the Southeast Asia Regional Economic Corridor and Connectivity Project (SEARECC). **Sub-Component 1.2.** of SEARECC focuses on the rehabilitation of local roads in selected provinces, and this Abbreviated Resettlement Plan (ARAP) deals specifically with land acquisition impacts as a result of the proposed rehabilitation of Local Roads No. 1202 and 1867 of Namor and Houn districts respectively, Oudomxay Province (22km + 40km = 62 Km). The project is implemented under an Output and Performance Based Road Contracts (OBPBC).

The SEARECC project aims to improve regional and domestic trade and climate resilient transport connectivity along an East-West corridor in Lao PDR, and to provide an immediate and effective response in case of an Eligible Crisis or Emergency. The SEARECC Project consists of 5 Component as follows:

(a) Component 1: Lao PDR and Regional connectivity

Sub-Component 1.1: National Road No. 2 West (NR2W) climate resilient improvement and maintenance supports the improvement and maintenance of the condition, safety, and climate resilience of selected sections of NR2W to meet the Asian Highway Class III standards: including widening of the road from 6 metres to 8 meters (6 meters of the carriageway and 2 meters of shoulders-one meter each side). The Output and Performance Based Road Contracts (OPBRC), with 3 years for construction and 7 years for operations and maintenance will be used.

Sub-Component 1.2: Local Road climate resilience improvement and maintenance supports the improvement and maintenance of climate resilience and safety of selected local roads in Phongsaly, Oudomxay, Luang Namtha, Xayabouly, and Luangprabang. The output performance-based contract (PBC) approach will be used for maintenance.

Sub-Component 1.3: Improvement of the border crossing facilities supports the improvement of the border crossing facilities road NR2 at (a) Pang Hok in Phongsaly bordering with Dien Bien Phu, Vietnam and (b) Muang Ngeun in Xayabouly bordering to Nan Province, Thailand.

Sub-Component 1.4: Implementation support and supervision consultant will receive financial support in provision of (a) implementation and supervision consulting services for the design and supervision of the NR2, local roads, and cross-border facilities improvement, and (b) improving local road maintenance planning and financing systems, with incorporation of local agriculture potential.

(b) Component 2: Logistics services development and border-crossing management

Sub-component 2.1: Logistics facilities development supports MPWT to improve the efficiency and competitiveness of logistics services development and border-crossing management in the economic corridor.

Sub-component 2.2: Regional integration and cross-border transport agreements will support the GoL to improve cross-border transport efficiency.

Sub-component 2.3: Strengthening capacity CIQ and Border Management will include technical assistance, capacity building and equipment.

(c) Component 3: Strengthening institutional capacity and the regulatory framework in agriculture, transport, and investments planning

Sub-Component 3.1: Support on agricultural trade and SPS Management led by the Department of Agriculture (DOA) at the Ministry of Agriculture and Forestry (MAF), it includes (i) Capacity development to improve the efficiency of agricultural trade; and (ii) Capacity Building for Sanitary and Phytosanitary (SPS) Management to build the capacity of MAF, Ministry of Health (MOH), Provincial and District Agriculture and Forestry Offices and border checkpoints for compliance of SPS requirements and reduce trade barriers in the targeted provinces and districts.

Sub-Component 3.2: Institutional capacity development for transport sector led by Department Planning and Finance, MPWT, includes training, office equipment, and technical assistance, it includes (i) Multi-modal transport technical assistance; (ii) Supporting the implementation of road safety action plans and (iii) Strategic Capacity Building Program (SCBP).

(d) Component 4: Project Management

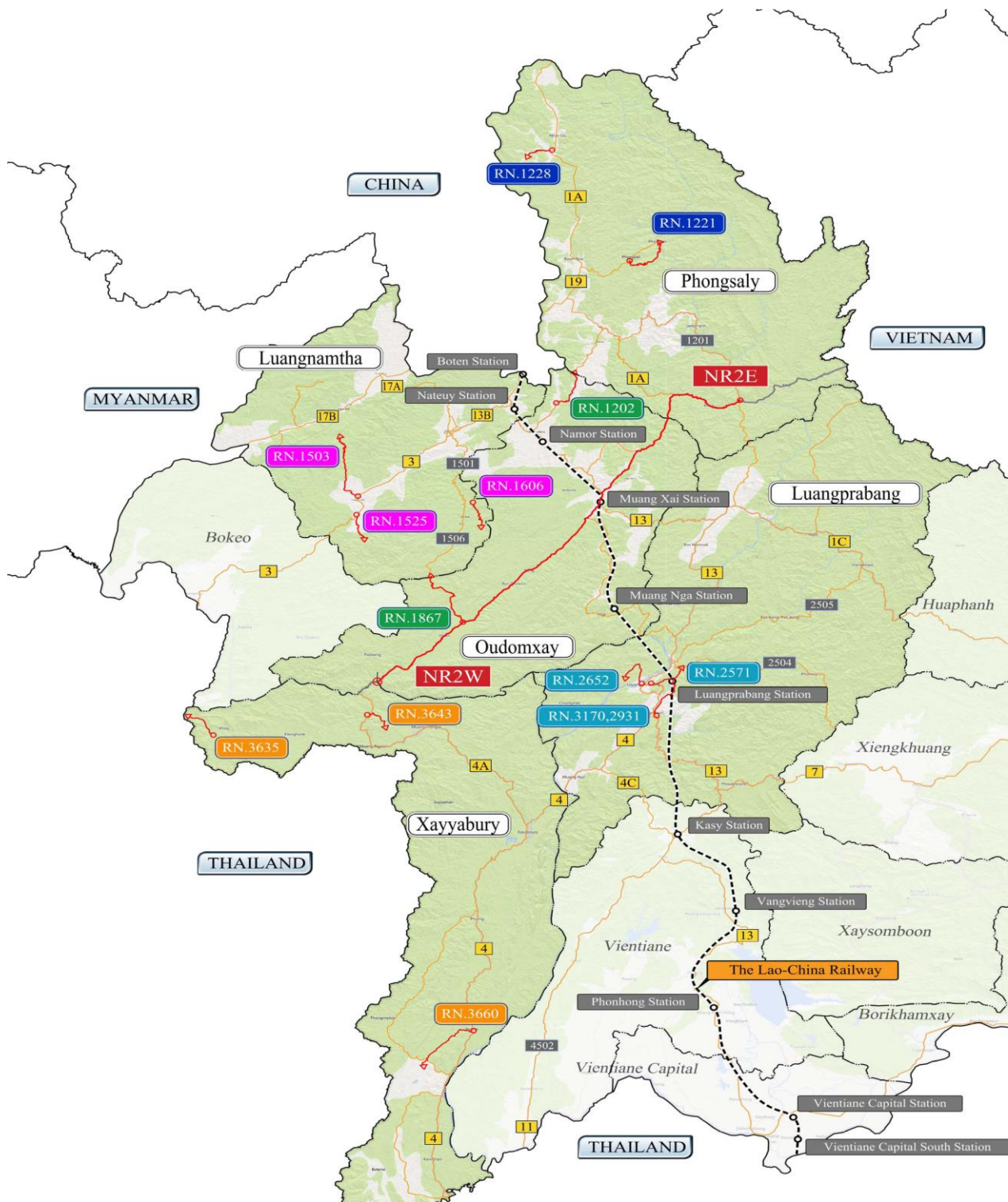
This Component will provide technical and operational assistance for strengthening the environmental and social capacity of agencies, day-to-day management, monitoring and evaluation of the Project, and the carrying out of technical and financial audits, among other things.

(e) Component 5: Contingency Emergency Response

This component will provide an immediate response to an eligible crisis or emergency, as needed. In the event of an eligible crisis or emergency, the World Bank can re-allocate project funds to support emergency response and recovery.

1. The 2 local roads in Oudomxay Province include 1202 in Namor District with the length of 22 Km and 1867 in Houn District with the length of 40 Km, (with total distance of 60 km). Details of the starting and ending points of these local roads are as follows:
 - The local road no. 1202 starts from Keungkham Village to Teukar Village, Namor District, Oudomxay Province. This local road is 22 Km length that connects to provincial road no. 1A Teukar Village. The provincial road no. 1A has direct connect to the NR2E in Khua district, Oudomxay province.
 - The local road no. 1867 starts from Phonesavanh Village to Somxay Village, Houn District, Oudomxay Province. This local road is 440 Km length that connects NR2W at Phonesavanh Village, Houn District, Oudomxay Province to the local road no. 1506, Viengphoukha district, Luang Namtha province.
2. The SEARECC local road rehabilitation follows a “Fence-to-Fence” approach, thereby avoiding land acquisition impacts as much as possible by rehabilitating within the existing road corridor. However, even with the Fence-to-Fence approach, there are some minor land acquisition impacts expected to structures such as fences due to their proximity to the road corridor/Right of Way.
3. It is expected that bioengineering solutions such as grass and tree planting will be used to improve slope protection along the road. The improvement and rehabilitation of these existing local roads will address the problem of traffic safety by installing road shoulder. In addition, installation of road signs, road markings, temporary parking places along the road, etc. will be advantage for road traffic management and road safety.

Figure 1. Location of Local Road Approved by DoR, MPWT



Source: DOR.MPWT, dated 16 Mar 2022. Ref No: 06348

Figure 2. Location of Local Road No. 1202, Namor District, Oudomxay Province

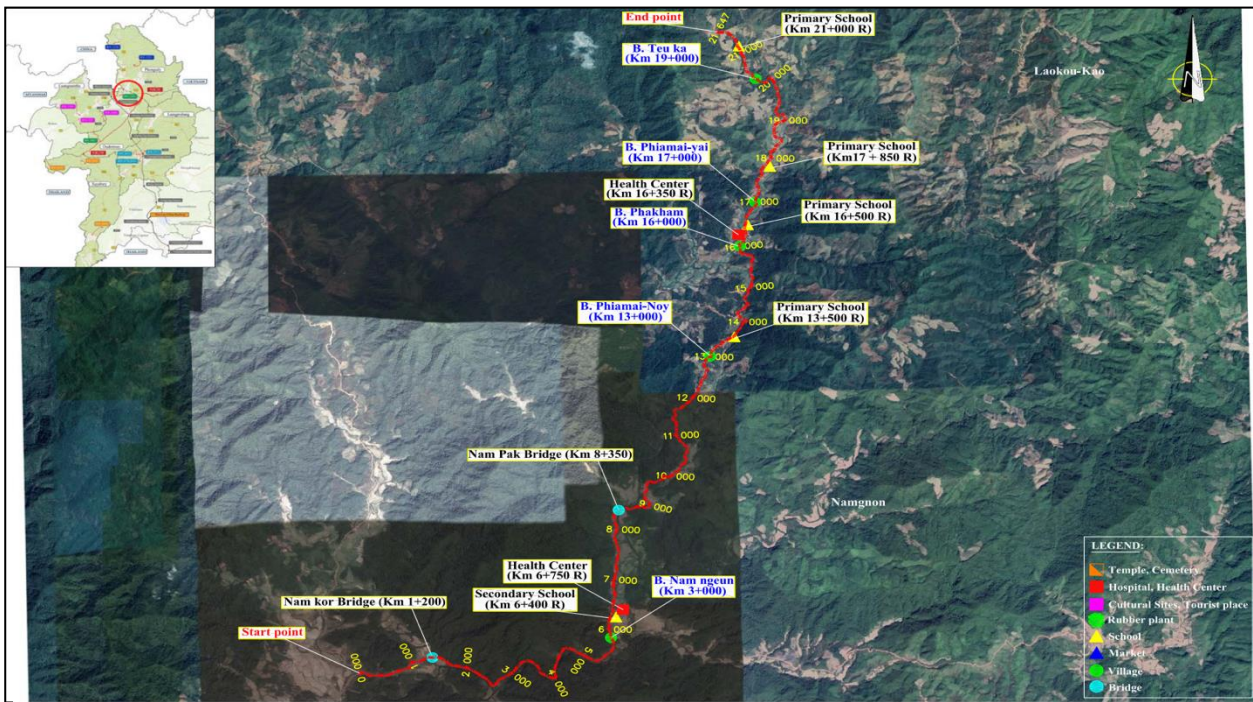
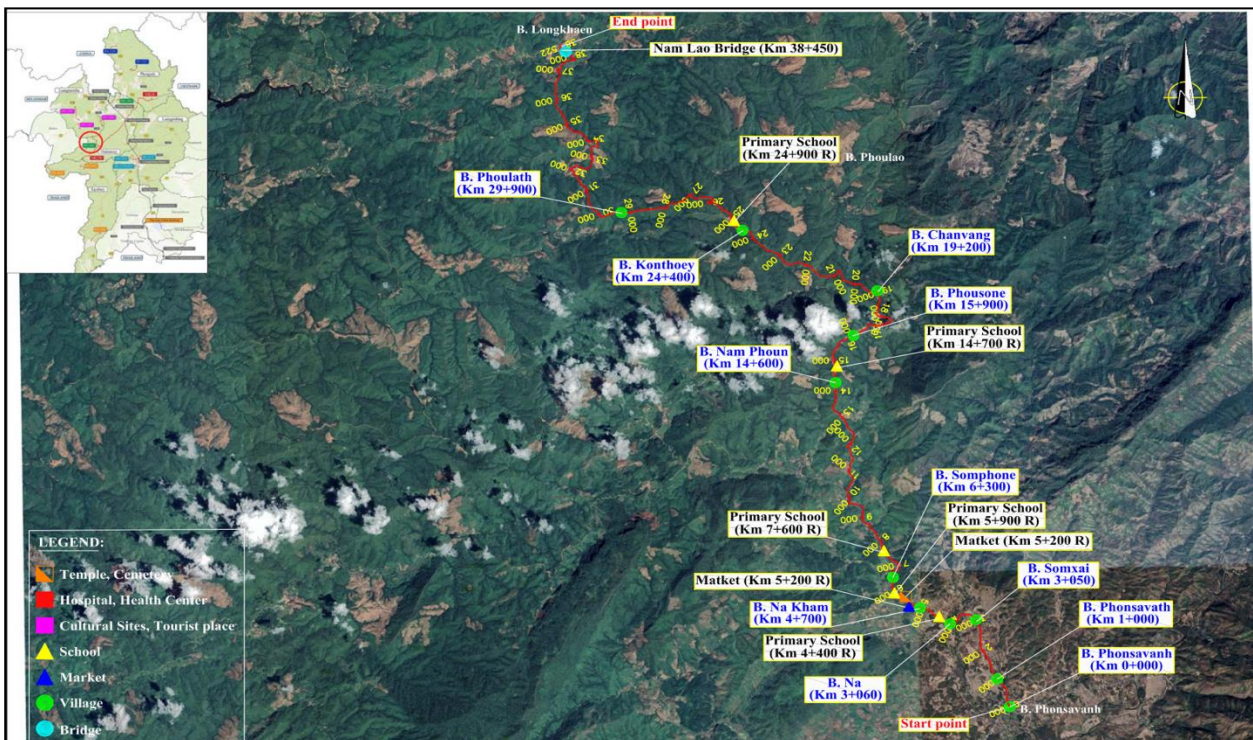


Figure 3. Location of Local Road No. 1867, Houn District, Oudomxay Province



4. This Abbreviated Resettlement Action Plan (ARAP) for the improvement and rehabilitation of local roads no. 1202 and 1867 of Namor and Houn districts respectively, Oudomxay Province Project (hereafter ‘the Project’) has been prepared by Lao Transport Engineering Consultant (LTEC) for the Ministry of Public Works and Transport (MPTW) of the Lao People’s Democratic Republic (Lao PDR) and follows the national regulatory requirements as well as the World Bank’s Environment and Social Framework (ESF) requirements and in compliance with the World Bank’s ESS5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement and Decree 84 of the Lao Government, and the updated Decree on Environmental Impact Assessment (2022).
5. This ARAP identifies measures to ensure that PAPs are, (i) informed about and consulted on the proposed project and agree in principle with the Project; (ii) informed about their options and rights pertaining to land acquisition impacts; (iii) consulted on, offered choices among, and provided with suitable compensation and/or resettlement alternatives; and (iv) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project.

2 Lao Legal Framework and WB Requirements

6. 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 (amended 2015), the Land Law (updated in 2019), the Road Law 1999, the Law on Handling of Petitions (Grievance Redress) No 035/President (2015), the Law on Resettlement and Occupation No 204/President (August 2018), the Decree 84 Compensation and Resettlement of the Affected People by Development Projects (April 2016), Decree No 207/GoL (2020) on the ethnic affairs, Decree 389/GoL dated 20 October 2022 on the on Environmental Impact Assessment, Public Involvement Guideline by MONRE (2012).

2.1 Applicable Law

7. 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, amended 2015, describing very generally among others the (a) socio-economic system, (b) fundamental rights and duties of citizens, (c) local administrations, and (d) judicial organs.
 - 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.
 - 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.

- 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.
- The Law on Resettlement and Occupation (No. 86/NA, dated 16 June 2018 or No. 204/President, dated 01 August 2018) was developed based on the compensation and resettlement Decree (2016). The law, which applies for both government and private sector development projects, aims to define, regulate, manage and monitor resettlement and livelihood for Lao population of all ethnic groups to ensure that those who are in areas identified for resettlement and provided with stabilized residential and production land and occupation with ultimate goals to address illegal relocation, eliminate poverty, improve livelihood, security and social order, develop small villages into rural small towns contributing to national socio-economic development and national security
- 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.
- Decree 389/GoL dated 20 October 2022 on Environmental Impact Assessment replaces Decree No 21/GoL dated 31 January 2019 defines principles, regulations and measures 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.
- 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.

2.2 World Bank’s Environment and Social Standard 5 (ESS5) on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

8. ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement. ESS5 requires MPWT to:
- Avoid or minimize involuntary resettlement by exploring project design alternatives,
 - Avoid forced eviction,
 - Mitigate unavoidable adverse impacts from land acquisition or restrictions on land use through timely compensation for loss of assets at replacement cost and assisting displaced persons in their efforts to improve, or at least restore, livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher,
 - Improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure,
 - Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and informed participation.
9. The applicability of ESS5 is established during the environmental and social assessment stage. This ESS applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation:
- Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law.
 - Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures.
 - Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project.
 - Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date.
 - Displacement of people because of project impacts that render their land unusable or inaccessible.

- Restriction on access to land or use of other resources including collective property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas.
- Land rights or claims to land, or resources relinquished by individuals or communities without full payment of compensation (i.e., voluntary donations, which will not be considered by the SEARECC project activities); and
- Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

10. The Decree (No. 84/GOL, 2016) is largely consistent with the main principles of the World Bank's ESS5. However, where there is gap between the Lao legal framework and the ESS5 of the WB, the ESS5 will be applied.

3 Type of Impacts

11. The Fence to Fence approach, basically rehabilitating within the existing road corridor, has avoided land acquisition impacts that would involve relocation and impacts are therefore limited to structures and fences that are too close to the CoI.

12. The work for the local roads no. 1202 and 1867 will extend the existing road alignment from 5.5-6 meters where resettlement impacts and land acquisition are either unanticipated or minimal. The work has been conducted on existing roads with fence-to-fence approach where the road passing through community. No relocation of permanent houses, no residential land, farmland and or agricultural land will be affected by this local road project. Impacts on the primary and secondary structures that are expected include a shop as detailed in the following tables. Unit price applied for calculation of the compensation cost is based on the similar WB project in Oudomxay province that was approved in February 2022 and it will be updated to reflect the replacement costs and the inflation rate as of the day of compensation payment

Table 1. Shop to be affected by the project

No.	Village	Number	Actual area	Affected area	Percentage
Local Road No.1867 Houn District					
1	Somphone	1	51	42.5	83%
Unit price of house porch (LAK)		1,520,000			
Grand Total (LAK)		77,520,000			

Sources: DMS and Village Socio-economic data, January 2023.

13. Table 2 above shows that only 1 household in Somphone Village along the Local Road No. 1867 in Houn district will have a shop affected with the total compensation costs of **77,520,000 LAK** (Exchange rate 1 UDS= 16,000LAK) or equivalent to **USD 4,845**. This

is a grocery shop that can be re-established on the same plot of land behind the demolish one, along the road side. The owner is also entitled to receive transition subsistence allowance in cash equivalent to 16 kg of milled rice at current market value for 6 months per household member with the total cost USD 75. Additionally, 3month cash compensation equivalent to average revenue for the business over the previous 12 months equivalent to USD 562.50 will also be paid to the shop owner. The owner of this affected shop is still entitled to be compensated even if the shop has been demolished after the DMS survey.

Figure 4. Picture of the shop needed to be relocated, Houn District



4 Socio-economic Profile of Affected People

14. The project will affect 1 village in Houn District, Oudomxay Province. As mentioned earlier the affected shop is within the existing right of way, with a corridor of impacts (COI) at 5.5-6 (or 2.5-3 meters from the road centerline) and thus the impacts are limited to 1 shop Details information on the affected shop are summarized in this chapter.

4.1 Characteristic of the AH (Demography, Ethnicity and Religion)

15. Table 2 below shows that only 1 shop of a household with the total member of 5 people of whom 2 are females along the Local Road No. 1867 in Houn will be affected.

Table 2. Affected Households and Population

No.	District and Village	Total No. of Affected HH	Total population	Female
I. Local Road No. 1867- Houn District				
1	Somphone	1	5	2
Grand Total		1	5	2

Sources: DMS and village socio-economic data, January 2023

16. The affected people along local road No 1867 in Houn district is the Khmu. The Khmu is the Mon-Khmer linguistic group and with the exception of the female elderly of the Khmu ethnic group, the male elderly and the young generation of Khmu ethnic group, they are well integrated into the Lao society and they can speak and understand Lao language. Detailed information on the characteristics of the Khmu ethnic group is presented in the Ethnic Group Engagement Plan.

Table 3. Ethnic Groups in the Affected Villages/Households

No.	District and Village	Total No. of Affected HH	Khmu
II. Local Road No. 1867, Houn District			
1	Somphone	1	1
Grand Total		1	1

Sources: DMS and village socio-economic data, January 2023

17. The members of the household of this affected shop believe in animist who practice some spiritual activities for protection and lucks from spirits of their ancestors. When sickness, illness or bad luck happens, they organize ritual ceremony, slaughter animals such as cows, pigs and poultry depending in the severity of the illness and bad luck and offer alcohol to the spirits of their ancestors to help the family to overcome the bad lucks and illnesses.

4.2 Livelihood Activities and Vulnerable Households

18. The one affected household along local road no. 1867 in Houn District generates income from house building service by the husband and from selling drinks and groceries by the wife in the affected shop in front of their house. In addition, they also grow maize to the Chinese investor for export to China. On average the husband can provide service to build 2 houses and the labor cost is about 40,000,000 LAK per house while the average daily income from the shop is about 500,000 LAK with the profit of about 100,000 Kip.

19. The owner of the affected household has land use rights certificates for the agricultural land but not yet land title. The affected shop has been built within the RoW and thus has no land title, however, this shop owner is entitled to receive cash compensation for the affected structure, business compensation and transition allowance even if the shop has been demolished after the DMS survey.

Table 4. Main Occupations of the Heads of the AHs

No.	Village	Number				
		State officials	Employee of private sector	Business operator	Daily labor	
Local Road No. 1867 Houn District						
1.	Somphone	0	0	1	0	0
Grand total		0	0	1	0	0

Sources: DMS and village socio-economic data, January 2023

20. The Resettlement Policy Framework of the Southeast Asia Regional Economic Corridor and Connectivity Project (P176088) defines that disadvantaged/ vulnerable households are the following groups: 1) households below the poverty line established by the GoL, 2) households headed by elderly with no means of support; (3) female headed households, especially those below the poverty level; (4) households with a disabled member; (5) Ethnic groups; (6) children; and (7) landless without means of transport. In the project areas of local Roads No. 1202 and 1867, vulnerable groups are group of affected persons who are likely to be more adversely affected by land acquisition than others and who are likely to have limited ability to re-establish their livelihoods or improve their status.

21. Based on the above criteria, the affected household is not classified as vulnerable household as it is relatively a better off that can generate income from house construction, grocery shop operation and maize farming.

5 Eligibility, Entitlements, Compensations

22. Eligibility will be determined with regard to the cut off date (13/09/2022), which has been issued by Oudomxay Provincial Cabinet declaration No. 932/OP, Oudomxay dated 13/09/2022 stating that the construction of any structures within the RoW of different types of roads identified in the Road Law after this cut-off-date on the National Road, provincial road and district road will not be entitled to compensation and assistance under the Project.

23. The PAPs eligible for compensation and assistance under the Project include those 5 APs of whom 2 are females living in 1 affected household in Somphone village along the local road no. 1867 in Houn District shop will be affected permanently by the Project, and with temporary loss of income from the shop operation during demolishment and re-establishment of the new shop. The following entitlement matrix is developed based on the type of loss associated with the Project. 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 AH are considered as the affected people so they will receive different allowances as stated in the entitlement matrix.

Table 5. Entitlement Matrix of the project Affected People

Type of loss	Definition of AP	# of AH	# of PAPs	Entitlement
i. LOSS OF LAND				
A. Permanently affected				
A-1 Agricultural Land	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the Detailed Measurement Survey (DMS).	0	0	No AH has been identified during the DMS carried out in January 2023.
A-2 Residential Land	As above	0	0	The affected shop identified during the DMS carried out in January 2023 has been built within the RoW and thus has no land title. However, the owner will be entitled to compensation listed in items: C1, E1, E3 and F2.
B. Temporarily affected during the construction				
B-1 Agricultural Land	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the civil works	0	Unidentified yet	The Contractor must restore the temporary affected land area to the same condition within 7 days after the completion of the civil works.
B-2 Residential Land	As above	0	Unidentified yet	The Contractor must restore the temporary affected land area to the same condition within 7 days after the completion of the civil works.
ii. LOSS of HOUSES & OTHER STRUCTURES				
Permanently affected				

Type of loss	Definition of AP	# of AH	# of PAPs	Entitlement
C-1 House and shop and relocation is needed	Legal owner with land title or occupant with customary ownership certified by the village authorities identified during the Detailed Measurement Survey (DMS).	1	5	Cash compensation at replacement costs for the whole area of the affected grocery shop for building a new shop.
C-3 Secondary Structures	As above	0	0	Cash compensation at replacement cost
C-4 Secondary Structures	Public assets	0	0	Not identified during the DMS.
Unanticipated impacts	AP, as above, whose structure is impacted during construction		TBD during construction if applies	The Contractor will be responsible for restoring/repairing or constructing the secondary private and public structures to replace anything damaged or affected by the Contractor during civil works.
iii. LOSS OF CROPS & TREES				
D-1 Crops and trees	Owners	0	0	Not identified during the DMS.
iv. IMPACT ON BUSINESS AND INCOME				
E-1 Permanent prior to the construction	Legal owners of the shop who will lose their income from the relocated shop	1	5	Cash compensation equivalent to the average daily revenue for the business over the previous 12 months and with 3 months compensation of net revenue to re-establish business in another location
E-2 Permanent prior to the construction	Workers of relocated shops that will lose their income.	0	0	No worker identified for the relocated shop as it is family run shop.
E-3 Permanent during the construction	Legal owners of the shops that will be partly affected and need to be fixed	1	5	Cash compensation equivalent to the average daily revenue for the business over the previous 12 months and with 2 days compensation of net revenue to remove and repair the affected

Type of loss	Definition of AP	# of AH	# of PAPs	Entitlement
				portion of shop. Since the shop will not be relocated, business can commence as soon as repairs are completed.
E-4 Temporarily during the construction	Business owner and employee	0	0	No AH has been identified during the DMS carried out in January 2023.
v. ASSISTANCES				
F-1 Vulnerability Allowances	Affected households of the poor or single or elderly or disable (mental and physical) headed family with no labor for income generation or source of income.	0	0	Not identified during the DMS.
F-2 Transition subsistence allowance	Owners or renters of relocated shops	1	5	Cash assistance equivalent to 16 kg of milled rice at current market value for 6 months per household members
F-3 Transition subsistence allowance	Owners or renters of relocated house	0	0	Cash assistance equivalent to 16 kg of milled rice at current market value for 3 months per household members
F-4 Transport allowance	Owner or renter of relocated house and shop	0	0	Provision of dump trucks to haul all old and new building materials and personal possessions. PAP/PAH may also opt for cash assistance. The amount (cost of labor and distance from relocation site) to be determined during implementation
vi. USE AND ACCESS TO PRIVATE INDIVIDUAL HOUSES AND COMMON PROPERTY				
I-1 Access to house	Private individual		Will be identified	(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

Type of loss	Definition of AP	# of AH	# of PAPs	Entitlement
			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). A clause on these measures will be specified in the bidding document including the BOQ form and the work contract
I-2 Access to village offices, temples and cemeteries	Community facilities		Will be identified during the civil works	(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

6 Public Consultation, Participation and Information Disclosure

1. 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.

2. The main objectives of the consultation were to: i) consult on the draft of ARAP; ii) know the perception of local authority on the implementation of the project; iii) understand worries and concerns over the local road project; and (iv) to establish and seek for community support for the project implementation.

3. Public consultations were carried out in September 2022 and January 2023 with the total participants of 172 of whom 43 were females in the villages along the local road No 1202 in Namor District and with the total participants of 380 and of whom 147 were female participants along the local road No 1867 in Houn District. (Registration list of participants is available at LTEC)

4. After public consultation separate meetings have been carried out with the heads of the **1 affected household** to inform them about the result of the detailed measurement survey, their affected structures and their entitlements. (See appendix 2 on the results of DMS declared to the heads of each AH). The PAPs have been informed about their entitlements but compensation costs have not been agreed with them yet. After the final design, final DMS will be carried out to agree with the PAPs on the actual impacts as well as the total cost of compensation that will be at replacement costs endorsed by the provincial assembly and approved by the provincial governor.

Table 6. Summary of comments from the PAPs

Comments	Responses
I. General comments	
<ul style="list-style-type: none"> • All participants support this project and asked when will the project be commenced. The villagers have heard about it many times and want to see its materialization. It takes them long time to get access to health facilities and for the children to go the the secondary school. During the dry season it is very dusty and the uniform of the school children 	<p>The project is under its feasibility stage for the development of the design and other documents for mitigation of the environment and social impacts that is expected to be completed in July 2023. Then it will be the bidding process and compensation of the affected assets before the start of the project. The construction may begin sometime towards the end of 2023.</p>

Comments	Responses
<p>change the color after arrive home and it is costly to wash dirty clot of their children every day. During the rainy season the villagers face difficulty to travel along the existing road because it is slippery especially it is risky for the pregnant women to travel along the road for pre-natal check up and for delivery of a newborn and it is also hard to transport seedlings and other agricultural inputs to their fields during the rainy season.</p>	
<p>II. Road design</p>	
<ul style="list-style-type: none"> The design should avoid impacts of the existing structures 	<p>The road design will avoid as much as possible to avoid relocation impacts on the existing structures in the villages. Where relocation cannot be avoided the relocated households will be entitled to cash compensation for the affected houses at replacement costs. In addition, they will also be entitled to transport and transition subsistence allowance.</p>
<p>III. Compensation</p>	
<ul style="list-style-type: none"> The villagers are willing to contribute minor resettlement impacts as they want to see the local roads be materialized because they want to have better access to their villages 	<p>Willingness in voluntary contribution is highly appreciated but the project has compensation approach that agreed by the government in the resettlement policy framework. This issue will be reported to the provincial and district grievance committees and consulted with relevant legal frameworks and the relevant standard of WB.</p>
<ul style="list-style-type: none"> Compensation of the affected assets 	<p>Compensation will be calculated based on the unit costs and the inventory of loss of the assets of each affected household. The unit rate for preliminary ARAP will use the approved unit rate of a similar project of WB in the northern province. Prior to compensation the unit rate will be updated at full replacement costs with consideration of the inflation rate.</p>
<ul style="list-style-type: none"> Additional impacts on the structures during construction period 	<p>List of structures in the sensitive sections have been prepared and it will be provided to the contractor. The Contractor will be asked to use manual work in the sensitive areas and if there were additional impacts the APs will receive compensation according to their entitlements.</p>

Comments	Responses
<ul style="list-style-type: none"> Access constraint to houses during the civil works 	The AHs will be provided with temporary access during the civil works and access to the house will be restored after its completion.

Table 7. Summary of the dates and Participants of Public Consultation Meetings in each Village

No.	Village	Date	No# of participant	No# of female	Ethnic group
Local Road No. 1202, Namor District					
1	Khouangkham	13.01.23	25	5	Khmu
2	Namngeun	13.01.23	40	18	Leu
3	Phiamainoy	14.01.23	37	11	Akha
4	Phakham	15.01.23	35	2	Leu & Hmong
5	Phiamaiyai	14.01.23	7	0	Akha
6	Teukar	15.01.23	28	7	Akha
Total			172	43	
Local road project no. 1867, Houn District					
1	Phonesavanh	07.09.22	34	9	Khmu, Lao Loum & Leu
2	Phonesavath	07.09.22	24	3	Lao Loum, Khmu & Hmong
3	Somxay	09.01.23	14	2	Khmu
4	Na	20.05.22	102	57	Khmu, Lao Lum
5	Nakham	20.05.22	44	31	Khmu, Lao Loum & Leu
6	Sompone	20.05.22	43	12	Khmu
7	Namphoun	09.01.23	28	11	Khmu
8	Phousone	10.01.23	16	1	Khmu
9	Chanvang	10.01.23	16	6	Khmu
10	Konethoey	11.01.23	20	1	Khmu
Total			341	133	
Grandtotal			513	176	

Sources: Field Survey for Village Socio-economic data, 20 May 2022, 7 September 2022 & 9-15 January 2023

5. The entitlements in the preliminary draft of this ARAP has been consulted with the heads of the affected household. The wife or the owner of the affected shop has been closely consulted and reassured that she will receive compensation even she has demolished her shop. After the approval of this ARAP, information disclosure will be done with both husband and wife of this affected household by the compensation payment committee. In addition, the entitlement matrix in the ARAP will also be disclosed to other people living along the road side via village loud speakers and this ARAP will also be posted on MPWT's website⁵.

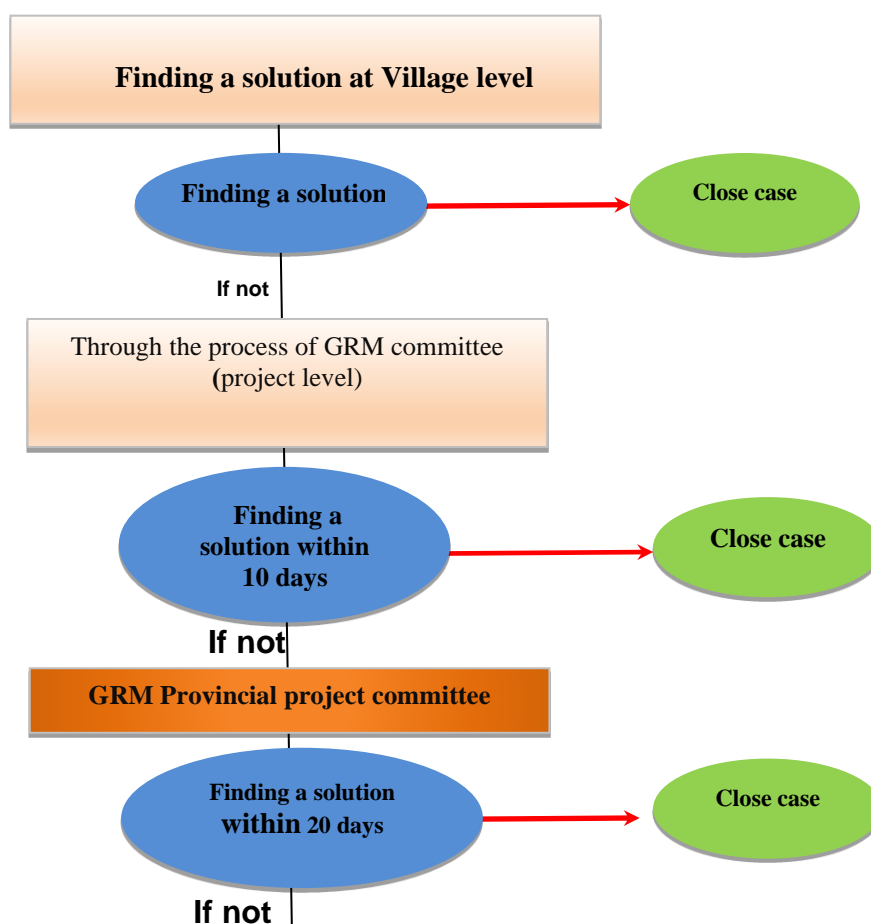
7 Grievance redress Mechanism

6. RAP/ARAP will establish means for affected persons to bring complaints to the attention of relevant project authorities. GRM is built on the existing national system with Village Mediation Unit/Committee in place in all villages and fiduciary structure from the district to national levels. Grievance procedures should include reasonable performance standards, e.g., time required to respond to complaints, and should be provided without charge to affected persons. The RAP/ARAP should also state other avenues available to aggrieved persons if the project-related procedures fail to resolve complaints. Article 23, 24, 25 of the Decree 84/PM requires the Project to establish an effective mechanism for grievance resolution. The Decree requires that the subproject proponent (i.e., DWPT) is responsible for setting up GRM and take actions to solve the issues.
7. The ESMF contains the full details on the GRM for the project. Grievances related to environmental and social issues from ethnic groups that result from Project activities will be resolved by the Grievance Redress Committee (GRC) through the Project GRM presented in Figure 4 in general. However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the EDPD/PTI Office or the Provincial Assembly, as provided for by law in Lao PDR. At each level grievance details, discussions, and outcomes will be recorded in a grievance logbook of which the template is provide in Appendix 7 of the ESMF. The status of grievances submitted, and grievance redress will be reported to DPWT management through the monthly report. The following GRM process will be applied:
 - a) *Stage 1:* If an affected person is not satisfied with the resettlement plan or its implementation, the person can issue oral or written complaint to the village committee or the District Resettlement Office (DRO). If the complaint is related to the contractor's performance concerning social or environmental risks, the village authorities or village level grievance committee would notify the Contractor immediately at the site and at the same time the supervision consultant would also be notified by phone call for prompt actions as it has been practiced by other road improvement projects for instance, the current NR13N Sikeut-Phonhong. The complaint can be anonymous. If it is oral

⁵ <https://www.mpwt.gov.la/en/ongoing-projects>

complaint, the village should deal with this complaint and make written records. Village committee or DRO should solve the complaint within two weeks.

- b) *Stage 2:* If the affected person is not satisfied with the result of step 1, he/she can file appeal with the Project Resettlement Office (PRO) after he receives the decision made in step 1. The PRO should make a decision within two weeks.
- c) *Stage 3:* If the affected person is not satisfied with the result of step 2, he/she can file appeal with provincial Resettlement Committee for administrative arbitration after receiving the decision made by the PRO. The administrative arbitration organization should make the arbitrated decision within 10 days.
- d) *Stage 4:* If the affected person is still unsatisfied with the arbitrated decision made by the administrative arbitration organization, after receiving the arbitrated decision, he/she can file a lawsuit in a civil court according to relevant laws and regulations in Lao PDR.



If the complaints have not been resolved, the affected person (AP) may choose to use the right under Lao PDR law to refer the matter to the Court of Justice at free will.

Figure 5. Grievance Resolution Flow Chart

8. Different ethnic groups in Lao PDR have their own spoken languages. However, the ethnic groups do not have written language. Lao letter is the only written language that different ethnic people use for communication. Thus the GRM process as well as grievance resolution flow chart will be translated into Lao language and will be disseminated via community meetings and printed out on poster and posted at the village offices, community halls, markets or temples where community members can easily see it. PAP can make complaint or appeal on all aspects of project design and implementation, including issues related to resettlement in written form or verbally and it can be anonymous if the PAP does not want to disclose itself. Ethnic translator will be used to help in communicating with the ethnic complainant who do not speak Lao. The Feedback Form will be developed under this Project and made available at villages in project areas including where PAP live, for use by PAP to raise complaints or grievances. PAP will be clearly informed of the complaint and appeal channels described above through village meetings and other channels. Media tools should be used to communicate the information. Opinions and suggestions on resettlement provided by various people and organizations should be documented and resettlement organizations at various levels should study and address these issues in a timely manner. The list of contact persons for GRM is summarised in the following table.

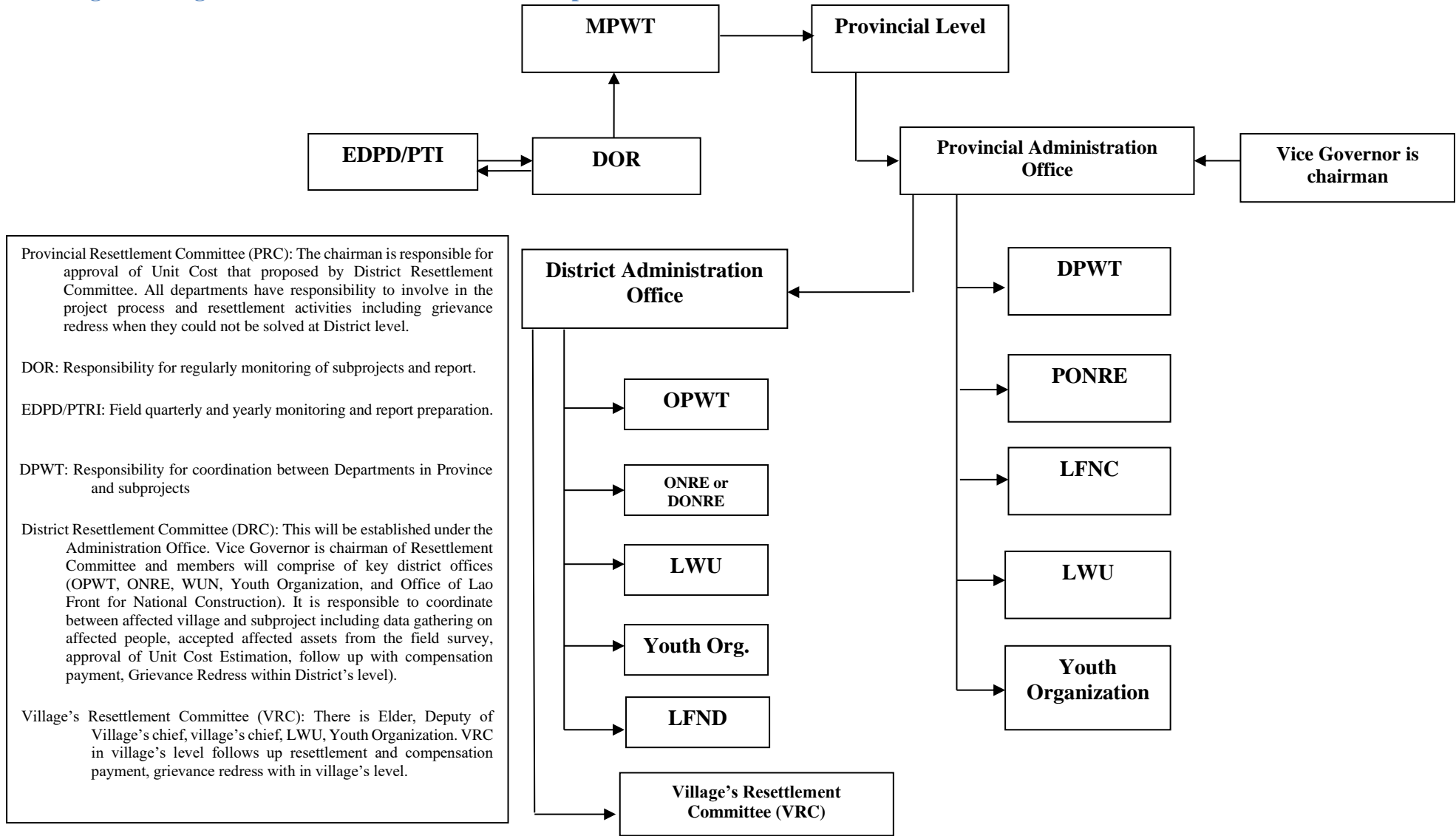
Table 8. List of contact person on grievance

No	Name	Office	Telephone
1.	Mr. Latsami	Houn District PWT Office	020 22377710
2.	Mr. Bounlian	Namor District PWT Office	020 99332201
3.	Mr Somphit	Namor District PWT Office	020 98816160

9. The organizations addressing the affected people's complaint and appeal shall not charge any fee. Any expenses incurred due to complaint and appeal should be paid as unexpected expenses by the relevant project implementation agency. To make GRM more efficient and timely responsive, contact details including phone numbers of responsible site engineers and focal points at PPWTs will be provided in the project information leaflet to be prepared and distributed to all Project Affected Households (PAHs) and Project Affected Villages (PAVs). Experience from road projects in other countries suggest that phone call is more frequently used by affected people as most complaints raised are often related to to-day-to-day issues/impacts from civil work (e.g. dust, noise, road accidents and safety, construction materials and equipment left blocking access to PAHs, work delayed).
10. The communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanism or the WB's Grievance Redress Service (GRS). The GRS ensures that

complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaints to the WB's independent Inspection Panel which determines whether harms occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit www.worldbank.org/grs. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Figure 6. Organization for Resettlement and Compensation Committee for Road Works



8 Implementation Schedule

11. Compensation of PAPs cannot commence until GOL and WB has approved the final ARAP, and the road work will not start until the compensation is completed.
12. The implementation schedule for compensation activities is presented in the following table including (i) activities that have been completed to prepare the ARAP; (ii) resettlement implementation activities; and, (iii) ARAP monitoring activities.
13. 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 total costs for compensation of each affected household;
 - 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 PPWT; the Finance Division of PPWT to withdraw cash and handle it to the Project Grievance Committee for payment to the PAPs; and finally
 - v) The Provincial Grievance Committee to handle cash to the PAPs (both husband and wife) and PAPs must sign off the receipt of compensation payment.

Table 9. ARAP Implementation Schedule

No.	Mains Tasks	Responsible party	2022			2023				2024			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
I.	ARAP Preparation												
1.1	Preliminary DMS and socio-economic survey	LTEC Consultant											
1.2	Public consultation on the entitlements in preliminary draft ARAP with the PAPs	LTEC Consultant, PPWT, grievance committee											
1.3	ARAP approval by WB and MPWT	WB and DoR											
II	ARAP Implementation												

No.	Mains Tasks	Responsible party	2022			2023				2024			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2.1	Update and endorse the unit rate to reflect the current inflation rate as of compensation payment time	PMU, grievance committee											
2.2	Final consultation and agreement with PAPs on the final costs of compensation and the approved RAP	PMU, grievance committee											
2.3	Compensation payment	Grievance Committee and PPWT											
2.4	Demolishment of the affected structures	Grievance Committee and PPWT											
2.5	Award of civil work contract	DoR											
III.	ARAP Implementation Monitoring												
3.1	Monitoring of compensation payment	PTI, Consultant											
3.2	Monitoring of grievances and grievance resolution	PPWT, Grievance Committee, Consultatnt											
3.3	Annual monitoring and reporting	PPWT, Grievance Committee, Consultant											

9 Monitoring and Reporting

14. To ensure the smooth implementation of RAP/ARAP and achieve its objective, the project will carry out resettlement monitoring and evaluation during the land acquisition process. If RAP is required, the monitoring and evaluation consists of two parts: the internal resettlement monitoring and the external resettlement monitoring and evaluation. For ARAP, only internal monitoring will be required.

15. *Internal monitoring:* The purposes of internal monitoring are to ensure the resettlement organizations at various levels can function soundly during the implementation of ARAP

and ensure the legitimate interests of the affected people will not be violated and the engineering work can progress smoothly. The internal monitoring of the project land acquisition, compensation and resettlement work should be organized by the Project Resettlement Office with provision of overall guidance from TD/DoR and/or EDPD/PTI of MPWT for road subprojects. The Project will hire the supervision consultants including an environmental and social specialist who will assist the TD/DoR and/or EDPD/PTI of MPWT and the Project Resettlement Office, on matters related to resettlement and land acquisition. To effectively monitor the work from inside, the personnel responsible for this work in the resettlement organizations will participate in the development and implementation of the ARAP. They will participate in the internal monitoring during the implementation of the ARAP. The contents of the internal monitoring include:

- a) Overall status of ARAP implementation and compensation
- b) Payment and use of the funds for land acquisition compensation and rehabilitation;
- c) Supports to the vulnerable groups;
- d) Schedule of the above activities;
- e) Implementation of policies and rules in the resettlement plan;
- f) Participation and consultation of the affected people during the ARAP implementation;
- g) Staffing, training, work schedule and resettlement operation at various levels.
- h) Status of grievances received and addressed;
- i) Recommendations/Actions to be taken

10 Costs/Budget

16. The total budget for compensation is estimated at **LAK 122,808,000** (Exchange rate 1 UDS= 16.000LAK) or equivalent to **USD 7675,50**. It will cover compensation of the 1 affected structure of a shop (USD 4,845.00), affected business of 1shop (USD 562.50), transition subsistence allowance for the affected shop (USD 75), and 40% contingencies for the travel costs for inflation rate adjustment, settlement of compensation payment, internal monitoring of the implementation of this ARAP, relocation of public utilities if future impacts and etc. (USD 2,193).

Table 10. Total Estimated Cost for Compensation

No	Description	No. of affected assets	No. of affected area	Unit cost (LAK)	Total in (LAK)	Total in (USD)
I	Structure					
1.2	Shop (concrete block with tile roof)	1	51.00	1,520,000	77,520,000	4,845.00
II	Affected business compensation					
2.1	3month cash compensation equivalent to average revenue for the business over the previous 12 months (business*month)	1	3	3,000,000	9,000,000	562.50
III.	Assistance to relocated shop					
4.3	6 months of transitional subsistence allowance equivalent to 16 kilo of rice per person in the family (month*pers)	6	5	240,000	1,200,000	75.00
	Total for compensation				87,720,000	5,482.50
IV.	Contingencies 40%					
5.1	Costs for compensation payment and internal monitoring process, utilities relocation, inflation adjustment				35,088,000	2,193.00
	Grand total				122,808,000	7,675.50

Remarks: Calculation is based on unit price of similar development project by WB in the province. Sources: DMS and Village Socio-economic data, January 2023.

17. The budget for compensation has taken into account the fact that the road passes through community area, some houses are so close to the road, the contractor needs to take extra care not to impact them. Thus, it has been agreed at the meeting with Oudomxay DPWT on 21 March 2023 that the contractor must be notified to pay attention on the sensitive sections listed in the following table. Pictures of the sensitive chainage of the roads 1202 and 1687 are shown in Annex 3.

Table 11. Sensitive sections needed extra attention to avoid impact on the structure along the 1202 local road.

No.	IOL Code	Station (Km)	L/R	Type of structure
1	NamNgeun Village			
1	NG 001	5+825	R	House porch
2	NG 002	5+850	R	Concrete house
3	NG 003	5+900	L	Fence
2	Phiamainoi Village			
1	PHMN 003	13+200	R	Rice barn
2	PHMN 004	13+250	R	Wooden house
3	PHMN 005	13+325	R	Rice barn
4	PHMN 006	13+375	R	Shop porch
5	PHMN 007	13+475	R	Wooden house
3	Phiamaiyai Village			
1	PHMG005	17+275	L	Wooden house
4	Phakham Village			
1	PHKH 010	16+310	L	Wooden house
2	PHKH 011	16+325	L	House porch
3	PHKH 012	16+350	R	House porch
4	PHKH 013	16+355	R	Shop porch
5	PHKH 014	16+450	L	Wooden house
5	PhiamaiYai Village			
1	PHMG 001	17+075	R	Wooden house
2	PHMG 007	17+325	R	House porch
6	Teukar Village			
1	TK 002	20+675	L	Wooden house
2	TK 004	20+700	L	Concrte house
3	TK 005	20+725	L	Wooden house
4	TK 006	20+775	L	Shop porch
5	TK 008	20+775	R	Wooden house
6	TK 009	20+825	R	House porch
7	TK 010	20+925	R	House porch

Table 12. Sensitive sections needed extra attention to avoid impact on the structure along the 1867 local road.

No.	IOL Code	Station (Km)	L/R	Type of structure
1	Phonesavanh Village			
1	PSVH 025	0+900	L	Fence
2	Na Village			
1	NA 001	2+300	R	Fence
2	NA 002	2+300	L	Fence
3	NA004	2+375	L	Fence
4	NA 019	3+580	L	House
5	NA 025	4+251	R	Fence
31	NA 031	4+575	R	House porch
3	Nakham Village			
1	NKH 002	4+825	R	Fence
2	NKH 004	4+950	R	Fence
3	NKH 007	5+225	L	Concrete house
4	NKH 012	5+275	L	House porch
5	NKH 014	5+280	L	House porch
6	NKH 015	5+325	L	Fence
7	NKH 016	5+525	R	Fence
8	NKH 017	5+530	R	Fence
9	NKH 018	5+330	L	Fence
10	NKH 019	5+380	L	Garage porch
11	NKH 021	5+410	L	House porch
12	NKH 023	5+625	R	House porch
13	NKH 030	5+810	R	Shop porch
14	NKH 031	5+710	L	House porch
15	NKH 034	5+990	L	Concrete house (incompleted)
16	NKH 035	6+025	L	Wooden house (incompleted)
17	NKH 036	6+610	L	House porch
18	NKH 039	6+200	L	Concrete house (incompleted)
4	Somphone Village			
1	SPH 002	6+360	L	Shop porch
2	SPH 003	6+400	L	Shop porch

No.	IOL Code	Station (Km)	L/R	Type of structure
3	SPH 007	7+575	L	Concrete house
4	SPH 010/ SPH 012	7+575	L	Shop porch
5	SPH 011	7+650	R	Shop porch
6	SPH 013	7+675	R	House porch
7	SPH 014	7+650	L	Shop porch
8	SPH 015	8+750	R	Fence
9	SPH 016	7+700	L	House porch
10	SPH 017	7+750	L	Fence
11		7+790	L	Elctricity pole
12	SPH 018	7+800	L	House porch
5	Namphoun Village			
1	NPH 001	14+775	R	Shop porch
2	NPH 002	14+800	L	2 storey concrete and wooden house
3	NPH 003	14+810	R	House porch
4	NPH 005	14+825	R	Wooden house
5	NPH 007	14+860	R	Wooden house
6	Phousone Village			
1	PHS 001	16+300	L	Rice barn Toilet
2	PHS 002	16+425	R	House porch
3	PHS 004	16+625	L	Shop porch
7	Chanvang Village			
1	VHV 001	17+675	R	Shop porch
2	VHV 002	17+675	L	Wooden house
3	VHV 003	17+700	R	Shop porch
8	Kontheoy Village			
1	KTH 004	24+950	R	House porch
2	KTH 005	24+920	L	Wooden house
3	KTH 006	24+955	R	House porch
4	KTH 007	24+930	L	House porch
5	KTH 008	24+975	L/R	House porch House porch