



**SUMITOMO MITSUI BANKING CORPORATION**  
**as Intercreditor Agent**  
**pursuant to the Common Terms Agreement**

**Nam Ngiep 1 Hydropower Project**

**Second Confirmation For Hoaysoup  
Resettlement Area and Status of 2LR  
Resettlers**

**NNP1/Ph.2/022**

**November 2017**

**AF-Consult  
Hydropower Plants**

**INNOVATION  
BY EXPERIENCE**





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- Annex 2 Updated REDP 2LR Entitlements Measuring the Suitability of HSRA for the Affected People
- Annex 3 Household Income Prospect Index Rating Scale



## Foreword

The present report illustrates the results of the site visit carried out by the Social Expert of the LTA in September 2017, in compliance with Clause 17.2(j) of the ADB Facility Agreement, as amended by 24 March 2015 Waiver Request Letter, which requires that *“Prior to the relocation of Hatsaykham, the Company shall procure that the Technical Adviser acting as the external monitor checks the site development and confirms to ADB that (i) the people affected by the development of Houay Soup resettlement area have been compensated and (ii) such site has been developed in accordance with the agreed updated REDP for Zone 3 and is suitable for the relocation of the affected people from Hatsaykham”*.

The process involved collection of primary and secondary data. Site inspection of physical facilities and interviews and focused group discussion (FGD) with selected AP and project staff provided the primary data. These activities were done on 17 to 24 September 2017. The primary data were also used to validate the secondary data collected from project monitoring reports and documents.



# **1 Executive Summary**

## **1.1 Second Confirmation of HSRA**

The mission was conducted partly in compliance with Clause 17.2(j) of the ADB Facility Agreement, as amended by 24 March 2015 Waiver Request Letter. It requires to confirm that the development of the Hoaysoup Resettlement Area (HSRA) has achieved the following:

- (i) the affected people (AP) of the development of HSRA have been compensated;
- (ii) the HSRA has been developed in accordance with the agreed updated REDP; and
- (iii) the HSRA is suitable for the relocation of the affected people in Hatsaykham.

This confirmation is done at ADB's request for the permanent resettlement of 50 2LR households in HSRA scheduled to be completed on 31 December 2017. Around 47 of them have relocated to HSRA at their request as temporary resettlers. The first review on 23-27 October 2016 was for the Hatsaykham HSRA resettlers.

### **1.1.1 Compensation of Zone 5 Project Affected Persons**

All the 94 owners of the 471-hectare land (i.e., land eligible for compensation) constituting part of the 6,056 hectare HSRA are compensated. They were paid cash as they preferred based on the indicative choice survey. The District Grievance Committee settled the case of two households who initially refused compensation. It ruled in favour of the claim of one household but not of the other household. The former was compensated. However, there are still 22 Hat Gniun villagers who continue to claim for compensation for land that is ineligible for compensation. This ongoing land dispute has affected the HSRA resettlers' use of the land allocated to them. Encroachment by Hat Gniun into Houaysoup were also brought up by the resettlers during the community meeting. A Task Force was formed by the Bolikhamxay Provincial Government (see attached decree) to resolve the issue.

### **1.1.2 HSRA Development and Compliance to Updated Zone 3 REDP**

The Updated REDP Zone 2 Lower Reservoir (12 October 2016) identified four types of losses: (i) structures, (ii) lands, (iii) community infrastructure and (iv) cultural resources. The entitlement matrix has 88 items to replace these losses and restore income. Forty are on physical development of HSRA, 23 of which are fully complied and 14 are partly complied. Most of the partly complied items are on community facilities. The entitlement of vulnerable households without sufficient labour for paddy field is likewise partly complied. Three entitlements (market, bus station and cemetery) are not complied.

Based on the various degrees of compliance, the HSRA is not yet fully developed according REDP requirements. The partly complied and un-complied items will not deprive the AP the living standard which is at least equal than the pre-project level except in two aspects. One is the HSRA health center which is not yet operational. Sopyouak had an operational health center although it did not have the quality structure and supplies as the one in HSRA. The other is the textbooks which are unavailable in HSRA schools. The 2LR schools did not have enough textbooks as the other rural schools in Laos but they had some. At the time of the visit, primary school students were using makeshift classrooms at the village hall while the classrooms are being



constructed. Teachers were also using the health center accommodations as temporary accommodations while those using teachers' accommodations have complained about structural defects and inadequate provisions in their rooms.

### 1.1.3 HSRA Suitability for the Relocation of Affected People

Since the Concession Agreement (CA) and the Financing Agreement have no parameters for HSRA suitability, the objective of the ADB 2009 SPS Involuntary Resettlement Safeguards was used as yardstick. This objective is attained not only by meeting the physical but also the economic, social and cultural requirements of resettlement including on the grievance redress mechanism. The REDP Zone 2LR has 20 entitlements to measure such suitability: 17 is economic suitability, one is social and cultural, respectively and another one on grievance redress mechanism. These entitlements are indicated by physical and activity milestones. Activity milestones complying the requirement but need continuous implementation to maintain it are confirmed to have on-going compliance. Only physical milestones and activity requiring no further actions are confirmed as fully complied.

Among the 17 economic entitlements, 13 have on-going compliance and 4 are partly complied. One of the provisions that is partly complied is on vulnerable households. Those with on-going compliance are income restoration activities including the resettlers' participation in programs and provision of livelihood inputs and opportunities. Among the partly complied entitlements are the resettlers' land title and a fully operational irrigation system. The social entitlement on participatory identification of land plots in HSRA is fully complied. But the cultural entitlement is only partly complied due to status of HSRA cemetery. The compliance on grievance redress mechanism is on-going.

### 1.1.4 General Conclusion

The mission confirmed the following: (i) all households affected by the development of HSRA are compensated; (ii) the level of development of HSRA is yet to fully comply to the REDP for Zone 2LR entitlement matrix; (iii) although the housing and physical facilities and accessibility of HSRA are better than in any of the four 2LR villages, it has yet to provide textbooks and an operational health center which were available in 2LR; (iv) the HSRA has fully complied with the social and grievance mechanism requirements but not yet fully compliant with the economic and cultural suitability requirements. The only outstanding issue is the resolution of the disputed lands in Houaysoup which continue to threaten the resettlers use of allocated land. Provided this is resolved, the conclusion is that the 2LR resettlers living HSRA can generally pursue their lives at the standards at least equal to the pre-project level except in the aspects of available textbooks and operational health center. ADB is requesting that a final check will be done in 2018 after the HSRA construction is completed.

## 1.2 Status of 2LR Resettlement

Resettling 2LR households is the greatest and most complex task of the project's resettlement effort. Given the constraints in 2LR, the project made significant progress between the last mission (June 2017) and this mission. The percentage of 2LR households who moved from one step of the resettlement process to another increased by 13 percentage points (from 74% to 87%) and 78% of the households already received their bank book. The project has paid a total of 38,694,831 USD to 2LR households as of 14 September 2017. The complaints arising with the compensation process are likewise handled with speed. Although the number of complainants and cases increased by 6.9% and 8.9%, respectively between June and September 2017, the number of cases closed also increased by 27.8% in the same period. The high resolution rate reflects the effectiveness of the strengthening measures that the project and government implemented.



Even with the performance of Grievance Redress Mechanism, ADB still received two complaint letters: one dated 30 March 2017 sent in behalf of 13 Namyouak and another dated 25 August 2017 from person claiming to represent the 2LR villages. The government through its mandate on the resettlement process responded to both letters upholding the legality and reasonableness of the compensation rates and the computation process. In spite of these complaints, 95% of the 2LR households made a decision between HSRA and self-resettlement, a 4%-increase from the June 2017. Around 84% of the households want to self-resettle but only 57% have actually resettled. Some are waiting for the Bolikhamxay government approval while others are waiting to harvest their rice crops. Namyouak has 88% of remaining households.

### **1.2.1 Status of 21 Resistant Households**

The 21 Namyouak households who refused asset registration finally relented in September 2017. They were 48 on the onset but their number whittled down to 21 who expressed to two demands in 30 March 2017 meeting with ADB representative: increase the unit rates of three dry land crops and pay in cash not through bank transfer. One has already signed the compensation agreement and 20 signify readiness to register their assets by 25 September 2017. Phom Nami Village, Pakading District (Xaysomboun) is preferred for resettlement by 20 having a Hmong community and 15 bought a land there. But the District authorities is withholding acceptance pending on receipt of certificate from their home district of Hom.

### **1.2.2 Status of HSRA Resettlers**

HSRA has already 47 of the 50 2LR households who chose to live there. This is 38% increase of the June 2017 number. Except for seven, the construction of HSRA houses for the 2LR HSRA resettlers are still in various stages of completion. These reasons were cited for the delay: (i) indecision and vacillation among 2LR households on their resettlement and housing plot preference; (ii) time used to procure the contractual construction services; and (iii) inability of many Lao construction contractors to meet the requirements of the project's contract. While 2LR resettlers' are still building and improving their houses, their living patterns are normalizing as seen in the following: (i) all resettlers received their paddy field and grazing land allocation and are farming; (ii) 25 households received their fruit tree and cash crop area allocation; (iii) all school-age children are in school; and (iv) those who moved to their permanent house are expanding it using their old house salvage materials; and (v) at least one household operates a shop.

The project and the government are supporting the resettlers. The project is providing agricultural inputs, training and employment opportunities and responding to complaints of construction defects of houses. The provincial government promulgated Decree No. 567 (03 August 2017) creating a special committee with two functions: (i) coordinate with local authorities, RMU, NNP1 and related offices to address emerging issues in HSRA; and (ii) address the encroachment into project land and continued private use of compensated lands. The district-level committee is also working to have an independent HSRA village before the year end.

The decree implementation and village establishment are expected to mitigate the encroachment of some Hat Gniun residents into HSRA. The 2003 Law on Local Administration gives the power to protect its natural resources and environment (Article 53) As a village, HSRA can draw its political boundaries and its official will have the authority to fend off encroachers. But the step to make HSRA a village may not be enough to stop the encroachment. The government is still searching for more effective ways to stop the encroachment.

The encroachers are cultivating plots within HSRA and preventing resettlers from cultivating theirs by removing their fences and letting lose domesticated ruminants. They are restricting the access to the land of the resettlers which they legally own. This is an outstanding issue which



remains as one of the project's greatest challenge. In addition to the issues of encroachment, the project has to address the following needs: (i) improved housekeeping in construction areas by removing standing water and protruding metal pegs; (ii) repair of broken faucet and sewer in the kindergarten school and construction defects in teachers' residence; (iii) text books for schools; (iv) an operational health center; (v) regulated resettlers' use of slopes; (vi) warning signs on risks of recreational use of irrigation dam and reregulation dam facilities and the project's non-liability in case of accidents; (vii) Hmong teachers in schools to support the preservation of ethnic culture; (viii) speedier development of community cohesion; and (iv) identification of households with unique type of vulnerability to provide customized interventions.

For the need of Hmong teachers, one solution is the Hmong teachers in 2LR who are in Bo Village and willing to teach in HSRA. The LTA agrees with the project and ADB that a community development officer (CDO) is needed for HSRA resettlers to evolve faster a cohesive community. The LTA suggests that CDO's tasks will include the following; (i) assist households form reciprocal and mutual-help relationships by matching labour deficit with surplus; (ii) facilitate collective actions of user-groups to respond to common concerns; (iii) organize people of common interest into groups to pursue this together and share know-how and inputs; (iv) mentor community leaders on administrative skills in anticipation of the formation of HSRA as a village; (v) link the community with resource institutions by matching community needs with possible assistance provider; (v) assist community groups organize traditional ceremonies and activities for culturally-significant events; and (vii) coordinate with the project to use community groups to disseminate information and technology, monitor progress; and respond to issues.

### 1.2.3 Status of Self-Resettlers

The number of 2 LR households opting for self-resettlement increased from 380 to 403 between the June and September 2017. Among them, 225 households have already resettled. Only 59 households did so in June 2017. Around 73.8% are in Xaysomboun and 24.0% in Bolikhamxay Province. In a meeting with 30 resettlers (5 women) in Boo and Nahaan Village, five observations are made: (i) restarting life in the new sites has begun with generally positive outlook; (ii) pre-eminence of paddy rice land as source of economic security with almost all having bought or planning to buy one; (iii) high level of life and livelihood skills making them less vulnerable to impoverishment; (iv) higher cash compensation received compared to the HSRA resettlers; (v) part of the new start is learning the wider use of cash, the Lao language (particularly children in school), features of the new foraging areas and to adapt to warmer weather. The self-resettlers recognized the usefulness of self-resettlement plan in making decisions and management of their compensation and of the skill learned on how to use of the banking system. Both serve them as a tool to navigate better the more monetized economy.

Three outstanding issues among self-resettlers are being resolved. On pending acceptance in Bolikhamxay, the provincial government just issued acceptance for 68 households. On the self-resettlers who remained to wait for their rice yield, the project expressed willingness to make transportation available for it after resettlement. On the fake documents submitted as part of the self-resettlement plan, the Special Task Force is assisting concerned households to get the approval of their chosen village. On coping with the expanded cash transactions, households are earning cash through fixed-term bank deposit, newly-opened enterprises and continued harvesting of cash crops still intact in the old village.

## 1.3 LTA Recommendations on Livelihood Restoration Effort

The project presented to the mission the challenges in restoring income. The identified challenges are part of the lessons learned after about two years restoration effort. The income restoration program is now at the center stage as resettlement is winding up and shifting effort to meeting the CA's 200% income increase target. A master-plan will be prepared by mid-2018 to produce more



predictable outcomes that will contribute to attain this target. The plan will have different approaches to different group of people. : (i) HSRA and Zone 5 Affected Households; (ii) Bolikhamxay Self-Resettled Households; and (iii) Xaysomboun Self-Resettled Households and 2UR Affected Households. In each of the locations, a separate approach should be developed for vulnerable households who may need specialized/individual coaching

To address better the challenges, the LTA recommends to include the following strategies in the plan: (i) emphasize more on building on and improving existing livelihoods and introducing less new ones; (ii) emphasize more on foundational and common inputs and less on dole-out inputs; (iii) introduce more new livelihoods geared towards internal market (iv) emphasize more market-driven production by getting orders first from buyers before producing; (v) strengthen market links by assisting traders rebuild their network disrupted by resettlement and support start-up traders; (vi) calibrate the amount and type of assistance to the livelihood restoration capability of the household or group to mitigate elite capture and economic inequality; and (vii) customize assistance to vulnerable households with low income baseline and high percentage growth potential.

The first step to operationalize these strategies is to characterize the households' income-generating prospect using the following indicators: (i) amount of compensation received; (ii) income-generating set of skills based on assets managed in old village; (iii) amount and percentage of compensation invested on agricultural land and business; (iv) amount and percentage of compensation put in fixed bank deposit; (v) educational attainment of household head (vi) number of working adults (aged 15-64 years) (vii) number of children (below 15 years) in the household; (viii) number of vulnerable adults (physically and mentally impaired and aged over 64 years old) in the household. Data on these indicators constituting the household's income prospect index will be drawn from the filled-up asset registration forms, compensation payment receipt and survey results. Additional indicators can be added based on relevance and data availability. An example of an additional indicator is the source and percentage contribution of women in the household. Annex 3 shows a draft instrument to convert these data into a rating scale through which every household will be rated and categorized into the following: 5 (Very High Prospect); 4 (High Prospect); 3 (Moderate) Prospect; 2 (Low Prospect) and 1 (Very Low or No Prospect).

The higher the household's rank in the income prospect index the lower is the project input required. A package of interventions (including women-specific interventions) will be designed by cohort to meet the CA target. A customized individual household intervention package will be made for those at the lowest cohort. The cohort-based and household intervention packages developed in close consultations with the beneficiaries will constitute part of the master plan. In this case the plan will roll-out assistance at three levels: (i) general; (ii) geographic-area; (iii) income generating-capacity cohort; and (iv) household.

#### **1.4 LTA Status and Recommendations on Monitoring Activities**

The data collected in social survey are still being processed. The project conducted a survey among self-resettlers which may be considered part of the company's self-monitoring program as provided in Clause 94 Annex C of the Concession Agreement (CA). The LTA agrees with ADB on the need to measure the extent the self-resettlers have restored their living standard and compliance to ADB's land-for-land requirement by including the following indicators: (i) replacement and non-replacement items acquired; (ii) number, floor area and cost of houses constructed; (iii) types and number of income-generating activities disaggregated by gender of the contributor; (iv) area and type of agricultural land acquired; and (v) yield of agricultural land per hectare by type of crop for areas which are already cultivated.

The replacement items are those which they bought to replace the ones they have in the old site but lost in the process resettlement (e.g., house). The non-replacement items are those which they



never had before in the old site but bought it as a new possession (e.g., four-wheeled motor vehicle). These indicators can be part of the two main indicators required by Clause 94 Annex C of the CA: livelihood development and restoration and outcome of livelihood programs. The LTA recommends that the survey will cover all self-resettlers in the project-influenced area.

The LTA will also correct in the succeeding reports the application of one Labor Law requirement on health and safety. The requirement is one health and safety unit for labor units with more than 100 employees not one employee responsible for health and safety for every 100 employees. The LTA prepares the report every six months until the Commercial Operating Date (COD)



## 2 Social Documents Received from NNP1PC

- LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)
- Letter of Yeer Yeng Xiong to ADB. Proposal of Compensation Justice Letter. 25 August 2017
- SMO Second Quarter Progress Report. April 2017. Nam Ngiep 1 Hydropower Project
- Resettlement and Ethnic Development Plan Updated Zone 2 Low Reservoir. 12 October 2016. (NNP1-C-KO203-RP-010-A)
- Notice to the Authorities of Nam Youak, Nong, Sop Pouane and Houay Panom Villages, representatives of 4 villages affected by Nam Ngiep1 Hydropower Project and population of 4 villages affected by Nam Ngiep1 Hydropower Project. Answer to Concerns on assets compensation of population of 4 villages affected by Nam Ngiep1 Hydropower Project. Ref No. 1088/CAB.XB. Xaysomboun .25 May 2017.
- Assembly of population of Xaysomboun Province. Letter to the Authorities of Nam Youak village. Complaint of Mr. Kou HER and population affected by Nam Ngiep1 Hydropower Project, Hom District, Xaysomboun Province who are not satisfied of compensation from the Project. Ref No. 728/SEC.AP.XB. Xaysomboun.11 August 2017
- National Assembly. Notification Letter to President of Assembly of population of Xaysomboun Province. Consideration of complaint of Mr. Kou HER representing population of Nam Youak village and population of 4 villages of Hom District, Xaysomboun Province affected by Nam Ngiep1 Hydropower Project. Ref No. 0272/NA. Vientiane Capital, 4 August 2017
- Xaysomboun Province Resettlement and Livelihood Restoration Committee. Nam Ngiep1 Hydropower Project. Reply letter to 13 Families of Nam Youak Village who submitted a letter to Nam Ngiep1 Hydropower during Project evaluation and monitoring on 30 Mars 2017 in Nam Youak Village, Hom District, Xaysomboun Province. Answer to the letter dated 26 November 2016 submitted to Nam Ngiep1 Hydropower on 30 June 2017. Ref No. 617. Xaysomboun, 26 June 2017
- Decree No.: 567/ຊຸຊ. Bolikhamxay Province. By Appointment the Land Effected Modify of PAPs Committee at HSRA, NNP1PC. Bolikhamxay, date, 03 August 2017



### 3 Services on Social Aspects in the Confirmation Process Period

#### 3.1 Home Office Work

The LTA Social Expert reviewed the documents received from the Project Company before the site visit. During and after the site visits, more documents were received and reviewed, and the present report was prepared.

#### 3.2 Site Visits

The site visit took place from 24- 28 September 2017 as per the following schedule:

Date	Activities
24 September (Sun)	Arrival in Vientiane
25 September (Mon)	09.30 – 12.00 Pick up mission member at his hotels and travel to NNP1 Paksan Office 12.00 – 13.00 Lunch in Paksan 13.00 – 15.00 Presentation: SMO Status of Activities 15.00 – 15.30 Coffee break 15.30 – 17.00 Q & A and Finalizing the Mission Schedule
26 September (Tue)	07.00 – 08.00 Pick-up mission member in the Hotel and Breakfast 08.00 – 10.30 Travel to Nahaan Village 10.30 – 12.00 Meeting with self-resettlers at Nahaan Village 12.00 – 13.00 Travel and lunch at Bo Village 13.00 – 15.00 Meeting with resettlers at Bo Village 15.00 – 17.30 Travel back to Paksan
27 September (Wed)	06.30 – 07:00 Breakfast and Pick-up from Hotel 07.00 – 08.30 Meeting with Bolikhamxay RMU 08:30 – 10.00 Meeting with Xaysomboun RMU 10:00 – 12:00 Debriefing by LTA/ADB Social Team 12.00-13.00 Lunch 13: 00- 15-30 Travel to Vientiane Departure from Vientiane

Persons met:

#### **NNP1**

Mr Vilayhak Somsoulivong- SMO Manager

Mr. Marcel Frederik- Social Development Specialist

Mr. Kenichi Tomioka- SMO Deputy Manager (infrastructure)

Dr. Phetdara Chanthala- SMO Deputy Manager (Social Development)



Mr. Phansamay Inphomma -Deputy Manager (Resettlement)  
Mr. Gerlee Chanoryia Architect- Team Leader Infrastructure Unit  
Mr. Pinthong Sophatthilath-Civil Engineering Team Leader Construction  
Ms. Khamkhing Inthavong -Team Leader Resettlement Preparation  
Mr. Thongsawath Keovichit- Team Leader Project Land  
Mr. Nilandon Thavonsouk- Team Leader Livelihood  
Mr. Vixam Manithong- Team Leader Grievance  
Mr. Vilaphanh Khanthavong- Officer Government Relations  
Mr. Siri Savayong Team Leader Infrastructure  
Ms. Soukitta - Team Leader Social Monitoring  
Mr. John Cockcroft- Construction Management Specialist

**HSRA Kindergarten and Elementary School Teachers**

Mr. Sork Xayyavong - Standing of School Deputy Director  
Ms. Pa Lee  
Ms Mone Souvan  
Ms. Phouthong Soudavanh  
Ms. Touy Phakham  
Ms. Phouvieng Sengsouliya  
Ms. Bouavanh Souvanhnavong  
Ms. Bouavanh Phiakeo  
Ms. Mon Souvanhnalath  
Ms. Lamkhong Souvanhdaly  
Mr. Khamkeo Khamboualien  
Mr. Phaivanhher PhaiXia  
Mr. ChanYang Chaivangman  
Mr. Jenney Veessouphun  
Ms. Bouavanh Phiakeo

**HSRA Resettlers**

Mr. BriaNengXiong - Elder chairman  
Mr. BounNamXiong - Village police  
Mr. Maithor – Resettler  
Mr. Thaivang - Clan leader  
Mr. CheuFongLor - Resettler  
Mr. PhiaVang - Teacher



Mr. Thongvang - Resettler  
Mr. TiaLor - Resettler  
Ms. MaiKorxiong - Resettler  
Ms. Phimmason - Lao Women Union Representative  
Ms. YengLor - Lao Women Union Representative  
Mr. LeeXiong - Elder  
Mr. PhoneSeeXiong – Village chief  
Ms. MaiVangHer - Resettler  
Mr. YerXiong - Resettler  
Mr. LarYang - Resettler  
Mr. XiongPaoYang - Resettler  
Mr. FongVang - Elder  
Mr. KouXiong - Resettler  
Ms. Sheher - Resettler

**2LR Self-Resettlers**

Bo Village: 10 Resettlers (2 Women)  
Nahaan Village: 20 Resettlers (3 Women)

**Bolikhamsay RMU**

Mr. Khamsing, Head RMU

**Xaysomboun RMU**

Mr. Boun Kan – Chair, Special Task Force 2  
Mr. Phon Sai – Head, RMU  
Mr. Oh Dom -Member, Special Task Force 2



## 4 Main Report

### 4.1 Second Confirmation of HSRA

The first confirmation review was done to fulfill the requirements under Clause 17.2(j) of the ADB Facility Agreement, as amended by 24 March 2015 Waiver Request Letter which provides that: *“Prior to the relocation of Hatsaykham, the Company shall procure that the Technical Adviser acting as the external monitor checks the site development and confirms to ADB that (i) the people affected by the development of Houay Soup resettlement area have been compensated and (ii) such site has been developed in accordance with the agreed updated REDP for Zone 3 and is suitable for the relocation of the affected people from Hatsaykham”*.

The Waiver Request Letter covers the resettlers from Hatsaykham but ADB requested for the same review for the 2LR resettlers. The first review was done on 23-27 October 2016 to assess the readiness of HSRA for the permanent resettlement of the households in Hatsaykham. This second review is done in anticipation of the permanent resettlement of the 50 2LR households in HSRA scheduled to be completed on 31 December 2017. Among the 2LR households who decided to resettle in HSRA, 47 are already in HSRA most still in temporary accommodation. An REDP was prepared for temporary resettlement and was approved by ADB.<sup>1</sup>

The second review of HSRA is based on primary and secondary data. The primary data were collected through site inspection of physical facilities and interviews and FGD with selected AP and project staff. The interviews and FGD served to collect new data and to validate the data from secondary sources. These sources are project monitoring reports and documents. The on-site data collection was done on 24-28 September 2017.

#### 4.1.1 Compensation of Zone 5 Project Affected Persons

To constitute the 6,108-hectare area of HSRA the project acquired 471 hectares of privately owned land. The rest were government land. The land owners were 94 households who tilled it mostly as rotational rice farm. No part of the land was used for residence. The households live in Hat Gniun (including Hatsaykham), Samseun, and Thasikhai. Land ownership was solely based on customary rights. During the confirmation mission, all the households were already compensated with cash. Cash was the preference they expressed in the indicative choice survey. The case of the two households who initially refused compensation was already settled at the District Grievance Committee. The committee ruled in favour of the claim of one household but not of the other household. Based on the favourable ruling, the former was compensated. However, there are still 22 Hat Gniun villagers who continue to claim for compensation for land that is ineligible for compensation. This ongoing land dispute has affected the HSRA resettlers' use of the land allocated to them. Encroachment by Hat Gniun into Houaysoup were also brought up by the resettlers during the community meeting. A Task Force was formed by the Bolikhamxay Provincial Government to resolve the issue.

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<sup>1</sup> NNP1-PC. 2017 Resettlement and Ethnic Minority Development Plan. Update on Temporary Resettlement of 11 Households from Houaypamom Village 2LR. Document No. NNP1-C-KO23-RP-011-A. April and Update on Temporary Resettlement of 44 Households from Soppuane, Sopyouak and Namyouak, Zone 2LR. Document No: NNP1-C-KO23-RP-011-A. June.



#### 4.1.2 HSRA Development and Compliance to Updated Zone 2LR REDP

The Updated REDP Zone 2 Lower Reservoir (12 October 2016) identified four types of losses in 2LR: (i) structures, (ii) lands, (iii) community infrastructure and (iv) cultural resources. The structures are private and public. The private structures are the following: houses, shops, out-houses, animal pens, farm huts, post-harvest facilities and fences. The public structures are schools, roads and canals. The lands are residential and agricultural. The agricultural lands have the following uses: rice fields, gardens, upland ploughed fields, rotational shifting cultivation area, industrial plantations, pastures and fishponds. Trees of various uses, palm and bamboo are also sparingly planted in these lands. For infrastructure, four primary schools, one secondary school and a health center will be lost. Graves will be the cultural resources that will be lost.

To replace these losses and restore income, 88 items are laid out in the entitlement matrix. Among these entitlement items, 40 refer to the physical development of HSRA. Among these entitlements items on HSRA physical development, 23 are fully complied, 14 are partly complied and three are not complied (Annex 1). Most of the partly complied items are on community facilities including the roads, schools, library and health center. The entitlement of vulnerable households without sufficient labor of paddy field and additional support to make use of their land is likewise partly complied. The three items which are not complied are the cemetery, market and bus stop.

Based on the project obligations to the AP contained in the entitlement matrix, the HSRA is not yet fully developed according REDP requirements. The partly complied and un-complied indicates the missing parts. These items will not deprive the AP the living standard which is at least equal than the pre-project level except in the aspects of the health center and textbooks. The health center in Sopyouak did not have the structure and supplies of the same quality as in the HSRA but it was operational. The one in HSRA still has to operate. The schools in the four 2LR villages did not have sufficient textbooks just as the other rural schools in Laos. But these textbooks are totally missing in the HSRA schools at the time of the mission. The Company informed the LTA that these textbooks were being procured.

#### 4.1.3 HSRA Suitability for the Relocation of Affected People

As noted in the first confirmation report, neither the CA or the Financing Agreement set the parameters for suitability of the resettlement area.<sup>2</sup> Given this situation, parameters are drawn from the objective of the ADB 2009 SPS Involuntary Resettlement Safeguards. If involuntary resettlement is unavoidable, the objective is “to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels and to improve the standards of living of the displaced poor and other vulnerable group”. This objective is attained not only by meeting the physical requirements which are assessed in Section 4.1.2 in this report, but also the economic, social and cultural requirements including the grievance redress mechanism requirement.

The entitlement matrix of updated REDP for Zone 2LR expressed these requirements in 20 entitlements: 17 are economic, one is social and cultural, respectively and another one on grievance redress mechanism (Annex 2). These entitlements are indicated by physical and activity milestones. During the mission, completed physical milestones are confirmed as fully complied while those which are in process of completion are confirmed as partly complied. The activity milestones requiring no further action are likewise confirmed as fully complied. The activity milestones which have complied the requirement but need continuous implementation to maintain compliance are confirmed to have on-going compliance. This confirmation status means that compliance may fall if the activity is ceased.

<sup>2</sup> AF-Consult. 2016. Nam Ngiep 1 Hydropower Project. Confirmation of Houay Soup Resettlement. NNP1/Ph.2/017 Report submitted to Sumitomo Mitsui Banking Corporation. October.



Among the 17 economic entitlements, 13 have on-going compliance and 4 are partly complied. The entitlements with on-going compliance are income restoration activities. These activities include the resettlers' participation of various livelihood activities, provision of livelihood inputs, linking resettlers' to markets and employment opportunities and provision of scholarship. The partly complied entitlements are the resettlers' receipt of their land title, full operation of the irrigation system and development of zoning and land use plan including the fisheries co-management program. The entitlement of the vulnerable households is among those which are partly complied.

The partly complied and un-complied items will not deprive the AP the living standard which is at least equal than the pre-project level except in two aspects. One is the HSRA health center which is not yet operational. Sopyouak had an operational health center although it did not have the quality structure and supplies as the one in HSRA. The other is the textbooks which are unavailable in HSRA schools. The 2LR schools did not have enough textbooks as the other rural schools in Laos but they had some. At the time of the visit, primary school students were using makeshift classrooms at the village hall while the classrooms are being constructed. Teachers were also using the health center accommodations as temporary accommodations while those using teachers' accommodations have complained about structural defects and inadequate provisions in their rooms. The resettlers expect to get their land title by the end of December 2017 upon the hand-over of their permanent residential land.

The social entitlement requiring participatory identification of residential replacement land and land plots in HSRA is fully complied. But the cultural entitlement on the performance of ritual and provision of cemetery is only partly complied. While the compensation paid to all AP with valid claim for graves included the cost of rituals, the land for cemetery in the HSRA is not yet allocated. As agreed with the AP, all graves are compensated. The project complies with the grievance redress mechanism requirement on on-going basis.

#### **4.1.4 General Conclusion**

The assessment of the development of HSRA confirms the following: (i) all households affected by the development of HSRA have been compensated although 22 households are pursuing their claim for lands which are ineligible for compensation; (ii) the level of development of HSRA is yet to fully comply to the REDP for Zone 2IR entitlement matrix; (iii) although the housing and physical facilities and accessibility of HSRA are better than in any of the four 2LR villages, it has yet to provide the textbooks and an operational health center which were available in 2LR; (iv) the HSRA has fully complied with the social and grievance mechanism requirements but not yet fully compliant with the economic and cultural suitability requirements in the entitlement matrix. The only outstanding issue is the resolution of the disputed lands in Houaysoup which continue to threaten the resettlers use of allocated land. Provided this is resolved, it can be concluded that the 47 of the 50 2LR resettlers living HSRA can generally pursue their lives at the standards at least equal to the pre-project level except in the aspects of available textbook and operational health center. ADB is requesting that a final check will be done in 2018 after the HSRA construction is completed.

## **4.2 Status of 2LR Resettlement**

The focus of this mission is 2LR. The resettlement of the 2LR households is the biggest task of the project's resettlement effort. Ten factors define the magnitude and complexity of the resettlement process in 2LR: (i) the zone has the 56.7% of affected households; (ii) all its 479



households will lose both their primary residential houses and lands;<sup>3</sup> (iii) the zone has the biggest chunk of privately-used land (2,680.52 hectares) for the project’s land acquisition;<sup>4</sup> (iv) the location’s relative physical isolation required high investment to improve access; (v) 99.3% of the households are Hmong who are considered ethnic minority;<sup>5</sup> (vi) inclusion of the land owned by a group of 2LR Hmong purportedly granted to them by the government as a reward for fighting with the current party in power during the civil war; (vii) the preference of most households for self-resettlement; (viii) objection of many households to use the bank in transferring compensation payment; (ix) strong-minded resistance of some households to give up their land for the project; and (x) the pressure to meet the project’s Commercial Operating Date (COD), given the high financial risk, if the schedule for biomass clearance and filling of the reservoir is missed due to failure of resettlement.

Within the limits imposed by these factors, the project was able to move along the resettlement process in 2LR. Between the last mission (June 2017) and this mission being reported, the percentage of 2LR households who moved from one step of the resettlement process to another increased from 74% to 87% or by 13 percentage points (Table 1). As a result, the percentage of 2LR households who already received their bank book is already at 78 percent. The bank book contains the evidence that their compensation is already paid and deposited in the resettlers bank account. The hand-over of the bank book is the last step in the compensation process. The project has paid a total of 38,694,831 USD to 2LR households as of 14 September 2017.

Table 1 Percentage of 2LR Households by Status in the Compensation Process

No	Step	June 2017 (N=479)		September 2017 (N=479)		Percentage Difference
		Number	Percentage	Number	Percentage	
1	Register assets	458	96	459	96	0.6
2	Participate in final choice survey	444	93	453	95	2.2
3	Sign Form G	336	70	429	90	19.7
4	Process Payment	279	58	379	79	21.1
5	Hand-over bank book	243	51	373	78	27.4
6	Average		74		87	

Source: NNPIC Project Land Team. Project Land Progress of Work for LTA and ADB Mission on June 2017 (Power Point) and LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

As the compensation process moved along, the resettlers who had complaints on their compensation filed cases in the Grievance Redress Mechanism. In the September 2017 mission, 341 2LR households have filed cases (Table 2). This number is higher by 6.9% compared to the one registered during the June 2017 mission. The number of cases received also correspondingly increased by 8.9 percent. But cases are being investigated and settled. The number of cases under investigation increased by 15% while the number of cases closed are increased by 27.8% between the June and September missions. The cases which were settled and appealed by the resettlers dramatically decreased by 97.4 percent.

The high case resolution rate indicates the effectiveness of the measures that the project and government implemented to boost the capacity of Grievance Redress Mechanism. These measures as stated in LTA Report No. 11 (June 2017), are the following: (i) expansion of the project’s grievance management team from two staff ten; (ii) operation of the government Special

<sup>3</sup> There were 481 households but two households merged with other households reducing the total number to 479 households.  
<sup>4</sup> NNP1-PC. 2016. Resettlement and Ethnic Minority Development Plan. Updated Zone 2 Lower Reservoir. 12 October.  
<sup>5</sup> NNP1-PC. 2014. Resettlement and Ethnic Minority Development Plan. June



Task Force; (iii) strengthened engagement of the grievance committees; (iv) closer coordination between the project and local authorities; (v) improved understanding and reliance of the affected people of the working of the GRM; and (vi) expanding acceptance among affected people of grievance resolution tools such as the MoM and GV Format.

Further, the provincial government of Xaysomboun strengthened the Special Task Force by reconstituting its composition and requiring a weekly review of progress. It also truncated the grievance redress process by consolidating the district and provincial committees with the dissolution of the village committees.

*Table 2 Status of Grievance Cases Filed by 2LR Households: June and September 2017*

No	Item	June 2017	September 2017	Percentage Difference
1	Households Who Filed a Grievance Case	319	341 <sup>1</sup>	6.9
2	Total Cases	1242	1352	8.9
3	Cases Investigated	1162	1338	15.1
4	Cases Not Yet Investigated	80	14	(82.5)
5	Closed Cases	1045	1335	27.8
6	Cases on Appeal	117	3	(97.4)

Source: NN1-PC. Grievance Management Team. AIP LTA, ADB Mission 05-10 June 2017 (Power Point) and LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)  
<sup>1</sup> The SMO-Grievance Management Team provided this data unit to the LTA through an email dated 12 October 2017

The complaints received from 2LR resettlers were mostly the same as those reported in LTA Report No. 11 (June 2017). These were on estimate of crop density, level of maturity of crops during cut-off date, and compensation for assets acquired after the cut-off date as well as for land uncultivated at the cut-off date but cultivated before 2013. One case was on the difference in compensation rate between developed and undeveloped paddy field and another was on the compensation for naturally-growing trees.

In spite the increased vigour in resolving the cases, some resettlers still sent their complaints to ADB. One letter dated 30 March 2017 was send in behalf of 13 Namyouak requesting the Prime Minister of Lao People’s Democratic Republic to adjust the compensation rates to follow Decree No. 135 (25/05/2009), Section 3, Article 43. Another letter dated 25 August 2017 is from an individual claiming to represent the four 2LR villages. He alleged that there is discrepancy between the actual and agreed amount of compensation and the unit rate for trees does not adhere to existing laws. The government having the mandate to set the unit rate and manage the resettlement process responded to both letters upholding the legality and reasonableness of the unit rates and the process used to set these. The national and provincial government responded to the latter letter.

Nonetheless, these complaints did not prevent 95% of the 2LR households from making decision between HSRA and self-resettlement (Table 3). This percentage increase from 91% registered in the June 2017 mission. Those who cannot choose where to resettle is reduced from 9% in June 2017 to 5% in September 2017. But the number of households who opted for HSRA is also reduced from 55 in June 2017 to 50 in September 2017. Around 84% of the households are opting for self-resettlement.



Table 3 Number and Percentage Distribution of 2LR Households by Resettlement Choice

No	Decision Status	June 2017		September 2017		Percentage Difference
		Number	Percentage	Number	Percentage	
1	Resettlement in HSRA	55	12	50	11	(1)
2	Self-Resettlement	380	79	403	84	5
3	No Decision Expressed	9	2	5	1	(1)
4	Refused Asset Notification	14	3	0	0	(3)
5	Refused Asset Registration	21	4	21	4	0
6	Total	479	100	479	100	

Source: NNPIC Project Land Team. Project Land Progress of Work for LTA and ADB Mission on June 2017 (Power Point) and LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

Although 78% have received their bank book and 95% have selected an option, only 57% have physically resettled (Table 4). The concentration of remaining households is in Namyouak which has 79% of the total number. Around 88% of the households in Namyouak are still in the village. Many of the remaining households are waiting for the approval from the provincial government to resettle in Bolikhamxay Province. Some want to harvest their rice crops before moving out because they are uncertain if the project will provide transportation for yield if they are already out of the village.

Table 4 Number and Percentage of Households Who Remain in the 2LR Village: September 2017

No	2LR Village	Number of Households	Number of Households Remaining in the Village	Percentage
1	Houaypamom	44	0	0%
2	Sopphouan	77	22	29%
3	Sopyouak	172	22	13%
4	Namyouak	186	163	88%
5	Total	479	207	43%

Source: SMO LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

#### 4.2.1 Status of 21 Resistant Households

The 21 Namyouak households who refused asset registration were holding on until the last week of September. The refusal of 21 Namyouak households to register their assets to signify their resistance has been a major impediment in 2LR resettlement process. At the start, there were 48 of them as first reported in LTA Report No. 5 (December 2015). Their number finally whittled down to 21 as reported in LTA Report No. 8 (July 2016). The 21 households expressed two demands in their meeting with ADB representative on 30 March 2017. One was to increase the unit rates of three dry land crops (bananas, rubber and sugarcane) so that their compensation package will enable them to afford a land with the same characteristics as their current land holding. Another was to pay their compensation in cash and not through the bank.

But on the last week of September 2017, the 21 households finally decided to submit to the resettlement process. One household already registered its assets and signed the compensation agreement. The remaining 20 households signify their readiness to register their assets starting 25 September 2017. But even before they registered their assets, they already searched for a place to resettle. Twenty households chose a Hmong community in Phom Nami Village, Pakading District in Xaysomboun and 15 of them already bought a land there. But the District authorities required them to obtain a certificate from Hom District, of which the 2LR villages were a part, as a prerequisite for acceptance. ADB requested for a final check on the issue of 21HH and ensure



that 2LR is clear of people and structures prior to reservoir filling. Reservoir filling will start in May 2018.

**4.2.2 Status of HSRA Resettlers**

Forty-seven of the 50 2LR households who chose to move to HSRA are already living there (Table 5). This number is 38% higher than the number of 2LR households who were already in HSRA in June 2017 mission. All the 2LR HSRA resettlers already went through all the steps in resettling the HSRA except for the eight who still have to install the main pillar. The construction contract for their HSRA houses was just signed in September 2017 (Table 6). Except for seven houses which are completed, the construction of the HSRA houses for the 2LR HSRA resettlers are still in various stages of completion. The SMO Infrastructure Team cited the following reasons for the delay in the construction of these houses and other HSRA facilities: (i) indecision and vacillation among 2LR households in expressing their resettlement and housing plot preference; (ii) time used to procure the services of the construction contractors; and (iii) inability of many Lao construction contractors to meet the requirements in preparing the required environmental documentation.

*Table 5 Percentage of 2LR Households Who Choose HSRA by Status in Resettlement Process*

No	Step	June 2017 (N=55)		September 2017 (N=50)		Percentage Difference
		Number	Percentage	Number	Percentage	
1	Sign Form G	52	95	50	100	45
2	Select house plot	46	84	50	100	16
3	Sign MOU Agreeing on Entitlement	54	98	50	100	2
4	Install main pillar	53	96	42	84	70
5	Move to HSRA Temporary Resettlement	31	56	47	94	38

Source: SMO Presentation to ADB Mission 27 March 2017. Social Management Office. (Power Point); NNP1C Updates Since the Mission December 2016. IAP, LTA and ADB Mission 4-11 June 2017. 5 June 2017 (Power Point) and LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

*Table 6 Status of the Construction of 57 HSRA Houses: September 2017*

No	Housing Construction Package	Percentage Completion
1	7 Houses	100%
2	34 Houses	97%
3	4 Houses <sup>1</sup>	89%
4	5 Houses	12%
5	8 Houses <sup>2</sup>	0%

1 One of the four houses is intended for a Hatsaykham household  
 2 Construction construct was just signed during the mission  
 Source: SMO LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

Although the attention of 2LR resettlers in HSRA is still largely in building and improving their houses, there are indications that they are already in the process of establishing normal living patterns. These indications are the following: (i) all the resettled 2LR households already received their paddy field and grazing land allocation and are farming; (ii) 25 out of 47



households already received fruit tree and cash crop area allocation and some started to till the allocated land; (iii) all their school-age children are in school; and (iv) those who already moved to their permanent house are expanding it using the salvage materials from their 2LR house; and (v) at least one household is operating a general merchandise shop. Twenty-two of the 47 households choose not to get their fruit tree and cash crop allocation yet because they cannot decide on their preferred plot location.

The project is supporting the livelihood restoration of the resettlers through provision of agricultural inputs, training and employment opportunities. It is also responding to complaints on construction defects of houses. For its part, the provincial government promulgated Decree No.: 567 (03 August 2017) creating a special committee with two functions: (i) coordinate with village authorities, district governor, RMU, NNP1 and related offices to address emerging issues in HSRA; and (ii) address the building of houses, encroachment into project land and continued use of lands which have been compensated. At the district level, a committee is also working for the formation of HSRA as an independent village before the end of 2017. Both the project and the government continues to consult the resettlers through meetings done at least once a month.

#### **4.2.3 Issues of 2LR Households in HSRA**

The encroachment of some Hat Gniun residents into HSRA remains an outstanding issue. These residents are not only opening cultivation areas within HSRA. They are also preventing resettlers from cultivating the cash crop areas by removing their fences and letting lose domesticated ruminants. Their actions are preventing the resettlers from establishing a new life in HSRA and interfering in the livelihood restoration effort of the project. The implementation of Decree No.: 567 (03 August 2017) and the establishment of HSRA as an independent village are expected to mitigate the encroachment. The power to protect the natural resources of the village is vested on the Village Chief in 2003 Law on Local Administration (Article 53). The village establishment will enable HSRA establish political boundaries and its official will have the authority to fend off encroachers. To hasten the resolution of cases filed by Hat Gniun households, the Ministry of Forestry used remote sensing photograph to determine the land which was already cultivated in 2010. But this evidence has not resolved the issue.

Within HSRA, the following needs have also to be addressed: (i) improved housekeeping in the construction areas by removing standing water and protruding metal pegs; (ii) repair of broken faucet and sewer system in the kindergarten school and construction defects in the teachers residence including the double-deck beds; (iii) text books for school children as required in the REDP 2LR entitlement matrix; (iv) an operational health center as required in the REDP 2LR entitlement matrix; (v) regulated resettlers' use of slopes for farming; (vi) warning signs on the risk of recreational use of irrigation dam and reregulation dam facilities and the project's non-liability in case of accidents; (vii) Hmong teachers in schools to support the preservation not only of the Hmong language but also its culture; (viii) speedier development of community cohesion; and (iv) identification of households with unique type of vulnerability and provision of customized interventions as required in the REDP 2LR entitlement matrix operation.

#### **4.2.4 LTA Recommendations**

Given its level of capability on social management, the LTA trusts that the project can adequately respond to these needs including in harnessing available resources. For the need of Hmong teachers in HSRA, one available resource is the Hmong teachers in 2LR who moved to Boo Village and expressed their willingness to teach in HSRA to the mission. The LTA is in the same line of thinking with the project and ADB that a community development officer (CDO) is needed to assist the HSRA resettlers evolve faster a cohesive community.



The tasks of the CDO will include the following; (i) assist households form reciprocal and mutual-help relationships by matching labour deficit with surplus (e.g., exchange labour for land preparation and social activities such as weddings); (ii) facilitate collective action of user-groups to respond to common problem (e.g., formation of cleaning crew to maintain the cleanliness in kindergarten school); (iii) organize people of common interest into groups to pursue their interest together and share know-how and inputs (e.g., mothers club and garden club) (iv) mentor community leaders on appropriate administrative skills (e.g., conducting meetings and negotiations, legislation and enforcement, record management) in anticipation of the imminent formation of HSRA as a village; (v) link the community with resource institutions by matching community needs with possible assistance provider including the preparation of project proposals; (vi) assist community groups organize traditional ceremonies and communal activities for culturally-significant events (e.g., Hmong new year) and (vii) coordinate with the project to use organized community groups to disseminate information and technology, monitor progress of development work; and respond to issues which it must address under the REDP 2LR. The GoL has adopted sam sarnng as a national policy, which is to emphasise more responsibility by the village for the village. This is being piloted in Nakai and an exchange visit might be useful.

The LTA recommendation on vulnerable households is discussed in Section 4.3 as part of its recommendation on Livelihood Restoration.

#### 4.2.5 Status of Self-Resettlers

The number of 2 LR households opting for self-resettlement increased by 6.1% (from 380 to 403 households) between June and September 2017. But the number of self-resettling households who moved from one self-resettlement step to another also increased by 17 percentage points in spite of the constraints (Table 7). These constraints include the following: (i) indecision and vacillation among 2LR households in expressing their resettlement preference; (ii) use of fake documents in self-resettlement plan; (iii) preference to resettle in the watershed area where no settlement is allowed; (iv) objections raised and complaints filed in and outside the Grievance Redress Mechanism over unit rates and methods used in calculating compensation; (v) requirements of Bolikhamsay provincial government for acceptance of 2LR resettlers. These requirements for 2LR households to resettle within Bolikhamsay Province are as follows: (i) ownership of residential area; (ii) ownership of agricultural area; (iii) absence of criminal record; (iv) avoidance in creating a new village; (v) ability to respect the existing village rules.

Table 7 Percentage of 2LR Self-Resettling Households by Status in the Self-Resettlement Process

No	Step	June 2017 (N=380)		September 2017 (N=403)		Percentage Difference
		Number	Percentage	Number	Percentage	
1	Sign Form G	284	75	375	93	18
2	Complete documentation at village of origin	276	73	355	88	15
3	Obtain approval from resettlement village	271	71	349	87	16
4	Complete Self-Resettlement Plan and PLRC Approval	271	71	315	78	7
5	Forward Self-Resettlement Plan to Project Lands Team	257	68	330	82	14
6	Compensation Payment	194	51	326	81	30
7	Sign MOU on House Dismantling and Transport	368	97	378	94	(3)



No	Step	June 2017 (N=380)		September 2017 (N=403)		Percentage Difference
		Number	Percentage	Number	Percentage	
8	Final Check and DAFO Approval by	368	97	379	94	(4)
9	Dismantling of house and training	77	20	230	57	37
10	Relocate in new village	59	16	225	56	40
11	Average		64		81	17

Source: SMO Presentation to ADB Mission 27 March 2017. Social Management Office. (Power Point); NNPIC Updates Since the Mission December 2016. IAP, LTA and ADB Mission 4-11 June 2017. 5 June 2017 (Power Point) and LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

During the September 2017 mission, 225 self-resettling households have already started their new life in their chosen location. In the June 2017 mission, only 59 households did so. It means that from July to September, around 55 household successfully self-resettled every month. Around 73.8% of the self-resettling households have remained in Xaysomboun, the same province with jurisdiction over 2LR (Table 8). Fifty-four households or 24.0% were able to settle in Bolikhamxay Province. This number is higher by four than the number during the June 2017 mission.

*Table 8 Distribution of Self-resettling 2LR Households by Province of Destination*

No	Province of Destination	Number	Percentage
1	Xaysomboun	166	73.8
2	Bolikhamxay	54	24.0
3	Vientiane Capital City	2	0.9
4	Vientiane Province	2	0.9
5	Louang Prabang Pak Ou	1	0.4
	Total	225	100.0

Source: SMO LTA and ADB Mission Presentation 25 September 2017. Social Management Office. 25 September 2017. (Power Point)

The September 2017 mission visited two villages in Bolikhan District in Bolikhamxay Province where self-resettlers have settled. Bo Village has 10 resettling households while Nahaan Village hosted 25 households. The mission met with 10 resettlers (2 women) in Boo Village and 20 (3 women) in Nahaan Village. The mission has five general observations based on the snap shots of the resettlement experience shared by the meeting participants. These observations are as follows: (i) restarting life in the chosen self-settlement sites has begun with generally positive outlook; (ii) pre-eminence of paddy rice land as source of economic security with almost all having bought or planning to buy one; (iii) high level of life and livelihood skills making them less vulnerable to impoverishment due to resettlement; (iv) higher cash compensation received compared to the HSRA resettlers due to larger asset base in 2LR.; (v) part of the new start is learning the wider use of cash, the Lao language, features of the new foraging areas and adapting to higher temperature due to lower elevation. The children in schools are most exposed to Lao language and need to learn it faster because it is the medium of instruction.

In their adjustment process to the new milieu, the self-resettlers in the meeting generally acknowledged that the self-resettlement plan was helpful in making decisions and management of their compensation. They also recognized that the project introduced them to the banking system and taught them how to use it. Planning and banking are key skills that will enable the



resettlers navigate more adeptly the economy where cash is a much bigger component in the exchange of goods and services.

#### 4.2.6 Issues of Self-Resettlers

Three of the outstanding issues among self resettlers are in the process of being resolved. On Xaysomboun provincial government’s request to the Bolikhamxay provincial government to accept self-resettlers, a letter of acceptance was issued for 68 households during the September 2017 mission. This number is additional to the 24 households who were accepted earlier. On the self-resettlers who remained in 2LR villages over their apprehension on transportation availability for their yield if they leave before harvest, the project expressed willingness to make it available. On the 50 households who used fake documents in their self-resettlement plan, the Special Task Force is assisting them to get approval to move to their chosen village. On coping with the expanded cash transactions, the more cautious household is earning cash from fixed bank deposit and buying agricultural land (Box1). The less cautious, and those more used to cash are opening a business enterprise (Box2). Some are also earning cash from the yields of their commercial crops which are still intact in the old village. The need to ensure that the vulnerable households among self-resettling households will not fall to impoverishment and improve their living standard is still to be addressed. The LTA recommendation on this issue is discussed in Section 4.3.

<b>Box 1 Mr Ko Yong L Nahaan Village</b>
<p>The family of Mr. Ko Yong is one of the 25 household from Sopyouak who resettled in Nahaan Village. He pooled money with these other households to buy the land and level parts of it for housing. He has one-hectare plot where his main house is being constructed at the cost of 200,000,000 Kip. In the meantime, he and his family is living in a smaller house which was constructed at the cost of 50,000,000 Kip. This house will serve as an out-house kitchen and dining area when the main house is completed. The larger part of his plot is planted to paddy rice.</p> <p>He has been in living in Nahaan for only four months. He is keeping part of his compensation money in a five-year fixed deposit account. The deposit earns him 10,000,000 per month at 6% interest rate per month. He learned about the banking and the fixed deposit account from the project staff during the financial literacy training and in the discussion during the preparation of his self-resettlement plan.</p>
<b>Box 2: Mr. Lin: Self-resettler in Bo Village</b>
<p>The family of Mr, Lin has six members. They moved to the Bo Village six month ago. His new house is already completed and they are living there. He already received his full compensation of 623,000,000 Kip. He used part of the money in opening a general merchandise shop. His family has business skills because they ran a shop in Sopyouak where they lived before resettling in Bo Village. He was also engaged in livestock trading in the old village. He is trading livestock but his income from this enterprise in Bo village is much lower. His network of suppliers and buyers was disrupted by the resettlement.</p> <p>Recognizing the opportunity in Bo village, he plans to invest in school bus operation and drinking water production. Part of his compensation is in fixed bank account earning him 3,000,000 Kip per month. Mr. Lin was among the 10 resettlers in Bo Village who expressed their assessment that the NNP1’s financial literacy training as part of the self-resettlement plan preparation helped them manage their compensation.</p>



### 4.3 LTA Recommendations on Livelihood Restoration Effort

The project presented as part of the progress briefing for the September 2017 mission the following challenges on income restoration effort: (i) high dependency of resettlers on project assistance; (ii) need to gear production from subsistence to higher commercial scale; (iii) generally mountainous terrain especially in 2UR which limits expansion of paddy rice cultivation; (iv) low level of trading knowledge and skill; (v) seasonal diseases of domesticated animals particularly among poultry; and (vi) need to expand market opportunities. These identified challenges are part of the project's lessons learned after about two years of implementing its livelihood program.

As the resettlement process is winding up, the income restoration program will take the centerstage. The concentration of the project's social development effort will shift to meeting the CA's target. This target is to increase by 200% from the baseline the affected households' income in 10 years after the COD. The LTA agrees with the project and ADB that a systematic and comprehensive approach through master-planning is needed to produce more predictable outcomes that will contribute to attain the CA's target. The project is projecting to have the master plan by mid-2018.

For ease of management and to respond better to shared needs, the plan will have three sub-plans differentiated by the geographical location of the affected households: (i) HSRA and Zone 5 Affected Households; (ii) Bolikhamxay Self-Resettled Households; and (iii) Xaysomboun Self-Resettled Households and 2UR Affected Households. Having three subplans may require adjustment of the current project structure which divides the delivery of livelihood support into two: (i) Livelihood Restoration Team for 2LR, Zone 3 and 5; and (ii) Livelihood Development 2UR.

To address the challenges that the project identified for its income-restoration program, the LTA recommends to include the following strategies in the plan to restore income among resettlers: (i) emphasize more the building on and improving existing livelihoods and introducing less new ones; (ii) emphasize more on foundational and common inputs (e.g., technology, training, market links, small infrastructure and village policies) and less on dole-out inputs; (iii) introduce more new livelihoods geared more to the internal market (e.g., banana chips for village children and fish sauce for local food preparation) (iv) emphasize market-driven production by getting orders first from buyers before producing; (v) strengthen market links by assisting traders rebuild their network disrupted by resettlement and support to start-up traders; (vi) calibrate the amount and type of assistance according to the livelihood restoration capability of the household or group to mitigate elite capture and economic inequality; and (vii) customize assistance to the vulnerable and poor households whose low baseline income has higher percentage increase potential.

The first step to operationalize these strategies into activities is to characterize the households' income-generating prospect. The LTA suggest to use the following indicators to measure such prospect: (i) amount of compensation received; (ii) income-generating set of skills based on assets managed in old village; (iii) amount and percentage of compensation invested on agricultural land and business; (iv) amount and percentage of compensation put in fixed bank deposit; (v) educational attainment of household head (vi) number of working adults (aged 15-64 years) (vii) number of children (below 15 years) in the household; (viii) number of vulnerable adults (physically and mentally impaired and aged over 64 years old) in the households.

These indicators will constitute the income prospect index. Additional indicators can be added based on the relevance to earning capacity and data availability. An example of an additional indicator is the source and percentage contribution of women in the household. Data required by these indicators will be drawn from the filled-up asset registration forms, compensation payment receipt and survey results. Interviewing the household can fill in the data gaps if any. An



instrument will be designed to convert these data into a rating scale through which every household will be rated. A draft of this instrument is in Annex 3. Based on their individual rating, the households will be categorized into the following: 5 (Very High Prospect); 4 (High Prospect); 3 (Moderate) Prospect; 2 (Low Prospect) and 1 (Very Low or No Prospect). The higher the rank in the income prospect index the lower is the project input required.

Among households with moderate to low prospect, the amount, type and diversity of interventions will be designed by cohort with the aim of meeting the CA target. If possible, the potential earning from each and whole package of household interventions (including women-specific interventions) will be projected to determine the probability of meeting the 200% income increase target. Those with very low and no prospect, a customized individual household intervention package (including women-specific interventions) combining livelihood support and affirmative action services (e.g., discounted water rates, school fee subsidy and exemptions in garbage fees) will be designed. The cohort-based and individual interventions will constitute part of the livelihood restoration master plan.

The result is that the master plan will contain intervention packages developed in close consultation with affected households which are specific to the geographical location and the household's income-generating capacity, constraints and opportunities. The overall plan will then contain four levels of assistance: (i) general; (ii) geographic-area specific; (iii) income generating-capacity specific; and (iv) household specific.

#### 4.4 LTA Status and Recommendations on Monitoring Activities

The social survey contracted out by the project is not yet finished. The data are reportedly being processed. The project conducted a survey among the self-resettlers. The project conducted a survey among self-resettlers which may be considered part of the company's self-monitoring program as provided in Clause 94 Annex C of the Concession Agreement (CA). The LTA agrees with ADB on the need to measure the extent the self-resettlers have restored their living standard. It will also provide information that the land-for-land requirement of ADB is complied. The result was presented to the September 2017 mission but a copy was not provided because the data were still tentative. The LTA recommends that the survey will cover all self-resettlers in the project-influenced area.

Nonetheless, the LTA agrees with ADB to include as indicators the following (i) replacement and non-replacement items acquired; (ii) number, floor area and cost of houses constructed; (iii) types and number of income-generating activities by gender; (iv) area and type of agricultural land acquired; and (v) yield of agricultural land per hectare by type of crop for areas already cultivated. The replacement items are those which they bought to replace the ones they have in the old site but lost in the process resettlement (e.g., house). The non-replacement items are those which they never had before in the old site but bought it as a new possession (e.g., four-wheeled motor vehicle). These indicators can be part of the two main indicators required by Clause 94 Annex C of the CA: livelihood development and restoration and outcome of livelihood programs.

The SMO noted that the LTA's interpretation of the Lao Labor Law requirement on health and safety personnel (Article 123) in previous LTA reports was incorrect. These reports interpreted the requirement to mean one employee responsible for health and safety per 100 employees. But the correct interpretation is to require a health and safety unit for labor unit with more than 100 employees. The application of this requirement to the project contractors and sub-contractors will be corrected in the succeeding LTA reports covering compliance to labor law.



**Annex 1**

**Updated REDP 2LR Entitlements Applicable to HSRA Development  
and Status of Project Compliance**



No	Entitlements	Status of Compliance
1	<b>A. LOSS OF AGRICULTURAL LAND</b>	
2	<p>A package encompassing (i). replacement agricultural land in the designated resettlement site in accordance the entitlements outlined below and ii. where impacted land exceeds the land allocation in the designated resettlement site, cash compensation as defined in section 5.3 of the REDP for the areas which cannot be compensated with replacement land. For clarification, the full entitlements outlined below will be allocated to the DPs, regardless if their land impacted is less than the replacement land provided. Replacement agricultural land (comprised of items (a) to (d) below) will be based on household size:</p> <ul style="list-style-type: none"> <li>-Paddy rice fields: equivalent area of a minimum of 0.1 ha1 of paddy rice field per household member of households resettling to the resettlement site (value multiplied by the number of household members and combined in one land title in the name of both heads of household) with a household minimum of 0.3ha and a household maximum of 1.5 ha</li> <li>-Tree plantation land: a minimum of 0.1ha1 of plantation land per person resettling to the resettlement site (value multiplied by the number of household members and combined in one land title in the name of both heads of household)</li> <li>-Cash crop garden land: a minimum of 0.1ha1 of plantation land per person resettling to the resettlement site (value multiplied by the number of household members and combined in one land title in the name of both heads of household)</li> <li>-Firewood land: a minimum of 0.08 ha of plantation land per resettler in HSRA (value multiplied by the number of household members and combined in one land title in the name of both heads of household)</li> </ul>	<b>Fully Complied.</b> All HSRA resettlers obtained this entitlement except for 22 households which chose not to get their fruit tree and cash crop allocation because they cannot decide of their preferred plot location. But the general area is ready allocated and ready for handover once their decision is made.
3	Replacement agricultural land is to be surveyed for UXO and rendered safe	<b>Fully Complied.</b> UXO survey and clearance completed
4	<b>B. LOSS OF RESIDENTIAL COMMERCIAL, INDUSTRIAL OR INSTITUTIONAL LAND</b>	
5	Equivalent area of land in any case not less than 800m2 for residential land and equivalent land for commercial, industrial or institutional land of equal locational value, similar characteristics, and access to facilities in an acceptable location in the designated resettlement site.	<b>Fully Complied.</b> The smallest residential area that the resettlers obtained is 800m2. The primary school area was the only institutional land replaced. Both the replacement residential and institutional areas have comparative locational value and characteristics and better access to facilities. No purely commercial and industrial land was affected.
6	The replacement land and entire village area is to be surveyed for UXO and rendered safe. A certificate shall be issued by the UXO clearing company certifying that the land has been cleared of UXO in accordance with the applicable Law.	<b>Fully Complied.</b> The replacement land and village area was surveyed and rendered safe of UXO. The project has a certificate that the area



No	Entitlements	Status of Compliance
		was cleared of UXO according to applicable law.
7	Residential land plot shall be demarcated and fenced at the cost of the Company,	<b>Fully Complied.</b> Every residential plot is demarcated with 3-meter easement and is or in the processed of being fenced at the cost of the company .
8	Residential land plot shall be adequately leveled and shall provide comparable access to employment, production and economic opportunities, to medical and social services, and to education services.	<b>Fully Complied.</b> Adequate leveling was done and it has access to employment, production and economic opportunities and services comparable to the old site.
9	Replacement with commercially suitable land which is both of at least equal value and of at least equal size. Location of replacement commercial land must be: (i) suitable for continuation of viable commercial activities, and (ii) acceptable to the Resettlers. If suitable replacement of the commercial land cannot be found, or if Resettlers' prior commercial activities cannot be continued, or if the Resettlers don't wish to continue such activities, then the company shall pay cash compensation as outlined in REDP section 5.2.7 and 5.2.8	<b>Fully Complied.</b> There was no purely commercial land affected because shops were either part of the house or an outhouse close to it. All affected lands were replaced or compensated. Resettlers can operate shops within their residential plot in HSRA and some have already done so.
10	<b>C. LOSS OF STRUCTURES</b>	
11	Replacement structures of equivalent standard (small/medium/large depending on size of affected structure) in the designated resettlement site	<b>Fully Complied.</b> The replacement structures were on average bigger than in the affected structures
12	Project Affected Persons shall be entitled to the compensation of 1 newly-built house per household. In case that any household comprises of 9 or more members, such household shall be entitled to either (a) another additional newly-built house per family unit or (b) additional space and facilities within the same house adequate for the needs of the residentially joint household depending on family structure	<b>Fully Complied.</b> Due to splitting of large households, option (a) was selected. The size of the toilet was enlarged for houses earmarked for vulnerable households to accommodate persons with disability or requiring assistance in movement.
13	Each replacement house for each resulting household (includes multiple replacement houses in cases of extended families) shall comprise the area as follows: (a). 50m2 for up to 5 people (small size) (b). 75m2 for 6 to 8 people (medium size) (c). 100m2 for more than 9 people (large size),	<b>Fully Complied.</b> The replacement houses met these requirements based on the design and on-site measurement.
14	Each replacement house will have: (a) independent toilet/bathroom with a septic tank; (b) kitchen, (c). functioning electric wiring (d) lighting throughout connected to electricity supply; (e). water supply (1 water-meter with tap per household).	<b>Partly Complied.</b> All the required housing features are present in the three houses during on-site inspection except for the water meter.
15	One electricity meter in each house, with a minimum of one low energy consumption bulb and one electric socket in each room, with the adequate breakers.	<b>Partly Complied.</b> The required electrical features are present in the three houses during on-site inspection except the meter.
16	Ancillary structures, such as foundations for satellite dishes, shall be incorporated on the list of elements to be constructed when they exist on the old housing plot.	<b>Fully Complied.</b> Ancillary structures were compensated



No	Entitlements	Status of Compliance
17	All replacement houses shall be constructed of new materials of good quality, supplied by Company at its cost. The house will use durable structure and walls and durable roofing material	<b>Fully Complied.</b> Columns and walls are concrete while the roof is fiber cement held by steel frame. Concrete mix complies with the standard of Laos Engineering University. Both concrete and iron bar tensile strength tests indicated high durability. The Department of Public Works and Transportation approved the house design and materials on 26 February 2016
18	Several standard designs (of different sizes) shall be prepared in consultation with the resettlers and selected by the affected households and approved by PRLRC. The selection of construction materials shall be part of the consultation.	<b>Fully Complied.</b> There were three standard designs based on traditional Hmong and Lao house design. The RMU and DCC approved the final design on 9 March 2016. Community consultation meetings covered construction materials. The temporary resettlers are overseeing the construction of their replacement houses including the materials used.
19	The number of toilets will be adjusted to the size of the household.	<b>Fully Complied.</b> Since big households are split into two households and each obtained a replacement house with a toilet, adjustment in the number of toilets is no longer necessary.
20	Standard design shall be applied independently of the original house quality, for example a household who currently owns a house of low standards shall be fully eligible to a house having the improved standards	<b>Fully Complied.</b> All the replacement houses are made of permanent materials while the old houses largely made use of temporary materials.
21	House design to be finalized in consultation with and in consideration of the preferences of structure owners and to be approved by PRLRC;	<b>Fully Complied.</b> Consultation meetings were done on house design and temporary resettlement enable the prospective house owners to oversee the execution of the design.
22	Siting of housing to ensure proximity of families to each other and to maintain pre-resettlement social relationships as desired will be discussed and agreed with DPs during design of residential area in the resettlement site.	<b>Fully Complied.</b> The households selected the location of their replacement house
23	Existing outbuildings and ancillary structures (sheds, coops, rice storage barns, etc.) shall be compensated by cash; if requested, they can be replaced by equivalent asset.	<b>Fully Complied.</b> Outbuildings were compensated.
24	The necessary clearance of the existing vegetation shall be limited to the minimum necessary to allow for the construction of houses and related structure, and for the home garden. This vegetation clearance shall be made at the cost of the Company;	<b>Fully Complied.</b> The vegetation cover in areas outside the designated built-up areas was left generally untouched by the company contractors. The Company paid the cost of vegetation clearance.
25	Residential areas will be connected by roads, which will also provide access to public facilities and agricultural plots. The roads	<b>Partly Complied.</b> Residential areas are connected to all public facilities



No	Entitlements	Status of Compliance
	<p>will be built as per the Lao standard for village roads. These shall include proper drainage and culverts up to the entrance of each residential plot if necessary. The road shall be covered with gravels. A detailed site development plan for the various public facilities in the village will be prepared by the project and approved by the PRLRC.</p>	<p>within the HSRA and to agricultural plots by roads. But some roads are still under construction. The REDP 2LR contains the following: HSRA Land Use Zones, HSRA development Plan, Residential Area Master Plan, Architectural Design and Floor Layout of Model Houses, Schools, Community Hall, Bus Station and Market, Paddy Field Lay-out, Road Plan, Power and Water Supply Plan.</p>
26	<p><b>D. LOSS OF ACCESS TO COMMON RESOURCES</b></p>	
27	<p>Land and river use areas will be assigned in the HSRA through a participatory land use planning process for the purposes of identifying and zoning: (a) community forests and/or un-stocked forests; (b) grazing areas, (c) restocked fishing areas, (e) firewood gathering areas; and (f) other common resources as identified in consultation with local authorities, DPs and the project</p>	<p><b>Partly Complied.</b> Phase 1 of participatory land use planning is completed and Phase II which requires the transfer of all HSRA resettlers is still to be done.</p>
28	<p>All replacement community forests and grazing lands to be surveyed for UXO on a sample base and UXO clearance if identified; UXO awareness program will be implemented, to enable rapid response should a DP find a UXO and require safe disposal.</p>	<p><b>Fully Complied.</b> The grazing areas was cleared of UXO and the NNP1C assumed that community forest is safe based on two factors. One, the result of the rest of the project land surveyed was found negative of UXO. Another the historical record which shows no bombing occurred in the area during the war period. An UXO awareness program was implemented.</p>
29	<p>Access to the designated resettlement site via a bridge downstream of the re-regulation dam across the Nam Ngiep river and an all-weather road connecting the resettlement site with the District Centre.</p>	<p><b>Fully Complied.</b> The concrete bridge and all- weather road connecting HSRA to the District Center are operational.</p>
30	<p><b>E. LOSS OF PUBLIC INFRASTRUCTURE AND CULTURAL PROPERTIES</b></p>	
31	<p>Replacement of temples, shrines and other religious structures shall be of equivalent appearance and configuration, and both not less than the same size and not less than the same value, and in any event acceptable to the community.</p>	<p><b>Fully Complied.</b> Area for ancestral altar is provided in the houses in location agreed by the resettlers. No stand-alone religious structure was affected.</p>
32	<p>Provision for appropriate rituals and ceremonies for cemeteries, holy sites, and other immovable cultural landmarks prior to Resettlers' relocation, and establishment of analogous replacement cultural resources wherever possible of at least equivalent size (e.g., new cemetery appropriately sited).</p>	<p><b>Not Complied.</b> Area for cemetery is not designated and no construction activity was done</p>
33	<p>Roads with appropriate drainage facilities, culverts and bridges connecting all residential plots</p>	<p><b>Partly Complied.</b> All residential plots are connected with roads with drainage facilities and culverts but some roads are still under construction.</p>
34	<p>Agricultural tracks leading to all major areas of the designated resettlement site providing reasonable access to the different kinds</p>	<p><b>Fully Complied.</b> Paddy rice fields and cash crop and tree plantation</p>



No	Entitlements	Status of Compliance
	of livelihood activities and resources but not necessarily to each single plot	areas are connected by village road while the grazing land road connection is still under construction.
	School from primary to high school	<b>Partly Complied.</b> Primary and secondary school buildings are under construction and were 76% complete during the inspection.
35	School equipment, including benches, tables, and blackboards, and an initial supply of text books, pens, and similar equipment, as per the requirements set by the Ministry of Education.	<b>Partly Complied.</b> All equipment is ready in the kindergarten school but the primary and secondary school buildings are under construction. Classes at these levels are held in the village hall. Textbooks were not available during the inspection.
36	Teachers' residence house will be constructed. The teacher residence house will be built along the same standards as ones set for the individual houses, but shall not be eligible for individual land title. It shall be registered as community property. Its design shall take into consideration the possible sharing of this house by several persons.	<b>Partly Complied.</b> It has the all the required features of a replacement residential house but there was no water and electricity meters during the on-site inspection. It cannot yet be registered as community property because HSRA is not yet formally constituted as a village.
37	Library connected to the school	<b>Partly Complied.</b> It is under construction as part of the school buildings.
38	Public health center initially equipped with all required items for daily use in accordance with GoL standards for health centers, and then operated on a self-sustaining basis	<b>Partly Complied.</b> The building and facilities are complete including electricity and water connection, waste disposal system and medicines but medical instruments, medical staff and title are still lacking.
39	Community building for village meetings and administration. It shall be designed to allow the presence of 2 persons per household	<b>Partly Complied.</b> The building is completed but serves as primary school and is not used for meetings and administration. It has no title yet.
40	Roofed market with durable roofing material and concrete floor, shall be constructed. Its surroundings shall be properly drained. It shall provide a covered area of at least 300 m2.	<b>Not Complied.</b> Construction is yet to begin.
41	Bus station	<b>Not Complied.</b> Construction is yet to begin.
42	Museum explaining the history of the communities and supporting preservation of culture and traditions	<b>Partly Complied.</b> Constructed as part of the Community Building but it is not yet operational
43	All replacement facilities will be at original or better condition; and with designs and locations agreed in consultation with the communities and relevant government authorities in accordance with the relevant applicable standard in Lao PDR of similar buildings. All shall be (a). covered with durable roofing material (b). concrete structure (c) connected to electricity (except cemeteries and roads) (d) access to the water supply system (except cemeteries and roads); (e). toilets connected to a septic tank (except cemeteries and roads); (f) UXO clearance to a depth of 1 metre for	<b>Partly Complied.</b> The replacement primary and secondary school buildings are not yet complete and the health center is not yet operational. Neither has a title yet.



No	Entitlements	Status of Compliance
	all community infrastructure land as outlined in section 5.2.16 of the REDP. (g) fencing of all community buildings (except cemeteries and roads) (h) community land and state titles will be facilitated by the Company as outlined in section 5.2.15 of the REDP.	
44	<b>F .VULNERABLE HOUSEHOLDS</b>	
45	Provide a minimum of paddy rice field land at the resettlement site for every poor family currently without paddy fields. For households without sufficient labour to make use of this land, additional support will be provided, for example in assisting to negotiate a rental of this land to other resettlers or arranging a harvest share in exchange for labor inputs.	<b>Partly complied:</b> All households resettling in HSRA has a paddy rice field. Vulnerable households without sufficient labor are still to be identified.



**Annex 2**

**Updated REDP 2LR Entitlements Measuring the Suitability of HSRA for the Affected People**



No	Entitlements	Status of Compliance
1	<b>A. Economic Suitability</b>	
2	Land titles will be provided with all related costs borne by the company	<b>Partly Complied.</b> The provincial government is processing the land titles and distribution is expected on 25 November 2016. The NNPIC has issued land certificate to the AP.
3	Land titles will be provided (for all types of land) in accordance with REDP section 5.2.15	<b>Partly Complied.</b> The provincial government is processing the land titles and distribution is expected on 25 November 2016. The NNPIC has issued land certificate to the AP.
4	Support for the establishment of new home gardens, including the promotion of new and improved techniques (organic farming, for example) and diversification of the crops during the first four years after resettlement.	<b>Ongoing Compliance.</b> The project gave each household a set of garden tools (hoe, fork, shovel and garden knife), conducted various training (304 Hatsaykham participants) and provided planting materials. .
5	All resettlers moving to the designated resettlement site as well as those self-resettling within the project area of influence will be entitled to participation in livelihood restoration programs based on priorities identified by affected households during consultations between individual DPs, NNP1PC, and DCC.	<b>On-going Compliance.</b> All the 71 households in HSRA are participants of Home Sweet Home and Commodity Production Programs. The first program is food production for home consumption while the second one was primarily cash crop production. The NNPIC determined the activities based on the result of the consultation and the financial plan of the households who received cash compensation.
6	On-Farm Activity 1: Agricultural livelihood restoration program: intensive agriculture program (irrigated land allocation in the designated resettlement site, fertilizer, seed, agricultural extension program)	<b>On-going Compliance.</b> All 47 2LR households got their paddy rice allocation, But only 25 received their cash crop allocation because the rest cannot yet decide on their plot location. Irrigated rice production is ongoing and 47 2LR resettling households are in crop production of various cash crops. Organic fertilizer, seeds and extension services are made available. .
7	On-Farm Activity 2: Suitable and functioning irrigation system including pumps, gates, gauges, and distribution systems for all the replacement paddy agricultural lands in accordance with standards issued by Ministry of Agriculture and Forestry, Lao PDR in the designated resettlement site.	<b>Partly Complied.</b> The irrigation dam is completed and an irrigation system reportedly with a design approved by the Ministry of Agriculture and Forestry is operational. But the construction of the distribution system is not yet finished. The Operation and Maintenance (O&M) arrangement is not yet operational.
8	On-Farm Activity 3: Complete array of plants, tree saplings, cuttings, seeds and other biomaterials as well as tools and equipment if necessary, each year for a period of not less than three (3) years, in amounts sufficient to carry out all agricultural plans and optimize the productive capacity of all agricultural lands including paddy, terraces, garden plots forage plots, and forests.	<b>On-going Compliance.</b> The project gave each household a set of garden tools (hoe, fork, shovel and garden knife), conducted various training and provided planting materials.
9	On-Farm Activity 4: Participation in aquaculture Program	<b>On-going Compliance.</b> The fish raising program is on-going.
10	On-Farm Activity 5: If necessary, provision of tools and equipment in sufficient number and quality (including replacement tools and equipment where such items are worn out or damaged) for successful agriculture, fishery and	<b>On-going Compliance.</b> The project gave each household a set of garden tools (hoe, fork, shovel and garden knife),



No	Entitlements	Status of Compliance
	other work of all types which are proposed under Concession Agreement, Annex C, Appendix 7	
11	Off-Farm Activity 1: Package for employment or starting a business	<b>On-going Compliance.</b> A number are employed in the project mostly as day laborers. Some women in HSRA are engaged in production and sale of banana chips and pineapple jam
12	Off-Farm Activity 2: A range of feasible production and income generating options which will ensure household targets are met o Priority for employment in project-related jobs o Participation in Occupational Skill Development Programs which shall be designed to match the DP's aspirations and potentials.	<b>On-going Compliance.</b> The AP are prioritized for employment and 120 members of 77 HSRA households participated in livelihood training.
13	For students committing to work either in a public function (teachers, medical staff, etc.) in the designated resettlement site or with NNP1PC, eligibility to compete for a scholarship program established and funded by the Company; scholarships will be allocated via a competitive selection process with gender quotas	<b>On-going Compliance.</b> Scholarship program is on-going
14	A livestock development programme for HSRA shall be prepared and implemented at the cost of the project to improve livestock management (including animal health, provision of grazing and forage land) and marketing (access to existing markets and networks in the province).	<b>On-going Compliance.</b> All 47 households received their grazing area allocation. Some 2LR HSRA resettlers are engaged in pig in a bunker and goat raising. The project is providing animal health care.
15	Linking Company, contractors and sub-contractors with DPs looking for employment as well as in linking employment-related livelihood activities with the Project's construction work.	<b>On-going Compliance.</b> The Lao Labor Union representative in Hat Gniun serves as the link between the project, contractors and subcontractors on one hand and job-seekers on the other.
16	For fishponds, replacement fish pond of equal size and/or productivity and amenity plus assistance to stock and feed fish or lump sum cash payment equivalent to three years of productivity as agreed with DP; Participation in aquaculture program;	<b>On-going Compliance.</b> The REDP 2LR identified 12.5 hectares of fishpond affected. Fishponds were compensated. The projects has fish raising program and is developing fisheries in the irrigation and reregulation reservoir.
17	Access to fishery resources in the middle and lower section of the reservoir as well as downstream of the re-regulation dam	<b>On-going Compliance.</b> The project is developing fisheries in the irrigation and reregulation reservoir.
18	Assistance to develop a sustainable zoning and land use plan for use of common resources including a Fisheries co-management program for fisheries on the reservoir and downstream	<b>Partly Complied.</b> Phase I of participatory land use planning is completed and Phase II which requires the transfer of all HSRA resettlers is still to be done.
19	<b>B. Social Suitability</b>	
20	Identification of all residential replacement land and land plots shall be based on consent or broad community support of the physically displaced ethnic households and with the support of the local authorities and the Company.	<b>Fully Complied.</b> The project, AP and government authorities worked together to identify potential resettlement sites between 2007 and 2014. There were numerous consultation meetings done between 2007 and the present. The minutes of these meetings indicate that ADB 2009 Safeguard Policy Statement criteria for meaningful consultations were met. An



No	Entitlements	Status of Compliance
		indicative and final choice surveys of transfer preference were done.
21	<b>C. Cultural Suitability</b>	
22	Provision for appropriate rituals and ceremonies for cemeteries, holy sites, and other immovable cultural landmarks prior to Resettlers' relocation, and establishment of analogous replacement cultural resources wherever possible of at least equivalent size (e.g., new cemetery appropriately sited).	<b>Partly Complied.</b> As agreed with the AP, all graves are compensated. The compensation payment included the cost of rituals. But the land for cemetery in the HSRA is not yet allocated.
23	<b>D. Grievance Redress Mechanism</b>	
24	GRM requires each affected village to establish grievance committees, which are established Lao village institutions pre-existing any projects.	<b>On-going Compliance.</b> GRM is operational



### **Annex 3**

## **Household Income Prospect Index Rating Scale**



HH No	Name of HH Head:	Address:	
No	Indicators	Scale	Rating
1	Amount of Compensation Received	Below \$ 25,000 \$25,000 – \$99,999 \$100,000 -199,999 \$200,000-299,000 Over \$ 300,000	1 2 3 4 5
2	Main Income-generating Skills Based on Assets Managed in Old Village	Mainly rotational cropping Mainly paddy rice cultivation Mainly Commercial crop cultivation Professional (e.g., Teacher, Engineer) Mainly Trader or Shopkeeper	1 2 3 4 5
3	Amount of compensation invested on agricultural land and business;	Below \$ 25,000 \$25,000 – \$99,999 \$100,000 -199,999 \$200,000-299,000 Over \$ 300,000	1 2 3 4 5
4	Percentage of compensation invested on agricultural land	Below 20% 20%-39.9% 40%-59.9% 60%-79.9% 80%-100%	1 2 3 4 5
5	Amount of compensation invested on business	Below \$ 25,000 \$25,000 – \$99,999 \$100,000 -199,999 \$200,000-299,000 Over \$ 300,000	1 2 3 4 5
6	Percentage of compensation invested on business	100%-80% 70.9% -60% 59.9%-40% 39.9%-20% Below 20%	1 2 3 4 5
7	Amount of compensation in fixed bank deposit	Below \$ 25,000 \$25,000 – \$99,999 \$100,000 -199,999 \$200,000-299,000 Over \$ 300,000	1 2 3 4 5
8	Percentage of compensation put in fixed bank deposit	Below 20% 20%-39.9% 40%-59.9% 60%-79.9% 80%-100%	1 2 3 4 5
9	Educational attainment of the household head;	None/Primary Secondary High School College Level University Graduate	1 2 3 4 5
10	Number of working adults (15-64 years)	Below 2 2 3 4 5 and over	1 2 3 4 5



<b>HH No</b>	<b>Name of HH Head:</b>	<b>Address:</b>	
		<b>Contact Number:</b>	
<b>No</b>	<b>Indicators</b>	<b>Scale</b>	<b>Rating</b>
11	Number of Children in the Household	5 or more 4 3 2 1 or 0	<b>1</b> <b>2</b> <b>3</b> <b>4</b> <b>5</b>
12	Number of vulnerable adults (physically and mentally impaired and aged over 64 years old) in the households.	4 3 2 1 0	<b>1</b> <b>2</b> <b>3</b> <b>4</b> <b>5</b>
	<b>Average Rating</b>		
Legend: 5 (Very High Prospect); 4 (High Prospect); 3 (Moderate Prospect); 2 (Low Prospect); and 1 (Very Low or No Prospect).			



**ATTACHMENT**

Lao's People Democratic Republic  
Peace Independence Democracy Unity Prosperity

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Xaysomboun Province

Ref No. 843/GOV.XB  
Xaysomboun, 28 August 2017

**Decree  
of Governor of Xaysomboun Province  
on assignment of Steering Committee based in community of Hom District, Xaysomboun  
Province affected by Nam Ngiep1 Hydropower Project**

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- Further to the law on local administration Ref No. 68/NA, 14 December 2015, Part III, Chapter IV, Article 20 regarding role and responsibility of Governor of the province and Mayor;
- Further to the decree on the compensation and Resettlement of Development Projects, No.192/PM, 07 July 2005;
- Further to agreement of Prime Minister Ref No. 24/PM, 17 Mars 2014 regarding the assignment of Resettlement and Livelihood Restoration Committee of population affected by Nam Ngiep1 Hydropower Project;

In order to make sure that the implementation of Resettlement and Livelihood Restoration of population affected by Nam Ngiep1 Hydropower Project is in accordance with cession agreement, Lao Law and facilitate this work.

**Governor of Xaysomboun Province agreed:**

Article 1: Assignment of Steering Committee based in the community to mobilize the Resettlement and Livelihood Restoration of population affected by Nam Ngiep1 Hydropower Project of Xaysomboun Province, the assigned staffs have their following names:

1.	Mr. Bounphanh Phommachanh	President of Party inspection	Head
2.	Mr. Khamdeng Sylavong	Vice-President of Assembly	Deputy Head
3.	Mr. Heu Thor	Director of Propagation Department	Member
4.	Mr. Oudone Singdala	Director of Justice Department	Member
5.	Mr. Phomma Keobouapha	Director of Home Affairs Department	Member
6.	Mr. Phonexay Tanovanh	Vice Director of Energy and Mines Department	Member
7.	Mr. Yacheng Xiongyerlor	Lao Front for National Construction	Member
8.	Mr. Xay Thipphavong	Party inspection staff	Member



- |     |  |                           |        |
|-----|--|---------------------------|--------|
| 9.  | Mr. Kinnaxay Xaophouvong                               | Assembly Staff of zone 18 | Member |
| 10. | Secretary of Houay Nanom, Soppouan, Nong and Nam Youak |                           | Member |

#### Article 2: Roles, Responsibilities and scope of rights

1. Closely lead in Resettlement and Livelihood Restoration of population affected by Nam Ngiep1 Hydropower Project as per objective defined;
2. Settle and resolve all problems to make the compensation, complaints of population affected regarding compensation through negotiation process from community to Provincial Levels;
3. Directly represent the Lao Government, Province, District in completely implementing the resettlement and Livelihood Restoration of population affected by Nam Ngiep1 Hydropower Project;
4. Consider the compensation and things to compensate including facilities of population, participative discussion meeting especially the consideration of population problem solution, all assigned members of this committee should be present in the meetings.
5. Engages to issue terms, internal regulation, allocate responsibility to each member aiming at achievement of their roles and responsibilities, coordinate with relevant sectors particularly with Ministry of Energy and Mines, Nam Gniep1 Hydropower Company and related Ministries;
6. Regularly organize 2-3 meeting sessions per month (ordinary meeting), if there is urgent issues to resolve, extraordinary Meeting could be organized;
7. Supervise and validate plan of action and compensation policy to population affected by Nam Ngiep1 Hydropower Project;
8. Define responsibility of involved organizations in implementing plan of resettlement and livelihood restoration of population affected by Nam Ngiep1 Hydropower Project especially within the roles and responsibilities of resettlement unit;
9. Resolve conflicts between resettlement unit and resettlement operation unit of project owner and consider population request;
10. Monitor and evaluate and mobilize the operation of resettlement of relevant sectors aiming to achieve the objectives and report to Province and Government Authorities.

#### Article 3: Remuneration

1. The members of the committee still be civil servant and regularly receive the remuneration from their organizations;
2. During working in team such as participation to meeting, field work, the members will receive DSA, transportation allowance and other expenses budget of resettlement of Nam Gniep1 Hydropower Project.

Article 4: Assigned committee members shall work in 4 villages as per their roles and responsibilities, if field work is more than 3 days, they should absolutely assign their work to staff of their organizations, if there is a necessary work to do within their organizations, they could go back for implementing it.

Article 5: Departments, organizations, offices of Province, District and assigned people should recognize and strictly follow this decree.



Article 6: the present decree is valid from its signature and if some documents are contradictory to this decree, the decree should be prevailing.

Governor of Xaysomboun Province

Signature and stamp

PhD Thongloi Srivong

CC:

1. Assigned committee: 1 copy
2. Nam Ngiep1 Hydropower Company: 1 copy
3. Archive: 1 copy