



Lao People Democratic Republic

Peace Independence Democracy Unity Prosperity

Ministry of Industry and Handicraft

Department of Electricity

Off-Grid Support Office (OPS)

Lao PDR

Southern Provincial Rural Electrification Project II

Resettlement Policy Framework

For Off-grid component

May, 2004

1. Introduction

With the successful implementation of the Southern Provincial Rural Electrification Project (SRPE I), the World Bank is considering to finance the extension of the rural electrification efforts in southern provinces as SPRE II Project. The project will help Lao PDR to achieve the national target on rural electrification rate, with 60 percent in 2005, 70 percent in 2010 and 90 percent in 2020. Providing the electricity to the villages will create more opportunities to the people for income generation and

livelihood improvement. The Project will include two physical components: one is on-grid component, which will provide access to electricity to more than 90,000 households in some 1,300 villages in 7 provinces. The other is off-grid component, which will provide the access to electricity to about 30,000 households in 17 provinces through SHS, gen-sets and village-level hydro schemes.

For the off-grid component, the scope of project includes solar home systems(SHS), gen-sets and village-level hydro schemes to cover various villages in seventeen provinces. Such activities will involve limited amount of land acquisition and resettlement. Since the scope of the impacts for off-grid component, to be implemented in five years, could be identified at project preparation stage, following the World Bank requirement, a resettlement policy framework is prepared for off-grid component. The main objective of the policy framework is to address potential adverse social impacts that result due to involuntary land acquisition and resettlement.

2. Definition

Cluster Plan. The process whereby proposals for off-grid village schemes are submitted for approval, is the preparation of off-grid electrification plans for a group of neighboring villages (a cluster). The cluster plans include social, economic, financial, and technical feasibility data, as well as data on environmental and livelihood and domicile protection, in the form of environmental management plans and resettlement plans.

Compensation means payment in cash or in kind for an asset to be acquired or affected by a project at replacement cost.

Cut-off Date is the date prior to which the occupation or use of the project area makes residents/users of the project area eligible to be categorized as affected persons. The cut-off date coincides with the date of the census of affected persons within the project area boundaries. Persons not covered in the census, because they were not residing, having assets, or deriving an income from the project area, are not eligible for compensation and other entitlements.

Displaced Persons (DP) or Project Affected Persons (PAPs) includes any person or persons, households, a firm, or private or public institution who, in the context of acquisition of assets and change in land usage, as of the cut-off date, on account of the execution of the project, or any of its subcomponents or part, would have their:

- (a) Standard of living adversely affected;
- (b) Right, title, or interest in any house, land (including residential, commercial, agricultural and grazing land) or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily adversely affected; or
- (c) Business, occupation, places of work or residence or habitat adversely affected, with or without displacement.

PAPs/DPs includes persons or affected household and consists of all members of a household residing under one roof and operating as a single economic unit, who are adversely affected by a project or any of its components. For resettlement purposes, displaced persons will be considered as members of displaced households.

Entitlement means a range of measures comprising compensation, income restoration support, transfer assistance, income substitution, and relocation support which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

Project Implementing Bodies refer to the private sector parties engaged in off-grid dissemination as prescribed by the Lao Government's Power Sector Policy Framework promulgated by the MIH in 2003. These parties are Electricity Service Companies(ESCOs) and Village Electricity Managers (VEMs).

Project Authorities refer to both Electricite du Laos (EDL) and Ministry of Industry and Handicraft (MIH). Within MIH, the Department of Electricity (DOE) has an Off-Grid Promotion Secretariat (OPS) responsible for the day-to-day management of the off-grid component of SPREII. The Province Department of Industry and Handicraft (PDIH) and the District Department of Industry and Handicraft (DDIH) include among their staff Off-Grid co-ordinators reporting to OPS on technical aspects of their work. PDIH and DDIH represent the Off-Grid project authority at province and district level. At village level, the Village Electricity Advisory Committee (VEAC) is the project Authority.

Province and District Resettlement Coordination Committees (PRCCs and DRCCs) are responsible to represent local interest and knowledge with regard to resettlement and compensation issues.

Rehabilitation means assistance provided to DPs seriously affected due to the loss of productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets, in order to improve, or at least achieve full restoration of living standards and quality of life to pre-project level.

Relocation means the physical shifting of a DP from his/her pre-project place of residence, place of work or business premises.

Replacement cost is the amount needed to replace an asset and is the value determined as compensation for:

- i. Agricultural land the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes;
- ii. Land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes;
- iii. Houses and other related structures based on current market prices of materials, transportation of material to construction site, cost of labor and contractor's fee, and cost of any registration and transfer taxes. In determining replacement cost, depreciation of the assets and value of salvaged building materials are not taken into account and no deductions are made for the value of benefits to be derived from the project;
- iv. Crops, trees and other perennials based on current market value; and
- v. Other assets (i.e. income, cultural, aesthetic) based on replacement cost or cost of mitigating measures.

Resettlement means all measures taken to mitigate any and all adverse impacts of a project on DPs property and/or livelihoods, including compensation, relocation (where relevant) and rehabilitation as needed.

Resettlement Action Plans (RAPs) are documents which detail what resettlement or compensation measures are to take place with respect to specific sub-projects. There are two types of RAP, the full RAP which requires prior review by the WB, and the standard RAP, which requires review by OPS.

The **Rural Development Consultant (RDC)** is a full-time consultant employed by OPS to address social and economic issues arising from the off-grid project. He or she is responsible for safeguarding the livelihoods, domiciles, rights, and special needs or cultures of villagers affected by off-grid dissemination.

Vulnerable group is distinct groups of people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement and specifically include: (I) female headed households with dependents, (ii) disabled household heads, (iii) households falling under the generally accepted indicator for poverty, (iv) elderly households with no means of support and landlessness, and (v) indigenous minorities.

3. Policy Objectives

The objectives of the resettlement policy framework will include the following elements: (1) Involuntary resettlement should be avoided or minimized through design efforts. (2) Where involuntary resettlement is unavoidable, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient compensation, assistance and rehabilitation to the DPs so that they would be at least as well off as they would have been in the absence of the project. (3) DPs will benefit from the project. (4) Project stakeholders (including DPs) are consulted and given the opportunity to participate, as practicable, in the design, implementation, and operation of the project. And (5) DPs should be assisted in their efforts to improve their livelihoods and standard of living or at least to restore them, in real terms, to pre-displacement levels.

The proposed resettlement policy should apply to all components under the project funded by the Bank and directly related projects funded by other sources. The

compensation and entitlement policy should apply to all displaced persons regardless of the total number affected or the severity of impact. Particular attention is paid to the needs of vulnerable groups among those displaced: especially those below the poverty line, the elderly, women and children, and ethnic minorities.

4. Project Scope & Resettlement Impacts

The proposed off-grid component for SPRE II Project will provide access to electricity to more than 30,000 households in 832 villages in 17 southern provinces. Table One provides a basic scope of the off-grid component, which is based on existing data sent to OPS by seventeen Provincial Departments of Industry and Handicraft.

The total cost of the component will amount to \$6 million with IDA financing and \$5 million GEF financing.

Table 1 Scope of Off-Grid Component for SPRE II Project

Code	Province Name	Village	Jan.2005 to Sept.2007			Oct.2007 to Jun.2010	
			H.H	SHS	VH/GS	SHS	VH/GS
				Set	Set	Set	Set
1	Vientiane	44	1,600	500		1,000	100
2	Oudomxai	45	1,650	500	50	1,000	100
3	Luangnamtha	56	2,000	600	50	1,200	150
4	Champasakl	56	2,000	600	50	1,200	150
5	Louangprabang	45	1,650	500	50	1,000	100
6	Xaiyabouly	63	2,250	700	50	1,400	100
7	Xiengkhouang	71	2,550	550	500	1,100	400
8	Houaphangh	56	2,000	500	250	1,000	250
9	Bolikhambay	42	1,500	500		1,000	
10	Khammouane	42	1,500	500		1,000	
11	Savannakhet	42	1,500	500		1,000	
12	Salavan	45	1,650	500		1,000	150
13	Sekong	44	1,600	500		1,000	100
14	Attaeu	44	1,600	500		1,000	100
15	Phongsaly	44	1,600	500		1,000	100
16	Bokeo	44	1,600	500		1,000	100
17	Xaisomboon SR	49	1,750	550		1,100	100
	Total	832	30,000	9,000	1,000	18,000	2,000

For Solar home system no requirement for acquisition, tree clearance, or resettlement is entailed by project planning and installation procedures. For Village Hydro and Gen-set schemes (VH/GS), the amount of land acquisition is either none or minimal, and tree clearance or resettlement is not entailed by planning procedures which indeed prohibit such measures except in cases with exceptional justification. Some village hydro schemes require land for head-race channels, which typically are not longer than 200 meters and not wider than one meter. These channels may sometimes require change of use of small sections of a productive field. **The Off-Grid planning guidelines and technical standards** ensures that the channel routing does not give cause for loss of productive trees or structures used by farmers for dwelling or working. They also ensure that all transmission lines do not interfere **with existing building structures and trees.**

The potential impact of village hydro and gen-set schemes on the income and livelihood of individual farmers and villagers is therefore very limited. However in cases where villagers (within the community-wide participative planning process prescribed for all off-grid schemes) any affected people are provided with compensation at replacement values according to principles equivalent to those in use in the on-grid component of the SPRE II project.

5. Legal Framework for Land Acquisition and Resettlement

In Lao PDR there are no specific laws concerning the details of resettlement and compensation, other than general requirement for compensation to be provided. A national resettlement policy has been prepared by Science, Technology and Environment Agency (STEA) with the support of ADB, pending approval of Lao government.

The following legislation now in force, and supporting regulations (promulgated or in draft) are relevant in developing the resettlement policy framework for SPRE II Project, which will ensure that impacts of land acquisition and resettlement for the project will be adequately addressed during project planning and implementation.

Laws

For example, the Electricity Law (1997) requires that “the licensee (EDL) is responsible for ensuring that environment is protected, and that residents are

compensated in cash or in kind for lost property, diminished living conditions, relocation and resettlement.”

The Land Law (1997) stipulates that in case of the public infrastructure development projects cause damage to the trees, crops or buildings of the private owner, the land and structure owners have the right to be compensated for the damage

According to the Forestry Law (1996), that forest land can be converted to other uses when necessary and if in the public interest, and subject to approval from responsible authorities. An individual or organization given permission to convert forest to another use is responsible for payment of a conversion fee, land reclamation and tree planting.

Regulations

In addition to above laws, Department of Electricity, Ministry of Industry and Handicraft also issued Environmental Management Standard Documents, which provide more details guidance on how to prepare power sector projects, which requires the project owner to prepare IEE to be approved by Ministry of Industry and Handicraft and Science, Technology and Environment Agency.

The draft National Policy on Resettlement and Compensation, which was prepared by STEA with support from ADB is being approved by Lao PDR government. Once it is adopted, it will become an important policy instrument in guiding resettlement and land acquisition activities in Lao PDR in future. The key compensation principles under the National Policy on Resettlement and Compensation are listed below, which are in general agreement with the policy requirements of ADB and the World Bank.

- Project Affected Persons will be provided compensation for their lost assets affected in full or in part, at full replacement cost.
- In case of compensation for the affected to type of land (agriculture, residential or commercial) will be through provision of “land to land” arrangement of equivalent size or productivity and at the location acceptable to the Affected Persons. If the land not available, cash compensation at full replacement cost is applied.

- If the house or structure is partially being affected by the project but the remaining structure is rendered unviable or area less than the minimum house size. Affected Persons will be entitled to compensation.
- In case of the Affected Persons affected by partial loss of structure and remaining still viable. The assistance in a form of cash or material to restore the structure is applied.
- In case of the temporary affected by the projects, there will be full compensated of the net loss of income. If the temporary use (affected) of the assets less than 6 months there will be compensated of 10% of the replacement cost of the affected assets. But if more than 6 months compensation should be negotiated with the owner of the assets.
- In case of the Persons have leased the house, structure or the form. Compensation equivalent of 3 months rental allowance if applied. There will be also assisted in finding the alternatives for rental accommodation.
- The affected persons without any legal title or ownership right to affected land or assets they occupy should be compensated and provide assistance to ensure they are not worse-off due to project.
- All previous claims and unresolved issues related to tenure status and ownership of land and other assets on each sub-project or components will be resolved before land acquisition.
- Resettlement process should be carry out in a participatory manner following the General guidelines for Public Involvement.

6. Compensation Standards

Based on the above laws, regulations, and compensation principles, and based on successful implementation experience from SPRE I Project, a set of compensation standards and valuation methods have been developed for the proposed SPRE II Project. The compensation standards and valuation method for different types of assets have been based on the replacement value principle, and on consultation with Provincial Departments of Industry and Handicraft and with provincial resettlement committees.

In line with the provisions of the on-grid resettlement policy framework, the off-grid policy includes the following terms for compensation or their equivalents (I terms of specific local conditions) as decided during planning consultations held for each scheme by the project authorities (Provincial Department of Industry and Handicraft) and their delegates (village Electricity Advisory Committees). I the case of the off-grid component the project owners who are liable for payment of compensation, are shareholders in the Village Electricity Manager's electricity business and are represented in this regard by the VEM- this usually; includes the majority of villagers in each village. In cases where there are no shareholders the VEM is the sole project owner.

A. Permanent Land Acquisition

For permanent land acquisition, different compensation will be paid based on different types of land areas. It is agreed that for productive farmland, mainly paddy land, the basic compensation will be 10 times of annual output value for lost farmland. The detailed formula of estimating the unit compensation rate is:

- Unit Compensation of Paddy land = Yields of the field (ton/ha/year) x Market Price of Rice x Compensation period (year)

Given the different yield of paddy and market price in different towns and provinces, the actual compensation rate will vary from province to province. For example, in some paddy fields near the town, with good irrigation, two crops could be harvested each year. As a result, the annual yield and output value of such paddy land will be much more than those areas with only one crop each year.

For acquired scrub land and garden land, the compensation rate will be set at one third of compensation rate for paddy land.

B. Temporary Land Occupation

In addition to the income losses from permanent land acquisition, there will be income losses from temporary land occupation or disturbances during project construction. For such losses, compensation of lost crops at replacement value and cost of restoring land into original conditions will be paid by the project owner. Depending on length of such occupation, most of impacts will be limited to one crop loss, but for some cases, such occupation might take up more than one year with multiple crop losses. The compensation will be based on average yield and market price of lost crops. Efforts will be made by the project owner to minimize the impacts of temporary land occupation by timing the construction after planting season.

C. Structures and Assets

In Lao PDR there are no unified compensation standards for lost structures and assets. Based on relevant laws and regulations, the basic compensation principle is to provide compensation at replacement value, which will include (1) cash for lost structures sufficient to replace materials and labor to build replacement structures to an equivalent size and standard; (2) housing plot to build the replacement structure; and (3) allowance for the expense of relocation and lost of income during transfer.

For transmission line project, since affected houses are only required to move short distance from the right of way, based on experience of EdL from SPRE 1 Project, most- affected houses with small size and traditional wood structure were simply moved by the villagers to nearby locations. In this case, the project owner will pay all related cost for such moving event after consultation with affected people and villages. The agreed total compensation will include new site preparation, payment for moving ceremony, and cost of additional materials for minor repairs. The project owner will ensure that all moved houses will have the same or better conditions after the move.

D. Economic Trees and Cash Crops

For the loss of various trees during the clearance of right of way under the transmission line, the general compensation principle is to provide replacement value to the affected people. After consultation with branch EDL, provincial government and affected villages, the basic formula for estimating such compensation is developed.

(1) Industry Trees:

Compensation = (Cost of land clearing + Cost of seedling) + (Cost of taking care x year of taking care)

(2) Fruit Tree:

Compensation = (Cost of land clearing + Cost of seedling) + (Cost of taking care x year of taking care) + (Cost of income x year of income)

In order to ensure that the compensation rates for economic trees are adequate for providing replacement value and restoring income and livelihood for the affected people, during resettlement preparation for individual clusters, each province will develop a detail list of compensation rates for various trees, which will be based on agreed formula and current yield, and market prices of different crops. Such list of compensation rates will be consulted with local government and affected people prior to project implementation, which will be included in the resettlement action plans.

E. Other Compensation and Assistance

Any proposed VH/GS design involving loss of infrastructure facilities and community service, such as roads, bridges, schools, electricity, water, and so on, will not meet with approval by PDIH and OPS, unless certain conditions are met. The key condition is that replacement of these facilities will be completed prior to the construction of scheme components such as channel and Power-house, so that the daily life of concerned communities will not be affected.

In case of a channel passing through and honorable area of the villages (such as a sacred forest area or cemetery area, the primary project implementing body, will consult with village leaders to arrange a traditional moving ceremony according to village practice. The project authorities (PDIH, OPS, and the VEAC) will assist the implementing body to cover costs related to that according to the conditions set out in project planning guidelines (VEAC guidelines).

Sometimes, to express their support to an electricity project, villages eagerly offer land areas for setting the wood or concrete poles and decline any compensation for tree removal. In these cases, the delegated project authorities (the Village Electricity Advisory Committee working according to planning guidelines prescribed by OPS and supervised by PDIH) will calculate the value of such losses and ensure that the VEM has deducted them from the contribution of the affected villagers, or provide other in-kind compensation of equivalent value. This same procedure applies to cases where an individual or group of villagers face an proposal for replacement by components of the electricity scheme of assets such as their pico-hidro or irrigation weir.

7. Criteria and Eligibility for Compensation

Although the off-grid component of SPRE II follows participative planning procedures which exclude displacement of people from homes or their sources of livelihood, it is nevertheless the case that the standards and principles as set for on-grid compensation are followed should any area of uncertainty arise. Compensation and rehabilitation will be provided for all displaced persons under the following conditions:

- if their land area or income source will be removed due to land acquisition of the project;
- if their houses (or residential plots) will be demolished or partly damaged due to the land acquisition;
- if their other properties (crops, trees, and other facilities) or access to these properties will be removed or damaged due to land acquisition or construction of the project.

All displaced persons, regardless of their legal status, will be provided compensation and rehabilitation based on the policies adopted by EdL. Lack of legal paper of their

customary rights of occupancy certificates shall not be an obstacle for obtaining compensation for them. It should also cover resettlement resulting from complementary activities that are not part of the Bank-assisted investment projects, but are necessary to achieve its objectives as set forth in the project documents. The policy applies to all displaced persons regardless of the total number affected or the severity of impact. Particular attention is to be paid to the needs of vulnerable groups among those displaced: especially those below the poverty line, the elderly, women and children, indigenous groups and ethnic minorities.

8. Institutional Arrangement

For off-grid component of the SPRE II Project, three levels of institutions will be involved in the process of resettlement planning and implementation. These three levels form the institutional network to ensure smooth and proper resettlement planning and implementation as approved by the World Bank. These levels are province, district, and village, and are described in more below. Within each level, there is an implementing body (private sector licensee, and a project planning/oversight body (the project authority).

Overseeing these three levels, are OPS within MIH, which is responsible for overall project planning and oversight for the off-grid component. Within OPS, one member of staff (Rural Development Consultant) has special responsibility for resettlement compensation issues.

National oversight: OPS office within DOE

The OPS office of DOE is responsible for day-to-day management of the off-grid component. The Rural Development Consultant (RDC) is responsible for social and economic aspects of the project including environmental and livelihood (resettlement) protection. The OPS office is responsible for overall project preparation, management, and coordination with WB, PDIH offices, and ESCOs.

RDC&M are responsible for preparing all required documentation concerning the environmental and social aspects following both WB and Lao regulations. They are responsible for monitoring, supervision, resettlement implementation by PDIH/ESCOs and VEAC in order to ensure they are in compliance with the adopted Resettlement Policy Frameworks and RAP and also responsible for preparing

resettlement progress report, which will be submitted to DOE, and the World Bank each quarter during the project implementation.

Province level: Province Resettlement Coordination Committees (PRCCs)

The provincial level RCC has members drawn from key provincial departments and relevant district governments. In most cases the PRCC is not active since the DRCC addresses resettlement issues. In cases where unusual or significant resettlement issues involve a PRCC, it functions to (1) participate in scheme planning with ESCO staff; (2) assist the VEAC to conduct consultation and negotiation with affected individuals on compensation policy and rehabilitation measures; (3) assist the VEM and VEAC in distribution of compensation and entitlements; and (4) addressing grievance or complaints during the operation phase.

District level: District Resettlement Coordination Committees (DRCCs)

The DRCC has members from key offices of the district government and from the relevant villages. It functions to (1) participate in scheme planning with ESCO staff; (2) assist the VEAC to conduct consultation and negotiation with affected individuals on compensation policy and rehabilitation measures; (3) assist the VEM and VEAC in distribution of compensation and entitlements; (4) assist the VEAC to address grievance or complaints during the operational phase.

Province and district level implementing body: ESCO

Each ESCO is responsible to conduct a preliminary survey on land acquisition and resettlement, and to prepare a resettlement plan for each village within the cluster plan proposal. To do this the ESCO works closely with the PDIH and DDIH off-grid coordinators during project planning. In the case a village with significant resettlement impact, he will receive additional assistance from PDIH and OPS in order to develop a full resettlement action plan.

Village level implementing bodies and resettlement bodies

The village Electricity Advisory Committee (VEAC) consists of members elected by the community as a whole to oversee and regulate electricity management. The VEAC operates according to the policy outlined in this paper and embodied in a Lao-language document "...VEAC Guidelines" which sets out resettlement and compensation procedures, principles and terms, as well as environmental safeguards. The implementing body at village level is the VEM, whose contract also includes obligation to follow both the environmental protection terms and resettlement safeguard terms prescribed in the VAEC guidelines, and to act subject to the decisions made by the VEAC, DRCC, and PRCC.

9. Implementation Process

Based on current practice of off-grid activities and consultation with ESCO staff and provincial officials, for implementation of each cluster, the following steps will be made by the OPS officer responsible for resettlement (the RDC), in order to ensure the resettlement policy framework is being complied with.

Survey/Design

During preliminary design for each cluster, the resettlement staff of PDIH and District authority will be involved. This is a first step to see wherever the resettlement impact can be avoided, mitigate or minimize as much as possible. He or she will participate in alignment survey and prepare a survey form regarding potential impact on land acquisition and resettlement. A sample of such form and guideline for conducting the survey will be provided by OPS office staff within the cluster planning format. The survey form will include scope of cluster, potential impact, and affected individuals.

Develop Resettlement Action Plan (RAP)

Based on such datasheet, decision will be made whether a full RAP is required for the proposed cluster. Only those clusters with serious resettlement impacts (e.g. more than 100 persons or loss of more than 5000 square meters of farmland) will require a full RAP. In this case, OPS and PRCC will be responsible for prepare the RAP based on the resettlement policy framework and submit it to the Bank for review prior to implementation.

For those clusters with minor resettlement impacts, a data sheet is prepared which including three basic sections (1) the scope of impacts (name and quantities of affected assets) (2) detailed compensation rates and rehabilitation measures for affected assets, and (3) total amount to be paid to, or measures to be taken for, the affected people. This preparation is included in the procedure for cluster plan preparation and submission.

Disclosure to, and consultation with affected People

The RAP or data sheet, will be disclosed to the affected people and villages. The public disclosure of RAP is carried out either by holding public meeting, or putting up notice in the affected villages, or distributing resettlement information booklet to the affected people. The prepared data sheets and resettlement plan or compensation measure will be discussed with local governments, affected villages and individuals. The comments and feedback from local governments and affected people will be recorded in the cluster plan submission to OPS, which is then reviewed by OPS management.

Sign Compensation Contract and Pay Compensation to the Affected People

The final step of resettlement implementation is to sign compensation contract and deliver payment to the affected people, prior to project implementation. However, if house relocation and substantial land loss taking place, such payment need to be completed at least three months prior to construction, which will give the affected people reasonable time to complete new houses and move their belongings. During the implementation, the Project Authorities will be present to ensure that the correct payments are made

directly to each affected household.

10. Reporting and Approval

For clusters with only minor impacts, only impact and compensation data sheet needs to be prepared, which are not required to submit to the WB for review. Instead, they could be reviewed and approved by OPS to ensure that resettlement policy framework is followed, prior to the implementation by the ESCOs with PDIH supervision and inspection. For the clusters with serious resettlement impacts, OPS will prepare full RAPs and submit to WB for review prior to implementation.

11. Resettlement Funding, Cost Estimate, Flow of Funds and Contingencies

The cost of potential land acquisition and resettlement will be included in the total project cost for SPRE II Project. OPS will make sure sufficient funding is available to cover all resettlement-related cost for off-grid activities under SPRE II Project.

During project implementation, detailed cost estimate of the compensation and resettlement will be developed after detailed survey of each cluster.

For each cluster, the total resettlement budget submitted by ESCO/PDIH will be reviewed and approved by OPS. After receiving the letter of approval from OPS, ESCOs make funds available for implementing land acquisition and resettlement. It is proposed that at each ESCO office, a special resettlement account will be set up for SPRE II activities, so that the resettlement expenses from each province could be regularly monitored by OPS in comparison with progress of physical components.

12. Consultations with, and participation of, and disclosure in planning, implementation

During the preparation of each cluster, extensive consultation will be carried out by ESCO staff and officials from local resettlement coordination committees with affected individuals and villages, regarding the potential resettlement impacts, compensation policies, and rehabilitation measures as well as grievance procedures. The affected people are invited to voice their opinion on the project and compensation policies. After consultation in each village a minutes of meeting with villages will be prepared by ESCO to record all discussion and agreements made.

After finalization of the RAP or datasheet with detailed compensation standards and rehabilitation measures by OPS, they will be disclosed to the affected people and villages. The public disclosure of RAP could be carried out by holding public meeting, putting up notice in the affected villages, or distributing resettlement information booklet to the affected people.

The Resettlement Policy Framework will be translated in local languages and disclosed at ESCO/PDIH offices once it is approved by OPS and World Bank.

13. Grievance Redress Mechanism

The affected people will be given many opportunities to review the survey results and compensation policies during the process of resettlement planning and implementation. However, during implementation, various issues might be encountered by the displaced people. In order to resolve these concerns effectively and timely, a grievance redress mechanism will be set up. The affected people will be notified about such mechanism before the resettlement implementation.

If a person is not satisfied with his or her compensation or rehabilitation measure, he could voice his complaint to the affected village head or district resettlement coordination committee. The village head or district resettlement coordination committee will give him an answer within two weeks. If he still does not agree with the solution, he could appeal directly to ESCO, who will give him a reply within two weeks. If he still does not agree with the decision, he could appeal to OPS office. A special grievance committee will be established within OPS to address these issues. The OPS Grievance Committee will make a final decision within two weeks. If he still does not agree with the decision, he could go to the court as a last option.

14. Resettlement Monitoring and Evaluation Arrangement

Following the requirements of the World Bank, during the project implementation, both internal and external resettlement monitoring and evaluation exercises will be carried out in order to monitor resettlement implementation and ensure all affected people are compensated adequately and their income and livelihood are restored after resettlement and rehabilitation.

Internal Monitoring

The internal resettlement monitoring will be carried out by OPS, and staff from the ESCO and PDIH. The main purpose is for OPS to have an overview of the resettlement progress of off-grid component during project implementation. Every quarter, ESCO resettlement staff will report resettlement implementation for each cluster to OPS who will compile these ESCO reports into an overall resettlement progress report for the whole component, which will be submitted to the World Bank as part of quarterly report for the project.

The report will include two parts. The first part is text section, which will provide detailed explanation on resettlement progress, fund allocation, and issues and problems as well as solutions in the implementation. The second part includes a set of tables, which provides a comparison between actual implementation for compensation delivered, amount of houses demolished, amount of new houses constructed, etc. and those in the resettlement action plan.

External Monitoring and Evaluation

For those clusters with serious impact (more than 100 people are affected), an external resettlement monitoring and evaluation agency will be selected to carry out external resettlement monitoring and evaluation. The selected institution should have extensive experience in similar activities. The main objective is by independently monitoring and evaluating the resettlement implementation, to see whether the objective of resettlement is achieved; and to provide basic assessment on resettlement implementation and restoration of livelihood for the affected people.

The scope of monitoring and evaluation includes the implementation progress, resettlement policies, delivery of compensation and replacement land, changes of income and livelihood among affected people, consultation and participation and development of local communities. The method of resettlement monitoring and evaluation will be based on a combination of sample household survey and rapid appraisal in the field.