Kingdom of Cambodia
Nation Religion King

ASIAN INFRASTRUCTURE INVESTMENT BANK

RURAL INFRASTRUCTURE AND SUSTAINABLE INVESTMENT FOR GROWTH PROJECT

DRAFT RESETTLEMENT PLANNING FRAMEWORK

August 2026

Prepared by the National Committee for Sub-National Democratic Development Secretariat under the guidance and directions of the General Department of Resettlement of the Ministry of Economy and Finance.

TABLE OF CONTENTS

LIST OF ACRONYMS i

DEFINITIONS AND TERMS ii

EXECUTIVE SUMMARY 1

I. PROJECT DESCRIPTION 3

A. Description of Project and its Objectives 3

B. Description of Project Components 4

C. Land Acquisition Impacts and Rationale for Resettlement Planning Framework 4

II. LEGAL FRAMEWORK ASSESSMENT 6

A. AIIB's Environmental and Social Framework - Environmental and Social Standard 2 on Involuntary Resettlement 8

B. Gap Analysis: AIIB ESS 2 and SOP-LAR 11

III. PRINCIPLES AND OBJECTIVES 22

A. Process for Land Acquisition 22

B. Principles and Objectives on Land Acquisition and Resettlement 22

C. Eligibility Criteria 23

D. Resettlement Process: Step by Step 23

E. Cut-off Dates 23

F. Detailed Measurement Survey 23

G. Replacement Cost Study and Asset Valuation 25

H. Compensation and Other Resettlement Assistance 26

I. Vulnerable Groups 26

J. Relocation 26

K. Livelihood Restoration Program 26

L. Contracts with AHs and Compensation Payments 27

IV. INSTITUTIONAL ARRANGEMENT 28

A. National Committee for Sub-National Democratic Development 28

B. PMU Environment and Social Management Unit 28

C. Ministry of Economy and Finance 28

V. GRIEVANCE REDRESS MECHANISM 29

VI. FUNDING AND IMPLEMENTATION ARRANGEMENTS 30

A. Budget and Financing 30

B. Implementation Schedule 31

VII. INFORMATION DISCLOSURE AND CONSULTATIONS 31

A. Information Disclosure 31
B. Consultation and Participation 31
VIII. MONITORING AND REPORTING 32
A. Internal Monitoring 32
B. External Monitoring 33

LIST OF FIGURES

Figure 1: Location Map of the Project Area 3

LIST OF TABLES

Table 1: AIIB ESS 2 and RGC SOP on Land Acquisition and Involuntary Resettlement Comparison and Clarifications 12
Table 2: Key Tasks by GDR on DRP Preparation 24

LIST OF ANNEXES

ANNEX 1: SCREENING FOR LAND ACQUISITION 34
ANNEX 2: ENTITLEMENT MATRIX 35
ANNEX 3: INDICATIVE INTERNAL MONITORING INDICATORS 40

LIST OF ACRONYMS

AH	Affected Household
AIIB	Asian Infrastructure Investment Bank
AP	Affected Person
ARP	Abbreviated Resettlement Plan
COD	Cut-Off-Date
COI	Corridor of Impact
DED	Detailed Engineering Design
DIMDM	Department of Internal Monitoring and Data Management
DMS	Detailed Measurement Survey
DP	Displaced Person
DRP	Detailed Resettlement Plan
EA	Executing Agency
EM	Entitlement Matrix
EMO	External Monitoring Organization
ESMU	Environment and Social Management Unit
ESF	Environment and Social Framework
ESMPF	Environmental and Social Management Planning Framework
ESS	Environment and Social Standard
GDR	General Department of Resettlement
GRM	Grievance Redress Mechanism
IOL	Inventory of Loss
IRC	Inter-Ministerial Resettlement Committee (Project-Level)
IRC-WG	Inter-Ministerial Resettlement Committee Working Group
LAR	Land Acquisition and Involuntary Resettlement
MEF	Ministry of Economy and Finance
NCDDS	National Committee for Sub-National Democratic Development Secretariat
PCM	Public Consultant Meeting
PIB	Project Information Booklet
PGRC	Provincial Grievance Redress Committee
PMU	Project Management Unit
PRSC	Provincial Resettlement Sub-Committee
PRSC-WG	Provincial Resettlement Sub-Committee Working Group
RCS	Replacement Cost Study
RPF	Resettlement Planning Framework
RGC	Royal Government of Cambodia
ROW	Right-Of-Way
SOP-LAR	Standard Operating Procedures on Land Acquisition and Involuntary Resettlement

DEFINITIONS AND TERMS

Affected Households (AHs)/Affected People (AP). In the context of involuntary resettlement, APs are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically affected (loss of land, assets, access to assets, income sources, or means of livelihood) as a result of (i) land acquisition and involuntary resettlement; or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. In the case of AHs, it includes all members residing under one roof and operating as a single economic unit, who are adversely affected by a project or any of its components. They can also be referred to as Displaced Persons (DPs). In this RPF the term is also used as "AH".

Abbreviated Resettlement Plan (ARP). Where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, the Client may prepare an abbreviated resettlement plan, covering such elements as the Bank may specify. Impacts are considered "minor" if the affected people are not physically displaced and less than 10 percent of all their productive assets are lost.

Cut-off date (COD). Date established by the Project, that establishes the eligibility for receiving compensation and the resettlement assistance coinciding with the date of when the household census the project affected persons. The COD needs to be well-documented and is normally the date of the completion of the consultation process with the displaced persons and is done in conjunction with the census and prevents encroachment. Persons not covered can be eligible in case they can show proof that they have been inadvertently missed during the census.

Detailed Measurement Survey (DMS). With the aid of detailed engineering design, this activity involves the finalization of the results of the inventory of losses, measurement of losses, 100% socio-economic survey and 100% census of displaced persons.

Detailed Resettlement Plan (DRP). Prepared when detailed designs or land demarcation have been completed and the full impacts following a DMS are known. This has the same meaning as land Acquisition and Resettlement Plan or Land Acquisition Plan or Resettlement Plan.

Economic Displacement. Loss of land, assets, access to assets, income sources, or means of livelihood because of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Eligibility. All AHs confirmed to be residing in, doing business, or cultivating land within the project affected area or land to be acquired or used for the project before the cut-off date are eligible for resettlement compensation for their affected properties.

Eminent Domain. The right of Cambodia using its sovereign power to acquire land for public purposes. National law establishes which public agencies have the prerogative to exercise eminent domain.

Entitlement. Refers to a range of measures comprising compensation for loss of assets, resettlement assistance, income restoration, etc. which are due to the AHs, depending on the type and severity of their losses, to restore their economic and social base.

Expropriation. Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise use. Expropriation under the Cambodian Law refers to the confiscation of ownership or real right to immovable property of a natural person, private legal entity, and legal public entity, which includes land, buildings, and cultivated plants, for the purpose of constructing, rehabilitating, or expanding public physical infrastructure for the national and public interests with prior and just compensation.

Grievance Redress Mechanism (GRM). Refers to an established mechanism to receive and facilitate the resolution of affected persons' concerns and grievances/complaints about physical and economic displacement and other project impacts. The grievance mechanism is expected to: (a) address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution, and without preventing access to judicial processes.

Host Communities. Communities receiving physically affected persons of a project as re-settlers.

Income Restoration. Improve, or at least restore, the livelihoods of all persons displaced by the Project through: (i) where possible, land-based resettlement strategies when affected livelihoods are land-based or where land is collectively owned; or cash compensation at replacement value for land, including transitional costs, when the loss of land does not undermine livelihoods; (ii) prompt replacement of assets with assets of equal or higher value; (iii) prompt compensation at full replacement cost for assets that cannot be restored; and (iv) capacity building programs to support improved use of livelihood resources and enhance access to alternative sources of livelihood.

Income Support. Re-establishing the productive livelihood of the AHs to enable income generation equal to or, if possible, better than that earned by the AHs before the project.

Indigenous Peoples. "Indigenous Peoples" is used in a generic sense to refer exclusively to a distinct social and cultural group possessing all the following characteristics in varying degrees:

Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and Collective attachment[1] to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas; and Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture, and A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

Information Disclosure. The process of disseminating project information to stakeholder to allow them to understand the risks and impacts of the project, and potential opportunities.

Inventory of Losses (IOL). This is the process where all fixed assets (i.e. lands used for residence, commerce, agriculture, including ponds; dwelling units; stalls and shops; secondary structures, such as fences, tombs, wells; trees with commercial value; etc.) and sources of

[1] Collective attachment means that for generations there has been a physical presence in and economic ties to land and territories traditionally owned, or customarily used or occupied, by the group concerned, including areas that hold special significance for it, such as sacred sites.

income and livelihood inside the Project right-of-way are identified, measured, their owners identified, their exact location pinpointed, and their replacement costs calculated.

Involuntary Resettlement. Resettlement is considered involuntary when directly affected persons or communities do not have the right to refuse project related land acquisition or restrictions on land use that result in their physical or economic displacement.

Land Acquisition. Refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. Land acquisition refers to anything growing on or permanently affixed to land, such as crops, buildings and other improvements.

Meaningful Consultation. The two-way process that: (a) begins early in the project planning process to gather initial views on the project proposal and inform project design; (b) encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; (c) continues on an ongoing basis, as risks and impacts arise; (d) is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders; (e) considers and responds to feedback; (f) supports active and inclusive engagement with project-affected parties; and (g) is free of external manipulation, interference, coercion, discrimination, and intimidation. Under this RPF, which is specific for land acquisition and involuntary resettlement, the meaningful consultation refers to consultation in respect of land acquisition and involuntary resettlement which is clearly stipulated in the Government's SOP for LAR and incorporates all the above elements.

Physical Displacement. Relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Relocation. This is the physical relocation of an AH from her/his pre-project place of location and/or business to another location.

Replacement Cost. Replacement cost involves replacing an asset, including land, at a cost prevailing at the time of its acquisition. This includes fair market value, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures should not be considered for replacement cost. Where there are no active market conditions, replacement cost is equivalent to delivered cost and building materials, labour cost for construction or relocation costs. Where land market conditions are absent or in a formative stage, the DPs and host populations will be consulted with to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information.

Relocation Assistance. Support provided to persons displaced by the Project, including the following: (i) if there is relocation, security of tenure (with tenure rights that are as strong as the rights the displaced persons had to the land or assets from which they have been displaced) of relocation land (and assets, as applicable), proper housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities and extension of Project benefits to host communities to facilitate the resettlement process; (ii) transitional support and development assistance, such as land development, credit facilities, training or employment opportunities, food, shelter, transportation; and (iii) civic infrastructure and community services, as required.

Resettlement Planning Framework (RPF). Prepared when project components are not fully known and therefore land acquisition needs cannot be identified. The RPF will guide the preparation of future Resettlement Plans if these become necessary.

Resettlement Plan. A time-bound action plan, with budget, setting out the resettlement objectives and strategies, entitlements the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and implementation schedule. This has the same meaning as the Detailed Resettlement Plan.

Voluntary Donations. Defined as the ceding of a property by an owner who is (a) appropriately informed about the project and their right to seek compensation and (b) can refuse to donate. This does not apply to voluntary, legally recorded market transactions.

Vulnerable Groups. These are distinct groups of APs who are likely to be more adversely affected than others and who are likely to have limited ability to reestablish their livelihoods or improve their status and comprise (i) all households living below the national poverty rate established by the Royal Government of Cambodia, (ii) female headed households with dependents living below the national poverty rate, (iii) disabled headed households with no other means of support, (iv) elderly headed households with no other means of support, and (v) indigenous people (who often have traditional land rights but no formal titles). These groups are identified as those AHs classified as ID Poor 1 and ID Poor 2 under the Sub Decree 291 ANKr. of the Royal Government of Cambodia on the Identification of Poor Households.

EXECUTIVE SUMMARY

1. This Resettlement Planning Framework (RPF) has been prepared by the Ministry of Interior and the National Committee for Sub-National Democratic Development Secretariat (NCDDS) for the proposed Rural Infrastructure and Sustainable Investment for Growth Project (the Project) under the guidance of the General Department of Resettlement (GDR). The Royal Government of Cambodia (RGC) is seeking financial assistance from the Asian Infrastructure Investment Bank (AIIB) for the implementation of the Project for which this RPF has been prepared. This RPF is part of the Project's Environment and Social Management Planning Framework of the Project. The NCDDS is the Executing Agency (EA) for the Project.

2. This document is considered a living document and shall be modified and updated in line with the changing situation or scope of the activities. An Abbreviated Resettlement Plan (ARP) or a Detailed Resettlement Plan (DRP) will be developed when there will be a need for an involuntary land acquisition in close consultation with affected stakeholders. Clearance of the DRP by the AIIB will be necessary in case when one is required.

3. The Project will invest in small scale rural infrastructure subprojects focussed on roads, irrigation and commune infrastructure in the seven targeted provinces, namely Pailin, Battambang, Banteay Meanchey, Oddar Meanchey, Siem Reap, Preah Vihear and Kandal provinces.

4. The Project outcomes are defined as: Rural economies and local governance systems strengthened through climate resilient infrastructure and digitized commune planning and service delivery. The Project will be focused on emphasizing tangible change at the community and institutional levels with increased access, productivity and participation that will lead directly to the broader goal. There will be four outputs:

Output 1: Rural infrastructure and facilities upgraded and expanded.

Output 2: Commune and district capacities strengthened through institutional digitization and government enhancement.

Output 3: Project management, coordination and knowledge systems strengthened.

5. In Cambodia, the Expropriation Law (2010) is the main legal framework that governs land acquisition and involuntary resettlement (LAR). Under Article 3 of this Law which governs the provision for projects financed by Development Partners in Cambodia, the RGC issued in 2018 the Standard Operating Procedures on Land Acquisition and Involuntary Resettlement (SOP-LAR). The GDR of the Ministry of Economy and Finance (MEF) is responsible for planning, preparation, implementation, monitoring and reporting of all land acquisitions for public infrastructure in Cambodia. It is also responsible for providing guidance, clarification and interpretation of the provisions of the SOP-LAR.

6. Since the Project is financed by the AIIB, the SOP-LAR is the guiding RGC sub-decree and should be read together with this document and shall also comply with the AIIB's Environment and Social Standard 2 (ESS 2) on LAR. There are some minor but no significant gaps between the policies of the SOP-LAR and AIIB's ESS2 which are addressed and clarified in this RPF. One

of minor gap is that the SOP-LAR does not specifically spell out procedures for ***negotiated settlement and voluntary donation.*** This method of acquisition will not be used in the AIIB-financed projects unless there is prior agreement between AIIB, EA and GDR.

7. In case there is any need for involuntary land acquisition this RPF ensures that it will achieve the objectives of AIIB's ESS 2 which are also consistent with objectives under the SOP-LAR for managing resettlement. The key objectives are described below:

- Avoid involuntary resettlement wherever possible;
- Minimize involuntary resettlement by exploring project alternatives which are mostly carried out during detailed engineering designs (DEDs) to avoid impact on acquisition of land and assets;
- Enhance or at least restore the livelihoods of all displaced persons (DPs) in real terms relative to pre-project levels; and
- Improve the overall socio-economic status of the displaced poor and other vulnerable groups.

8. This RPF also applies to permanent or temporary physical and economic displacement as described in the SOP-LAR and is compliant with AIIB's ESS 2. All affected households (AHs) or entities who have assets in the right-of-way (ROW) before the cut-off-date (COD) will be eligible for compensation as described in this RPF. Eligibility will be determined with regards to the COD which will be the last day of conducting the census during the detailed measurement survey (DMS) after the completion of the DEDs of the components under the proposed Project. Those who encroach into/or occupy the Project area after the COD will not be eligible for any compensation or any other assistance.

9. The RPF details the institutional arrangements and responsibilities, consultations, grievance redress mechanism (GRM) information disclosure, funding arrangements and monitoring of LAR. The GRM will be established as a locally based arrangement for receiving and facilitating the resolution of concerns raised by the DPs affected by the Project. The RPF also describes the process for consultation and information disclosure of the RPF and the ARP or DRP when the land is acquired through involuntary resettlement.

I. PROJECT DESCRIPTION

A. Description of Project and its Objectives

1. The proposed Rural Infrastructure and Sustainable Investment for Growth Project (the Project), financed by the Asian Infrastructure Investment Bank (AIIB) and implemented through the National Committee for Sub-National Democratic Development Secretariat (NCDDS), includes an integrated package of investments in rural infrastructure, and institutional strengthening. The Project Development Objective is *rural livelihoods and resilience of communities are improved through sustainable local economic growth and resilient infrastructure*. The Project will operate across seven target provinces (Pailin, Battambang, Banteay Meanchey, Oddar Meanchey, Siem Reap, Preah Vihear and Kandal provinces in northern and southern Cambodia respectively (**Figure 1**) with priority given to communes that are climate-vulnerable, poor, and not currently included under the proposed ADB-financed Smallholder Resilient Economic Development Sector Project or the previous Tonle Sap Poverty Reduction and Smallholder Development Project and its Additional Financing.

Figure 1: Location Map of the Project Area



2. The Project will be delivered through four outputs. **Output 1** will upgrade and climate-proof rural infrastructure, including roads, irrigation systems, and community facilities, to enhance connectivity and access to markets and public services.. **Output 2** will strengthen commune and

district capacities through institutional digitization and governance enhancement including digital tools and management information systems for data-driven planning, decision-making, and reporting. **Output 3** will provide project management, coordination, and knowledge management. The Project will be implemented in approximately 108 communes selected through the transparent and defensible procedure described below.

B. Description of Project Components

3. The Project outcome is defined as *rural economies and local governance systems strengthened through climate resilient infrastructure, inclusive livelihood opportunities, and digitized commune planning and service delivery.* The Project is focused on emphasizing tangible change at the community and institutional levels with increased access, productivity and participation that will lead directly to the broader goal. There are four Project outputs:

- **Output 1: Rural infrastructure and facilities upgraded and expanded.** With more functions being transferred to sub national administrations, this component will encompass construction, upgrading and climate proofing of rural roads, irrigation systems, and community facilities (e.g., school/office administration, markets, storage, solar powered cool rooms, etc.) with the integration of green and climate-resilient design standards (flood resistant structures, renewable energy use). Improved access to public and social services, markets, and productive assets for rural households, and community-based operation and maintenance mechanisms strengthened for sustainability.
- **Output 2: Commune and District capacities strengthened through institutional digitization and government enhancement.** Capacity building of commune councils, district administrations, and Commune Agricultural Officers in participatory planning, implementation and monitoring and evaluation, development of digital tools and management information systems for data-driven planning, decision making and reporting, institutionalization of inclusive, transparent, and gender-responsive governance mechanisms and strengthened inter-commune coordination for integrated rural development and climate change adaptation planning.
- **Output 3: Project management, coordination and knowledge systems strengthened.** Establishment of project management units (PMUs) and project implementation units with clear mandates, implementation of robust financial management, procurement and safeguard systems, operationalization of a results-based monitoring, evaluation and learning framework, and knowledge management. Communication and scaling up of good practices across provinces.

C. Land Acquisition Impacts and Rationale for Resettlement Planning Framework

4. The Project's Environmental and Social Management Planning Framework (ESMPF) indicates that impacts are expected to be minor and site-specific primarily involving small-scale land acquisition, temporary land use, and limited impacts on structures and livelihoods along existing road corridors, canal alignments and other commune facilities. These impacts are considered manageable through appropriate mitigation measures including preparation of site-specific Abbreviated Resettlement Plans (ARPs) or Detailed Resettlement Plans (DRPs) if

required, in accordance with AIIB Environmental and Social Standards (ESSs) and Cambodian Laws and Regulations. The ESMPF identifies that Project investments will be primarily located along existing road corridors and irrigation canals within established communities and construction of facilities adjacent to commune council office. The ESMPF concludes that potential land acquisition and involuntary resettlement (LAR) impacts are expected to be moderate limited, site-specific, and largely partial, mainly affecting partial land, roadside assets such as fences, small structures, trees and vegetation temporary livelihood disruption and no significant physical displacement is anticipated where alignment follows the existing right-of-way (ROW). All impacts will be mitigated through appropriate compensation, assistance and where necessary, the implementation of resettlement plans (ARPs or DRPs) will be in accordance with the AIIB's ESSs.

5. The NCDDS is the Executing Agency (EA) responsible for the overall implementation of the Project overseeing all aspects of project execution including planning, procurement, financial management, contract administration, and monitoring and evaluation. The PMU within the NCDDS has been assigned to coordinate and supervise the preparation of feasibility studies, detailed engineering designs (DEDs), safeguard documents and procurement packages.

6. The PMU also facilitates the engagement of national and international consultants to support day-to-day project implementation while ensuring compliance with national systems and the Environmental and Social Framework (ESF) of the AIIB. The implementation period of the Project is scheduled for six years with completion targeted by December 2031.

7. This Resettlement Planning Framework (RPF) is prepared because Project details are not fully defined at appraisal. It establishes a planning framework, procedures and principles to ensure that all future LAR impacts are managed in accordance with AIIB standards and national laws ensuring fair compensation, livelihood restoration, and meaningful consultation for affected persons (APs). The broad parameters of the components and the likely locations are known. Preliminary design of the components is scheduled to be completed in July 2026 but the identification of rural infrastructure subprojects after loan effectivity and the commencement of implementation, and the actual displaced persons (DPs) and inventory of losses (IOLs) will be determined during the detailed design of each subproject. In the case of road subprojects, the alignment will be examined during the DED stage to incorporate ways of avoiding or minimizing resettlement impacts. Therefore, this RPF is prepared to guide the preparation of the resettlement plans, where these are required. Once the DED is completed and the need for LAR has been identified at a specific site, then the ARP or DRP will be prepared based on the principles and procedures provided in this RPF.

8. The initial risk category for the Project is defined as **Category B** based on the assessment of LAR in the ESMPF. The risk category for each subproject will be reassessed based on the results of the detailed measurement survey (DMS) and subject to change with the prior approval of the AIIB.

a) **Category A**. Based on the LAR, a subproject is classified as Category A (High Risk) where there are **significant, large-scale, and potentially irreversible LAR impacts** identified, including both physical and economic displacement affecting a substantial number of people. Subprojects that are classified as Category A require

comprehensive resettlement planning and implementation in accordance with AIIB ES Ss. Subprojects classified as category A will not be financed by under this Project.

b) **Category B**: For subprojects classified as Category B with some LAR impacts, an ARP will be prepared, disclosed and implemented in accordance with the requirements of the AIIB ESSs. The ARP or DRP will be submitted to AIIB for prior review and approval before the commencement of any civil works involving LAR impacts.

c) **Category C**: For subprojects classified as Category C with minimal or no adverse LAR impacts, a report on LAR aspects of the subproject will be prepared for AIIB's due diligence.

9. Any compensation will be paid to APs in accordance with the Entitlement Matrix (EM) described in this RPF which is aligned with the requirements of AIIB ESF ESS 2. The acquisition will be carried out through expropriation and follow the processes and provisions of the SOP-LAR described in this RPF. An ARP or a DRP proportionate to level of impacts will be prepared and submitted to AIIB for prior review and approval.

II. LEGAL FRAMEWORK ASSESSMENT

10. **Constitution of Cambodia**. The **Constitution** (Article 44) states that expropriation shall be exercised only in the public interest. Public interest is understood in a broad manner as *"the use of land or property by the public or by public institutions or their agents."* The 2001 **Land Law** states that no person may be deprived of his ownership unless it is in the public interest.

11. **Expropriation Law (2010)**. The Royal Government of Cambodia's (RGC's) Expropriation Law is the main legal framework that governs LAR in Cambodia. The law defines the principles, mechanisms, and procedures of expropriation of land for public infrastructure. The key Articles of the Expropriation Law relevant to the Project is listed below:

(i) *Article 7*: Only the State may carry out an expropriation for use in **the public and national interests.**

(ii) *Article 12*: An **Expropriation Committee** shall be established and headed by a representative from the Ministry of Economy and Finance (MEF) and other representatives from the ministries/institutions concerned.

(iii) *Article 15*: An expropriation shall be carried out based on the public physical infrastructure project and shall be approved in principle by the RGC. The Expropriation Committee shall prepare the expropriation project proposal and submit it to the RGC for review and approval.

(iv) *Article 19:* The expropriation of the ownership of immovable property and real right to immovable property can be exercised only if the Expropriation Committee has paid **fair and just compensation in advance**. The expropriation may still be carried out despite any unresolved dispute.

(v) *Article 22:* The amount of compensation to be paid to the owner and/or holder of real right to the immovable property shall be based on **the market price or**

replacement cost as of the date of the issuance of the declaration on the expropriation project.

(vi) *Article 23:* Then owner of and/or holder if real rights to the immovable property shall be entitled to compensation for any actual damage to the immovable property incurred from the date of issuance of declaration on the expropriation project, which is **the cut-off-date (COD)** for being entitled to fair and just compensation.

(vii) *Article 24:* The compensation shall be paid in **cash, in kind, or replacement rights**, according to the actual situation with the consent of the owner of and/or holder of real rights to the immovable property and the Expropriation Committee.

(viii) *Article 29.* A tenant of the immovable property with proper contract shall be entitled to **allowance for disturbances** as a result to the expropriation including the dismantling of structures, materials and transportation to the new relocation site. A tenant of immovable property who is operating a business shall be entitled to compensation for the **impact on their business operation** and to additional assistance at fair and just compensation to the **capital value** invested for the business operation activities as of the date of the issuance of declaration on the expropriation project.

(ix) *Article 30:* From the date of the declaration of the expropriation project, the owner of and/or holder of real right to the immovable property shall not **sell or transfer the immovable property to other persons.** Any documents and procedure contradictory to this provision are deemed to be null and void.

(x) *Article 31:* The owner of and/or the holder of real rights to the immovable property may not **occupy the immovable property** for more than **one month** after the Expropriation Committee has provided full compensation in accordance with procedures stipulated in Chapter 4 (Article 19) of this law unless otherwise agreed or permitted.

(xi) *Article 33*: The owner of and/or holder of real rights who disagrees with a decision of the Expropriation Committee can bring their complaint to the Grievance Redress Committee.

(xii) *Article 34:* In case of dispute with the decision of the Grievance Redress Committee, the owners of and /or holder of real right may lodge a **suit to a competent court** against improper expropriation procedures, expropriation that is not for the public or national interests, and unfair and unjust compensation.

12. The Law on Expropriation includes a specific provision, under Article 3, on expropriation under investment projects financed by Development Partners wherein the specific safeguard policy of the Development Partners specified in the legal financing agreement or memorandum on financing will apply. In the absence of any specific provision in the Development Partner policy, then the provisions of the Law on Expropriation will be applied. The Standard Operating Procedures for LAR for Externally Financed Projects in Cambodia (SOP-LAR) was issued under Sub Decree No. 22 ANK/BK in 2018 to address the requirements of Development Partners. The

General Department of Resettlement (GDR) of the MEF is responsible for providing interpretation, guidance and clarification to users.

13. The SOP-LAR recognizes the lack of harmonization of the safeguard policies and regulations among the Development Partners and therefore its provisions cannot be applied uniformly for LAR across all the Development Partner financed projects. Hence, only the provisions under SOP-LAR which are consistent with AIIB's ESF will be implemented in the Project in accordance with the obligations of the RGC under the Loan Agreement for the Project between the RGC and AIIB.

A. AIIB's Environmental and Social Framework - Environmental and Social Standard 2 on Involuntary Resettlement

14. The AIIB ESF sets out the requirements for all Bank supported operations to comply with the Bank policies addressing environmental and social impacts, among other policies.[2] The ESF includes three mandatory ESSs that detail the requirements applicable to Bank clients: Environment and Social Assessment and Management (ESS 1), Land Acquisition and Involuntary Resettlement (ESS 2) and Indigenous Peoples (ESS 3).

15. **Objective**: The objectives of the ESS 2 are: (a) to avoid involuntary resettlement wherever feasible; (b) to minimize involuntary resettlement by exploring project alternatives; (c) where avoidance of involuntary resettlement is not feasible, to enhance, or at least restore, the livelihoods of all DPs in real terms relative to pre-project levels and to provide resettlement assistance; (d) to understand and address gender-related risks and differential impacts of involuntary resettlement; (e) to improve the overall socio-economic status of the displaced poor and other vulnerable groups; and (f) to conceive and implement resettlement activities as sustainable development programs providing sufficient resources to enable the persons displaced by the project to share in project benefits.

16. **Scope and application**: ESS 2 applies if the Project would or may involve involuntary resettlement (including involuntary resettlement of the past or foreseeable future that the Bank determines is directly linked to the Project).

17. **Definition of Involuntary Resettlement**: The ESS 2 applies to physical and/or economic displacement under the Project, whether permanent or temporary, full or partial, resulting from the following types of land-related transactions and economic displacement not related to land including (i) acquisition of or restriction on land rights or land use rights through expropriation privation compulsory procedures under national law; (ii) acquisition of land rights or land use rights through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures; [3] (iii) involuntary restrictions on land use and access to natural resources that cause Project APs or communities to lose access to resource use where they have traditional, customary or recognizable use rights; (iv) certain Project situations requiring evictions of people occupying land without formal, traditional or recognizable use rights; (v) restrictions on access to land or use of

[2] https://www.aiib.org/en/policies-strategies/_download/environment-framework/AIIB-Revised-Environmental-and-Social-Framework-ESF-May-2021-final.pdf

[3] Negotiated settlement will not apply to this Project

other resources, including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater resources, medicinal plants, hunting and gathering grounds, and grazing and cropping areas; (vi) economic displacement resulting from permanent or temporary loss of access to formal or informal economic activities (e.g., small shops owners and informal vendors, among others); (vii) restrictions on land use or on access to legally designated parks and protected areas; (viii) displacement of people as a result of Project impacts that render their land unusable or Inaccessible; and (ix) land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation.

18. **Planning**: The required scope of involuntary resettlement planning must be determined through a survey of land and assets, a full census of persons to be displaced, an evaluation of socio-economic conditions specifically related to the risks and impacts of such displacement and an identification of gender-differentiated sources of livelihoods, including informal ones. This establishes the baseline information on assets, productive resources and status of livelihoods. It should also include consideration of customary rights and collective or communal forms of land tenure and take gender into account. If Indigenous Peoples are affected, the requirements of ESS 3 must also be followed. Any involuntary resettlement that the Bank determines was undertaken in the past and is directly linked to the Project must also be addressed.

19. **Resettlement Planning Framework:** A RPF is prepared when a Project may involve some involuntary resettlement but consist of a program or series of activities whose details had not yet been identified at the time the project was approved by the Bank. In the case of this Project, and under exceptional circumstances, the AIIB determined that the environmental and social assessment of the identified Project activities could be conducted using a phased approach as defined under the Environmental and Social Policy *Section E, Special Circumstances*, as early as feasible during the development of the activities in conformity with the RPF that is approved by the Bank.

20. **Resettlement Plan:** For any subprojects where involuntary resettlement is identified the Project is required to prepare a resettlement plan that take various forms depending on the nature of the displacement, but which will elaborate on the APs entitlement, income and livelihood restoration measures, monitoring and reporting framework, budget and time-bound implementation schedule and provisions for the grievance redress mechanism (GRM).[4] It is based on a DMS to establish the IOL and socio-economic status of all the APs. It will also establish clear CODs for eligibility and to prevent encroachment. If claims have been made by the APs that are currently under administrative or legal review, procedures must be developed to address these situations. The socio-economic survey data must be disaggregated by gender and age and include information about vulnerable groups if they are present within the Project/subproject corridor of impact (COI). The resettlement plan that is drafted must then be disclosed in accordance with the provisions of ESS 1, *Sections 19, Overview of Information on Environmental and Social Disclosure through section 22, Language and Location of Information Disclosed.*

21. The resettlement plan will supplement the broader coverage of social risks and impacts in the environmental and social assessment and will provide specialized requirements to address the specific issues associated with involuntary resettlement, including (i) land acquisition; (ii)

[4] The Resettlement Plan under this Project refers to Abbreviated Resettlement Plan or Detailed Resettlement Plan.

changes in land use rights, including customary rights; (iii) physical and economic displacement; and (iv) potential design adjustments that may reduce resettlement requirements.[5] The resettlement plan will take into consideration differentiated impacts of the involuntary resettlement with respect to gender and vulnerable groups. In some cases, with the Bank's prior approval, resettlement actions may be a part of an overall community development plan, where the GDR makes special efforts to provide people who are displaced with appropriate benefits through such a plan. When displacement is only economic, a livelihood restoration plan will be prepared. The resettlement plan will also provide measures to be taken in cases of disputes relating to compensation.

22. **Abbreviated Resettlement Plan:** The resettlement plan should be prepared in a manner that is proportional to the extent and degree of the impacts. The degree of the impacts is determined by (i) the scope of the physical and economic displacement; and (ii) the vulnerability of the persons that will be displaced by the subproject. More specifically, in cases where the impacts on the entire displaced population are minor, or fewer than 200 people are displaced, the GDR may, with the prior approval of the Bank, prepare an ARP, covering such elements as the Bank may specify. In this respect, impacts are considered minor if less than 200 people are physically displaced and less than 10 percent of their productive assets as lost.

23. **Consultations:** Meaningful consultations (as described in ESS 1, *Section 23, Meaningful Consultation)* must be carried out with persons to be displaced by each subproject, host communities and nongovernmental organizations, and their informed participation in the consultations facilitated. All persons to be displaced must be consulted on their rights within the resettlement process, their entitlements and resettlement options, and any further participation process. Furthermore, they must be involved in planning, implementation, monitoring and evaluation of the resettlement plan. Measures must be put in place for meaningful participation in these consultations, including appropriate meeting times, transport, childcare support, as well as convening of women-only meetings when appropriate. Particular attention must be paid to the needs of people with disabilities, vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples and those without legal title to land, and all measures required must be taken for them to participate in the consultations.

24. **Project level Grievance Redress Mechanism:** A suitable Project level GRM must be established to receive and facilitate the concerns of persons displaced by the subproject and inform them of its availability. The GRM should be scaled to the risks and impacts of involuntary resettlement. The GRM may utilize existing formal or informal GRMs if they are properly designed and implemented and are determined by the Bank to be suitable for the Project, these may be supplemented, as needed, with Project-specific arrangements.

25. The GRM should be designed to address promptly DPs' concerns and complaints, including gender-related concerns and gender-based violence using an understandable and transparent process that is gender sensitive, culturally appropriate and readily accessible to all APs. The GRM may take the form of customary dispute-settlement mechanisms which may entail

[5] For projects that may impose changes in land use that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes, the plan will establish a participatory process for determining appropriate restrictions on use and set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions.

less reliance on written procedures and more use of verbal reporting channels, in such cases, verbal reporting is complemented by written procedures and will be fully documented by the GDR and NCDDS. Provisions should be included to protect complainants from retaliation, grant them confidentiality and enable them to remain anonymous, if requested.

26. All reports relating to grievance redress and outcomes in accordance with the applicable provisions of ESS 1, Sections 19, Overview of Environmental and Social Information Disclosure through section 22, Language and Location of Environmental and Social Information Disclosed. See also ESS 1, Section 47, Gender-based Violence must be disclosed.

27. **Social Support:** The social and cultural institutions of persons displaced by the Project and their host population as part of the resettlement plan must be supported. Where the risks and impacts of involuntary resettlement are highly complex and sensitive, the implementation of a social preparation phase should be considered to build the capacity of vulnerable groups to address resettlement issues, consisting of consultation with APs and the host population before key compensation and resettlement decisions are made. The cost of social preparation must be included in the resettlement budget.

B. Gap Analysis: AIIB ESS 2 and SOP-LAR

28. The objectives and principles of LAR stipulated in the SOP-LAR are same as those outlined in AIIB's ESS 2. The SOP-LAR is consistent with the specific requirements under the AIIB's ESS 2 on consultation, grievance redress, social support, livelihood restoration, resettlement assistance, standard of living of poor and vulnerable, entitlements for persons without title or legal rights except for land, information disclosure, payment of compensation and entitlements prior to physical displacement, and the supervision and monitoring of implementation of resettlement plans. The key departure is on the requirement on **negotiated settlement which** will not be used in the AIIB-financed projects unless there is prior agreement between GDR, EA and AIIB. Also, no land will be acquired through **voluntary donation** under the AIIB-financed projects unless there is prior agreement between GDR, EA and AIIB.

29. The RPF spells out the detailed procedures that the GDR will follow in case there is a need for involuntary acquisition of land. The key requirements under ESS 2 and the corresponding provision in the SOP-LAR demonstrating the consistencies between two with clarifications are summarized in **Table 1** below.

Table 1: AIIB ESS 2 and RGC SOP on Land Acquisition and Involuntary Resettlement Comparison and Clarifications

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
1	**Objectives -** Avoid involuntary resettlement; Minimize where not possible; Enhance or restore livelihood of DP to pre-project level; improve socio-economic status of poor & vulnerable; and implement resettlement activities as sustainable development program	**Section IV. Para 37.** *Key principles*: • Avoid involuntary resettlement and where not avoidable, minimize involuntary resettlement • Assist DP to restore livelihood to at least pre-project levels • Provide assistance and opportunities to the poor and vulnerable groups to improve their living standards. **Section IV: Para 53-55/Section VI. Para 95**: *Poor and Vulnerable* • Special attention, benefits from the project and additional assistance (53-55) • Resettlement planning considerations outlining project benefits and special assistance including financial support (95) **Entitlement Matrix, Appendix 6** • Under 4a and 4b for livelihood support, the financial package for poor and vulnerable is **doubled.**	No Gaps
2	4(a) **Planning** - Scope through survey of land and assets, full census and socio-economic conditions	**Section IV and V. Resettlement Planning** • 100% socio-economic survey, 100% census, 100% IOL with detailed measurements undertaken after project approval and when actual alignment of land is known ARP or DRP	No Gaps
3	4(b) **Resettlement Plan**; 4(c) abbreviated resettlement plan; 4(d) Resettlement Planning Framework; and 4(e) Proportionality	**Section V: DRP** complies with (b) • **Section V. Para 76** spells out contents of DRP varies based on proportionality of the impact. ARP is prepared when number of DP is minor or less than 200 (Category B)	No Gaps

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
		• **Section IV. Para 70-72** describes the Resettlement Framework and its format which is same as AIIB's Resettlement Planning Framework	
4	4(f) **Consultations**. Carry out meaningful consultations with persons to be displaced by the project, host communities and non-governmental organizations, and facilitate their informed participation in the consultations. Consult with all persons to be displaced on their rights within the resettlement process, entitlements and resettlement options, and further participation process. Ensure their involvement in planning, implementation, monitoring and evaluation of the resettlement plan. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples and those without legal title to land and ensure their participation in consultations	**Section VIII. Public Consultation, Participation and Information Disclosure** • Para 124/126. Objective is to carry out meaningful consultation with DP, Communities Local Authorities and Civil Society Organizations • There are 4 distinct stages of consultations: ○ Project Preparation stage to seek input into project design ○ After Project Approval when the preparation of the DRP starts ○ After individual compensation packages are determined and offer is made through a Contract ○ Prior to commencement of compensation payment ○ If DP has been relocated to a new resettlement site, continued consultation facilitated by Community Development Officers recruited by the GDR • Para 119/120. A Project Information Booklet (PIB) is prepared and provided at each stage of the consultation process to explain all the relevant information. **Section VI, D. Impact on Poor and Vulnerable Group** • Para. 95. The specific concerns expressed during the one-to-one house consultations with these groups of DPs will provide a more informed basis for the assessment of the social impacts on them. Based on the results of the assessment, targeted measures to avoid or mitigate the	No Gaps. Focused Group meetings will be conducted during the consultation process to hear and address their concerns.

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
		adverse impacts will be developed to improve their status and livelihood sources through additional compensation package for livelihood restoration.	
5	**Grievance Redress Mechanism**. Establish a suitable grievance mechanism to receive and facilitate the resolution of concerns of DPs; utilize existing formal or informal grievance mechanism; supplemented by the project specific mechanism	**Section IX. Grievance Redress Mechanism** The GRM comprises one local informal and three formal Project specific mechanisms. • A Provincial Grievance Redress Committee (PGRC) is established in each province in accordance with the Expropriation Law. The PGRC is chaired by the Governor and has a representative of a local based civil society organization as a member (Para 145 and 146). • An informal problem-solving mechanism at the **local commune level** where an amicable solution is sought first (Para 148) • Where local commune is unable to resolve, there is a **district Level** formal mechanism (1st Formal Level) [Para 148/149) • The 2nd Formal Level is GRM at the GDR (Para 150/155) • The 3rd Formal Level is GRM at the PGRC (Para 154/155) where final decision is made. • If the complainant is not satisfied, he/she can approach the Provincial/Municipal Courts (Para 157) • There is a clear set of guidelines for GRM to ensure transparency and consistency in the application of the procedures (Para 164 & Appendix 8). • The GRM is disclosed in the PIB and the guidelines explained to DPs prior to the preparation of the DRP at the	No Gaps

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
	Understandable, transparent, gender sensitive, culturally appropriate and readily accessible	DMS consultation stage where GRM is fully operationalized (Para 121). • After DRP is approved prior to the Compensation payment consultation stage (para 122) • The PIB are in Khmer language so that GRM and other information are understandable (all documents for disclosure are translated into Khmer language) • GRM training is provided at commune, district and provincial level prior to the preparation and implementation of the DRP (standard practice) • Separate consultation with women DP as is customary in Cambodia (standard practice)	No Gaps
	Protect complaints from retaliations and remain anonymous, if requested; disclose reports	• There are no fees or charges levied on the DPs for the lodgment and processing of complaints except where DP file a suit at the Provincial/Municipal Courts (Para 157) • The local government governance mechanism has sufficient avenues to ensure that there are no retaliations against complainants and that they are protected • The status of complaints received, and resolutions are reported in the regular progress (internal and external monitoring) reports (Para 256). But no personal details are disclosed. These reports are disclosed on the web site of the funding Development Partner and the RGG's Executing/Implementing Agencies	No Gaps except that there is no specific provision for protection from retaliations. The DP can approach the Project Director in such cases
6	**Social Support**. Support social and cultural institutions of DP and their host communities. Consider social preparation phase for	In case of resettlement of DPs to new sites: • Sites are selected in consultation with the DP. In selecting, a number of guiding principles are followed among which the	

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
	vulnerable groups. Include cost in resettlement budget	key factor is acceptance of host communities and local authorities (Para 79) • All factors are considered in the planning stage including provision of **community facilities (**to meet cultural and social necessities of the DP) [Para 80]. All costs of the development of the sites are included in the Resettlement Budget (Para 75, Task 13) • A Community Development Officer is assigned to each resettlement site to provide long term assistance and organize the communities to **adjust and integrate with the local/host communities (**Para 136/138) • Livelihood Support Programs are provided to all the DP at the Resettlement with the Poor and Vulnerable Group provided with additional financial support (Para 225/229)	No Gaps As part of the social preparation, a long-term income restoration program is prepared under the ARP/DRP for prior review and approval by AIIB In the case of the Project, there is no requirement of resettlement of DP to new site
7	**Livelihood Restoration**. Restore livelihoods through (i) land-based resettlement strategies, where possible or cash compensation at replacement values plus transitional cost; (ii) prompt replacement of assets with assets or equal or higher value; (iii) prompt compensation at replacement value; (iv) capacity building programs; additional revenues through benefit-sharing	• Entitlement of replacement land of equal productive value or cash compensation at replacement cost [Para 115 F 1 (a)]. • All lost assets compensated at replacement cost determined by an independent consultant (Para 107 and 115 F 3) • Transitional costs compensated – loss of income from employment, business and any other sources [Para 115 F2 (b) & 4 (a)] • Compensation payment paid before displacement (Para 238) **Sub-Section E: Livelihood Restoration/Support Program** • 3 livelihood restoration programs are provided: (i) Land-based; (ii) Employment –Based; and (iii) Business –Based [Para 115. 4 (b) & Para 225 to 229}	No Gaps

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
		• Capacity building programs for in livestock and farming skills, employment skills and business and financial management skills are provided under each of the 3 programs (same Paras) • Priority access to employment opportunities under the Project (Para 229)	
8	**Resettlement Assistance**. Provide DP needed assistance: (i) • If relocated, security of tenure rights as strong as DP had to the prior land; • Proper housing at resettlement sites with comparable access to employment/production opportunities; and • Social and economic integration into host communities (ii) • Transitional Support; and • Development Assistance such as land development	**Section V: Sub Section C, Paras 77-80 and Section X: Sub Section D, Para 216-224** (i) • Each DP is provided with land plot of size 7X15 meters. If DP had larger size, then more than lot is allocated. Land is provided at no cost. Full ownership rights are given to each DP (Para 218) • Each DP is provided with replacement cost of the land, house and other assets. Hence sufficient financial compensation to re-establish similar or better housing. • Site is selected keeping proximity to employment opportunities (Para 79) • Host communities and local authorities are consulted on acceptance of DPs prior to selection of site (Para 79). Once the resettlement site is established, it becomes part of the village and commune (local community social and political structure (ii) • Transitional Support - Cash grant provided as Transitional Allowance (Para 115 F 4) plus Transport Allowance	No Gaps In case of housing, the DPs are compensated for loss of assets at replacement cost and can establish housing of similar standards on their own No Gaps

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
	assistance, credit facilities, training or employment opportunities (iii) civic infrastructure and community services	• Development Assistance. All land development costs met by the Government at no cost to the DP (Para 222-224) • Livelihood Support Programs. Special Cash grants to re-establish livelihood plus skills training. For employment skills training, this is matched with the employment opportunities available in proximity of the resettlement site (Pars 225-230) (iii) Civic Infrastructure and Community Services. • The resettlement site is provided with all basic infrastructure and services (health, water, power, access roads, internal roads, drainage etc. In addition, a community hall is also constructed. All at no cost to the DP (Para 218)	
9	Standard of Living. • Improve standard of living of Poor and Vulnerable to at least national minimum standards including access to social protection systems • Rural Areas. Legal and affordable access to land and resources	• Improvement of living standards of Poor and Vulnerable Group is key resettlement planning principle (Para 37). To accomplish this, additional/special assistance is provided: o Double Transitional Allowances equivalent to 6 months of income support ($70.58 per person in the household X 6) [Para 115. F. 4 (a)] o Double cash grant ($400) under livelihood support program [Para 115. F. 4(b) 4] o All Poor and Vulnerable are issued ID Poor cards across the Nation and each ID Poor family have access to the national social protection system. • Replacement land with equal productive capacity is provided. If replacement land is not available, cash compensation is provided at replacement cost. This is accompanied by livelihood support program and additional cash grant to re-establish source of income	No Gaps No Gaps

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
	• In urban areas, appropriate income sources and legal and affordable access to adequate housing	• Landless can be provided with land at no cost under the Government's Social Land Concession if program exists in the Project area • Livelihood support program is provided to establish adequate income. • Adequate housing is available at affordable price. Loss of land and housing are compensated at replacement/market price and hence DPs can acquire housing of similar standards.	No Gaps No Gaps
10	Persons without Titles or Legal Rights. • Eligible for and receive Resettlement assistance. • Compensation for loss of non-land assets • Include in consultation process • Census and cut-of-date for eligibility • Existing Claims under administrative or legal review	**Section VII. Compensation** • DP with no formal title or rights to land (illegal occupiers) are eligible for compensation [Para 106 (iii)] • They get the same resettlement assistance as legal owners and holders of title or rights to the land (**See Appendix 6. Detailed Entitlement Matrix**) • They are eligible for compensation for loss of all assets except for land {Para 115 F). If they are Poor & Vulnerable, special additional assistance with cash grants are provided • They are included at all stages of the consultation process. • Census is carried very early at feasibility study stage and COD for eligibility established and announced (Para 59-61) • No specific provisions. However, in practice no land under administrative or legal review	No Gaps No land under administrative or legal review will be acquired under the Project until the matter is resolved.
11	**Information Disclosure**.	**Section VIII. Public Consultation, Participation and Information Disclosure**	

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
	• Disclose Draft Resettlement Plans, Final Resettlement Plans, Updates and RPF, including documentation of consultation process. • Form and Language understandable to DPs, at an accessible place	• All draft RPs (BRP), Final RP (DRP), Updates (UARP/UDRP) and RPF (RF) are posted on the Implementing Agency and Development Partner (AIIB) web sites in English. Posted in local Commune Offices (in Khmer language) for easy access to DPs and local communities (Para 118 and Table). • Minutes of all consultation meetings are attached as appendix to these documents and are disclosed. • In addition, specific information is disclosed through the Project Information Booklet in Khmer language and distributed to the DP and the local authorities at all the 4 stages of the Consultation Process. These provide greater clarity and understanding on the key information that are most relevant to the interests of the DP (Para 119-122). • Personal details, socio-economic situation and other sensitive information of the individual DP that compromise his/her privacy are not disclosed (Para 123)	No Gaps
12	Implementation • Design and execute involuntary resettlement as part of the project • Include full costs of resettlement in the project costs and benefits • For significant involuntary resettlement impacts, implement on stand-alone basis	• IR is planned on project/subproject basis and implemented as part of the Project • All and full costs of resettlement are considered. [**Section V. Sub Section D (Budget Preparation) Paras 81 and 82]** • The GDR of the MEF is responsible for the preparation, implementation, monitoring and reporting on resettlement plans. The implementing agency is not responsible. The involuntary resettlement is therefore implemented on stand-alone basis by the GDR [**Section II. Sub Section D (GDR) Para 10]**	No Gaps

No	AIIB ESS 2: Involuntary Resettlement	RGC SOP on Land Acquisition and Involuntary Resettlement	Clarifications on Gap/Measures
		• The cost of involuntary resettlement is entirely financed by the Government and not from loan proceeds (Section XI. Sub Section A, Para 232)	
13	Compensation and Entitlements. • Pay Compensation and provide other resettlement entitlements before any physical or economic displacement	**Section XI; Budget Disbursements and Payments** • Full payment of compensation and full payment of all allowances must be paid prior to land acquisition and relocation (Para 238) • After completion of payment for compensation, a notice will be issued to vacate the land within 30 days of the issuance of the notice (Para 251)	No Gaps
14	Supervision. • Closely supervise the implementation of the resettlement plan throughout project implementation	**Section XIII. Monitoring and Reporting** • The supervision of the implementation of the ARPs/DRPs is carried out by GDR (Internal Monitoring) and External Monitoring Organization (External Monitoring) throughout project implementation (Section XIII)	No Gaps
15	Monitoring • Monitor and assess resettlement outcomes, impacts on standard of living and objectives by Experts • Disclose the Reports	**Section XIII. Monitoring and Reporting** • External Monitoring Organization, either a Firm or Individual Consultant (EMO) as a third party is recruited to carry out external monitoring (Para 259). • The terms of reference of EMO includes monitoring and assessment of these aspects up to 6 months after the completion of the implementation of the DRP. • Independent Advisory Panels are recruited in case of highly risky, complex and sensitive projects like construction of hydroelectric dams (Para 261)	No Gaps except that there is no specific requirement on the disclosure of monitoring/progress reports on the website of the Project and the AIIB. The GDR will prepare and submit semi-annually monitoring reports to AIIB for disclosure in its website. The reports will also be uploaded to the NCDDS Project website.

III. PRINCIPLES AND OBJECTIVES

A. Process for Land Acquisition

30. The ESMPF of the Project concludes that potential LAR impacts will be generally site-specific and minor, primarily involving partial land acquisition, loss of minor structures, trees, and temporary livelihood disruption. Significant physical displacement is limited or avoidable. All impacts will be mitigated through appropriate compensation, assistance, and implementation of resettlement plans (ARP or DRP) in accordance with the AIIB ESS. A detailed measurement and socio-economic survey will be carried by the GDR after the DED is completed which will determine the actual LAR impacts, the number of displaced people and their social economic profile. Under the provisions of the AIIB ESS 2, where impacts on the entire displaced population are minor, or fewer than 200 people are displaced, the GDR will prepare an ARP covering such elements as the Bank may specify. Where there are more than 200 people displaced to a new relocation, a DRP will be prepared by the GDR. The DRP will be first approved by the Chair of the Interministerial Committee on Resettlement (IRC) of the MEF, before submission to AIIB for its review and endorsement.

B. Principles and Objectives on Land Acquisition and Resettlement

31. Specific principles that will guide the process of land acquisition and resettlement include:

- Avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives and prepare a timebound resettlement plan.
- Mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost; and (b) assisting DPs in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-project levels.
- Improve living conditions of poor or vulnerable persons who are physically and economically displaced to at least the national minimum standards including access to social protection systems. Provide legal and affordable access to land and resources.
- Non-titled DPs will be provided livelihood allowance and will be fully compensated at replacement cost on assets other than land.
- Conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to DPs to benefit directly from the project, as the nature of the project may warrant.
- Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
- Ensure conduct of meaningful consultations with DPs on social impact assessment, entitlements, disclosure of resettlement information to DPs, and participation of DPs in planning and implementing subprojects. The social impact assessment and resettlement plan will be disclosed to the DPs in the local language; and
- Establish a GRM for DPs and stakeholders to address grievances and concerns.

C. Eligibility Criteria

32. This RPF applies to physical displacement (relocation, loss of residential land or loss of shelter) and economic displacement (loss of land or access to land and natural resources, loss of assets or access to assets, income sources or means of livelihood) because of (a) involuntary acquisition of land or (b) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers such displacement whether these losses and involuntary restrictions are full or partial, permanent, or temporary. All affected households (AHs) who have assets in the COI before the COD will be eligible for compensation, regardless of their legal status.[6] Eligibility will be determined with regards to the COD which will be the last day of conducting census with the community when the road section and COI has been identified and demarcated prior to DMS. The announcement of the consultation meetings will be posted on Commune/Sangkat/public boards. The COD will be announced in the consultation meetings prior to the DMS. Those who encroach into/or occupy the subproject area after the COD will not be eligible for any compensation or any other assistance.

D. Resettlement Process: Step by Step

33. In line with requirements in ESS 2, the Project will adopt a mitigation hierarchy which will:

a) Adjust engineering designs to anticipate and avoid land acquisition impacts.

b) Where avoidance is not possible, minimize or reduce land acquisition impacts.

c) Inform stakeholders of their right to compensation as described in the EM in this RPF.

d) All land acquisition will follow the process defined in the SOP-LAR and the preparation of an ARP or a DRP will be required; and

f) Pay compensation to the AHs before civil works take place, with appropriate disclosure of information and available grievance mechanism.

E. Cut-off Dates

34. The COD will be set as the date of the first consultation meeting prior to the start of the DMS. This will be announced and recorded in the minutes of the consultation meetings.

F. Detailed Measurement Survey[7]

35. A DMS including the socio-economic survey which compiles the census, household socio-economic data and IOL information will be conducted by IRC-WG after the completion of DED and demarcation of land to develop the inventory of resettlement impacts on AHs, assets and business. The AHs will be informed through the Commune and/or Village authorities in advance of the schedule for undertaking the DMS.

36. The measurement of the land, structures and other productive assets of each DP (100%) is carried out during the DMS which will be the basis for determining the compensation package. The measurement is carried out with the full involvement of the DP to avoid any disputes on inventory of assets affected or incorrect measurements or calculations.

[6] With formal legal rights to land or assets; without formal legal rights but with recognized or recognizable claim under national law; with no recognizable legal right or claim to land or assets they occupy and use.

[7] The DMS Questionnaire includes the socio-economic survey questionnaire.

37. The key tasks undertaken for the preparation of the DRP are shown **Table 2** below:

Table 2: Key Tasks by GDR on DRP Preparation

Task	Requirement
Institutional Arrangements.	• Establishment of the IRC and IRC-WG. • Establishment of the Provincial Resettlement Sub-Committee (PRSC) and PRSC-WG.
Detailed Measurement Survey	• Demarcation of land and DMS (100% socio-economic survey, 100% IOL and Full census through DMS questionnaire).
Gender	• Gather gender information.
Poor and Vulnerable Groups.	• Update the database based on DMS. • Determine the different categories and eligibility to receive additional assistance package. • Finalize the additional assistance package.
Replacement Cost Study	• Hire external expert to carry out RCS to determine the prevailing market rates for replacing loss assets. The methods of valuing the affected assets and the calculation of the compensation for each eligible AP will be all full replacement cost in line with ESS 2 of AIIB's ESF.
Compensation Package	• Update the RPF EM to show the full and complete compensation package that will be made available to the AHs.
Livelihood Support Plan *(if applicable)*	• Prepare plan for Livelihood Support Program for permanent loss of sources of livelihood in consultation with AHs.
Grievance Redress Mechanism	• Operationalize the GRM at provincial level • Outline the procedures for handling complaints in line with SOP-LAR, provide details during the consultation process and ensure it is readily accessible and useful to the AHs.
Consultation	• Meaningful consultation based on AIIB ESS 2 and definitions described in this RPF with AHs at commune level to inform about the overall entitlements and method of computation of compensation and the GRM procedures to seek feedback on the resettlement process. • Meaningful consultation with AHs eligible for relocation on the resettlement sites (if applicable) at commune/village level as per guidelines above. • House to house consultation to confirm measurement surveys during DMS. • Consultations on compensation rates prior to signing contracts.
Monitoring and Reporting	• Arrangements, roles, and responsibilities for monitoring and reporting of the implementation of ARP or DRP; and the reporting requirements. • Scope of internal monitoring.
Formulation of Budget	• Prepare estimates on land acquisition by GDR.

G. Replacement Cost Study and Asset Valuation

38. In parallel with the conduct of the DMS, an RCS will be undertaken by an independent consultant. RCS is the method of valuation of assets at **full replacement cost**[8] yielding compensation sufficient to replace assets plus necessary transaction costs associated with asset replacement. Transaction costs include administrative charges, registration or title fees, and any similar costs imposed on AH.

39. The **independent RCS Consultant** (individual or firm) will be recruited by the GDR. The RCS will consider, in addition to lost fixed assets others, the type of trees and maturity of the trees, the type of materials, their quality and local market value and the costs to transport materials, etc. based on local conditions. The compensation amount for **loss of assets** for each AH is calculated based on the DMS of the affected assets in the IOL and applying the unit costs from the RCS report to their measurements to arrive at the replacement costs of the affected assets.

40. Cash compensation based on the principles of replacement cost will be provided to AHs losing structures, or parts of structures, such as kiosks, roofs, concrete payments, fences or houses.

41. The following procedures will be applied to determine the replacement costs of affected assets:

a) For **replacement costs of land**, the RCS Consultant will directly interview households that have recently bought or sold land to collect the evidence of the rate of land transaction and interview households who are looking for properties to sell or buy within and around the subproject area. The RCS Consultant will also find out from local residents subject to confirmation/validation through official records of local authorities the price of various types of land that have been the subject of transactions in the past six months to one year in the community or nearby areas and the prices of various types of land local residents are willing to buy or sell as well as collects data from government offices on recent land transactions and land market assessment.

b) For **structures**, the RCS Consultant will interview owners of structures to determine the construction materials usually used in the locality for each type of building following existing government categories or standards, sources of construction materials used and the unit costs of said materials, including the costs of transporting the same to the locality and the cost of labour for constructing each type of building found in the locality. In the survey, interviews will also be conducted with building contractors to determine the cost of construction materials for each type of structures in the subproject area following existing government categories, the cost of transporting construction materials to the subproject area (community), the cost of labour for constructing each type of building and the unit cost per meter square of each type of building in the subproject area following existing government categories. The replacement cost will be based on the latest item rates for construction within the subproject area.

[8] Full replacement cost estimation will include fair market value, transaction costs, interests accrued, transitional and restoration cost, and other additional costs.

c) For the **crops and trees**, interviews will be conducted with owners, market vendors and seedling suppliers to determine the current selling farm gate price of fruits or crops in the area and compensated accordingly as described above. RCS will collect data from statistics offices on average yields per type of crop and/or tree identified during the DMS.

42. The IOL and the measurements will be recorded and signed by the IRC-WG and the AH and witnessed by the Commune/Village Official, normally the Chief.

H. Compensation and Other Resettlement Assistance

43. In addition to the compensation for loss of assets compensation is paid for loss of income from use of land, businesses, employment and other income sources, transportation allowances, subsistence allowances during the transition period in case of relocation to a new site and income/livelihood restoration programs for permanent loss of income-generating sources. For the poor and vulnerable in addition to the above, a special assistance package is provided under which an additional cash grant is provided to assist in improving their living standards.

44. Fruit trees, other productive trees and crops will be fully compensated as per principles of replacement cost. As much as possible, AHs will be allowed to harvest crops before acquisition.

45. Businesses affected by land acquisition will be compensated for loss of income as well as transport allowances where relevant.

46. For AH losing income during the transition period because of physical displacement of their residences, allowances will be provided and livelihood restoration programs will be provided for AHs who permanently lose their source of livelihoods.

I. Vulnerable Groups

47. Vulnerable persons are categorized as distinct groups of APs who likely to be more adversely affected than others and who are likely to have limited ability to reestablish their livelihoods or improve their status and comprise (i) all households living below the national poverty rate established by the Royal Government of Cambodia, (ii) female headed households with dependents living below the national poverty rate, (iii) disabled headed households with no other means of support, (iv) elderly headed households with no other means of support, and (v) indigenous people (who often have traditional land rights but no formal titles). These groups are identified as those AHs classified as ID Poor 1 and ID Poor 2 under the Sub Decree 291 ANKr. of the Royal Government of Cambodia on the Identification of Poor Households.

J. Relocation

48. Physical relocation is not expected under any subprojects. Therefore, there is no provision for new resettlement sites.

K. Livelihood Restoration Program

49. The APs who permanently lose their source of livelihood by the project will be provided with support to re-establish means of their livelihood. This may be either in the form of cash grants for them to seek new or upgrade their skills or through an income support program (land based, employment base, or business based) depending on the choice of the APs.

50. **Land-Based Livelihood Restoration.** This program includes (i) access to other land-based sources of income, like vegetable gardening, fruit trees and livestock if alternative affordable agricultural land is available. Where land is compensated in cash at replacement cost and land of similar productive value is available in the area, such AHs will not be eligible for this program. Specifically, designed skills training in farming and livestock will be provided to the APs; and (ii) financial support in the form of a lump sum cash grant of $200 to assist in re-establishing the livelihood.

51. In case no alternative agricultural land is available, these AHs would be offered the option to participate either in the employment or business-based livelihood restoration program.

52. **Employment-Based Livelihood Restoration**. This program includes:

a) Provision of employment skills training. A survey of the employment opportunities in the proximity of the relocation sites would be carried out as part of the preparation of the ARP or DRP which would be analysed to determine the types of jobs available and the skills set requirements. The training program would be developed to help build these skills set for the AHs. In lieu of skill training provided under the project, a cash grant for AHs to pursue skills training of their choice elsewhere may be offered when there are insufficient numbers of AHs who lose their employment.

b) The project could also provide temporary job opportunities at the construction site, at the office, or other places. Construction work often requires low-skills and could be available more easily. For other jobs in offices or those requiring higher level of skills, skill training would be provided to the AP to access these jobs.

53. **Business-Based Livelihood Restoration**. This program includes:

a) Provision of business skills training focusing on micro or home-based businesses. In case of insufficient number of AHs, a cash grant may be offered for eligible APs to pursue skills training elsewhere of their choice.

b) Financial support in the form of a lump sum cash grant to assist in starting or re-establishing micro or home-based businesses.

L. Contracts with AHs and Compensation Payments

54. The agreement on the compensation package is confirmed under a formal and binding contract between IRC-WG and each of the AP on signing, the AP is paid the compensation as a lump sum amount. If any errors are found during the meeting they will be corrected on the spot.

55. Prior to the signing of contracts, a consultation meeting is held with the APs and the contracts are offered and explained to the AP on one-to-one basis. The AP has the option to sign the contract at that time or within the next three days. The compensation payments are not made at this stage, and a separate meeting is scheduled for making the compensation payments later. The APs are informed in advance of the date of the meeting for the compensation payments through the Commune and/or Village Offices. The compensation payments will be paid, at the choice of the APs, directly to joint bank accounts, or alternatively in cash where the AP does not have a bank account with receipts of payment jointly signed by both husband and wife.

IV. INSTITUTIONAL ARRANGEMENT

A. National Committee for Sub-National Democratic Development

56. The NCDDS is the EA responsible for the Project and will implement project activities through the establishment of the PMU. The PMU under the NCDDS is responsible for overall project coordination, implementation, fiduciary management, safeguards compliance, monitoring, and reporting, ensuring that project activities are carried out efficiently and in accordance with government regulations and AIIB requirements. The Project Director of the PMU will be responsible for overall guidance and policy advice, internal coordination, discussion and resolution of project matters with counterparts in the ministry and other government agencies, donor alignment and harmonization, and public disclosure and civil society involvement.

57. The Project Manager in the PMU will provide day-to-day support to the Project Director and will have the responsibility to ensure that the Project Operation Manual is followed, environment and social activities are implemented, all consultants follow their terms of reference and delivery schedule, project activities are carried out on schedule and within budget, and financial management reports are submitted on time. However, the EA and the PMU will not be responsible for undertaking the preparation, implementation, monitoring and reporting on the ARPs or DRPs which rests solely with the GDR.

B. PMU Environment and Social Management Unit

58. The PMU's Environment and Social Management Unit (ESMU) that includes the NCDDS Social and Environment Officers, assisted by the Project Implementation Consultants Environment Safeguard Specialist and Social Safeguard Specialist will be responsible for screening of environment and social impacts which will include land acquisition impacts for all selected subprojects. They will report to the PMU/Project Manager on the results of the screening process. The assessment will document if there will be significant acquisition of land in any subproject so that the GDR will be made aware of the requirement for the preparation and implementation of ARPs or DRPs for any subprojects.

C. Ministry of Economy and Finance

59. The IRC has the mandate to review and evaluate the resettlement impact and land acquisition for public physical infrastructure development projects in the Kingdom of Cambodia. The IRC is a collective entity permanently chaired and led by the MEF with members from different line ministries. The IRC carries out its roles through an IRC-WG which is established by the MEF for each public investment project. The IRC is the approving authority for all RPFs and final ARPs or DRPs prior to submission to the AIIB for its approval.

60. The **General Department of Resettlement** is the permanent Secretariat of the IRC and is the lead agency for the preparation, implementation, and monitoring and reporting of land acquisition and resettlement activities.

61. The **Inter-Ministerial Resettlement Committee Working Group** will carry out the day-to-day land acquisition activities under the Project led by the Deputy Director or the Chief of the Department of Resettlement of the GDR and comprise staff of GDR, technical staff of NCDDS and the Provincial Working Group is responsible for day-to-day implementation, including planning, procurement, financial management, safeguards, monitoring, and reporting. The IRC-WG will be responsible for all the field work related to LAR activities under

the supervision of the Director of the Resettlement Department 2 and overall guidance and direction of the Director General of the GDR.

62. The **Provincial Resettlement Sub-Committee** is established by the Provincial Governor at the request of the IRC for each project and comprises (i) the Provincial Governor or the Deputy Provincial Governor as the Head, (ii) Provincial Department Directors of the line ministries represented in the IRC and (iii) the respective Chiefs of the districts and communes of the locations affected by the Project as Members. The role of the PRSC is as follows:

- Provide the coordination and supporting role to the GDR, IRC and IRC-WG for land acquisition activities at the local level.
- Ensure all relevant provincial and local government authorities provide the necessary support for land acquisition.
- Manage the public consultation meetings at provincial Level; and
- Be responsible and accountable for the disbursements of the compensation payments at the provincial level.

63. The **Provincial Resettlement Sub-Committee Working Group** is established by the Provincial Governor and is mainly responsible for technical functions of the PRSC and works with the IRC-WG in carrying out the LAR activities at the provincial level.

V. GRIEVANCE REDRESS MECHANISM

64. The GRM seeks to resolve concerns promptly using a process which is easily understood, is culturally appropriate and readily accessible at no cost to the AHs. Grievances can be submitted if an AH(s) believes the Project is having a direct detrimental impact on them because of land acquisition impacts.

65. The first level of complaint resolution following traditional methods in Cambodia, involves problem solving at the Village and/or Commune level at which stage a solution can be sought amicably on the spot without the need for lodging a formal complaint.

66. For mandatory involuntary land acquisition and resettlement, the formal steps described below will be followed.

67. **First Step.** The aggrieved AH can lodge a written complaint to the Head of the District Office where the Project component is located. A reconciliation meeting is held with the aggrieved party and a decision is taken within 15 working days after the date of registration of the complaint by the District Office. The District GRM will handle all complaints related to landownership as this falls in the provincial level responsibility. If the complaint is resolved at the district level to the satisfaction of the AH, the district authority will inform the complainant of the result. If the complaint is related to compensation, replacement costs, and other such policy issues, the complaint will be forwarded to the GDR for resolution. If the complainant is not satisfied with any decision, s/he can lodge the complaint to the GDR through the IRC-WG. The Department of Internal Monitoring and Data Management (DIMDM) of the GDR will review the case and submit the report to the Director General of GDR for a resolution. The AH will be informed in writing by the GDR of the decision within 15 working days from the receipt of the complainant.

68. **Second Step.** If the AH is not satisfied with the decision at the 1st step s/he can submit a written complaint with the PGRC through the Provincial Governor's Office. The AH or a

representative will be given an opportunity to present its case during the meeting and the PGRC may consider any compelling and special circumstances of the AH. The GDR will send a representative, as a non-voting member, to provide explanation for the rejection of the complaint at the first step by the GDR. The decision of the PGRC must be reached on a consensus basis and will be final and binding except when the matter relates to any policy of the RGC. Decisions on policy matters on LAR are decided by the IRC. The PGRC will have 40 working days from the date of receipt of the complaint to reach a final decision. The decision of the PGRC will be sent to the IRC through the GDR for endorsement before any remedial action is implemented.

69. The PGRC comprises of representatives from the relevant provincial authorities and MEF as follows:

- Chair: Provincial Governor or person appointed by the Provincial Governor.
- Vice Chair: Director of Provincial Department of Land Management, Urban Planning and Construction or representative.
- Member: Director of Provincial Department of MEF or representative.
- Member: District Governor or representative.
- Member: One civil society representative.

70. The handling of the complaint ends at the Second Step. There are no fees or charges levied on the AH for the lodgment and processing of the complaints under the First or Second Steps. However, as provided for in the Expropriation Law, the aggrieved AH can file a suit at the Provincial/Municipal Courts, as applicable, to seek a resolution. Such actions will be at the cost of the AH. At this stage, there is no involvement of the GDR, PRSC or IRC-WG unless there is a judicial order from the competent courts.

71. If efforts to resolve disputes using the grievance procedures remain unresolved or unsatisfactory, AHs have the right to directly discuss their concerns or problems with AIIB's Project-affected People's Mechanism which provides an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of the Bank's Management.

VI. FUNDING AND IMPLEMENTATION ARRANGEMENTS

A. Budget and Financing

72. The budget for LAR is prepared by the Resettlement Department 2 of the GDR after the DMS and RCS are completed and is included in the DRP. The budget is financed by the Counterpart Funds Account allocated from the national budget by the RGC. There is no financing for land acquisition from the loan funds under the Project.

73. The GDR will be responsible and accountable for all financial management functions relating to the use of the budgeted funds. Once the budget is approved by the MEF, the funds are released by the General Department of Treasury and deposited into a project designated account established by the GDR for the Project in the National Bank of Cambodia. The funds are released from the project designated account, as and when necessary, for making payments to the AHs.

B. Implementation Schedule

74. The Project implementation schedule is from October 2026 to December 2032.

75. The award of civil works contract is subject to the approval of the ARP or DRP by AIIB. It is expected that the DMS (census and IOL) and the RCS will be completed within 60-90 days after the DEDs are submitted to the GDR depending on the number of AHs. The preparation of the ARP or DRP and its approval by the IRC takes about one month and the AIIB is expected to endorse within 2 weeks. The implementation of the ARP or DRP will vary between 3 to 6 months depending on the number of AHs and the complexity of LAR impacts. The handover of the land is 30 days after the compensation payments are made. Hence, if the procurement process takes place about 12 months from the DED completion date, there will be sufficient time to complete the LAR processes and hand over the land for construction.

76. Civil works can commence only in sections where the payment of compensation has been paid to the AHs in that section. In case any AH refuses the compensation payment or where complaints have been lodged for resolution under the GRM, these cannot prevent the commencement of civil works and funds should be put in a separate special account on hold for the AH. In the event if any assets are damaged during construction by the civil works contractor, the contractor will be required to restore them back to the original conditions or better standard.

VII. INFORMATION DISCLOSURE AND CONSULTATIONS

A. Information Disclosure

77. This RPF will be disclosed at the national level in the NCDDS website and AIIB website in English. The RPF will also be disclosed in the Commune and Village Offices.

78. The RPF and the ARPs or DRPs will be made available in a timely manner in places accessible to AHs and the communities. They will be posted at the Commune Office and the PRSC-WG will hold meetings to explain them in the local language. There will be a continuous open line of communication between the Commune and Village Chiefs and the Team Leader of PRSC-WG which will facilitate the process of clarifications. No personal details or individual compensation details will be disclosed in any form or substance. The ARPs or DRPs will be disclosed at NCDDS and the AIIB websites.

B. Consultation and Participation

79. Key stakeholders in the consultation process will include:

- AHs, with special attention to women, Indigenous Peoples (if any) and other poor and vulnerable people (elderly and people with disability).
- MOI, NCDDS and its Provincial Department.
- IRC and GDR including IRC-WG and PRSC-WG.
- Provincial and Local authorities (District/Khan, Commune/Sangkat Councils and Village Offices) including representatives of women's groups, if any
- Civil Society Organizations, if relevant.

80. The 1st round of consultations by the GDR through the IRC-WG will be undertaken at the DMS stage. The purpose of DMS process, the DMS questionnaire and the IOL will be

explained to all the AHs in a common meeting. A detailed PIB focusing on LAR will be prepared by GDR and shared with all the participants. Thereafter the DMS team will meet AHs on one-on-one basis and explain the purpose DMS process before proceeding to fill out the DMS questionnaire and carrying out the measurements of the affected assets. Measurements will be taken in the presence of the AH and the AH will confirm the loss of assets and the measurements. Socio-economic data is also collected and recorded in the DMS questionnaire. The completed DMS questionnaire and the IOL are signed by the AH and witnessed by a community elder or official.

81. A 2nd consultative meeting will be held prior to the signing of the agreement/contract for the compensation package and is undertaken jointly by the IRC-WG and PRSC-WG. At this stage, the DMS and the RCS are completed, the compensation package for each AH is known and the draft contracts for compensation have been prepared. The consultative meeting will explain the compensation package, schedule, procedures, entitlements and GRM, among others. AHs will be provided the option to sign the contract during this consultation stage or given 3 working days to submit the signed contract to the IRC-WG through the village council office. For those AHs who were unable to participate in the meeting, best efforts will be made to visit them at their homes or seek the assistance of the village office to contact them.

82. The final consultative meetings will be conducted when the compensation payments will be ready for disbursement. This consultation will be undertaken jointly by the IRC-WG and PRSC-WG. The schedule for compensation payments will be informed to AHs at least one week in advance through the commune and village offices. The consultation will be on a one-on-one basis where each AH will be explained the composition of its compensation payment before the payment is made. The agreement on the compensation package is confirmed under a forma and binding contract between IRC-WG and each of the AHs. The compensation payments at the choice of the AH will be paid directly to joint bank accounts in the name of both husband and wife where it exists or alternatively in cash where the AH does not have a bank account with receipts of payment jointly signed by both husband and wife where applicable.

VIII. MONITORING AND REPORTING

83. The NCDDS will be responsible for monitoring the overall implementation of the proposed Project except safeguard matters related to land acquisition and the implementation of the ARP or DRP. The NCDDS will be responsible for the monitoring of other safeguard matters and supported by environment and social safeguard consultants recruited by the PMU for project management support. The GDR will be responsible for the monitoring and reporting of the implementation of all land acquisition activities.

A. Internal Monitoring

84. The role of internal monitoring will be to ensure that resettlement activities are undertaken in accordance with the implementation schedule described in the ARP or DRP. In this way, the interests of the AH are continuously protected and the schedule for civil works can be assured.

85. The objective of internal monitoring by the GDR is to (i) measure and report on the progress in the preparation and implementation of the DRP; (ii) identify problems and risks, if any, and the measures to mitigate them; and (iii) assess if the compensation and rehabilitation

assistance are in accordance with the provisions under the ARP or DRP. All internal monitoring and reporting, where applicable, on the implementation of the ARPs or DRPs will be carried out by the GDR in accordance with the principles agreed between the AIIB and GDR based on the internal monitoring indicators. The indicative set of monitoring indicators is shown in **Annex 3.**

86. The GDR's DIMDM will be responsible for carrying out the internal monitoring which will review the quarterly progress reports provided by the relevant Resettlement Department, including fielding its own missions to verify the progress and the validity of the data and information, where necessary. The DIMDM will validate that the (i) entitlements and the corresponding compensation are paid in accordance with the EM in the ARP or DRP; and (ii) GRM is functioning as per the guidelines. The GDR's DIMDM will prepare and submit a semi-annual monitoring report to the AIIB on the implementation of the ARP or DRP.

B. External Monitoring

87. The Project is classified Category B for Environmental and Social Safeguards. It is deemed to have (i) limited number of potential adverse environmental and social impacts; (ii) the potential impacts are unprecedented; (iii) potential impacts are expected to be minor and therefore reversible; the potential impacts are expected to be limited to the subproject areas; and (v) the potential impacts can be successfully managed and mitigated through the implementation of ARPs or DRPs. Therefore, no external monitoring is required.

ANNEX 1: SCREENING FOR LAND ACQUISITION

Initial Screening on Land Acquisition

Road or canal section (PK)	Villages/ Communes / Districts crossed	Description of possible assets impacted such as trees, parts of structure, concrete driveway, livelihoods etc)		Number of AHs impacted	(small impacts, no major impact on livelihood, no relocation, part of vulnerable group etc. see guidelines RPF)
		Left	Right		

ANNEX 2: ENTITLEMENT MATRIX

Category	Type of Loss	Application	Category of Eligible People	Entitlements	Clarification
Loss of Land					
1a	Loss of Land	Agricultural, residential and commercial land	Legal owners and holders of real right of land, including those covered by customary rights	• Cash compensation for land at full replacement cost or land swap of equal productive value. • Provision of stamp duties, land registration fees other similar taxes, and other costs if applicable, for acquiring legal rights in case of replacement land (land for land swap) • Includes option of compensation at same replacement cost for affected land that remain after acquisition if remaining land becomes unviable or unusable. • For customary ownership, replacement land to sustain livelihood and way of life. Land registration, stamp duty and other fees to register land ownership or right to use will be reimbursed at cost	If land for land is offered, title will go to both husband and wife. Replacement value to be based on the RCS. Applies to only partial loss of land
1b	Loss of Land		Tenants and Leaseholders	• No compensation for loss of land as not legal owners of land	
1c	Loss of Land		Illegal occupiers/squatters without legal titles or rights to land	• No compensation for land loss as not legal owners of land	

Category	Type of Loss	Application	Category of Eligible People	Entitlements	Clarification
Loss of Use of Land					
2a	Loss of Crops and Fruit Trees and Wood/Timber and other Productive Trees	Agricultural land	All AH/DPs lose crops and fruit trees (from use of land)	• For rice/crop farming: **Net annual income X 1year** In addition, AHs can harvest and retain income from standing crop. • **For fruit trees,** replacement cost of loss based on following formula: **[Quantity Harvested per Year) X (Market Price) X (Number of years it will bear fruit)] + Cost of Seedling** Perennial trees that have a growth period of more than 5 years are classified as follows: • Sapling Trees under 1 year-not compensated as it can be replanted. Cost of seedling provided. • Young Tree (1 to 3 years): Valued at 1/3 of its full price as it can be replanted plus cost of seedlings • Young Tree (More than 3 to 5 years) bearing some fruits: valued at 2/3 of its full price plus cost of seedlings • Mature Tree (more than 5 years) full bearing fruits valued at full price plus cost of seedling • Wood/Timber and Other Productive Trees o Based on age and wood value and volume	RCS will determine the replacement value/amounts Market Price is based on Farm-Gate Price RCS Study will determine the value. Full Price is amount calculated from the formula shown in [ ] without cost of seedling
2b	Loss of Business	Commercial land, businesses, and livelihoods	All AHs who are losing their livelihood or income source	• For businesses which need to be relocated to a new site, an amount equal to loss of projected net income for **2 months** • For businesses relocated on-site (move back or same area), an amount equal to loss of projected net income for **one month.**	RCS will determine the amounts

Category	Type of Loss	Application	Category of Eligible People	Entitlements	Clarification
Loss of Houses and Structures					
3a	Loss of Houses and Structures	Residential, commercial structures and other assets	**Owners** of houses, buildings and structures (wells, ponds, fence, shop, shed, etc), with or without land titles	• Cash compensation equivalent to replacement value of lost portion of the house/building/structure (no depreciation). If the owner rents or leases, compensation for any improvements/construction carried out by the renter/leaseholder will be deducted from the compensation payment to the owners. • In case of loss of only part of the houses/buildings/structure and the remaining portion is not liveable or useable, compensation will be paid for complete structure at same replacement cost. • In case houses/buildings are rented/leased, any improvements/construction added by renters and leaseholders will be compensated at replacement cost and paid to renter/leaseholder. Owners will not get compensation for such improvements/construction	RCS will determine the replacement cost When loss is 75 % or more of the floor space
3b	Loss of Houses and Structures	Residential, commercial structures and other assets	**Tenants and Leaseholders**	• Cash compensation at replacement cost for any improvements or construction by the tenants or leaseholders • In case of no improvements or construction, no compensation is paid. • Transfer/Disturbance Allowance equivalent to **1month** of rental or lease amount	RCS will determine replacement cost Documentary evidence is required
3c	Loss of Houses and Structures	Residential, commercial structures and other assets	Illegal occupiers/squatters	• Cash compensation equivalent to replacement value of loss of structures constructed by illegal occupier/squatters	RCS will determine replacement value

Category	Type of Loss	Application	Category of Eligible People	Entitlements	Clarification
3d	Loss of Houses and Structures (Transport Allowance)	Transport allowance for household and personal goods	AHs	• Fixed Lump Sum allowance per AH based on average cost of transportation to new relocation place. • Up to 5 km • More than 5 km	RCS will determine the lump sum amount for the 2 rates
Loss of Income and Livelihood					
4a	Loss of Income during Transition Period - **Subsistence Allowance**	Loss of Income	AHs who lose income from employment during the transition period.	• Lump sum amount equivalent to **3 months** of income for each member who lose income, based on the official monthly poverty rate established by RGC. **Monthly Poverty Rate X Number of Members in AH X 3** • In case AH is classified as poor vulnerable group, the **above lump sum amount is doubled.**	Monthly Poverty Rate as established by the RGC
4b	Permanent Loss of Livelihood Source due to Physical Relocation	Income Restoration	AHs who lose their source of livelihood permanently	• Entitled to participate in any one of the **3 Livelihood Restoration/Support Programs**: • **Land Based Livelihood Restoration** for AHs engaged in land-based livelihood except for AH who have been compensated for their land with the same productive value (i) facilitate access to other land-based sources of income, if productive land is available, like vegetable gardening, fruit tree, livestock and other similar land-based income generating sources; (ii) provision of training in farming or livestock; and (iii) lump sum cash grant of **USD 200** to re-start land based livelihood • In case of unavailability of suitable land: the AHs can opt for either **employment or business**-based livelihood program. **OR** • **Employment Based Livelihood Restoration** for AHs who lose employment permanently. (i) provision of	Land Based for AH who lose land-based livelihood Employment based for AH who lose employment- based livelihood Business based livelihood program for AH who lose business- based livelihood. Can be provided for the AHs who may opt for this. AHs will only be eligible for **any one of the above three options**

Category	Type of Loss	Application	Category of Eligible People	Entitlements	Clarification
				employment skills training; and (ii) lump sum cash grant equivalent to **3 months** of income based on official poverty rate to supplement income support during the training period. **OR** • **Business Based Livelihood Restoration** for AHs who lose businesses permanently or AHs who opt for this as an alternative livelihood source. (i) provision of business skills; and (iii) a lump sum cash grant of **USD 200** to assist in starting micro or home-based business. • For **Poor and Vulnerable** AHs. In addition to skills training, (i) lump sum cash grant will be **doubled**; and (ii) priority in any employment opportunity under the Project	• Classification will be carried out during the DMS and in accordance with the established criteria prescribed in Section IV.D SOP and under These groups are identified as those AHs classified as ID Poor 1 and ID Poor 2 under the Sub Decree 291 ANKr. of the Royal Government of Cambodia on the Identification of Poor Households
5	Unanticipated Impacts		.	Any unforeseen impacts or damage due to the Project will be properly assessed and compensated in accordance with the RPF and AIIB ESF. The Borrower will inform AIIB of the occurrence of the unanticipated impacts and actions to be undertaken to mitigate these. These shall also be included in the monitoring report to AIIB	

ANNEX 3: INDICATIVE INTERNAL MONITORING INDICATORS

Indicative DRP Internal Monitoring Indicators

Purpose	Activities	Monitoring Indicators
Identification of compensation recipients	Verify the list of compensation recipients against eligibility criteria for compensations	Number of persons in the list of compensation recipients, who do not meet eligibility criteria (included by mistake)
	Identification of persons, who may claim eligibility for compensation, but are not included in the lists of compensation recipients. Separate verification should be performed on each type of compensation	Number of persons who meet the criteria, but are not included in the list of compensation recipients (excluded by mistake)
Verification of affected area	Confirmation of the areas of affected assets (including land plots and real property) against the DRP	Area of land subject to acquisition, for which compensation has been paid
		Area of structures subject to acquisition for which compensation has been paid
Verification of compensation amount, processing and payment	Verify compensation payments made	Number of persons who received compensation in time and in full amount.
	Identification and analysis of reasons for compensations not being paid in full amount and in time	Number of persons who did not receive compensation in time and in full amount.
		Amount of funding allocated for payment of compensations
	Identification of reasons for which funds for compensations have been under/overspent	Rate of spending of funds allocated for compensations, % of amount envisaged in the DRP
Verification of compensation timeline	Identification of reasons for which payment of compensations was delayed (e.g., due to the court trial, inheritance issue, etc.)	Number of persons who received compensation with delay and reasons of delay; changes in amount of compensation (if any) should also be noted
Verification of consultation and participation	Determine the level of involvement and identification of reasons of inadequate participation	Number of compensation recipients who participated in consultations meetings at each phase of land acquisition
Status of implementation of GRM	Examination of grievance cases; analysis of disputes and complaints content, and resolution of conflicts	Number of complaints received
		Number of complaints resolved
		Number of complaints pending
Relocation to a new site	Examine the settlement status of the AHs (whether they already settled in the new relocation site)	Total number of AHs to be relocated
		Number of AHs relocated
		Number of AHs yet to be relocated
		Number of AHs who have self-relocated to their site of preferred choice