



### Annex 3: Does the Xayaburi resettlement comply with World Bank standards?

On 16-17 July 2012, the Lao government hosted a delegation of foreign governments at the Xayaburi Dam construction site. At this event, the Lao government told the visiting diplomats that it would use the World Bank’s resettlement standards (Operational Policy 4.12) in the Xayaburi project.

However, a closer look reveals that the Xayaburi project has failed to comply with at least sixteen of the World Bank’s resettlement standards. The project has also partially failed to comply with at least six standards.

Key provisions of the World Bank’s involuntary resettlement policy	Has the Xayaburi project complied with this standard?
<b>Part I: No compliance</b>	
<p><b>(1) Avoid resettlement where feasible.</b>  <i>“Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.”</i>            (Paragraph 2a)</p>	<p><b>No compliance.</b> A full understanding of the dam’s social impacts was not available at the time that resettlement began. The project company began resettlement in January 2012, less than one month after the MRC governments had agreed to conduct further studies on the impacts of the proposed Mekong dams. As the final decision has not been made on whether to construct the dam, resettlement at this time is not necessary.</p>
<p><b>(2) Conduct meaningful consultations.</b>  <i>“Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.”</i>            (Paragraph 2b)</p>	<p><b>No compliance.</b> The project company has visited the affected villages around two to four times each for the purpose of taking surveys and showing a video. Villagers were not provided with full information about the project’s impacts. Many communities have had no opportunity to provide input into the design of resettlement programs. Where the company provided details or promises, it</p>

	often changed its position at a later date.
<p><b>(3) Fully restore the livelihoods of displaced persons.</b>  <i>“Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.”</i>  (Paragraph 2c)</p>	<p><b>No compliance.</b> There is no indication that the project company has promised villagers that they will be restored to pre-displacement standards of living. Indeed, many villagers have expressed concern about being removed from their land-based livelihoods and forced quickly and with minimal support into a cash-based economy.</p>
<p><b>(4) Inform displaced persons about their rights and options.</b>  <i>Displaced persons should be “informed about their options and rights pertaining to resettlement.”</i>  (Paragraph 6a)</p>	<p><b>No compliance.</b> There is no indication that villagers were informed of their rights during the resettlement process. Many villagers that were interviewed were not aware of the Lao resettlement policy and decree.</p>
<p><b>(5) Provide prompt and effective compensation.</b>  <i>Displaced persons should be “provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the project.”</i>  (Paragraph 6a)</p>	<p><b>No compliance.</b> Resettled villagers in Houay Souy have still not been paid full compensation. People living in other affected villages have been promised compensation, but do not know how much or when they will receive it. In some cases, the company has said that villagers will not receive compensation until after impacts are felt.</p>
<p><b>(6) Provide development assistance to displaced persons.</b>  <i>Displaced persons should be “(i) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and (ii) provided with development assistance in addition to compensation measures described in paragraph 6(a); (iii) such as land preparation, credit facilities, training, or job opportunities.”</i>  (Paragraph 6b)</p>	<p><b>No compliance.</b> The project company promised to provide resettled villagers with one year of free electricity, three years of food, and free water. In Houay Souy, however, after making this promise the company instead provided only one month of free electricity before sending the first bill. The villagers are still negotiating with the project company for a better deal. Water has not been free, and has been excessively treated with chemicals that prevent it from being used to grow gardens. Villagers complained that the quality of rice provided was sub-standard.</p>
<p><b>(7) Address the needs of vulnerable groups.</b>  <i>Particular attention should be paid “to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.”</i>  (Paragraph 8)</p>	<p><b>No compliance.</b> No attention was paid to the vulnerable groups within each village. Many of the villages are largely composed of ethnic minorities. In Houay Hip village, several of the poorest households are being displaced from their homes to make room for resettled villages to merge into Houay Hip. These families are not being provided with any compensation or assistance. One village is being resettled for the fourth time in fifteen years.</p>

<p><b>(8) Explore alternative project designs to avoid displacement, if not feasible, allow resettled communities to continue land-based livelihoods.</b>  <i>The project proponent should explore “all viable alternative project designs to avoid physical displacement of [indigenous peoples with traditional land-based modes of production]. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups...that are compatible with their cultural preferences and are prepared in consultation with them.”</i>  (Paragraph 9)</p>	<p><b>No compliance.</b> Although most of the affected villagers live land-based lifestyles, the project company has not taken efforts to ensure continuation of land-based livelihoods. Several of the villages are being merged into existing villages where available land is scarce and natural resources may become strained. In Houay Hip, for example, the terrain is steep and leaves little room for agriculture or other livelihoods.</p>
<p><b>(9) Displacement should not occur before resettlement site is prepared.</b>  <i>The project proponent should “ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place....[T]hese measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.”</i>  (Paragraph 10)</p>	<p><b>No compliance.</b> The resettlement process has been rushed. Villagers of Houay Souy were resettled in January 2012 before adequate measures were in place. As of June, villagers still did not have access to agricultural land and would not be able to plant during the current season. Land for vegetable gardens was sub-standard. Each family was provided with a single source of income, but this was not enough to sustain a living. Houses were provided but the ground floor was left un-built.</p>
<p><b>(10) Provide sufficient new land for displaced persons.</b>  <i>“Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based... Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken.”</i>  (Paragraph 11)</p>	<p><b>No compliance.</b> As described above, many of the villages are being merged into existing villages where available land is scarce.</p>
<p><b>(11) Provide sufficient cash compensation for lost land and assets.</b>  <i>“Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction<sup>18</sup> of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use</i></p>	<p><b>No compliance.</b> The project company promised compensation, but has not yet specified how much villagers will receive. In many cases, many aspects villagers’ livelihoods—such as fisheries—are not being compensated. Villagers who have received compensation for teak trees have complained that the compensation amounts were unfair and did not adequately take into account the size of the trees.</p>

<p><i>such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.”</i> (Paragraph 12)</p>	
<p><b>(12) Provide communities with access to information and ensure their participation in planning the resettlement.</b> <i>“Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement.”</i> (Paragraph 13a)</p>	<p><b>No compliance.</b> The project company provided most villages with very little information about the impacts of the project. Many villages have not been given an opportunity to participate in resettlement planning. As a result, villagers are still unclear about what to expect.</p>
<p><b>(13) Ensure that displaced persons have access to grievance mechanisms.</b> <i>“Appropriate and accessible grievance mechanisms are established for these groups.”</i> (Paragraph 13a)</p>	<p><b>No compliance.</b> A grievance committee exists in Houay Souy, which has already been resettled. However, people living in other villages have no access to any form of grievance mechanisms. The project company does not visit the villages often or respond to concerns.</p>
<p><b>(14) Preserve existing social and cultural institutions of the community.</b> <i>“Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlers and any host communities are preserved and resettlers' preferences with respect to relocating in preexisting communities and groups are honored.”</i> (Paragraph 13c)</p>	<p><b>No compliance.</b> It remains unclear how village structures will be maintained. Headmen of villages that will be merged together are unsure how their status will change, or how the new merged villages will be governed. This issue has not been discussed with the headmen of resettled villages.</p>
<p><b>(15) Determine who will be affected by the project through consultations with local communities.</b> <i>“Upon identification of the need for involuntary resettlement in a project, the borrower carries out a census to identify the persons who will be affected by the project...to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance. The borrower also develops a procedure...for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. The procedure includes provisions for meaningful</i></p>	<p><b>No compliance.</b> The project company carried out a census of affected people. However, there is no indication that villages had an opportunity to participate in the identification of affected people. Furthermore, the company has not clearly told the villagers who would be affected, how much compensation they would receive, or what impacts they can expect. As a result, the villagers are unsure what to expect. Villagers also have nowhere to raise concerns.</p>

<p>consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations (NGOs), and it specifies grievance mechanisms.” (Paragraph 14)</p>	
<p><b>(16) Inform potentially displaced persons about the resettlement early in project design, and take their views into account in project design.</b> <i>The project proponent should inform “potentially displaced persons at an early stage about the resettlement aspects of the project and takes their views into account in project design.”</i> (Paragraph 19)</p>	<p><b>No compliance.</b> There is no indication that the project company sought input from villagers in the project design. The company has not provided full information about the project’s impacts and has not created space for villagers to openly discuss the project without fear of retribution. Many villagers have still not received information about the project’s impacts, although construction is underway.</p>
<p><b>Part II: Partial Compliance</b></p>	
<p><b>(1) Ensure project affected people share in benefits of the project.</b> <i>“Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits.”</i> (Paragraph 2b)</p>	<p><b>Partial compliance.</b> There is no indication that displaced villagers will share in the project’s benefits. The project company has provided a limited number of jobs in the first resettled village, but even after six months, these villagers still did not have access to comparable levels of income, land, or food sources as before. Jobs have been provided for some villagers at the construction site, but villagers complain that the wages are low and the jobs are temporary.</p>
<p><b>(2) Consult displaced persons on resettlement alternatives.</b> <i>Displaced persons should be “consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives.”</i> (Paragraph 6a)</p>	<p><b>Partial compliance.</b> The affected villagers have had few options to provide input or access information about the resettlement process. In some cases, the project company promised to provide displaced persons with options on where to move, and also promised some villagers that they can choose their own land. In the case of Houay Souy, however, some villagers reported that their requests for choice of new jobs were not honored.</p>
<p><b>(3) Provide moving, housing, and agricultural assistance to physically relocated persons.</b> <i>Persons who are physically relocated should be “(i) provided assistance (such as moving allowances) during relocation; and (ii) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.”</i></p>	<p><b>Partial compliance.</b> The company promised to provide most resettled villagers with moving allowances and new houses. However, villagers in Houay Souy complained that the company did not complete construction on the homes (leaving the first story un-built) and provided only 0.75 hectares of land, when most families previously owned at least 2 hectares. Villagers interviewed did not consider this a sufficient amount of land to grow food.</p>

(Paragraph 6b)	
<p><b>(4) Provide employment options for displaced persons.</b>  <i>“If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost.”</i>  (Paragraph 11)</p>	<p><b>Partial compliance.</b> The project company promised to provide new jobs to families. However, only a single income source has been provided so far to resettled villagers from Houay Souy. Villagers reported that the amount of income was insufficient to meet the expenses of living in the resettled village. There is no indication that these income sources will be adequate to replace the income from gold panning, fishing, sand collection, and other sources provided by the Mekong River. In the old village, people depended on multiple sources of food and income to sustain their livelihoods.</p>
<p><b>(5) Provide infrastructure and public services at the resettlement site, and replace lost community resources.</b>  <i>“In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).”</i>  (Paragraph 13b)</p>	<p><b>Partial compliance.</b> In Houay Souy, the project company provided electricity, water, houses, and roads. However, the company has forced the villagers to use much of their compensation money to pay for these services. Previously, the villagers had access to all of these services at low cost from microhydro generators, mountain streams, and forest products to build houses.</p>