

Resettlement Planning Document

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Prepared by
National Divestment Committee (NDC)

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**KINGDOM OF CAMBODIA
NATION RELIGION KING**

**NATIONAL DIVESTMENT COMMITTEE (NDC)
PERMANENT SECRETARIAT (PS)**

**FINAL
RESETTLEMENT PLAN
OF
SNUOL PLANTATION**

Phnom Penh, May 29, 2009

Prepared by:

NATIONAL DIVESTMENT COMMITTEE (NDC)

CURRENCY EQUIVALENTS

(as of February 2009)

Currency Unit	-	Riel (KHR)
	-	US Dollar (\$)
KHR 4,000.00	=	\$1.00

ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	affected person
ASW	-	affected staff/worker
EMA	-	external monitoring agency
HH	-	household
IRC/NDC	-	Inter-ministerial Resettlement Committee/NDC
IOL	-	inventory of losses
MAFF	-	Ministry of Agriculture, Forestry and Fisheries
NDC	-	National Divestment Committee
PS	-	Permanent Secretariat (NDC)
RCS	-	replacement cost study
RGC	-	Royal Government of Cambodia
RP	-	resettlement plan
RU	-	resettlement unit
SBK	-	SBK Research and Development
SOE	-	State-owned enterprise
SOFRECO	-	
SORE	-	State-owned rubber estate

WEIGHTS AND MEASURES

ha	-	hectare
kg	-	kilogram
km	-	kilometer
lm	-	linear meter
m	-	meter
mm	-	millimeter

DEFINITION OF TERMS

Affected person (AP) / Affected Staff/Worker (ASW)	-	<p>In this Project, AP refers to a resident of the plantation (thus, referred to as “resident AP”) who does not work for the rubber estate but who has established residence in the estate with its own house and has illegally been occupying a house owned by the rubber estate, and on account of the divestment or sale by the Government of the rubber estate to a private entity, will have its (i) standard of living adversely affected; (ii) right, title or interest in any fixed assets acquired or otherwise adversely affected and/or (iii) business adversely affected.</p> <p>ASW refers to personnel (i.e., desk staff and workers) of the rubber estate whose employment will be terminated as a consequence of the divestment of the estate, and who may also be residing inside the estate and will also lose dwelling units and other fixed assets.</p>
Compensation Package	-	<p>This is cash payment provided to ASW equivalent to one month salary plus one month allowance multiplied by number of years working for the plantation (counted from 1981 the earliest) plus one month salary plus allowance multiplied by 12 months and is intended to cover for loss of job, transportation allowance, transition living allowance, special additional cash assistance because of severe impact on source of income, rental allowance, and assistance to start new business.</p>
Cut-off date	-	<p>This refers to the date prior to which the occupation or use of the project area, or employment by the State-owned enterprise, makes residents/users of the same eligible or estate personnel to be categorized as resident APs/ASW. For Snoul Rubber Estate, the cut-off date coincides with the public announcement of the tender for privatization on February 27, 2008. Persons not covered in the census of ASWs and resident APs subsequently carried out in August 2008 are not eligible for compensation and other entitlements, unless they can show proof that they have been inadvertently missed out during the census.</p>
Entitlement	-	<p>Refers to a range of measures, such as the compensation package, replacement house and land, compensation at replacement cost for trees and perennials, special assistance to the poor and vulnerable, etc., which is provided the APs/ASW depending on the type and severity of their losses to restore their economic and social base.</p>
Inventory of losses (IOL)	-	<p>This is the process where all fixed assets (i.e., land used for residence, commerce, agriculture, including ponds; dwelling units; stalls and shops; secondary structures, such as fences, tombs, wells; standing crops and trees with commercial value; etc.) and sources of income and livelihood inside the rubber estate are identified, measured, their owners identified, their exact location pinpointed, and their replacement costs</p>

		calculated. The severity of impact on the affected assets and the severity of impact on the livelihood and productive capacity of the APs/ASW are determined.
Involuntary Resettlement	-	It is the displacement of people from their homes, assets, sources of income and employment on account of the divestment of the rubber estate. It is said to be “involuntary” because their displacement is not on their own choice.
Relocation	-	This is the physical relocation of an AP from his/her pre-project place of residence and/or business.
Replacement cost	-	This is the amount calculated before displacement which is needed to replace an affected asset without deductions for taxes, and/or costs of transaction as described below: (i) Houses and other related structures based on current market prices of materials and labor (without depreciation, therefore), without deduction for salvaged materials, and including the cost of transporting construction materials to the relocation site; (ii) Standing crops based current market value of the crop at the time of compensation; (iii) Perennial crops and trees, cash compensation equivalent to current market value given the type, age and productive value (future production) at the time of compensation. (iv) Timber trees, based on diameter at breast height at current market prices.
Replacement Cost Study	-	This involves the conduct of empirical research to determine the replacement costs of affected assets.
Resettlement	-	Refers to various measures provided to the ASW/APs to mitigate any and all adverse social impacts of the divestment Project, including compensation, relocation (where relevant), and income restoration as needed.
Resettlement Plan	-	This is a time-bound action plan with budget, setting out the resettlement objectives and strategies, entitlements, activities and responsibilities, and resettlement monitoring and evaluation.
Severely affected households	-	This refers to affected households who will (i) lose 10% or more of their total productive land and/or assets, (ii) have to relocate; and/or (iii) lose 10% or more of their total income sources due to the Project.
Vulnerable groups	-	These are affected households that fall in one or more of the following categories of vulnerability (i) headed by a female and with dependents, or (ii) headed by a disabled or an elderly person with no other economic support, and/or (iii) households falling under the generally accepted indicator for poverty.

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EXECUTIVE SUMMARY

A. Introduction

1. The Royal Government of Cambodia (RGC), under the auspices of the Ministry of Agriculture, Forestry and Fisheries (MAFF), has received in 2003 a loan from the Asian Development Bank (ADB) for the Agriculture Sector Development Program (ASDP). With the principal objective of facilitating policy and institutional reforms to ensure a favorable environment for market-based agricultural growth, the ASDP requires, among other measures, the divestment of State-owned enterprises (SOEs), which includes 7 State-owned rubber estates (SOREs) and 2 State-owned corporations. The Snoul Rubber Estate is one of these SOREs.

2. The **Snoul Rubber Estate** is situated in Kratie Province close to Highway 7. Due to the estate's proximity to the Vietnamese border, the place was an area of conflict between North Vietnamese and US forces during the Vietnam War. Anti-tank mines still abound in the area and thus some areas are not fully exploited.

B. Scope of Adverse Social Impacts of the Divestment

3. About 22.72 ha of estate land, where dwelling units are concentrated, have been excluded from the divestment and will be retained and designated as sites for human settlement. Notwithstanding, a total of 146 desk staff and plantation workers (referred hereinafter as affected staff/workers or ASWs) will be terminated, in addition to 61 houses and 1,327 trees belonging to these ASWs that will be affected.

4. Moreover, 151 households that have established residence inside the estate but who do not work for the company (referred hereinafter as resident APs) will be relocated and provided replacement plots in a relocation site. In addition, these resident APs will lose a total of 4,048 trees of various species. In addition, a total of 12 small independent shops will be displaced.

C. Legal and policy framework

5. A resettlement framework (RF) has been developed for the ASDP, taking into account the types, characteristics, and severity of Project impacts on assets and living standards of the ASW and resident APs, guided by the Constitution of the Kingdom of Cambodia, prevailing legal and government procedures and policies, not to mention resettlement policies adopted by the government for specific development projects that have been funded by multi-lateral and bi-lateral donor agencies, such as the ADB.

6. The over-all goal of the RF is to help ensure that the ASW and resident APs are at least as well off as before their displacement due to the divestment Project.

D. Project entitlements

7. Consistent with the overall goal of the RF, the following will be provided to the ASWs: compensation package (i) for loss of employment equivalent to one month salary plus one month allowance multiplied by years of service, and (ii) establishment of new business venture equivalent to one month salary plus one month allowance multiplied by 12 months. The compensation package covers (i) compensation for loss of jobs and loss of land use; (ii) transportation allowance; (iii) living allowance; (iv) special assistance for severely affected; (v) rental allowance; and (vi) assistance to

improve living standard (e.g., start new business). ASWs whose own private houses inside the estate will be demolished will receive a new replacement house on a 600 m² plot in the relocation that will be developed for them. In addition, the ASWs will be compensated at replacement cost other fixed assets, such as trees and perennials.

8. Resident APs who have encroached into company houses will be provided a 200 m² residential plot in the relocation, while those that will lose their own houses will be provided a new house as replacement on a 600 m² plot in the relocation site. All resident APs will be provided living and transition cash assistance, transportation allowance, in addition to cash compensation for trees and perennials. Those falling in the category of the vulnerable will be provided additional cash assistance. Moreover, owners of affected independent shops will be provided replacement stalls in a new market to be built inside the relocation site, in addition to transportation allowance and business disruption allowance.

E. Ethnicity, vulnerability, and gender issues

9. With the exception of 1 personnel who belong to the Cham ethnic group, the rest of the employees are ethnic Khmer. It has to be acknowledged, however, that this Cham household has long been integrated and living alongside with the rest of the affected population; it does not face the risk of further hardship on account of its ethnicity.

10. The socio-economic survey has also identified 22 female-headed households, 7 households that are headed by the elderly, 2 households living below the poverty line, and 2 that are headed by persons with disabilities. Notwithstanding, all resident AP households in the rubber plantation are regarded as severely affected persons and vulnerable and are entitled to receive special cash assistance of \$50 per household.

F. Participation and grievance redress

11. Consultations, public meetings and village discussions with the ASWs and resident APs have been done during the IOL as part of the resettlement planning process. Consultation and meetings with the ASWs and resident APs will continue until the completion of resettlement activities, consistent with the Project's participatory approach. A total of 6 such meetings have been held so far.

12. Grievance mechanism has been designed to ensure that the concerns and complaints of the ASWs and resident APs are addressed in a timely and satisfactory manner. The ASWs and resident APs have been adequately informed of their rights during consultations held and through the distribution of Project leaflets during resettlement planning.

G. Resettlement strategy

13. The fundamental resettlement strategy of the Project is geared towards ensuring that (i) ASWs are compensated for lost employment and are provided assistance and opportunities to find a new or additional livelihood; (ii) none of the ASW and resident APs will be displaced from their place of residence until they have been compensated for their houses and/or their replacement houses in the relocation site are ready for occupancy; and (iii) none of the independent shops will be displaced until the replacement stalls in the market that will be provided in the relocation site are ready for use. Moreover, all residents of the rubber estate will be given the opportunity to work for the new owners of the same.

H. Implementation arrangements

14. The National Divestment Committee, established by the Council of Ministers in May 2003 through a sub-decree signed by the Prime Minister, is over-all responsible for the preparation and implementation of RP. It is assisted by the Permanent Secretariat (PS), also established in May 2003, which is headed by the Secretary of State of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

15. The NDC is assisted by consultants. The Consultants will be selected through public tender. The consultant's skill, experiences and qualification are the fundamental considerations in the selection process. In addition, NDC requires the recruitment of outsourced services, an independent agency and an external monitoring agency to provide support in resettlement implementation.

I. Monitoring, RP budget and implementation schedule

16. The NDC, through the Permanent Secretariat, will serve as the Project's internal monitor. The PS is responsible for submitting to NDC and the ADB progress reports that includes updates on the status of resettlement implementation. Additionally, NDC will hire an external monitoring agency (EMA) one month following the signing by the new owners and Government of the divestment contract. The EMA will submit an inception report within a month after mobilization and, subsequently, quarterly reports on the progress of the implementation of the RP. In its monitoring reports, copies of which will be submitted to NDC and the ADB, the EMA will suggest remedial measures to solve any resettlement issue that is identified. The EMA will likewise conduct a Post-Resettlement Implementation Evaluation Study 6 months after the completion of resettlement activities.

17. The total cost of resettlement for the Snoul Rubber Estate divestment is estimated at **USD 890,479.27**. This amount includes compensation and other entitlements to be provided to the ASW and resident APs, acquisition and/or preparation of replacement plots for the houses, operational/administrative expenses, external monitoring, and contingencies. NDC, with assistance from the selected independent agency, will ensure the timely availability of funds for resettlement, including unforeseen costs in excess of resettlement budget estimates in order to satisfy the Project resettlement objectives.

18. NDC will submit the RP to ADB for concurrence after it has been approved by the government and prior to the displacement of resident APs. NDC will not allow the termination of the ASWs from their work until they are fully paid their compensation package and allowances. Moreover, NDC will not allow the displacement of ASWs and resident APs from their dwelling units in the estate until their replacement houses in the designated relocation site have been prepared and are ready for occupancy.

Table ES-1: Resettlement Schedule

Activities	Schedule
RP Preparation	Feb 2008 – Feb 2009
ADB Approval of Draft RP	April-May 2009
Payment of compensation package of ASW	December 5, 2008
Payment of compensation of resident APs for trees	November 2009
Relocation of resident ASWs and resident APs	June 2010 – June 2011
Internal Monitoring (submission of monthly progress reports)	June 2009 – Dec 2011
External Monitoring (submission of quarterly progress reports)	June 2009 – Dec 2011
Post-resettlement evaluation	December 2011

J. Disclosure of resettlement planning and monitoring documents

19. The approved RP will be uploaded on the ADB website and its salient features will be disclosed to the ASWs and resident APs by posting in public places in the estate a copy of a summary version of the approved RP written in Khmer and the distribution of Project information leaflets in Khmer to the ASWs and resident APs.

I. INTRODUCTION

A. Introduction

1. The Royal Government of Cambodia (RGC), under the auspices of the Ministry of Agriculture, Forestry and Fisheries (MAFF), has received in 2003 a loan from the Asian Development Bank (ADB) for the Agriculture Sector Development Program (ASDP). With the principal objective of facilitating policy and institutional reforms to ensure a favorable environment for market-based agricultural growth, the ASDP requires, among other measures, the divestment of State-owned enterprises (SOEs), which includes 7 State-owned rubber estates (SOREs) and 2 State-owned corporations. The Snoul Rubber Estate is one of these SOREs. The authority to divest the SOREs lies with the National Divestment Committee (NDC) headed by the Deputy Prime Minister.

2. This resettlement plan (RP) contains the measures to be carried out by NDC to avoid and/or minimize impacts on personnel that will be laid off (referred hereinafter as affected staff and workers or **ASWs**) and non-personnel estate residents who will be displaced (referred hereinafter as **resident APs**) for the purpose of improving or at least restoring their standards of living to pre-Project level consistent with ADB's Social Safeguards Policy on *Involuntary Resettlement* (1995), *Operations Manual F2/BP* (September 2006), *Indigenous People* (1998), and *Operations Manual F3/BP* (September 2006), not to mention the approved Project resettlement framework (RF).¹

B. Project location

3. **Snoul Rubber Estate** is situated in the Kratie Province and lies to the east of Highway 7. Due to the estate's proximity to the Vietnamese border, the place was an area of conflict between North Vietnamese and the US forces during the Vietnam War. Anti-tank mines still abound in the area; thus some areas remain un-exploited.

Table 1-1 Land Use in Snoul Rubber Estate

Land Use (date of reference)	Area (ha) (31/12/2005)	Area (ha) (31/03/2006)	Area (ha) (31/03/2007)
• Planted with rubber			
- Exploited / tapped rubber	1,511.68	1,435.02	1,175.43
<i>Including old trees* (older than 1969)</i>	<i>(1,356.15)</i>	<i>(1,138.54)</i>	<i>(771.79)</i>
- Immature rubber	1,460.41	1,537.56	1,670.75
- Very old rubber not tapped	217.61	366.75	175.90
- Nursery / bud wood	6.94	8.52	6.42
Total rubber	3,196.64	3,347.85	3,032.50
- Area ready for planting	218.10	244.35	200.00
- Area for planting but not cleared**	1,347.53	1,170.07	1,529.77
Sub-total	4,762.27	4,762.27	4,762.27
• Other lands			
- Factory + pump house	10.50	10.50	10.50
- Hospital + school	4.00	4.00	4.00
- Buildings, office	63.40	63.40	63.40
- Village	111.97	111.97	111.97
- Others-canal	18.65	18.65	18.65
TOTAL	4,970.79	4,970.79	4,970.79

(*) Snoul's remaining older rubber areas were planted in the period 1950/60s but was still producing an average yield of 950 kg per hectare in 2007.

(**)Area of old trees already cut, but land not prepared for planting and land mine clearing needed in 800 ha.

¹ Approved in October 2003, the RF is included as Supplementary Appendix E in the Report and Recommendation of the President to the ADB board.

C. Displacement arising from the divestment of the SOE

4. The divestment of Snoul Rubber Estate will result in the termination of the services of personnel, loss of dwelling units for ASW who reside inside the estate, loss of houses and other fixed structures for resident APs living outside the designated human settlement sites, and loss of trees and perennial crops grown by the resident APs on the estate.

D. Measures to minimize impacts

5. NDC will not allow the termination of the ASW from their work until they are fully paid their compensation package will cover for loss of job, transportation allowance, transition living allowance, special additional cash assistance because of severe impact on source of income, rental allowance, and assistance to start new business. Moreover, NDC will not allow the displacement of ASWs and resident APs from company houses and their own houses located on the estate until their replacement houses in the designated settlement relocation areas have been prepared and are ready for occupancy. Similarly, shops will not be dismantled until their replacements in a market to be constructed for the purpose are ready for use. Likewise, all standing annual crops, including privately-owned trees will be allowed to be harvested, while trees, including rubber, and other perennials in privately-grown orchards inside the estate are to be compensated at replacement cost.

Figure 1: Project Location Map



II. LEGAL AND POLICY FRAMEWORK

6. Cambodia does not have a law or national policy in place that could address involuntary resettlement in a comprehensive way. In the meantime, involuntary resettlement is addressed by the Government on a project-to-project basis, depending on the requirements of the donor or funding agency. Locally funded development projects are not required by law to come up with plans on how to comprehensively mitigate the adverse social impacts of development projects. In contrast, projects funded by multilateral and bilateral donor agencies are required to have resettlement plans that set out the objectives, strategies, and entitlements, including responsibilities and time-bound activities and targets, which are all aimed at ensuring that project-affected people are not worse off as a consequence of said projects.

A. Relevant laws

7. Cambodia has gone through tragic political changes during the latter decades of the foregoing millennium. During the Khmer Rouge reign of terror of 1975 – 1978, private property was abolished and all land records destroyed. The years that followed after 1979 until the restoration of private property in 1989 were very disorderly, often chaotic, exacerbated by more armed conflicts. Returning people who were forced to do manual farm labor during the Khmer Regime occupied any vacant or empty property they could find along the road and in town centers. To make the re-occupation of abandoned properties and the distribution of land more systematic, the post-1979 government introduced usufruct rights, organizing families in rural areas into groups that collectively owned land and assets. Each group of families had a head, and land was distributed to individual families according to fertility.

8. Private property was finally re-introduced in 1989. This was later codified in the Land Law of 1992, but which, for obvious reasons, does not recognize claims to land that date before the ouster of the Khmer Rouge in 1979. People have started applying for land titles to perfect their claim over the properties they have been occupying, sometimes including areas of the road ROW. But, the issuance of a land title by the Land Titles Department is a lengthy and costly process, resulting in a serious backlog of applications. In many instances, people presume that the application receipts issued to them are good as title deeds. It is therefore common to find people, including landless households, using and occupying State land and parts of the road right-of-way (ROW) for dwelling, business, farming, etc.

9. A new Land Law was promulgated in August 2001. This new Land Law replaces the 1992 Land Act and is the only legal framework that defines and governs land ownership². Specific provisions of the 2001 Land Law relevant to resettlement are provided below.

- a. Article 5: No person shall be deprived of his ownership, unless it is in the public interest. An ownership deprivation shall be carried out in accordance

² The principles of ownership defined in and governed by the new Land Law are based on Article 44 of the Cambodia's 1993 Constitution which stipulates: "Any person, being either individual or group is entitled to ownership of properties. Only natural or legal person of Khmer nationality is entitled to ownership of land. Legal private ownership is protected by law. Ownership of any person can be revoked only in the public interest in accordance with the law and with prior, appropriate and fair compensation".

with the forms and procedures provided by law and regulations and only after the payment of just and equitable compensation.

- b. Article 6: All transfers or changes of rights of ownership shall be carried out in accordance with the required general rules for sale, succession, exchange, and gift or by court decision.
 - c. Article 18: The following are null and void and cannot be made legal in any form or whatsoever:
 - Any entering into possession of public properties of the State and public legal entities and any transformation of possession of private properties of the State into ownership rights that was not made pursuant to the legal formalities and procedures that had been stipulated prior to that time, irrespective of the date of creation of possession or transformation;
 - Any transformation of a land concession into a right of ownership, regardless of whether the transformation existed before this [land] law comes into effect, except for concessions that are in response to social purposes;
 - Any land concession which fail to comply with the provision of Chapter 5 [of the land law];
 - Any entering into possession of properties in the private property of the State, through any means, that occurs after this [land] law comes into effect.
 - d. Article 19: Any person whose titles or factual circumstances fall within the scope of Article 18 of this [land] law shall not have the right to claim for any compensation or reimbursement for expenses made for the maintenance or management of immovable property that was illegally acquired.
 - e. Article 35: Only the competent authorities may, on behalf of the State and public legal entities, force occupants without titles or insufficient titles to vacate the immovable properties...Individuals or authorities not acting on behalf of the State or public legal entities are not competent to remove forcibly a peaceful occupant holding valid title.
 - f. Article 36: If the eviction ordered by a court is likely to give rise to instability or to have serious social repercussions, the competent authorities may request a temporary suspension of the execution of the order.
 - g. Article 259: An infringement against public property shall be fined from Riel 5,000,000 (five million Khmer Riels) to Riel 50,000,000 (fifty million Riels) and/or imprisoned from one (1) to five (5) years.
10. Moreover, the Land Law of 2001 provides that, in the event that a person has been in possession of State public property before the law came into effect and has document attesting clearly that he bought the property from another person, said person may “request the competent authority to enforce legal measures against the person who illegally sold (the) public property of the State...in order to recover...damages caused by such act. Regardless of the circumstances, the aggrieved party has no right to continue his possession of the State pubic property”.

11. Specific to the laid-off workers of the SOREs and SOEs, relevant provisions of Chapter IV of the Labor Law are hereunder cited.

a. Section III (Termination of the Labor Contract), Sub-section B (Labor Contract of Unspecified Period):

- Article 74. The labor contract of unspecified duration can be terminated at will by one of the contracting parties...subject to the prior notice made in writing by the party who intends to terminate the contract to the other party...
- Article 75. The minimum period of notice is set as follows:
 - Seven days, if the worker's length of continuous service is less than six months;
 - Fifteen days, if the worker's length of continuous service is from six months to two years;
 - One month, if the worker's length of continuous service is longer than two years and up to five years;
 - Two months, if the worker's length of continuous service is longer than five years and up to ten years;
 - Three months, if the worker's length of continuous service is longer than ten years.
- Article 77. The termination of a labor contract at will on the part of the employer alone, without prior notice or without compliance with the prior notice periods, entails the obligation of the employer to compensate the worker the amount equal to the wages and all kinds of benefits that the worker would have received during the official notice period.
- Article 79. During the notice period, the worker of the enterprise is entitled to two days leave per week with full payment to look for a new job...

b. Section III (Termination of the Labor Contract), Sub-section C (Indemnity for Dismissal)

- Article 89. If the contract is terminated by the employer alone...the employer is required to give the dismissed worker, in addition to the prior notice stipulated in the present Section, the indemnity for dismissal as explained below:
 - Seven days of wage and fringe benefits if the worker's length of continuous service...is between six and twelve months.
 - If the worker has more than twelve months of service, an indemnity for dismissal will be equal to fifteen days of wage and fringe benefits for each year of service. The maximum of indemnity cannot exceed six months of wage and fringe benefits...

B. ADB safeguards policies

12. The aim of ADB **Policy on Involuntary Resettlement** 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, for projects assisted by the Bank. Where resettlement is not avoidable, the overall goal of the ADB policy is to help restore the living standards of the AHs to at least their pre-Project levels through the provision of compensation at replacement cost for lost assets, including other forms of assistance, as needed.

13. The main objectives and principles of ADB's policy on involuntary resettlement are as follows:

- 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. All compensation is based on the principle of replacement cost.
- d. Each involuntary resettlement is conceived and executed as part of project or program development.
- e. Affected persons (APs) should be fully informed and consulted on compensation and/or resettlement options.
- f. Institutions of the APs, and, where relevant, of their hosts, are to be protected and supported. APs 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.
- g. The absence of a formal legal title to land is not a bar to ADB policy on entitlements.
- h. APs 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 or others who wish to take advantage of such benefits.
- i. Particular attention must be paid to the needs of the poorest AHs and other vulnerable groups that are at high risk of impoverishment. This may include AHs 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.
- j. The full costs of resettlement and compensation should be included in the calculation of project costs and benefits.
- k. Relocation and rehabilitation may be considered for inclusion in ADB loan financing for the project, if requested, to assure the timely availability of required resources and to ensure compliance with involuntary resettlement procedures during implementation.

14. ADB's **Policy on Indigenous Peoples** defines "indigenous peoples" as "those with a social or cultural identity distinct from the dominant or mainstream society".

"Indigenous peoples" is a generic concept that includes cultural minorities, ethnic minorities, indigenous cultural communities, tribal people, natives, and aboriginals. The Policy recognizes the potential vulnerability of ethnic minorities in the development process; that ethnic minorities must be afforded opportunities to participate in and benefit from development equally with other segments of society; and, have a role and be able to participate in the design of development interventions that affect them.

15. The policy on indigenous peoples is "designed to promote the participation of indigenous peoples in project preparation and implementation, to ensure that they benefit from development interventions that would affect them, and to provide effective safeguards against any adverse impacts". In any ADB interventions, the approaches to be used are as follows: (i) to achieve the greatest possible reduction of poverty among the affected indigenous peoples; (ii) when negative impacts are unavoidable, they should be minimized as much as possible, and appropriate measures will be taken to mitigate the adverse impacts; (iii) in enhancing the benefits of a development intervention for indigenous peoples or reducing negative impacts of a development intervention, clear mechanisms for accurate and objective analysis of their circumstances will be prepared; and (iv) the mechanisms for any intervention must be transparent and should ensure accountability.

16. ADB's **Policy on Gender and Development** adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring that women participate and that their needs are explicitly addressed in the decision-making process. For projects that have the potential to have substantial gender impacts, a gender plan is prepared to identify strategies to address gender concerns and the involvement of women in the design, implementation and monitoring of the project.

17. Other policies of the ADB that have bearing on resettlement planning and implementation are the (i) Public Communications Policy (March 2005) and OM Section L3/BP (September 2005), and (ii) Accountability Mechanism (OM Section L1/BP, dated 29 October 2003).

III. PROJECT RESETTLEMENT POLICY

18. A resettlement framework (RF) has been developed and approved by Government and the ADB for the ASDP, taking into account the types, characteristics, and severity of Project impacts on assets and living standards of the ASW and resident APs, guided by the Constitution of the Kingdom of Cambodia, prevailing legal and government procedures and policies, not to mention resettlement policies adopted by the government for specific development projects that have been funded by multi-lateral and bi-lateral donor agencies, such as the ADB.

A. Objectives

19. The RF seeks to address the inadequacy of the existing legal provisions discussed in the previous section. This policy framework is based on the philosophy that the ASDP must ensure that project-affected people (i.e., ASW and resident APs) are at least as well off due to the divestment of SOEs. This can be ensured through the following objectives:

- a. Avoid involuntary resettlement where feasible and minimize resettlement where population displacement is unavoidable.
- b. Ensure that displaced people receive compensation, assistance and rehabilitation so that they would be at least as well off as they would have been in the absence of the Project.
- c. The affected people will benefit from the Project.
- d. Key stakeholders, including the affected people, are consulted and given the opportunity to participate, as practicable, in the design, implementation, and operation of the Project.
- e. Appropriate assistance and compensation, in cash or in kind, provided to severely affected people, including indigenous groups, ethnic minorities and pastoralists who may have usage or customary rights to the land or other resources taken for the project.

20. Three important elements of involuntary resettlement are herein stressed: (i) compensation for loss of assets, loss of livelihood and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to improve, or at least restore incomes and living standards to pre-Project level.

B. Principles on compensation and entitlements

21. In pursuit of the aforementioned, the RF outlines the following principles on compensation and entitlements that will govern the implementation of the ASDP:

- a. Acquisition of land and other assets and shifting of people will be avoided and minimized as much as possible.
- b. Only project affected people (i.e., ASW and resident APs) who are found to be living in, doing business, or cultivating land, or having rights over resources within, the area of the SORES, as of the date of the census (cut-off

date) are eligible for compensation for loss of assets, other assistance and rehabilitation for social and economic losses.

- c. Compensation for affected fixed assets will be at replacement cost.
- d. Project-affected people losing all of their assets (house or business), or in case of partial loss but the remaining affected assets are determined as unviable for continued use, will be entitled to compensation for the entire asset at replacement cost.
- e. In case of partial impact in the assets (i.e., the remaining assets remain viable for continued use), compensation for the same will be paid in cash.
- f. Other types of affected landholders who are on public land will be compensated for affected structures, other fixed structures and other losses but not for land. However, such affected persons shall receive special assistance to help ensure that they will not be worse off for the land loss.
- g. In case of land-for-land for residential and commercial site, Project authorities will provide the affected people appropriate land with basic services, such as electricity, water, drainage, emergency sanitation service, and access similar to at least their pre-Project situation.
- h. Owners of land to be used for relocation site will also be entitled to compensation in cash or in kind (land-for-land) at replacement cost.
- i. Project authorities will provided resettlement assistance and the following minimum allowance to eligible project-affected people:
 - **Disruption allowance** for affected people whose business income is temporarily lost due to the Project. The independent shops on land in the area of the SORES that temporarily lose business during Project implementation are eligible to this allowance to be provided in cash based on the projected business income loss.
 - **Vulnerable group** assistance shall be provided to vulnerable households, such as female-headed with dependents, the poor, and those headed by the disabled or the elderly with no economic support, in an amount that shall assist them become economically viable. In addition to any specific allowances to which members of vulnerable groups may be entitled, they shall also receive rehabilitation assistance based on their priorities and needs.
 - **Rental allowance** shall be given to house tenants of affected main structures who will be forced to find a new place to live, at an amount equivalent to 3 months' rent. It shall also be given to affected persons forced to lease premises until replacement land and housing are available to them up to a maximum period of 3 months.
 - **Transportation allowance** (in cash or in kind) will be given to relocating affected people. When the allowance is in cash, it shall be an amount equivalent to actual transportation costs.
 - **Repair allowance** is given to people affected by a partial loss of structures and those affected during relocation based on costs of repairs.
- j. Rehabilitation assistance is a form of special skills training, micro-credit, agricultural extension assistance to intensify or diversify land use, or other

development support to people severely affected due to the loss of productive assets and/or their only source of income and which will require them to engage in some other income-earning activities. Project authorities, by consulting with key stakeholders, will coordinate closely with concerned agencies (local authorities and independently assigned NGOs) that have the mandate and the expertise to undertake the needed rehabilitation assistance

- k. Project authorities will provide vulnerable affected people the rehabilitation assistance needed to help them cope with a new environment and to improve their status. This assistance shall be based on the needs and priorities of the vulnerable households.
- l. Any acquisition of, or restriction on access to, resources owned or managed by the affected people as a common property, e.g., communal forest, communal farm, will be mitigated by arrangements that will ensure access of those affected people to equivalent resources on a continuing basis. Similarly, temporarily affected land and communal infrastructure will be restored to pre-Project conditions.
- m. Resettlement efforts will include adequate institutional arrangements to ensure effective and timely design, planning, consultation and implementation of compensation and resettlement. Project authorities will ensure effective coordination with relevant agencies for the implementation of the resettlement policy framework and the resettlement plan (RP).
- n. Adequate arrangement will be made for the timely conduct of social assessments, inventory of affected assets, socio-economic survey, and the preparation and implementation of the RP, including the timely conduct of internal and external monitoring of RP implementation.

C. Eligibility and categories of affected persons

22. Only those people found during the inventory of losses (IOL) in August 2008 to be employed by the estate and/or residing in, doing business, or cultivating land, or having rights over resources in the estate are eligible to the various entitlements under the project.³ Earlier on 27 February 2008, NDC informed all personnel and residents of the estate about the privatization of the company. There are two general types of affected persons. The first type includes desk staff and workers who will either lose their jobs when the new owner takes over, or who will be absorbed by the government but will just the same lose fixed assets in the estate. This first type of affected persons is referred to as affected staff/worker (ASW). The second type covers persons who have established residence, including sources of livelihood for some, inside the estate but who are not employed by the rubber enterprise. This second type of affected persons is referred to as resident affected person (resident AP). It should be pointed out that the entire rubber estate is State land and, therefore, none of the residents thereat have title or possessory right over plots of land that they occupy.

³ At least two weeks before the start of the IOL, the survey team held a general consultation in village centers to inform the public about the survey and the schedule of the survey team. Said schedule was also posted at the village offices.

⁵ The amount of allowance depends on the size of family. For example, a worker with one child receives US\$5 and with two children receives US\$10 and 15kg of rice per month.

D. Entitlements

23. Consistent with the objectives and principles of the RF, the corresponding entitlements of ASW and resident APs are presented below and summarized in the entitlement matrix.

a. ASWs who reside in rubber plantation houses:

- Compensation package: (i) for loss of employment equivalent to one month salary + one month allowance⁵ X years of service (counted from 1981 the earliest), and (ii) establishment of new business venture equivalent to one month salary + one month allowance⁶ X 12 months. The compensation package covers (i) compensation for loss of jobs and loss of land use; (ii) transportation allowance; (iii) living allowance; (iv) special assistance for severely affected; (v) rental allowance; and (vi) assistance to improve living standard (e.g., start new business).
- Compensation at replacement cost for trees and perennials in orchard.

b. ASWs who reside in their private houses:

- Compensation package: (i) for loss of employment equivalent to one month salary + one month allowance X years of service (counted from 1981 the earliest), and (ii) establishment of new business venture equivalent to one month salary + one month allowance X 12 months. The compensation package covers (i) compensation for loss of jobs and loss of land use; (ii) transportation allowance; (iii) living allowance; (iv) special assistance for severely affected; (v) rental allowance; and (vi) assistance to improve living standard (e.g., start new business).
- Compensation at replacement cost for trees and perennials in orchard.
- Compensation at replacement cost for affected house, or replacement core house of good wood, 36 m² in floor area plus a 5 m² toilet, with corrugated metal sheet roofing on a 600 m² plot in a designated settlement site⁷ in lieu of replacement cost of their structures and notwithstanding the construction type, floor area, and condition of the affected houses. The combined value of the replacement house and plot will not be less than the replacement cost of the affected house. The location of the relocation will be negotiated by NDC with the estate's new owners and will be acceptable to the relocatees.⁸ Each plot will be covered by a certificate attesting that it has been awarded to the relocate, and said certificate will be upgraded into a land title after five years of continued residency. This means that selling or conveying of ownership of the relocation plot, other than through inheritance by the nearest kin in the event of the death of the relocate, is prohibited during the first five years.

⁶ As above (footnote 5).

⁷ Existing public facilities (e.g. schools, hospitals etc.) will not be demolished and relocated households on resettlement sites will continue to access to these facilities.

⁸ Based on the purchasing contract between the NDC and the estate's new owners, government will shoulder the cost of the replacement house, while the estate's new owner will shoulder the cost of developing the relocation site(s), inclusive of amenities, such as road, drainage system, water well and market if necessary.

They will also be allowed to keep salvaged building materials from their demolished houses.

- c. ASWs who reside in rubber plantation houses and who transfer to the government service:
 - Compensation at replacement cost for trees and perennials in orchard.
 - Transport allowance of \$50.
- d. ASWs who reside in their private houses and who transfer to the government service:
 - Compensation at replacement cost for the house.
 - Compensation at replacement cost for trees and perennials in orchard.
 - Transport allowance of \$50.
- e. Resident APs who encroached into rubber plantation houses:
 - Rental allowance of \$70 per month multiplied by 3months.
 - Living allowance of \$80 per month multiplied by 3months.
 - Compensation at replacement cost for trees and perennials in orchard.
 - Transport allowance of \$50.
 - A 200 m² residential plot in the relocation site. Title to the land will be provided to the resident AP after 5 years. In the interim, resident AP will be provided by NDC with a certification that the plot has been awarded to the same and that the plot cannot be sold to anybody else.
 - Additional cash assistance of \$50 for being severely affected, sufficient to provide 83 kg of milled rice per month for one family for two months.
 - Special cash assistance of \$50 for the “poorest” resident AP, sufficient to provide 83 kg of milled rice per month for one family for two months. “Poorest resident APs” are those whose monthly income is less than \$30, e.g. female headed households, and elderly households head above 60 years old.
- f. Resident APs who reside in their private houses:
 - Replacement core house of good wood, 36 m² in floor area plus a 5 m² toilet, with corrugated metal sheet roofing on a 600 m² plot in a designated settlement site in lieu of replacement cost of their structures and notwithstanding the construction type, floor area, and condition of the affected houses. The location of the relocation will be negotiated by NDC with the estate's new owners and will be acceptable to the relocatees. Each plot will be covered by a certificate attesting that it has been awarded to the relocate, and said certificate will be upgraded into a land title after five years of continued residency. This means that selling or conveying of ownership of the relocation plot, other than through inheritance by the nearest kin in the event of the death of the relocate, is prohibited during the first five years. They will also be allowed to keep salvaged building materials from their demolished houses.
 - Transport allowance of \$50.

- Compensation at replacement cost for trees and perennials in orchard.
 - Additional cash assistance of \$50 for being severely affected, sufficient to provide 83 kg of milled rice per month for one family for two months.
 - Special cash assistance of \$50 for the “poorest” resident AP, sufficient to provide 83 kg of milled rice per month for one family for two months.
- g. Owners of affected independent shops⁹:
- New stall (2 m X 2.5 m in area) in the market that will be constructed at the relocation site. Market stalls are given free of charge. Once operational, the vendors in the new market will decide on how much their monthly dues will be for use in the maintenance of the market.
 - Business disruption allowance of \$10, which is intended to cover for whatever income loss the shop owners will experience when transferring to the new market which is estimated to be not more than two days. Affected businesses will not be displaced from their present locations until the market stalls are ready for occupancy.
 - Transportation allowance of \$25 to be used for transporting stocks and belonging to the new market.
 - Owners of the relocating shops will be allowed to keep salvaged building materials from their demolished shops.
- h. Crops: ASWs and resident APs will be given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time.

⁹ This is different from small stores that are attached to or are inside a house. In such a case, the primary use of the structure is for residence. The operation of such small stores may resume at the relocation site for residences.

Table 3-1 Entitlement Matrix

Categories of the Affected	Relocating Households (with No. of HH)		Entitlement	Remarks
Affected Staff and workers (146 laid-off ASW; 8 staff transfer to government)	Laid off workers (146)	<ul style="list-style-type: none"> reside in rubber plantation houses (85) 	<ul style="list-style-type: none"> Compensation package: (i) for loss of employment equivalent to one month salary + one month allowance X years of service, and (ii) establishment of new business venture equivalent to one month salary + one month allowance X 12 months. 	<ul style="list-style-type: none"> This includes (i) compensation for loss of jobs and loss of land use; (ii) transportation allowance; (iii) living allowance; (iv) special assistance for severely affected; (v) rental allowance; and (vi) assistance to improve living standard (e.g., start new business). Formula is based on decree No. 797 S Ch N. (06 June 2008) and decree No.159 S Ch N. (30 January 2009). (one month salary + one month allowance) X years of service (counted from 1981 the earliest) and (one month salary + one month allowance) X 12 Special assistance is not needed as nobody falls under this category.
			<ul style="list-style-type: none"> Compensation for trees and perennials in orchard 	<ul style="list-style-type: none"> For crops (e.g. cassava), APs will not be compensated, but given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time. Ownership of trees around the houses in built-up areas is questionable and in fact the present residents are not the real owners. Therefore, these trees will not be compensated and will not be cut. However, replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established.
	<ul style="list-style-type: none"> reside in their private houses in the rubber plantation (i.e. house that they constructed or bought) (61) 	Compensation package: (i) for loss of employment equivalent to one month salary + one month allowance X years of service, and (ii) establishment of new business venture equivalent to one month salary + one month allowance X 12 months.	<ul style="list-style-type: none"> This includes (i) compensation for loss of jobs and loss of land use; (ii) transportation allowance; (iii) living allowance; (iv) special assistance for severely affected; (v) rental allowance; and (vi) assistance to improve living standard (e.g., start new business). Formula is based on decree No. 797 S Ch N. (06 June 2008) and decree No.159 S Ch N. (30 January 2009). (one month salary + one month allowance) X years of service (counted from 1981 the earliest) and (one month salary + one month allowance) X 12 Special assistance is not needed as nobody falls under this category. 	
		<ul style="list-style-type: none"> Compensation for trees and perennials in orchard 	<ul style="list-style-type: none"> For crops (e.g. cassava), APs will not be compensated, but given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time. 	

Categories of the Affected	Relocating Households (with No. of HH)		Entitlement	Remarks
			<ul style="list-style-type: none"> • Compensation for house at replacement cost OR • Replacement house (new) with a plot of 600 m², the value of which will not be less than the replacement cost of the affected house 	<ul style="list-style-type: none"> •Ownership of trees around the houses in built-up areas is questionable and in fact the present residents are not the real owners. Therefore, these trees will not be compensated and will not be cut. However, replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established. •New settlement site will be situated along or near local roads and will be provided with necessary infrastructure (road, drainage, water well) and market if necessary. •APs are allowed to take structures/building materials (except for those belonging to the company) to new location. •Title to the land in the relocation site will be provided to the AP after 5 years. In the interim, AP will be provided by NDC with a certification that the plot has been awarded to the same and that the plot cannot be sold to anybody else.
	Transfer to Government (8)	<ul style="list-style-type: none"> • reside in rubber plantation houses (8) 	<ul style="list-style-type: none"> •Compensation for trees and perennials in orchard 	<ul style="list-style-type: none"> •For crops (e.g. cassava), APs will not be compensated, but given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time. •Ownership of trees around the houses in built-up areas is questionable and in fact the present residents are not the real owners. Therefore, these trees will not be compensated and will not be cut. However, replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established.
		<ul style="list-style-type: none"> • reside in their private houses in the rubber plantation (0) 	<ul style="list-style-type: none"> • Transport allowance (\$50) 	<ul style="list-style-type: none"> This is for transporting personal belongings when relocating.
			<ul style="list-style-type: none"> •Compensation for house at replacement cost 	<ul style="list-style-type: none"> • Negotiation on case by case
			<ul style="list-style-type: none"> •Compensation for trees and perennials in orchard 	<ul style="list-style-type: none"> •For crops (e.g. cassava), APs will not be compensated, but given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time. •Ownership of trees around the houses in built-up areas is questionable and in fact the present residents are not the real owners. Therefore, these trees will not be compensated and will

Categories of the Affected	Relocating Households (with No. of HH)	Entitlement	Remarks
			not be cut. However, replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established.
		• Transport allowance (\$50)	This is for transporting personal belongings when relocating.
Resident APs (151 households)	• reside in rubber plantation houses (124HH)	• Rental allowance (\$70X3months=\$210)	•Equivalent to 3 months rent
		• Living allowance (\$80X3months=\$240)	
		•Compensation for trees and perennials in orchard	<ul style="list-style-type: none"> •For crops (e.g. cassava), APs will not be compensated, but given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time. •Ownership of trees around the houses in built-up areas is questionable and in fact the present residents are not the real owners. Therefore, these trees will not be compensated and will not be cut. However, replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established.
		• Transport allowance (\$50)	This is for transporting personal belongings when relocating.
		• Land (10m X 20m)	No structure will be provided. Title to the land site will be provided to the AP after 5 years. In the interim, AP will be provided by NDC with a certification that the plot has been awarded to the same and that the plot cannot be sold to anybody else.
		• Additional assistance to severely affected (\$50)	•\$50 is considered sufficient to provide 83 kg of milled rice for one family for two months.
		• Special cash assistance for the poorest (\$50)	<ul style="list-style-type: none"> •'Poorest' are those whose monthly income is less than \$30, e.g. female headed households, and elderly households head above 60 years old. •\$50 is considered sufficient to provide 83 kg of milled rice for one family for two months.
		• reside in their private houses in the rubber plantation	<ul style="list-style-type: none"> • Replacement house (new) with a plot of 600 m² <p>See footnote (5)</p>

Categories of the Affected	Relocating Households (with No. of HH)	Entitlement	Remarks
	(27HH)	<ul style="list-style-type: none"> • Title to the land in the relocation site will be provided to the AP after 5 years. In the interim, AP will be provided by NDC with a certification that the plot has been awarded to the same and that the plot cannot be sold to anybody else. 	<ul style="list-style-type: none"> • Title to the land in the relocation site will be provided to the AP after 5 years. In the interim, AP will be provided by NDC with a certification that the plot has been awarded to the same and that the plot cannot be sold to anybody else.
		<ul style="list-style-type: none"> • Transport allowance (\$50) 	<ul style="list-style-type: none"> • This is for transporting personal belongings when relocating.
		<ul style="list-style-type: none"> • Compensation for trees and perennials in orchard 	<ul style="list-style-type: none"> • For crops (e.g. cassava), APs will not be compensated, but given prior notice that the land on which their crops are planted will be used by the project and that they must harvest their crops in time. • Ownership of trees around the houses in built-up areas is questionable and in fact the present residents are not the real owners. Therefore, these trees will not be compensated and will not be cut. However, replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established.
		<ul style="list-style-type: none"> • Additional assistance to severely affected (\$50) 	<ul style="list-style-type: none"> • \$50 is considered sufficient to provide 83 kg of milled rice for one family for two months.
		<ul style="list-style-type: none"> • Special cash assistance for the poorest (\$50) 	<ul style="list-style-type: none"> • 'Poorest' are those whose monthly income is less than \$30, e.g. female headed households, and elderly households head above 60 years old. • \$50 is considered sufficient to provide 83 kg of milled rice for one family for two months.
Shop and business owners (12)	All are unregistered businesses	<ul style="list-style-type: none"> • New replacement stall (2m X 2.5m) in the new market site 	<ul style="list-style-type: none"> • Market stalls are given free of charge. Once operational, the vendors in the new market will decide on how much their monthly dues will be for use in the maintenance of the market.
		<ul style="list-style-type: none"> • Business disruption allowance (\$5 X 2 days) 	<ul style="list-style-type: none"> • Relocation can be completed in 2 days. Affected businesses will not be displaced from their present locations until the market stalls are ready for occupancy.
		<ul style="list-style-type: none"> • Transportation allowance (\$25) 	<ul style="list-style-type: none"> • This is for transporting personal belongings when relocating.
Owners of orchards living outside the estate (undocumented)		<ul style="list-style-type: none"> • Compensation for trees and perennials in orchard 	<ul style="list-style-type: none"> • Pending completion of the cadastral survey by the local cadastral office, details of the existence of said orchards (e.g., area, trees planted, and ownership of orchard) cannot be obtained as none of the local resident APs or ASWs know these details. Budget for compensation for these affected orchards, if there are any, will be taken from the budget contingencies.

IV. PROJECT IMPACTS

24. The succeeding sections describe the processes and methods undertaken by SBK Research and Development, the private agency hired to prepare the RP, in connection with the inventory and assessment of Project impacts in August 2008.

A. Literature Review

25. The SBK team reviewed the following documents prior to the start of data gathering to familiarize itself with the divestment Project.

- a. Study on the Evolution of the Cambodian Rubber Sector by SOFRECO
- b. Work Plan for Divestment of State-Owned Enterprises 2005-2007, August 2005
- c. Plan for Divestment of State-Owned Rubber Estate, May 2005
- d. Assessment and Evaluation of SORE' s Cambodia, July 2004
- e. Assessment and Evaluation of Each of the 7 SOREs, July 2006
- f. Land Ownership, Sales and Concentration in Cambodia, Working Paper, 2000
- g. External Audit Reports, PWC
- h. Cambodia 1999-2000 Land, Labour and Rural Livelihood in Focus, Working Paper 2001

B. Pre-survey meetings with NDC

26. The SBK team carried out extensive meetings in Phnom Penh with the management and officers of the NDC. These meetings laid down the groundwork for organizing the provision of all necessary documents, maps, contacts in the field, permissions, and other useful logistical information for the smooth and effective implementation of RP preparation.

C. Questionnaires

27. Three different types of questionnaires were prepared. One was for the survey of personnel (ASW); the other for the interview of resident APs; and the last for the replacement cost study of affected assets. (See Appendix 1 for a copy of the questionnaires used).

D. Survey Team

28. A total of nine people composed the survey team; seven enumerators (interviewers), one field supervisor, and one administration officer. All field staff were male (i.e. to reduce any potential risk in the less populated rural areas), possessed university/college degrees, and had been involved in several prior field survey/census projects in rural Cambodia.

29. The training/orientation of the survey team was conducted in two phases. Phase one provided the team orientation on the resettlement objectives, resettlement questionnaire, quality control, accuracy, behavior in the field, and other details relative to the plantation community. Mock interviews and mock data entry were also done to fine tune the skills of the field staff. Phase two of the training took place in a

rural environment outside Phnom Penh to simulate the conditions, challenges, and to discover any gaps in the performance of the staff. To complete the training phase a ‘test’ was given in order to verify that all principles, protocols, and techniques had been understood and assimilated by the team members.

30. Backup enumerators were also recruited to ensure unhampered survey activities in cases of illness, family needs back in Phnom Penh, and for periodic respite from fieldwork. In addition, two engineering surveyors were recruited to carry out detailed inventory and measurement of affected assets of the ASW and resident APs.

E. Data Collection

31. The survey team interviewed first the staff/workers prior to interviewing the resident APs and the inventory and measurement of affected properties. The interview was conducted with support from the management of the plantation. All activities in the field were monitored on a daily basis by the Field Supervisor with fortnightly quality control inspections by the team leader.

F. Data Entry and Analysis

32. Data Entry was handled by three full time, experienced data entry clerks and one part-time clerk. Each week, completed questionnaires were received in Phnom Penh and data encoded using the Statistical Program for the Social Sciences (SPSS version 15). This activity was supervised on a daily basis by the SBK resident Statistical and Data Handling Specialist.

G. Setting of the cut-off date

33. The IOL and survey of ASW and resident APs were preceded by public consultation-meetings 2 weeks before the start of the inventory of losses and census of the ASW and resident APs. Among others, the purpose of said public meetings was to brief the concerned people about the activities of the SBK team, the Project resettlement policy, including the policy requirement on cut-off date. The local people were informed that said cut-off date coincided with the public announcement on 27 February 2008 of the divestment of the rubber estate and which was subsequently followed by the conduct of the IOL and survey of ASW and resident APs on 1 August 2008.

H. Basis of unit costs used in the RP

34. About the same time that the IOL was being conducted, a replacement cost study (RCS) of affected assets in the Project area was carried out by the research team. The objective of the RCS was to come up with the unit costs to use in calculating the cost of building a new 36 m² wooden house plus a 5 m² toilet with corrugated metal roofing to replace the affected dwelling units, including other structures, such as dug pond, road network and drainage, to be provided to the APs in the relocation site. The unit cost for the compensation of affected trees and perennials were likewise determined during the RCS.

35. The cost of a replacement wooden house 36 m² in floor area plus a 5 m² toilet is \$6,730. Details of how this amount has been determined are provided below.

Table 4-1 Bill of Materials and Costs of a Wooden House (in \$)

No.	Description	Quantity	Unit	Labor Cost (\$)		Material Cost (\$)		Total Amount
				Rate	Amount	Rate	Amount	
I	Wooden Structural Work :							
1	Pre-cast Footing	11.00	Set	4.50	49.50	11.00	121.00	170.50
2	Soil backfilling with compaction (0.2m thick)	10.00	m ³	2.86	28.56	5.50	55.00	83.56
3	Wooden Columns (150x150)mm	0.75	m ³	34.00	25.50	590.00	442.50	468.00
4	Wooden wall bar (50x50)mm	0.87	m ³	34.00	29.58	590.00	513.30	542.88
5	Wooden wall board (0.02mm thick)	2.60	m ³	34.00	88.40	590.00	1,534.00	1,622.40
	Sub Total I							2,887.34
II	Roof Structure And Corrugated Zinc Roof Sheet							
1	Wooden Joist beam (50x100)mm	0.54	m ³	36.00	19.44	590.00	318.60	338.04
2	Web beam, roof beam and rafter (50x100mm)	0.68	m ³	36.00	24.48	590.00	401.20	425.68
3	Roof king post (100x100mm)	0.12	m ³	36.00	4.32	590.00	70.80	75.12
4	Roof Purlins (40x80mm)	0.93	m ³	36.00	33.48	590.00	548.70	582.18
5	Corrugated Zinc Roof sheet	64.91	m ²	5.00	324.55	6.00	389.46	714.01
6	All Accessories (Nails all type, bolt and nut, etc.)	1.00	Ls			163.20	163.20	163.20
	Sub Total II							2,298.23
III	Doors And Windows							
1	Wooden window (800x1200mm)	6.00	Set	16.0	96	70.00	420.00	516.00
3	Wooden Door (800x2100mm)	3.00	Set	17.0	51	80.00	240.00	291.00
4	Wooden Door (1200x2100mm)	1.00	Set	18.0	18	100.0	100.00	118.00
	Sub Total III							925.00
IV	Toilet							
1	Toilet and bathroom and all accessories plus labor (2mx2.5m)	1.0	Ls	120.0	120.00	500.0	500.00	620.00
	Sub Total IV							620.00
	TOTAL							6,730.57
	Adjustment							0.57
	Total cost of house							6,730.00

36. Table 4-2 gives a rundown of the unit costs of trees and perennials found in the estate.

Table 4-2 Unit Costs of Trees and Perennials

Type of Tree		Duration	Unit	Value per tree/Ha
In Khmer	In English			
ekAs'U	Rubber	Immature	Ha	1,100.00
		Mature	Ha	1,500.00
dUg	Coconut	Immature	Tree	1.38
		Mature	Tree	34.33
sVay	Mango	Immature	Tree	1.13
		Mature	Tree	41.50
GMBil	Tamarind	Immature	Tree	0.25
		Mature	Tree	17.00
xñúr	Jackfruit	Immature	Tree	1.25
		Mature	Tree	35.00
RtEbk	Guava	Immature	Tree	0.57
TwkedaH	Milk	Mature	Tree	5.65
eTob)araMg	Sour sop	Immature	Tree	20.00
		Mature	Tree	0.88
emon	Longan	Immature	Tree	28.75
		Mature	Tree	0.81
sVaycnPl	Cashew	Immature	Tree	32.00
		Mature	Ha	700.00
RkUcqpar	Lemon	Immature	Ha	1,500.00
RkUceBaFisat;	Orange	Immature	Tree	5.00
		Mature	Tree	1.00
eck	Banana	Immature	Tree	35.00
		Mature	Tree	0.40
bꞑsSI	Bamboo	Immature	Tree	1.00
TTwm	Pome-granate	Mature	Tree	10.42
søa	Areca	Immature	Tree	0.91
		Mature	Tree	1.16
lõúg	Papaya	Immature	Tree	24.69
		Mature	Tree	0.50
etñat	Palm	Immature	Tree	4.00
		Mature	Tree	30.00
savm:av	Rambutan	Immature	Tree	1.17
		Mature	Tree	25.00
eTobExµr	Custard apple	Immature	Tree	0.58
		Mature	Tree	6.75
FUern	Durian	Immature	Tree	1.22
		Mature	Tree	34.00
cM)a:dk;	Champa dok	Mature	Tree	25.00

I. Inventory of impacts

37. Following sections present the results of the IOL. The ASWs and resident APs will receive compensation and other forms of assistance from the government

based on type and severity of project impacts as explained in the preceding section on entitlements. Table 4-3 gives a summary of project impacts.

1. Affected Staff/Workers (ASW)

38. The services of **146** staff/workers will be terminated with the divestment of the Snoul Rubber Plantation. 8 other personnel of the estate will be absorbed by MAFF. (See Appendix 1 for the entitlement for ASWs and Appendix 2 for the compensation package of the 146 laid-off ASWs).

39. Of the 146 lay-off personnel, 79 (54.11%) of them reside in company houses, while 61 (41.78%) stay in their own house inside the estate, 2 (1.37%) live in rented houses and another 4 (2.74%) stay with relatives inside the estate.

Table 4-3 Residences of the ASW

Residence	Frequency	Percent
Own House	61	41.78
Company's house	85	58.22
Total	146	100.00

40. A total of 1,327 trees and perennials of various species belonging to the ASWs will be acquired by the Project. The total replacement cost of these trees and perennials is calculated at \$25,575.22. In addition, a number of ASWs will also lose immature rubber trees on a 15.24 ha of land inside the estate with a replacement cost of \$16,764.00, not to mention immature cashew trees on a 2.04 ha of land with a replacement cost of \$1,428.00.

2. Resident APs

41. There are 151 resident APs who have established residence inside the estate. Of this number, 124 have encroached in plantation houses, while 27 others live in their respective houses that fall under the construction classifications of Types A1, A2, A3, A4, A5, B4, C3 and C4. All of the 151 resident AP households will transfer to the new relocation site. The 27 losing own houses will get a replacement house on a 600 m² plot, while the 124 who have encroached into company houses will each get a residential plot of 200 m² in the relocation site. (See Appendix 4 for a list of the resident APs).

Table 4-4 Houses of Households in the Rubber Estate by Type

Construction House's Classification ¹	Count	Percentage
Construction House Type : A1, A2, A3, A4, A5, B4, C3, C4	27	17.88
Estate's House	124	82.12
Total	151	100.00

42. A total of 4,048 trees and perennials of various species belonging to the 151 resident AP households will be acquired by the Project. The total replacement cost of these trees and perennials is calculated at \$72,038.99. In addition, a number of these resident APs will also lose immature rubber trees on a 11.494 ha of land inside the estate with a replacement cost of \$12,643.40, not to mention mature rubber trees on a 1.0 ha of estate land with a replacement cost of \$1,500.00; immature cashew trees on a 0.36 ha of land with a replacement cost of \$252.00; and mature cashew trees on a 5.21 ha of estate land with a replacement cost of \$7,815.00.

3. Affected shops

43. There are 12 small and un-registered independent shops adversely affected and must relocate. Replacement stalls in a market to be constructed in the relocation site will be provided to the owners of the affected independent shops. (See Appendix 5 for a list of the owners of the affected shops).

Table 4-5 Nature of Business of Affected Shops

Type of Selling Activities	Count
Vendors	7
Cake, sugar can	3
Dessert	1
Porridge	1
Total	12

4. Vulnerable groups among the resident APs

44. Four kinds of vulnerable groups have been identified in the survey of resident AP households: 22 female-headed, 7 headed by the elderly (i.e., 60 years or older), 2 headed by persons with disabilities, 2 living below the poverty line (i.e., monthly income <30\$ per month). Notwithstanding, all resident AP households in the rubber plantation are regarded as severely affected persons and vulnerable and are entitled to receive special cash assistance of \$50 per household.

Table 4-6 Vulnerable Affected Households

No	Type of Vulnerability	Frequency	% to Total Resident APs
1	Female-Headed Family	22	14.57
2	Elderly Family Head	7	4.64
3	Disable persons	2	1.32
4	Poor Families	2	1.32
Total		33	21.85

Table 4-7 Summary of Impacts

Impacts and Losses	Unit	Quantity	Action Needed
Affected staff and workers			
Laid Off Staff/Workers living in company house	person	85	Compensation package, plus compensation for trees and perennials in orchards
Laid-Off Staff/worker living in private houses	person	61	Compensation package, compensation for trees and perennials in orchards, plus cash compensation at replacement cost for affected house, or new wooden house and a 600 m ² plot in relocation site
Transferred staff/workers	person	8	Compensation for trees and perennials in orchards, plus transport allowance of 50\$
Trees and perennials of ASWs in orchards	no	1,327	Cash compensation at replacement cost if ownership of the same is established.
Loss of Rubber Trees (immature)	ha	15.24	Replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if ownership of the same is established.
Loss of Cashew Trees (immature)	ha	2.04	Cash compensation at replacement cost if ownership of the same is established.
Loss of Cashew Trees (mature)	ha	0.00	
Resident APs			
APs that encroached in company houses	no.	124	A 200 m ² plot with no structure in the relocation site, \$70 rental allowance for 3 months, \$80 living allowance for 3 months, \$50 transport allowance, additional assistance of \$50 for being severely affected, \$50 special cash assistance for the "poorest", plus compensation for trees and perennials in orchards.
APs living in own house	no.	27	New wooden house and a 600 m ² plot in relocation site, 50\$ transport allowance, additional assistance of \$50 for being severely affected, \$50 special cash assistance for the "poorest", plus compensation for trees and perennials in orchards.
Trees and perennials in orchard	no.	4,048	Cash compensation at replacement cost if ownership of the same is established.
Loss of Rubber Trees (immature)	ha	11.494	Replacement cost will be given for trees (including rubber trees) and perennials in privately-held orchards if

Impacts and Losses	Unit	Quantity	Action Needed
Loss of Rubber Trees (mature)	ha	1	ownership of the same is established.
Loss of Cashew Trees (immature)	ha	0.36	Cash compensation at replacement cost if ownership of the same is established.
Loss of Cashew Trees (mature)	ha	5.21	
Severely affected/vulnerable	no.	151	\$50 cash assistance
Small shops	no.	12	Replacement stall (2m x 2,5 m) in the new market in the relocation site, business disruption allowance \$5 for 2 days, plus transport allowance \$25.

V. SOCIO-ECONOMIC PROFILE OF THE ASWs AND RESIDENT APs

A. Affected staff and workers (ASW)

45. Only 140 of the 146 laid-off personnel¹¹ of Snoul Rubber Estate were met and interviewed using a structured questionnaire. Following were the results of the survey.

1. Demographic information on the ASWs

a. Household size of the ASW

46. The size of the households of majority of the 140 ASWs (90%) was 4 to 6, while 20.7% of the ASWs have a household size of more than 7, and 15% others have less than 3 members in their households.

Table 5-1 Household size (minimum and maximum)

Household Size	Frequency	Percentage
< = 3 member	21	15.0%
4 - 6 member	90	64.3%
> 7 members	29	20.7%
Total	140	100.0%

b. Age of ASW

47. About 49% of the ASWs were more than 46 years.

Table 5-2 Age Group of ASW

Age Group	Frequency
15 - 17 years	3
18 - 25 years	5
26 - 35 years	18
36 - 45 years	45
46 - 55 years	41
56 - 65 years	26
>65 years	2
	140

c. Gender of the ASW

48. Most of the 140 ASWs (84.3%) were male, while females made up 15.7% of these employees.

Table 5-3 Gender of the ASW

Gender	Count	Percent
Male	118	84.3
Female	22	15.7
Total	140	100.00

¹¹ The other 6 were unavailable during the conduct of the socio-economic survey.

d. Marital Status of the ASW

49. Most of the 140 ASWs (91.4%) were married, while 2 (1.4%) were single; 8 (5.7%), widowers; and 2 (1.4%), widows.

Table 5-4 Marital Status of the ASW

Marital Status	Count	Percent
Married	128	91.4
Single	2	1.4
Widower	8	5.7
Widow	2	1.4
Total	140	100.00

e. Ethnicity of the ASW

50. With the exception of 1 personnel who belong to the Cham ethnic group, the rest of the ASWs (99.3%) were ethnic Khmer.

Table 5-5 Ethnic Affiliation of the ASW

Ethnic group	Count	Percent
Khmer	139	99.3
Cham	1	0.7
Total	140	100.00

f. Religious Affiliation of the ASW

51. Most of the employees were Buddhists (99.82%), while 1 was a Muslim.

Table 5-6 Religious Affiliation of the ASW

Religion	Count	Percent
Buddhism	139	99.3
Islam	1	0.7
Total	140	100.00

2. Educational attainment of the ASWs

52. Around 30% of the ASWs attended primary education, while 37.1% others attended secondary level of education. 15.7% went to high school, while only 8.6% earned a bachelor's degree and 2.1% a master's degree.

Table 5-7 Level of Education of the ASW

Educational Level	Count	Percent
Kindergarten	1	0.7
Primary School	42	30.0
Secondary School	52	37.1
High School	22	15.7
Associate Degree	4	2.9

Bachelor's Degree	12	8.6
Master's Degree	3	2.1
Illiterate	4	2.9
Total	140	100.00

3. Main occupation of the ASWs

53. Majority of them (118 or 84.30%) are permanent staff of the rubber plantation. The 22 non-permanent ASWs were also engaged in agriculture, selling, repair service, transportation service, and lending as their other occupations.

Table 5-8 Main Occupation of the ASWs

Type of Employment	Frequency	Percentage
Civil Servant	4	2.90%
Permanent Staff (Rubber Plantation)	118	84.30%
Agricultural Activities	6	4.30%
Seller	8	5.70%
Repairing Service		
Transportation Service	1	0.70%
Loan service	3	2.10%

54. Average monthly income of the ASWs was \$263.43, although the minimum income reported was \$30.27 per month and maximum income reported was \$1891.02 per month.

Table 5-9 Level of Education of the ASW

Income	Minimum	Average	Maximum
Income from main job	7.50	100.16	525.00
Income from second job	2.82	136.90	1800.00
income from other	0.27	69.62	610.66
Total income	30.27	263.43	1891.02

4. Personal assets of the ASWs

55. Most (89.05%) of the ASWs owned a motorcycle, probably due to the proximity of their work place to their residences, while 81.75% owned a hand phone; a 10.22%, a car; 83.94%, a television set; and 47.45%, a radio/CD player.

Table 5-10 Personal Assets of the ASW

asset	frequency	percentage
Car	14	10.22%
Tourst/Passenger Cars	6	4.38%
Motor	122	89.05%
Bicycle	44	32.12%
Television	115	83.94%
Radio Stereo	65	47.45%
Hand Phone	112	81.75%
Cart	3	2.19%
Cow, Ox, Horses, Buffalo	20	14.60%

5. Incidence of ASWs borrowing money

56. Majority (53.7%) of the personnel of Snoul Rubber Estate reported not to have borrowed money from any source for their needs. Of the 42 who reportedly borrowed money, 52.4% sourced this from fellow villagers, while 28.6% got help from relatives. 19.0% got loans from a bank.

Table 5-11 ASW who have borrowed Money

Have borrowed?	Count	Percent
Yes	41	29.3
No	99	53.7
Total	140	100

Table 5-12 Sources of borrowed funds

Source of loan	Frequency	Percentage
Bank	8	19.0
Small Financial Credit	0	0.0
Relative	12	28.6
Neighbor	22	52.4

Percentages from 42 who answered "Yes")

6. Health problems of the ASW households

57. Relative to health concerns, 96.4% of the ASWs reported that members of their households have had some type of health condition or illness. 87.4% of the ASWs reported members of their households have had cold; 80%, headache; 19.3%, cough; 31.1%, stomach aches; 15.6%, malaria; 13.3%, typhoid fever; and 63.54%, diarrhea. When seeking medical help, 40.6% of the ASWs reported to have made use of company health center, while 45.9% went to the provincial hospital.

Table 5-13 ASW having been ill in Previous Year

Health Problem	Frequency	Percentage
Yes	135	96.40
NO	5	3.60
Total	140	100.00

Table 5-14 Health Services Used

Health Service Provider	Multiple Responses	Percentage
Provincial Hospital	61	45.19
Referral Hospital	13	9.63
Health Center	12	8.89
Traditional Healer	20	14.81
Private Clinic	17	12.59
Company Health Center	54	40.00
Hospital Phnom Penh	3	2.22

B. Resident households

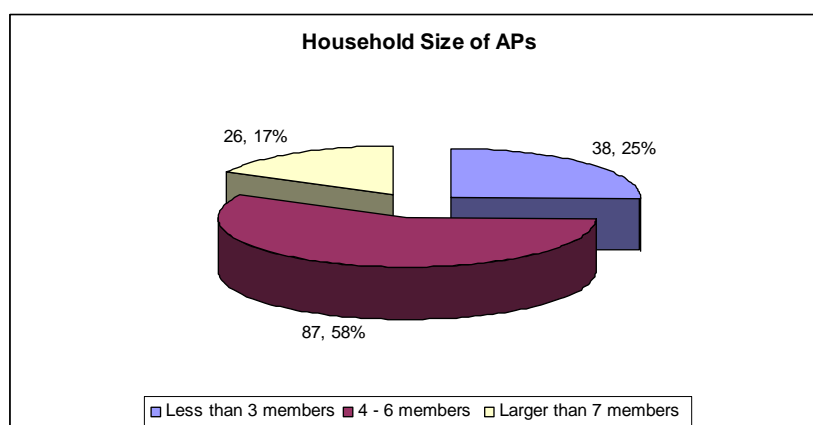
58. The heads of each of the 151 non-personnel resident AP households were covered in the socio-economic survey.

1. Demographic information on the resident AP households

a. Household size of the resident households

59. Of 151 resident APs, 58% had household members of between 4 to 6 while, while 25% had less than 3 members. 17% of the resident APs had more than 7 household members.

Figure 2: Size of Resident AP Households



b. Age of resident AP households head

60. Majority of the household heads of the resident APs (29.14%) were between 36 to 45 year old. 19.87% were between 26 to 35 year old; 18.54%, between 46 to 55 year old; 15.89% between 56 to 65 year old; 8.61% between 18 to 25 year old; and, 7.95% more than 65 year old. The data shows that most of the household heads of the resident APs were still within the working age.

Table 5-15 Age Distribution of Resident AP Household Heads

Age Group	Frequency	Percentage
18 - 25 years	13	8.61
26 - 35 years	30	19.87
36 - 45 years	44	29.14
46 - 55 years	28	18.54
56 - 65 years	24	15.89
>65 years	12	7.95
Total	151	100.00

c. Years been living inside the plantation

61. Majority of the resident households (76.82%) have been living on the estate for more than 10 years already.

Table 5-16 Years Been Living in the Rubber Plantation

Year of living	Frequency	Percentage
<5 years	11	7.28
5 - 10 Years	24	15.89
> 10 Years	116	76.82
Total	151	100

d. Gender of the head of the resident AP households

62. Males accounted for 23.2% of the resident AP household heads, compared to the females who made up 76.8% of the resident AP household heads.

Table 5-17 Gender of Resident AP Household Heads

Gender	Count	Percent
Male	35	23.2
Female	116	76.8
Total	151	100.00

e. Ethnicity of the heads of the resident AP households

63. The resident AP household heads are all ethnic Khmer.

f. Religious Affiliation of the resident household heads

64. Most heads of the resident households are Buddhists (94%), while 9 others are Muslims.

Table 5-18 Religious Affiliations of the Resident AP Household Heads

Religion	Count	Percent
Buddhist	142	94
Islam	9	6
Total	151	100.00

g. Marital status of household head

65. 80.8% of ASW are married and 15.9% are widow.

Table 5-19 Marital Status of the Resident AP Household Heads

Marital Status	Number	Percentage
Single	-	-
Married	127	84.1
Widow	24	15.9
Widower	-	-
Total		100.0

2. Educational attainment of the resident AP households

66. Majority (64.24%) of the heads of the resident AP households attended primary education, while 16.56% others attended secondary level of education and 7.28% reported to have attended high school. 9.99% reported to be illiterate, 1.99% attended an adult non-formal education program.

Table 5-20 Level of Education of the Resident family

Education Level	Frequency	Percent
Illiterate	15	9.93
Adult education program	3	1.99
Primary School	97	64.24
Secondary School	25	16.56
High School	11	7.28
Total	151	100.00

3. Main occupation of the resident AP households

67. The main occupation of 46% of the resident AP household heads is farming, while working in construction is the main occupation of 20.4% of the resident AP household heads.

Table 5-21 Main and secondary Occupations of Resident Household Head

Occupation	Main Occupation		Second Occupation	
	No.	%	No.	%
Agriculture	171	46.0	16	4.3
Civil Servant	2	0.5	0	0.0
Sellers	37	9.9	6	1.6
Repairer	5	1.3	1	0.3
Transportation Service	1	0.3	0	0.0
Hotel Service Providers	1	0.3	0	0.0
Police Military	4	1.1	0	0.0
Worker	76	20.4	56	15.1
Taxi Driver	5	1.3	1	0.3
Cut grass	9	2.4	1	0.3
Elderly person	2	0.5	0	0.0

4. Tenure status of the resident AP households

68. All plots of land in Snoul Rubber Estate are State land. Possession or occupation of any piece of land in the plantation by an individual would require some type of permission from the estate management. Over the past decades, other people outside of those granted permission by estate management managed to settle in plantation. As can be seen from the results of the survey of the resident AP households, 1 (0.70% of the resident households) claims to have written permission from the estate management for the land it presently occupies, while 15 others (9.90%) claim to have the estate's permission but could not present any written evidence thereof. 4 others (2.6%) reported that they were invited by the rubber estate management to work in the plantation. Interestingly, 131 households (86.8%) claim to have taken possession of the plots they occupy not through the estate management but through relatives who have settled earlier than they in the plantation.

Table 5-22 Status of Occupancy over Land in the Hands of Resident APs

Status of Living in Rubber Plantation	Frequency	Percentage
Approval in written by Snoul Rubber Plantation	1	0.7
Invited by the plantation to be a worker	4	2.6
Approval without written by Snoul Rubber Plantation	15	9.9
Through relative/friends	131	86.8
Total	151	100.0

5. Monthly incomes and expenses of the resident AP households

69. Majority (39.7%) of resident AP households were earning a monthly income of between \$101 and \$200, relatively enough to support the basic need of a rural family with some savings.

Table 5-23 Monthly Incomes of the Resident AP Households

Range of Income	No. of APs	Percentage
<15\$	6	4.0
15 - 45\$	7	4.6
46\$ - 66\$	15	9.9
67 - 100\$	21	13.9
101-200\$	60	39.7
201 - 300\$	20	13.2
301 - 400\$	8	5.3
>400\$	14	9.3

(Average Income per month is 189.13 USD)

70. On the average, a resident AP would spend \$157.42 per month on basic needs; still below the average monthly income of \$189.13 among the resident AP households.

Table 5-24 Monthly Expenses of the Resident AP Households

Monthly Expense per month	Amount
Average	157.42
Minimum	38.96
Maximum	632.91

6. Incidence of resident AP households borrowing money

71. About 53.64% (or 81) of the resident AP households in Snoul Rubber Estate reported not to have borrowed money in the past year for their needs. Of the 64 who reportedly borrowed money, 32.81% sourced this from friends, while 39.06% got help from relatives. 26.56% got a loan from a bank, and 1.56% from micro finance institutions. Main reasons stated for taking a loan were 56.30% for daily needs, 33.10% for some type of medical care, and 40.60% for business.

Table 5-25 Resident APs who have Borrowed Money

Have borrowed?	Count	Percent
Yes	64	42.38
No	81	53.64
No response	6	3.97
Total	151	100.00

Table 5-26 Sources of Money Borrowed by Resident APs

Source	Count	Percent
Friends	21	32.81
Relatives	25	39.06
Private Bank	17	26.56
Micro Finance	1	1.56

7. Health problems of the resident AP households

72. Relative to health concerns, 95.40% of the resident APs reported that members of their households have had some type of health condition or illness. 43.80% of the resident APs reported that members of their households have had colds; 31.90%, headache; 9.0%, diarrhea; 4.30%, cough; 23.60%, stomach ache; 45.10%, typhoid fever; 4.20%, eye infections; and, 43.10%, malaria. When seeking medical help, 82.60% of the resident households made use of private clinics, while 19.50% went to public health centers.

Table 5-27 Resident Households having been ill in Previous Year

Has been ill?	Count	Percent
Yes	144	95.4
No	1	0.70
No response	6	4.00
Total	151	100.00

Table 5-28 Health problems

Type of diseases	count	percent
Diarrhea	13	9.00%
Cold	63	43.80%
Headache/Dizzy	46	31.90%
Cough	6	4.20%
Eye problem	6	4.20%
Typhoid	65	45.10%
Malaria	62	43.10%
Stomach	34	23.60%
Liver illness	7	4.90%
Heart illness	14	9.70%
STD	2	1.40%
TB	4	2.80%
Fever	26	18.10%
Low blood pressure	9	6.30%
Dengue fever	31	21.50%
High blood pressure	7	4.90%
Polio	2	1.40%
Arthritis	3	2.10%
Mental disease	3	2.10%
Pneumonia	8	5.60%
Adenoids	3	2.10%
Toothache	2	1.40%
Diabetes	1	0.70%
Tetanus	1	0.70%
Total	144	100.00%

Table 5-29 Health Facilities Used

Health Facilities Used	Count	Percent
Phnom Penh, State Hospital	5	3.50
Provincial Hospital	6	4.20
Referral Hospital	14	9.70
Health Center	3	2.10
Health Post	0	0.00
Traditional Dealer	3	2.10
Private Clinic	119	82.60
Rubber Plantation Health Center	21	14.60

8. Community facilities available to the resident AP households

73. The local residents have a relatively easy access to primary school, being about 1.52 km only from their homes; secondary school, being 5.76 km away; and high school, being a bit further at 11.75 km. High school students use bicycles to go to school. Similarly, the health center is only 4.86 km away, while the Referral Hospital is about 7.64 km away.

Table 5-30 Distance to Community Facilities

Community Facility	Average Distance from APs' Homes (km)
Primary school	1.52
Secondary school	5.76
High school	11.75
Health center	4.86
Referral hospital	7.64
Pagoda	2.73

9. Personal assets of the APs

74. Most of the resident AP households (63.90%) own radio/television sets. 58.30% own motorcycles, while 32.60% own bicycles. The huge number of motorcycles and bicycles indicate that the resident APs can easily move around to participate in any kind of meeting in different places of the plantation.

Table 5-31 Personal assets of the APs

Type of Assets	Number	Percentage
Television Stereo Radio	92	63.90
Bicycle	47	32.60
Motor	84	58.30
Car	9	6.30
Hand Phone	53	36.80
Tractor	1	0.70
Truck	1	0.70
Ox Buffalo	18	12.50
Cart	4	2.80
House	1	0.70
None	23	16.00

VI. RP APPROVAL AND IMPLEMENTATION

75. Following the signing of the divestment documents by NDC and the buyer, the RP will be implemented. Land clearing, dismantling of residences and relocation of the ASW and resident APs can only commence once the RP has been reviewed and approved by ADB. The Permanent Secretariat (PS) of the NDC with assistance from the selected independent agency will implement the Resettlement Plan.

A. Consultation and disclosure activities

76. Consultation with the ASWs and resident APs will continue throughout RP implementation. All consultation and disclosure activities will be properly documented by the PS, and Project consultants; minutes of meetings, photos, and attendance sheets will be prepared and recorded.

77. The PS, with assistant from the independent agency, will disclose the final RP to the ASW and resident APs after approval from the Government and ADB is obtained. Key information in the approved RP that will be disclosed to the ASWs and resident APs include (i) relocation and rehabilitation options, (ii) results of detailed inventory of affected assets, (iii) entitlements, (iv) grievance procedures, (vi) schedule of delivery of assistance and (vii) displacement schedule. The information will be made publicly available at NDC, offices of the rubber estate, and village offices inside the plantation. A public information leaflet containing the salient points of the aforementioned and written in Khmer will likewise be provided to the ASWs and resident APs.

B. Relocation Strategy

78. The core resettlement strategy of the ASDP is geared towards ensuring that the ASWs and resident AP households are able to find a new plot on which to live prior to their displacement, in addition to ensuring as much as possible that they are able to continue with their present livelihood or are able to start new livelihood. The Permanent Secretariat (PS) of the National Divestment Committee (NDC) will ensure that this resettlement strategy is carried through. The PS, with assistance from an independent agency¹², will ensure that no ASW and resident AP will be displaced from their work and/or present places of residence until they have been paid compensation and allowances as discussed in the Section on Entitlements.

79. ASWs and resident APs who live in their own houses that will have to be demolished inside the estate on a replacement will not be displaced from their present dwelling units until their replacement wooden houses on a replacement plot of 600 m² each in the relocation site are ready for occupancy. Similarly, affected independent shops will not be demolished until the stalls in the market at the relocation sites are ready for occupancy.

80. The housing relocation site that will include a designated section for dwelling units and another section for the market will have an 8 m wide laterite road system with side drain. A communal pump well will be installed for a cluster of 10 households in the housing relocation site, while 1 pump well will be provided in the market. The relocation site is situated in way that will allow the relocating ASW and resident APs same access as the rest of the population to existing community facilities.

¹² The independent agency is a government-registered private entity to be selected through public tender. The independent agency will provide technical advice and assistance to NDC relative to the implementation of resettlement.

81. The cost for resettlement site development including laterite roads, drainage, water supply, electricity and market will be shouldered by the purchaser. However, the cost for replacement houses, which will be shouldered by the Government, is calculated at \$592,240.00.

C. Income Restoration

82. Cognizant of the fact that income restoration programs for severely affected people¹³ are extremely difficult to plan out and implement, the NDC, and with the concurrence of the laid-off staff and workers, has opted to provide laid off ASWs a compensation package that more than satisfies the Labor Law of Cambodia in terms of (i) the amount of separation pay given, and (ii) advance notice provided to the ASWs about the termination of their services. While the Labor Law merely requires a maximum separation pay of 6 months of wages and allowances, the ASDP provides an addition of 6 more months of wages and allowance for loss of employment, on top of another 12 months of wages and allowances to help the ASWS start new livelihood activities.

83. With regard the affected independent shops, these will hardly experience any stoppage in their operation. In fact, their business operation will likely be enhanced because they will be relocated in stalls in a new market that will be constructed in the relocation site, not to mention the fact that the independent shops will not be dismantled until the new stalls in the relocation site are ready for use. Nonetheless, as additional measure at ensuring that shop owners do not lose any income during the relocation of their business to the market, a cash assistance of \$10 will be given to each shop owner to make up for the 2 days that they might have to spend transferring to the new market. In addition to this amount, each shop owner will also receive \$25 to cover for the cost of transporting their belongings and wares.

D. Unforeseen Impacts

84. If during RP implementation, additional adverse social impacts are identified and/or additional resident APs are found, these persons and households are entitled to receive Project entitlements as the others on condition that it can be ascertained that they have actually been inadvertently missed out during the survey of affected assets and census of affected people conducted in August 2008.

E. Strategy to address gender issues

85. The Project includes the following specific actions to address gender issues:
- a. Male and female affected people will participate in consultation activities that will be held during RP preparation and implementation.
 - b. Sensitization training on gender and on the Project resettlement policy will be provided to concerned personnel of the NDC from the MAFF Gender Unit.
 - c. Special measures will be taken in the relocation of the elderly, disabled and female-headed households in terms of location of new sites for affected shops and houses.

¹³ All laid-off workers are severely affected due to loss of employment in addition to having to relocate, while resident APs are severely affected because they will lose their place of residence and will also have to relocate.

VII. ORGANIZATIONAL FRAMEWORK

A. National Divestment Committee (NDC)

86. The National Divestment Committee (NDC), established by the Council of Ministers in May 2003 through a sub-decree signed by the Prime Minister, is over-all responsible for the preparation and implementation of resettlement. It is assisted by the Permanent Secretariat (PS), also established in May 2003, which is headed by the Secretary of State of the Ministry of Agriculture, Forestry and Fisheries (MAFF) and the selected independent agency.

B. Permanent Secretariat (PS)

87. The Permanent Secretariat will take the lead in the implementation of the RP. The duties of the PS include:

- a. Oversee the planning, management, and internal monitoring of the resettlement plan;
- b. Ensure that all eligible ASWs and resident APs have been identified, are aware of their entitlements, and have been issued identification cards;
- c. Determine the resettlement budget and secure the funds for the same; and
- d. Responsible party for the disbursement of compensation and other cash assistance to the ASWs and resident APs, including the disbursement of funds for the other components of the resettlement plan, such as the acquisition and development of relocation sites.

C. Project consultants

88. The NDC is assisted by consultants that will be selected through public tender. The services of an independent agency that will provide technical advice and assistance to NDC relative to resettlement implementation, in addition to an external monitoring agency that will undertake compliance monitoring and post-resettlement evaluation, will be outsourced. The consultant's skill, experiences and qualification are the fundamental considerations in the selection process. The independent agency (resettlement) will be recruited following approval by ADB of the resettlement plans for the 7 SOREs.

D. Indicative implementation schedule of the RP

89. Table 7.1 summarizes the various inter-related activities connected with the preparation, approval and implementation of the RP.

Table 7-1 Indicative Schedule of Resettlement Activities

Activities	Schedule
RP Preparation	Feb 2008 – Feb 2009
• Cut-off date	February 27, 2008
• Socio-economic survey	February 08, August 2008
ADB Approval of Draft RP	April-May 2009
Payment of compensation package of ASW	December 5, 2008
Payment of compensation of resident APs for trees	November 2009
Relocation of resident ASWs and resident APs	June 2010 – June 2011
Internal Monitoring (submission of monthly progress reports)	June 2009 – Dec 2011
External Monitoring (submission of quarterly progress reports)	June 2009 – Dec 2011
Post-resettlement evaluation	December 2011

VIII. PUBLIC PARTICIPATION AND CONSULTATION

90. Participation provides for the occasion and the process by which stakeholders influence and become co-responsible for development initiatives and decisions that affect them.

A. Public consultations during RP preparation

91. Before the start of the census of the ASW, detailed inventory of affected assets and census of resident APs, the SBK survey along with the staff of the Permanent Secretariat (PS) held a series of consultation-meetings with stakeholders (e.g., concerned government agencies, local officials, estate employees, and estate residents) for the purpose of discussing the following:

- a. Project background and rationale;
- b. Main activities of the survey team (i.e., conduct of socio-economic household survey, IOL, replacement cost study, and public consultations);
- c. Project resettlement framework (RF); and
- d. Probable positive and adverse impacts of the Project, and recommendations on how to avoid and mitigate negative impacts.

92. Moreover, following the completion of the survey, additional consultations were held specifically with the ASW and resident APs to discuss the findings of the detailed inventory of losses and to discuss resettlement options. Table below provides a rundown of the consultations and meetings held in connection with the preparation of the RP. (See Appendix 6 for the names of the participants in said public consultation-meetings).

Table 8-1 Public Meetings Held

Location (Commune/Village)	Venue	Date	Topics Discussed
Chivat Village	Chivat Village	07 August 2008	To promote project impact, objective, compensation policy, entitlement, right to raise complaint and acceptable relocation site.
Trapang Leak Village	Trapang Leak Village	07 August 2008	
Tpong Leu Krom Village	Tpong Leu Krom Village	07 August 2008	
Factory Village	Factory Village	11 August 2008	
Kamleak Village	Kamleak Village	11 August 2008	
Cheoung Klou Village	Cheoung Klou Village	11 August 2008	
Kbal Tpong Village	Kbal Tpong Village	07 August 2008	

B. Public information leaflet

93. An information leaflet, written in Khmer, is available in the Rubber Plantation office and in village offices inside the estate. The information leaflet will be distributed to the ASW and the resident APs in March 2009 and this will be monitored by the External Monitoring Agency. The leaflet contains the following brief information: (i) Project background; (ii) results of the IOL; (iii) entitlements due to the ASW and resident APs; (iv) bases for computing compensation for affected assets; (v) schedule of delivery of entitlements and displacement; (vi) grievance redress mechanism; and (vii) contact persons at NDC or PS. (See Appendix 7 for a copy of the public information leaflet).

IX. GRIEVANCE REDRESS

94. Grievances of the ASW and resident APs in connection with the implementation of the RP will be handled through negotiation and is aimed at achieving consensus. Complaints will pass through two stages before they may be elevated to a court of law as a last resort. NDC will shoulder all administrative and legal fees that will be incurred in the resolution of grievances and complaints.

A. First Stage, Permanent Secretariat of NDC

95. An aggrieved ASW or resident AP may bring his/her complaint before any member of the PS of NDC, either in writing or verbally. The PS, with assistance from the independent agency, decides on a course of action to resolve the complaint within 15 days following the lodging of the complaint by the aggrieved party. PS is responsible for documenting and keeping file of all complaints that are coursed through it.

B. Second Stage, Inter-Ministerial Resettlement Committee under NDC (IMRC/NDC)

96. If after 15 days the aggrieved AP does not hear from the PS, or if the aggrieved party is not satisfied with the decision taken by the PS, the complaint may be brought to the Inter-Ministerial Resettlement Committee under the NDC, either in writing or verbally. IMRC/NDC has 15 days within which to resolve the complaint to the satisfaction of all concerned. The IMRC/NDC is responsible for documenting and keeping file of all complaints that it handles.

C. Final Stage, Court of Law

97. If 15 days following the lodging of the complaint the aggrieved party is not satisfied with the decision taken by the Land Solution Committee, or if the aggrieved party does not hear from the Land Solution Committee, the complaint may be brought to a court of law for adjudication. The rules of court will be followed in the resolution of the complaint.

X. MONITORING AND EVALUATION

98. The NDC, through the Permanent Secretariat (PS), will conduct regular monitoring and evaluation of the updating and implementation of the RP. Said monitoring and evaluation is intended to help ensure that the RP is prepared according to the approved resettlement framework (RF) and that it is implemented as planned. The PS is therefore Government's in-house monitoring body for the Project.

A. Indicators for In-house monitoring

99. The following indicators will be monitored periodically by the PS:
- a. Compensation and entitlements are computed at rates and procedures as provided in the approved RP;
 - b. ASW and resident APs are provided their compensation and other cash entitlements promptly and as stipulated in the approved RP;
 - c. Public information, public consultation and grievance redress procedures are followed as described in the approved RP;
 - d. Dwelling units and shops are not demolished until the affected people are able to transfer to their replacement houses or market stalls; and
 - e. Community facilities are accessible, and basic public facilities are provided, to the relocating people.

B. External monitoring agency

100. The NDC, through the Permanent Secretariat, will hire an independent institution or group to carry out external monitoring and post-implementation evaluation. The PS has prepared the terms of reference (TOR) for the engagement of the external monitoring agency (EMA) as given in Appendix 8. The TOR for the EMA and the selection of the monitor will require prior consent of ADB. The EMA will provide the PS and ADB a copy of its quarterly monitoring reports. The EMA will likewise conduct a Post-RP Implementation Evaluation Study six (6) months following completion of the relocation of the people.

101. The EMA will address specific issues such as the following:
- a. Field check/site visits coordinated with the resettlement activities that are taking place based on the approved Resettlement Plan: (i) compensation payments, participatory design of relocation and rehabilitation options, relocation; (ii) random review of DMS forms for correct inventory of assets and entitlements; and (iii) random review of entitlement and compensation documents to ensure that the assessment of compensation is based on the agreed compensation package and that all entitlements have been accurately provided;
 - b. Public consultation and awareness of resettlement policy and entitlements;
 - c. Coordination of resettlement activities with the provision of relocation sites and replacement houses and stalls;
 - d. Transfer procedures;

- e. Level of satisfaction of ASWs and resident APs with the provisions and implementation of the RP;
- f. Grievance redress mechanism (documentation, process, resolution);
- g.** Effectiveness, impact and sustainability of entitlements and rehabilitation measures and the need for further improvement, as required;
- h. Gender impacts and strategy;
- i.** Capacity of ASWs and resident APs to restore/re-establish livelihoods and living standards. Special attention provided or to be provided to severely affected and vulnerable households;
- j. Participation of ASWs and resident APs in RP updating and implementation; and
- k. Institutional capacity, internal monitoring and reporting.

XI. COSTS AND BUDGET

102. The budget to cover resettlement and monitoring activities specified in this resettlement plan will be taken from ASDP and from budget generated from old tree cutting that have not been used for replanting. This counterpart fund will be used in the relocation of affected people from the rubber plantation to new relocation areas, including compensation for affected properties and income loss.

A. Procedures for flow of funds

103. NDC, with assistance from the independent agency, will disburse funds for resettlement as per the RP and consistent with the RF. It is incumbent upon NDC to submit to NDC financial reports on a regular basis. NDC will ensure that adequate funds for resettlement are available as and when necessary and in sufficient amount for the efficient and timely implementation of resettlement.

B. Cost estimates and inflation adjustment

104. The NDC and the PS, in consultation with relevant agencies, will determine the annual inflation rate and will ensure that adjustments are made to compensation rates and to other cash entitlements to reflect current market rates.

C. Implementation, administration and contingency costs

105. Implementation costs cover payment of allowances and per diem of concerned personnel of NDC, the PS, including the independent agency, that are involved in the preparation and implementation of the RP.

D. Estimated Costs of Resettlement

106. The estimated cost of resettlement for the divestment of Snoul Rubber Estate is **USD 890,479.27**. This cost does not include the cost of compensation package to laid-off ASWs¹⁴ and the cost for developing the relocation site and the construction of the market in the relocation site; the same will be borne by the new owners of the rubber estate based on a contract with NDC. Compliance with this agreement will be monitored by the NDC and the external monitoring agency. The budget for the external monitoring agency is not included in the resettlement cost of Snoul Rubber Estate because the EMA's contract will cover all seven SOREs¹⁵. Table 11.1 provides a breakdown of these costs.

¹⁴ The total cost of compensation package for laid-off ASWs is \$ 341,219.00 as detailed in Appendix 2.

¹⁵ The budget for external monitoring agency for the seven SOREs is US\$ 150,000.00

Table 11-1 Summary of Resettlement Costs

No	Items	Unit	Quantity	Rate	AMOUNT
				(\$/Unit)	(US\$)
I	Affected Staff/Worker (ASWs)				
1.1	Transferred Staff To the Government Agency	no.	8		
1.1.2	Loss of trees and perennials	Tree	0		0
1.1.1	Transportation allowance	no	8	50	400.00
1.2	ASWs residing in company's house	no	85		
1.2.1	Loss of trees and perennials	no	0		0.00
1.3	ASWs residing in private house	no.	61		
1.3.1	A wooden house	no	61	6,730.00	410,530.00
1.3.2	A plot of Land size 20m x 30m (600m ² x 61)	Ha	3.66	Cut out from plantation and responsible by new owner	
1.4	Loss of trees and perennials	Tree	1,327.00		25,575.22
1.5	Loss of Rubber Trees (immature)	Ha	15.24	1100	16,764.00
1.6	Loss of Rubber Trees (mature)	Ha	0.00	1500	0.00
1.7	Loss of Cashew Trees (immature)	Ha	2.04	700	1,428.00
1.8	Loss of Cashew Trees (mature)	Ha	0.00	1500	0.00
II	Resident APs				
2.1	AP residing in company house	no	124		
2.1.1	Rental Allowance	month	124	210	26,040.00
2.1.2	Living Allowance	Month	124	240	29,760.00
2.1.3	Transport Allowance	no	124	50	6,200.00
2.1.4	Special Cash Assistance (Vulnerable Group)	no	124	50	6,200.00
2.1.5	Special Cash Assistant for Severely Affected Persons	no	124	50	6,200.00
2.1.6	A plot of land size 10m x 20m (124hh)	no	2.48	Cut out from plantation and responsible by new owner	
2.2	AP residing in private house		27		
2.2.1	Transport Allowance	no	27	50	1,350.00
2.2.2	Special Cash Assistance (Vulnerable Group)	no	27	50	1,350.00
2.2.3	Special Cash Assistance for Severely Affected Persons	no	27	50	1,350.00
2.2.3	Replacement house	no.	27	6,730.00	181,710.00
2.2.4	Relocation site development (600 m ² X 27 HH)	Ha	1.62	To be responsible by new owner	
2.2.5	Reserved Land for other infrastructure	Ha	6		
1.4	Loss of trees and perennials	no	4048		72,038.99
1.5	Loss of Rubber Trees (immature)	Ha	11.494	1100	12,643.40
1.6	Loss of Rubber Trees (mature)	Ha	1	1500	1,500.00
1.7	Loss of Cashew Trees (immature)	Ha	0.36	700	252.00
1.8	Loss of Cashew Trees (mature)	Ha	5.21	1500	7,815.00
III	Small shops				
3.1	Replacement stall in the market	no.	12	new owner	
3.2	Market site development (5 m ² X 12 sellers)	Ha	0.006		
3.3	Business Disruption allowance (two days)	no	12	10	120.00
3.4	Transportation allowance	no.	12	25	300.00
	Total Direct Costs				809,526.61
	Contingency (10% of Total Direct Costs)				80,952.66
	GRAND TOTAL				890,479.27