

Income and Livelihood Restoration Plan

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Prepared by the Provincial People's Committee of Thanh Hoa Province

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THANH HOA PROVINCIAL PEOPLE COMMITTEE
PROVINCIAL PROJECT MANAGEMENT UNIT

THANH HOA CITY COMPREHENSIVE
SOCIO-ECONOMIC DEVELOPMENT PROJECT
(No. 2511 VIE – ADB Loan)

INCOME AND LIVELIHOOD RESTORATION
PROGRAMME

Prepared by
Provincial Project Management Unit

June, 2013

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Abbreviations

AARDD	Agricultural and Rural Development Department
AP	Affected Person
AH	Affected Household
CMC	Community Management Committee
DOLISA	Department of Labour – Invalid and Social Affairs
IRP	Income Restoration Program
PPMU	Provincial Management Unit
PC	People’s Committee

I. Introduction of the project

1. The Thanh Hoa City Comprehensive Socio-economic Development Project (CSEDP, or the Project) is an integrated development strategy to establish the City of Thanh Hoa as a competitive, livable, and sustainable city, leading to socio-economic development. The Project will be used as a vehicle for Thanh Hoa City to become a city of Grade 1 in 2025. This classification will require a level of scores, which justifies the launching of multi-sectoral consistent projects to create a suitable investment for the City to allow its take-off such as in industrial and tourism development, and to contribute in building a strong back - bone of intermediary towns playing an important role in the region and in national scale. In the background of the City's new classification, it is a matter of urban growth, of rural population attraction and reorientation, and of job creation, which are all essential for poverty alleviation. The Project also intends to set up a model of intervention that can be replicated in other medium size cities in Vietnam.

2. The project is co-financed by the Asian Development Bank (ADB) and the Korea Export Import Bank (KEXIM) with the total investment of approximately 118 million USD and aiming at establishment of Thanh Hoa City as a competitive, livable, and sustainable city, leading the socio-economic development of Thanh Hoa Province. The intended outcome is well-managed, safe and functional, affordable and physically accessible urban infrastructure, competitive tourism, and industrial development. The Project started in November, 2009 and is expected to be completed by December, 2014.

3. The Project comprises five components, which are (1) urban road development; (2) water supply upgrading and expansion; (3) drainage and wastewater treatment improvement; (4) human resource development, including the upgrading of vocational schools and development of training curriculum; and (5) tourism development by upgrading infrastructure and developing tourism development plans for Thanh Hoa City.

4. The Project will be conducted in 17 wards and communes of Thanh Hoa City, including Ngoc Trao, Dien Bien, Lam Son, Dong Tho, Truong Thi, Ba Dinh, Tan Son, Phu Son, Dong Ve, Nam Ngan, Ham Rong, Dong Huong, Quang Thang, Quang Thanh, Quang Thinh, Quang Tam, Quang Hung, Dong Cuong, and Dong Hung. It is estimated that 193,000 inhabitants (41,956 households) are project beneficiaries.

Among 5 components of the project, 4 components (except component 2) have land acquisition. Although the mitigation measures are applied, the land acquisition leads to the negative impacts to the income and livelihood of some local residents.

II. Objectives of Income and livelihood Restoration Planning

The IRP focuses on the PAP as a result of involuntary acquisition of land for the Project. The land acquisition process is considered as involuntary when project affected people (PAP) or communities do not have the right to refuse land acquisition resulting in displacement. Land acquisition in a project might lead to displacement for the local communities. For the ADB, there are two types of displacements: physical and economic. Physical displacement is defined as the actual physical of the people leading to relocation, loss of residential land, or loss of shelter, whereas the economic

displacement refers to loss of reproductive land or assets, access to reproductive assets, income sources, or means of livelihoods (Source: SPS, 2009).

This project requires moving both physically and economically. Therefore, Income Restoration Plan (IRP) was prepared in order to (i) ensure entitlements for Project affected persons (PAPs) are prepared in a transparent, consistent and equitable manner; (ii) identify severe APs that require assistance other than cash compensation to restore their livelihoods; (iii) design and implement the measures for income and livelihood restoration; and (iv) establish monitoring and evaluation mechanisms on IRP implementation.

The aim of this IRP is to minimize the adverse impacts of the Project and to ensure that income and livelihoods of AHs will be restored and improved at least equal or better pre-project levels.

III. Entitled People to participation in the IRP

People who are entitled to participate in the IRP are the severely affected households due to loss from 10% or more of productive land (such as agricultural and, aquaculture ponds, gardens, etc) or loss from 10% or more of income source from livelihood activities, relocated households and the vulnerable households (such as poor HHs, HHs with heroic Vietnamese mothers, invalids or martyrs families, HHs with disabled persons, single woman headed-household, ethnic minorities who are specified in the 2003 Land Law, Decree 197/2004/ND-CP of the Government of Vietnam and the compensation, assistances and resettlement policies of Thanh Hoa Province Thanh Hoa support (refer to entitlement matrix table in the RP 2013).

In the scope of the IRP of CSEDP, a fund for the development and implementation of specific programs is established based on the need assessment to participate in the economic development models of the affected households or group of affected households. In the meantime, the Program also takes into account the priority on programs to improve income and livelihood for the vulnerable households.

The survey result showed that, of total 1,434 of affected households, there are 948 households are entitled to participate in the income restoration program. Of these, there are 691 households losing 10% or more of productive land, 49 households are affected on their income from production and business relocation, and 195 relocated households whom not affected on their revenues. Of which, 119 households are vulnerable households. In addition, there are 13 vulnerable households whom is only affected less than 10% of productive land or income from production and business.

Table 1: People who are entitled to participate in the IRP

Project commune or ward	Lose from 10% or more of agricultural land without relocating			Lose from 10% or more of agricultural land and relocating	Lose from 10% or more of income from business and relocating	No. of relocated HHs without affected income source	Vulnerable groups		TOTAL (HH)
	10%-30%	30%-70%	70%-100%				Lose from 10% or more of income source, and/or relocation	Lose less than 10% or more of income source, and/or no relocation	
Component 1	176	162	32	0	10	78	49	7	465
Quảng Hưng	4	3	2	0	0	10	0	0	19
Đông Hưng	1	5	8	0	0	0	2	0	14
Đông Vệ	33	46	11	0	0	0	0	0	90
Quảng Thành	59	24	1	0	0	49	28	0	133
Quảng Thắng	75	75	6	0	0	19	11	7	182
Tân Sơn	4	9	4	0	10	0	8	0	27
Component 3	56	104	48	0	39	75	35	0	322
Quảng Thịnh	56	104	28	0	0	0	19	0	188
Điện Biên	0	0	0	0	39	75	16	0	114
Phú Sơn	0	0	20	0	0	0	0	0	20
Component 4	56	23	0	0	0	0	18	6	85
Đông Cương	56	23	0	0	0	0	18	6	85
Component 5	0	0	34	0	0	42	17	0	76
Hàm Rồng	0	0	34	0	0	42	17	0	76
Total	288	289	114	0	49	195	119	13	948

IV. Policy Framework

This section outlines the principal policy and legislative framework that pertains to land acquisition and involuntary resettlement in Viet Nam as it applies the CSEDP. It provides a summary of the relevant ADB policies and Viet Nam government policy. The ADB policies facilitate the resettlement of property owners without the undesirable conditions imposed upon them by local legislation. Both the local and international legal frameworks provide adequate compensation, support to affected private and public parties in a transparent manner even when expropriation procedures are used and the land is acquired through public interest. In other words, the international and national policy/legal frameworks complement each other in providing residents of affected settlements resettlement options. They also ensure that those who opt against resettlement benefits would receive compensation at replacement cost.

1. National Policy Framework

The current documents directly related to the policy of livelihood support policies and income restoration due to land acquisition and resettlement include:

- i. Decree No.197/2004/ND-CP, on compensation, rehabilitation and resettlement in the event of land recovery by the State.
- ii. Decree 69/2009/ND-CP of 13/8/2009 regulated on Land Use Planning, Land Pricing, Land Acquisition, Compensation, Assistance and Resettlement
- iii. Circular No.14/2009/TT-BTNMT dated 1/10/2009, guiding to implement Decree 69/2009/ND-CP.
- iv. Decree No.84/2007/ND-CP, which stipulates issue of LURC, land acquisition, land use right implementation, procedure of compensation, and assistance in the event of land recovery by the state and grievance redress.
- v. Circular No.14/2008/TTLT/BTC-BTNMT guiding to implement some articles in the Decree No. 84/2007/ND-CP
- vi. Construction Law 16/2003/QH11 on compensation and relocation of people affected by ground clearance for investment projects.
- vii. Decision No. 1956/QĐ-TTg 27/11/2009, the Prime Minister approved "Vocational training project for rural labors til 2020".
- viii. Joint Circular No 112/2010/TTLT-BTC-BLĐTBXH dated 30/7/2010 of the Ministry of Finance and the Ministry of Labor-Invalids and Social Affairs guiding the issuance, management and use of agricultural vocation training pilot cards from the budget of national target Program of Employment and Vocational training and Circular No. 128/2012/TTLT-BTC-BLĐTBXH on amending and supplementing Circular No. 112/2010/ TTLT-BTC-BLĐTBXH. (There are three types of cards: red card for rural workers to be eligible for preferential policies, people contribute to the revolution, the poors, ethnic minorities, the disabled, people who are recovered their cultivation land are supported for short-term vocational training (vocational elementary level and vocational training less than 3 months) with maximum support level is 3 million dong per person per one training course

- ix. Decision 52/2012/QĐ-TTg dated November 16, 2012 of the PM, regulated on policies of vocational training and job creation support for labors who are acquired their agricultural land. Accordingly, supported objects the labors who directly participate in agricultural production which their agricultural land is recovered by the State without compensation land to satisfy the conditions: permanent residence at households with agricultural land recovered; people at working-age; there is a need for vocational training, job change, job search, job creation loans. Employees are entitled to support policies in a period of 3 years after the land acquisition decision. The forms of support include support training (short-term, intermediate, advanced levels); support the domestic job as well as foreign one. This Decision takes effect on 1/1 // 2013.
- x. Thanh Hoa Province People's Committee Decision 3788/2009/QĐ-UBND of 23/10/2009 (decision regarding compensation, support and resettlement when the state acquires land in Thanh Hoa Province) provides details for the application of compensation, assistance and eligibility regimes set out in Decree 69/2009/ND-CP
- xi. Decision 3588/QĐ-UBND dated October 11, 2012 of Thanh Hoa PPC, approved the budget allocation to implement the pilot project of agriculturally vocational cards providing for rural laborers in Thanh Hoa province in 2012.

2. ADB Safeguard Policy and Requirements

The ADB Safeguard Policies applying to solve the negative impacts of the CSEDP consolidates three existing safeguard policies: (i) involuntary resettlement policy (IR, 1995), and guideline for implementation F2/BP (9/2006), (ii) Safeguard Policy Statement (2009). Closely associated with two social safeguard policies is the Policy on Gender and Development (1998), Ethnic Minorities Policy (EMP, 1999). However, no ethnic minorities in the project area, therefore, EMP is not be applied in this project. Policies on Gender has been mainstreamed in the implementation of the project's activities, including income restoration program, in order to promote gender equality and women's participation in the decision-making process and implementing decisions.

The objective of ADB Policy on IR is to avoid or minimize the impacts on people, households, businesses and others affected by the acquisition of land and other assets, including livelihood and income. Where resettlement is unavoidable, the overall goal of the ADB policy is to help restore the living standards of the affected people to at least their pre-Project level by compensating for lost assets at replacement costs and by providing, as necessary, various forms of support and assistance.

Following are the key principles in the Bank's policy on involuntary resettlement:

- a. Involuntary resettlement should be avoided where feasible.
- b. Where population displacement is unavoidable, it should be minimized by exploring all viable project options.
- c. Preference will be given to land-based resettlement strategies when affected livelihoods are land based
- d. All compensation is based on the principle of replacement cost.
- e. Each involuntary resettlement is conceived and executed as part of a development project or program

- f. Affected people should be fully informed and consulted on compensation and/or resettlement options.
- g. Institutions of the affected people, and, where relevant, of their hosts, are to be protected and supported. Affected people are to be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted.
- h. The absence of a formal legal title to land is not a bar to ADB's policy entitlements.
- i. Affected people are to be identified and recorded as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cut-off date, preferably at the project identification stage, to prevent a subsequent influx of encroachers of others who wish to take advance of such benefits.
- k. Particular attention must be paid to the needs of the poorest affected households and other vulnerable groups that may be at high risk of impoverishment. This may include affected households without legal title to land or other assets, households headed by women, the elderly or disabled, and ethnic minority peoples. Appropriate assistance must be provided to help them improve their socio-economic status.
- l. The full costs of resettlement and compensation should be included in the presentation of project costs and benefits.
- m. Budget for relocation and rehabilitation comes from ADB loan financing for the project, to assure timely availability of the required resources and ensure compliance with involuntary resettlement procedures during implementation.

Other policies of the ADB should be applied in making and implementing resettlement plan and income restoration program are (i) public information policy (3/2005) and implementation guideline L3/BP (9/2005), and (ii) explanation mechanism (as showed in the implementation guideline L1/BP guide, issued on 29th October, 2003).

V. Socioeconomic Profile of the Affected Households

1. Labor and employment structure

Among the affected households, the proportion of agricultural labors accounted for 56.5%, however, the proportion of households with main income source from agriculture only accounted for 30%. Agricultural labors mainly concentrate in some project areas such as Quang Thinh, Dong Cuong, Quang Thang, Quang Thanh. The remaining affected households mainly are non-agricultural households. Rate of freelance labors (constructor, builders, side lakes, vendors, porters, motorcycle taxi, etc.) accounted for 10,8%. However, there are also a number of severely affected households that the majority of their income is primarily from agricultural labor and land now have to relocate due to the Project (see the table below).

Table 2. Situation of Employment of Affected Households

Project wards or commune		Farmer s	Worker s	State official	Small business /services	Free Occupation	Carpe nters	Other	Total
Component 1									
Quảng Hưng	Quantity	12	0	1	2	2	1	1	19
	Rate	63.2	0.0	5.3	10.5	10.5	5.3	5.3	2.1
Quảng Thành	Quantity	67	1	2	2	10	0	8	90
	Rate	74.4	1.1	2.2	2.2	11.1	0.0	8.9	10.1
Đông Vê	Quantity	51	4	6	4	12	3	10	90
	Rate	56.7	4.4	6.7	4.4	13.3	3.3	11.1	10.1
Quảng Thắng	Quantity	97	6	8	2	27	0	26	166
	Rate	58.4	3.6	4.8	1.2	16.3	0.0	15.7	18.7
Đông Hưng	Quantity	6	1	2	0	3	0	2	14
	Rate	42.9	7.1	14.3	0.0	21.4	0.0	14.3	1.6
Tân Sơn	Quantity	8	2	3	10	2	0	2	27
	Rate	29.6	7.4	11.1	37.0	7.4	0.0	7.4	3.0
Component 2									
Quảng Thinh	Quantity	166	1	6	0	14	0	1	188
	Rate	88.3	0.5	3.2	0.0	7.4	0.0	0.5	21.1
Điện Biên	Quantity	0	14	31	31	6	0	32	114
	Rate	0.0	12.3	27.2	27.2	5.3	0.0	28.1	12.8
Phú Sơn	Quantity	13	0	0	5	2	0	0	20
	Rate	65.0	0.0	0.0	25.0	10.0	0.0	0.0	2.2
Component 3									
Đông Cuong	Quantity	58	3	2	2	9	1	10	85
	Rate	68.2	3.5	2.4	2.4	10.6	1.2	11.8	9.6
Component 5									
Hàm Rồng	Quantity	24	3	5	2	9	1	32	76
	Rate	31.6	3.9	6.6	2.6	11.8	1.3	42.1	8.5
Total	Quantity	502	35	66	60	96	6	124	889
	Rate	56.5	3.9	7.4	6.7	10.8	0.7	13.9	100.0

Source: SES

2. Income Sources

The below table shows the structure of income sources of the affected households. Generally, it is different between project communes or wards. Dien Bien, Quang Hung and Tan Son has mainly income sources from salary, business or services. Meanwhile people in Quang Thinh, Quang Thanh, Dong Ve, Quang Thang, Dong Cuong have mainly income from farming or free occupations such as auxiliary construction worker, motor taxi, stone worker, loading worker, street vendors, etc. Some communes have a high rate of agricultural households, but revenues from agriculture account for a very low rate and they have to do other work to ensure their income. Structure of household income is shown in the table below.

Table 3. Main Income Source Structure of Affected Households (%)

Income Source	Component 1						Component 3			Comp onent 4	Comp onent 5	Total
	Quảng Hung	Quảng Thành	Đông Vệ	Quảng Thắng	Đông Hung	Tân Sơn	Quảng Thịnh	Điện Biên	Phú Sơn	Đông Cuong	Hàm Rồng	
Farming /Fishing/ Forest	4.2	7.0	25.2	13.9	12.3	1.9	33.3	0.0	0.0	32.5	19.4	13.4
Salary	15.9	36.2	32.5	37.8	12.5	26.7	24.5	55.0	0.9	17.9	50.8	31.2
Business/Services	50.2	27.9	0.8	14.8	-	61.2	6.0	41.6	90.1	8.0	6.4	25.3
Allowance/Giving	3.8	2.0	3.6	8.9	9.5	0.4	3.7	2.5	0.0	1.7	3.3	4.1
Others	25.9	26.9	30.3	24.6	65.7	9.8	32.5	1.4	0.0	39.9	20.1	26.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SES

3. Income of Affected Households

The average income of affected household is VND1,605,800/month. About 25.2% and 40.7% of the surveyed households have average income per capita per month from VND 651,000 - 1,000,000, and from VND1,000,000 – 2,000,000, respectively. Income per capita per month less than 500,000 VND occupies 6.7% and mainly concentrates in agricultural communes such as Quảng Thịnh, Quảng Thành, Quảng Thắng, Đông Vệ. The income level at VND 2,000,000 or more presents 17.6% and mainly focuses in Dien Bien ward where mainly income sources from salary, business or services.

Table 4. Income Bracket of Households (Unit: VND)

Project wards or communes	Less than 500,000		501,000-650,000		651,000 - 1,000,000		1,000,000-2,000,000		2,000,000 or more	
	Q'tity	Rate %	Q'tity	Rate %	Q'tity	Rate %	Q'tity	Rate %	Q'tity	Rate %
Component 1										
Quảng Hưng	1	5.3	3	15.7	5	26.3	9	47.4	1	5.3
Quảng Thành	5	6.3	20	25.3	18	22.8	20	25.3	16	20.3
Đông Vệ	12	19.0	3	4.8	24	38.1	21	33.3	3	4.8
Quảng Thắng	7	7.4	18	19.1	28	29.8	24	25.5	17	18.1
Đông Hưng	2	14.3	3	21.4	2	14.3	5	35.7	2	14.3
Tân Sơn	1	5.9	1	5.9	-	-	4	23.5	11	64.7