

Don Chan Island development project

Project	Villages
<p>Company: CAMCE investment company limited (joint venture Lao and Chinese companies)</p> <p>Sector: Tourism (hotel, sport, shopping center, villas...)</p> <p>Location: Vientiane Capital, Don Chan Island</p> <p>Duration: 50 years (additional 40 years possible)</p>	<p>Number(s) of villages: 1</p> <p>Name of village(s): Don Chan area (Thadkao village)</p> <p>Number of Households: 102 hh on 31 hectares of land</p> <p>Resettled location: Hua Siang village, Xaythani district, 26 km away (and 3 km to main road, no public transport available)</p>
Actual impact of the project/investment (on land, social, economic, health, environment....)	
Positive	Negative
<p>For Lao Government, this is long term investment to improve tourism in Laos. Don Chan is planned for construction of luxurious villas for Head of States attending the up-coming ASEM hosted by Lao PDR.</p>	<p>Turn good productive land in suburban area to build hotel, resort and shopping center. No sustainable income for majority of local community who relies on agriculture or fishing activities. Don Chan area was also used by organic vegetables producers who supply That Luang organic market twice a week.</p>
Foreseen further impact of the project/investment	
Positive	Negative
<p>Lao will inherit buildings/infrastructures for the next 50 years. For affected communities, they have to rebuild their lives in another location (where people from That Luang are also resettled). Government claims that new houses were built for the people, but resettled people had to build their own house and sometimes pay additional fees to be connected to water and electricity. But they received land titles for their about 800 m2 of new land in this new area which is in a Specific Economic Zone where Chinese companies will invest. This might provide job opportunities...</p>	<p>Community got very unequal compensation and they will not benefit from this project. In the new area where about 75% resettled, the land is very hard (clay land) and agriculture is not possible. It is very difficult for resettled people to make a living: some go back to Mekong to fish, some bought another rice field further away, some go to Vientiane to buy/sell stuff, other just live on their compensation (for time being). But for daily labor making 30-40'000 kip a day, transport costs are too high. On Don Chan, Chinese citizens (unclear number of population) will run the business and got more benefits.</p>
Decision-making process	
<p>Few meetings conducted in the village by local authorities in district, provincial, and central level to inform the community about development activities and compensation (how to calculate the asset and compensation payment is unclear for some villagers). The NayBan who used to be supportive, was changed by a policeman who does not even live in this village. He stopped any attempt of villagers to claim their rights or wanted to report about low compensation. In new location, people are warned by officials "not to talk to foreigners about their situation" or they will run into troubles.</p>	
Compensation	
<p>Villagers who were provided legal assistance (by Lao Bar Association lawyers) through NGO project working in DonChan (organic vegetables) got fair compensation. For this group of people, legal information, support in negotiation was given, written agreement required for compensation. The few connected to government could as well negotiate higher compensation. Villagers had no land title, but they paid land tax for government which they used as bargain position for compensation. Assets evaluation conducted by district authorities was based on unclear criteria: for similar house some got 35'000 USD other 12'000 USD. Two categories for compensation: for agriculture land (production was compensated, not the land) and for housing (depending condition of building). Calculation of asset and compensation process was not transparent: village chief understands, but most of the villagers are confused. Some villagers reported that they were earning 50 to 60 mio kip per year for vegetables production, but they were compensated only up to 30 mio kip. And those renting land from other had to pay compensation to the landlord. Some villagers got higher compensation than expected, but all had to pay back 12% to government (as "administration fees", not mentioned in official agreement!). Except two</p>	

cases (still pending), all compensation were paid, but sometimes with delays...

Any other comment

In new location, villagers were given land 20x40m² (and not 40x40 m² as published in newspaper), some received smaller plot of land. 75% moved there and 70-80 families started to build their new home. But majority are unhappy about their new living conditions, because of lack of economic activities. Some used compensation money to buy agriculture land in another location, because in Hua Siang village, soil quality cannot be used for agriculture.

Voices of the people

Some villagers got “big” compensation from GoL, the biggest money they have ever seen in their life. Some are confident that life might in the end resume in the same way: farmers invested the money to buy new land, retailers will invest for new business... However what they are saying: *“we would have preferred to stay in Don Chan area with our previous activities. But we respect the government policy, that’s why we agree to move out.”*

Relevant legal provisions and enforcement			
Provision	Content	Enforced	
Prior to project implementation			
PM Decree 112/PM Environmental Impact Assessment 16 February 2010 Article 7: Rights and duties of project affected people Article 8: Participation Process	Right to receive information on the investment project , the benefits and environmental/social impacts during village meetings organized by the local administration and the project developer.	YES	NO X
	Right to provide information/data on local environment and society for environment/social assessment and mitigation measures.		X
	Rights to receive the report information on impact and prevention/mitigation measures.		X
	Right to participate in consultation meetings organized by the authorities and the project developer at village, district, and province level, to share their opinions and give comments on the report and plans, from the first drafts until the final drafts. Right to participate in discussions on compensation, resettlement and restoration of the living conditions for affected communities; Right to make a written proposal to solve the environmental and social problems caused by the investment project (to local and central authorities)	Minimum Minimum X Not open for villagers	
During project implementation			
PM Decree 192/PM Compensation & Resettlement of People Affected by Development Projects 7 th July 2005 PM Decree 112/PM Article 8: Participation Process Article 28: Restoration of Living Conditions Article 33 & 35 : Types of Dispute and Settlement	Right to get assistance in surveying assets/property and cost estimation for damages.	YES X	NO
	Right to receive fair and adequate compensation for land, crops, trees, property, housing, business, communal facilities, fishing, forest losses + for villagers receiving resettled people.	X	
	Right to receive support during transition period (in kind or in cash) for transport to resettlement site, food allowance, suitable development assistance (until restored livelihood and incomes)		X
	Right to collaborate with project developers to solve the grievances submitted by resettled people.		X
	During survey-exploration, construction and operation of the project, the project developer must inform affected people of the project activities which are likely to create environmental and social impact (clearing land, destroying rocks, using of dangerous chemicals, discharging water from the reservoir...)		X Mostly by government
	Right to lodge petitions to be considered by Provincial or Capital Resettlement and Restoration of Living Condition Committee.		X Unknown
	Environmental and social disputes can occur on: -Use of natural resources (water, land, mines, forests, wild plants..)	X for government only	
	-Pollution, environment degradation -Allocation of compensation for the loss/damages (land/house/services...)		
	The project developer must listen to complain/petition and solve disputes.		X Unknown



Don Chan island how it looks like before being turned into construction site. And now...

