



**GFL  
GOVERNANCE, FOREST LANDSCAPES AND  
LIVELIHOODS – NORTHERN LAOS**

**EGPF  
ETHNIC GROUP POLICY FRAMEWORK**

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**REDD+ Division, Department of Forestry  
Ministry of Agriculture and Forestry  
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## **EXECUTIVE SUMMARY**

The project entitled Governance, Forest Landscapes and Livelihoods in Northern Lao PDR (GFLL) aims to achieve emission reductions in the six Northern Provinces of Lao PDR and will receive performance-based payments from the Forest Carbon Partnership Facility (FCPF).

GFLL is Lao PDR's first sub-regional project that aims to achieve emission reductions in a contiguous landscape that constitutes approximately one-third of both the country's geographical and its forested area, and represents 40 per cent of its total national deforestation and degradation. The preparation and design of GFLL is based on parallel processes – the design of an implementation grant proposal for the GCF and the design of the emission reductions proposal for results-based finance from the FCPF. GFLL design and implementation is part of the ambition of the Government of Lao PDR (GoL) to transform its forestry sector, and to take steps to decouple its economic growth from its natural resource endowment. The most recent reflection of this commitment is the GoL endorsement of the Green Growth Strategy up to 2030 that aims to ensure environmentally friendly, sustainable and inclusive growth.

The proposed interventions of the ER Program correspond to each of the four main drivers and are organised into four components, including: i) interventions for an enabling environment for REDD+, ii) agriculture sector interventions, iii) forestry sector interventions, and iv) a program management and monitoring component.

### **Objective of the EGPF**

This EGPF is developed in accordance to OP 4.10., and the main objective of the EGPF is to ensure that the development process fosters full respect for the dignity, human rights, cultural uniqueness of ethnic groups in Lao PDR and that they do not suffer adverse impacts during the development process and they receive culturally – compatible social and economic benefits.

### **Ethnic groups in the project area**

The ethnic Lao account for slightly over half of the nation's total population (53 per cent). When combined with other ethnic groups in the Lao-Tai ethno-linguistic family, the ethnic Lao comprise two-thirds of the population. The population of the non-Lao-Tai ethnic groups is greater in the Northern provinces. The ethnic Lao-Tai groups dominate the country economically and culturally. However, in some pockets of the country the number of non-Lao-Tai ethnic groups exceeds that of the ethnic Lao. Khmu and Hmong are the second and third largest ethnic groups respectively. Each of these two ethnic groups comprises more than half a million individuals.

### **Legal and policy framework**

In Lao PDR, the Five-Year Plan from 2016-2020 aimed to eradicate poverty, and graduate Lao PDR from Least Developed Country (LDC) status by 2025. To achieve this objective, a number of policies, plans, and programs have been implemented and those related to ethnic communities include: support for food security, commercial agriculture production, rural development, infrastructural development, external economic relations, and improve access to services

The Constitution of Lao PDR (No 63/NA of 2015) defines that all "citizens of all ethnicity" have rights to education, health, land use and ownership, domicile of choice, and economic

development regardless of sex, religion, social status, education, or ethnicity; as well as freedom of religion, freedom of speech; freedom to peacefully assemble, and to protest.

Under components 2 and 3, some proposed Project activities may be involved in potential land acquisition and/or resettlement impacts involving ethnic communities/social groups (such as Hmong, Khmu, Mien, Makong, Bru and others), who are known in Lao PDR as Ethnic Groups (EG) and meet WB eligibility criteria under OP/BP 4.10.

### **Potential impacts of ER-P**

The activities under the four main components will be rolled out in the six ER Program provinces, targeting over 70,000 ha for promoting improved agriculture interventions and 320,000 ha for promoting sustainable forest management and FLR. The enabling environment related activities under Component 1 will also generate impacts beyond the ER Program area. An estimated 42,000 rural households and ethnic groups (total approximately 254,000 people) are projected to benefit from the ER Program at least 40 per cent of whom are women and ethnic group members. These estimates are based on the estimates from the PRAPs.

On the basis of the consultations and the impact assessment referred to in the SESA, the main negative impacts are expected to be related to the following:

- Restricted access to forest
- Insecurity of land tenure and ethnic groups in remote areas not having land title
- Loss of livelihood and income due to changes in land use planning
- Unequal distribution of benefit sharing
- Lack of meaningful consultation and engagement in ER Program implementation
- Gender inequality in land use rights, including forest land rights, has potential negative implications for women's abilities to benefit under REDD+ on the same scale as men
- Potential loss of critical natural habitats
- Conversion of natural forests into plantation
- Loss of forest to infrastructure
- Invasive species, forest fires and soil erosion
- Health and safety issues due to the increased inappropriate use of dangerous pesticides and herbicides, and
- Soil and water contamination from dangerous pesticide-related wastes.

Risk management will be addressed through the safeguards plans, the Environmental and Social Management Framework (ESMF), Ethnic Group Policy Framework (EGPF), Resettlement Policy Framework (RPF), and Process Framework (PF).

### **Consultation and information disclosure**

The consultation framework aims to ensure that ethnic groups are well informed, consulted and mobilised to participate in the subprojects so that clarity could be provided regarding the potential benefits as well as potential negative impacts. Consultation with EG will be made during the preliminary screening process and the development and implementation of an EGDP if needed. Consultations with and participation of ethnic groups, their leaders and local government officials will be an integral part of the EGDP. Scope of the EGDP should include preliminary screening, social assessment, mitigation measures, development assistance, and monitoring

### **Feedback and redress mechanism**

Grievances related to environmental and social issues from ethnic groups that result from Project activities will be resolved by the FGRCs. However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the DoF/MAF Office or the National Assembly (NA), as provided for by law in Lao PDR. At each level grievance details, discussions, and outcomes will be recorded in a grievance logbook. The status of grievances submitted and grievance redress will be reported to DAFO management through the monthly report.

### **Monitoring and evaluation**

Responsibility of overall monitoring of GFLR rests with an approach of measurement, monitoring and reporting established under the supervision of the DoF/MAF. The implementation and results of EGPF and integrated activities of ethnic group works would be monitored regularly and internally by provincial and district committees. Regular reports will be compiled into quarterly reports, would be submitted to DoF/MAF.

Implementing the EGPF will also be subjected to external independent monitoring by a qualified consultant or a civil society organization (CSO).

### **Ethnic Group Development Plan (EGDP)**

The EGDP will consist of a number of activities and will include mitigation measures of potentially negative impacts, modification of subproject design, and development assistance. Where there is land acquisition in ethnic minority communities, the Project will ensure that their rights will not be violated and that they be compensated for the use of any part of their land in a manner that is culturally acceptable to them.

## ACRONYMS

ADB	Asian Development Bank	FLEGT	Forest Law Enforcement, Governance and Trade
BCC	Biodiversity Conservation Corridor	FLM	Forest Landscape Management
BSM	Benefit Sharing Mechanism	FLR	Forest Landscape Restoration
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women	FMP FPF	Forest Management Plan Forest Protection Fund
CF	Carbon Fund	FSSWG	Forestry Sub-Sector Working Group
CEF	Community Engagement Framework	FCZ	Fish Conservation Zones
CFA	Conservation Forest Area	GAP	Gender Action Plan
CIF	Climate Investment Funds	GCF	Green Climate Fund
CliPAD	Climate Protection through Avoided Deforestation	GDP	Gross Domestic Product
CSA	Climate Smart Agriculture	GFLM	Governance, Forest Landscapes and Livelihoods
CSO	Civil Society Organization	GHG	Greenhouse Gas
DAFO	District Agriculture and Forestry Office	GID	Gender Integration and Development
DFRM	Department of Forest Resource Management	GIZ	Internationale Zusammenarbeit -- German Agency for International Cooperation
DoF	Department of Forestry	GoL	Government of Lao PDR
DoFI	Department of Forest Inspection	GRS	Grievance Redress Service
DoNRE	District Office of Natural Resources and Environment	FGRM	Feedback and Grievance Redress Mechanism
EG	Ethnic Group	FLR	Forest Landscape Restoration
EGDP	Ethnic Group Development Plan	GRS	Grievance Redress Service
EGPF	Ethnic Group Policy Framework	IEE	Initial Environmental Examination
EPF	Environmental Protection Fund	IFC	International Finance Corporation
ER	Emissions Reduction	ILO	International Labour Organization
ER-P	Emissions Reduction-Program	IPCC	Intergovernmental Panel on Climate Change
ER-PIN	Programme Idea Note	IPP	Indigenous Peoples Plan
ER-PA	Emissions Reduction-Program Agreement	Lao FIP	Lao Forest Investment Program
ERPD	Emissions Reduction Program Document	Lao PDR	Lao People's Democratic Republic
ESIA	Environmental and Social Impact Assessment	LDC	Least Developed Country
ESMF	Environmental and Social Management Framework	LENS2	Second Lao Environment and Social project
ESMMP	Environmental and Social Management and Monitoring Plan	LNCCI	Lao National Chamber of Commerce and Industry
F-REDD	Forestry and REDD+ Project	LNFD	Lao National Front for Development
FAO	Food and Agriculture Organization	LUP/LA	Land Use Planning and Land Allocation
FCPF	Forest Carbon Partnership Facility	LWU	Lao Women's Union
FFRDF	Forest and Forest Resource Development Fund	MAF	Ministry of Agriculture and Forestry
FGRC	Feedback Grievance Redress Committee	MoF	Ministry of Finance
FGRM	Feedback Grievance Redress Mechanism	MoIC	Ministry of Industry and Commerce
FIP	Forest Investment Program	MoJ	Ministry of Justice
		MoNRE	Ministry of Natural Resources and Environment
		MPI	Ministry of Planning and Investment

MRC	Mekong River Commission	STP	Smallholder Tree Plantation Project
MRV	Measurement, Reporting and Verification	SUFORD	Sustainable Forestry for Rural Development Project
NA	National Assembly		
NAFRI	National Agriculture and Forestry Research Institute	SUPFSM	Scaling Up Forest Management Project
NBSAP	National Biodiversity Strategy and Action Plan	TWG	Technical Working Group
NCAW	National Commission for the Advancement of Women	UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
NEC	National Environment Commission	UNFCCC	United Nations Framework Convention on Climate Change
NFMS	National Forest Monitoring System	UN REDD+	United Nations REDD+
NGO	Non-governmental organization	USD	United States Dollars
NLMA	National Land Management Authority	VFMG	Village Forest Management Guidelines
NMPLA	National Master Plan for Land Allocation	VFMP/A	Village Forestry Management Plan and Agreement
NPA	National Protected Area	VMU	Village Mediation Unit
NpA	Non-profit association	VPA	Voluntary Partnership Agreement
NRS	National REDD+ Strategy	WB	The World Bank
NRTF	National REDD+ Task Force	WCS	Wildlife Conservation Society
NSEDP	National Socio-Economic Development Plan		
NTFP	Non Timber Forest Products		
PAFO	Provincial Agriculture and Forestry Office		
PES	Payment for Ecosystem Services		
PF	Process Framework		
PFA	Production Forest Area		
PLR	Policies, laws, and regulations		
PLUP	Participatory Land Use Planning		
PM	Prime Minister		
PMO	Prime Ministerial Order		
PoFI	Provincial Office for Forest Inspection		
PoNRE	Provincial Office of Natural Resources and Environment		
PRAP	Provincial REDD+ Action Plan		
PRTF	Provincial REDD+ Task Force		
PSFM	Participatory Sustainable Forest Management		
REDD+	Reducing Emissions from Deforestation and forest Degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks		
REL	Reference Emission Level		
RL	Reference Level		
R-PP	REDD+ Preparation Proposal		
RPF	Resettlement Policy Framework		
SESA	Strategic Environmental and Social Assessment		
SIA	Social Impact Assessment		

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# **1. INTRODUCTION**

## **1.1 PROGRAM OVERVIEW**

Lao PDR has been engaged with its REDD+ Readiness preparation since it was selected as one of 47 countries in the Forest Carbon Partnership Facility (FCPF) in 2007. The Department of Forestry (DoF) under the Ministry of Agriculture and Forestry (MAF) was designated as the focal point for REDD+ implementation on behalf of the GoL. DoF established the National REDD+ Task Force (NRTF) consisting of representatives from line ministries and a National REDD+ Office under the Planning Division of DoF in 2008 to serve as the NRTF Secretariat and to coordinate and implement REDD+ readiness initiatives under the guidance of the MAF.

GoL received a grant of USD 200,000 from the FCPF through the World Bank to work on the R-PP REDD+ Readiness Plan (R-PP) proposal made in 2009. The R-PP proposal was approved in November 2010. Since 2008, many REDD+ activities have been ongoing with support from various development partners.

Lao PDR was also accepted as one of the eight pilot countries of the Forest Investment Program (FIP) in 2010, under the umbrella of the Climate Investment Fund (CIF). DoF, on behalf of the GoL, jointly worked with the World Bank and the Asian Development Bank (ADB) to prepare a Lao Forest Investment Program (Lao FIP) for submission and presentation to the FIP Sub-Committee in 2011. The Lao FIP was endorsed in principle with conditions to revise the investment plan, in response to comments made during the FIP Sub-Committee meeting. The revised plan was submitted and officially approved by the FIP Sub-Committee in 2012.

A total of USD 30 million in grant was approved by CIF as co-financing for three projects: the Scaling Up Participatory Sustainable Forest Management (SUPSFM, also known as SUFORD-SU) with the World Bank and implemented by GoL; the Smallholder Tree Plantation Project (STP) implemented by the International Finance Corporation (IFC) with the private sector; and Protecting Forests for Ecosystem Services with ADB and implemented by GoL, which is an additional financing for the Biodiversity Conservation Corridors (BCC) Initiative.

In 2014, the GoL received a USD 3.6 million grant from the FCPF through the World Bank to implement R-PP activities including the preparation of a National REDD+ Strategy (NRS), benefit sharing mechanism (BSM) and a Strategic Environmental and Social Assessment (SESA). Six technical working group (TWGs) were formed to work on various elements of REDD+ readiness on policy and legal framework, land issues, social and environmental safeguards, enforcement and implementation of mitigation activities, MRV/REL, and benefit sharing.

In 2015, the GoL submitted a Emissions Reduction-Project Identification Note (ER-PIN), to the FCPF Carbon Fund (CF). The CF accepted Lao PDR ER-PIN in 2016, DoF requested a second REDD+ Readiness grant of up to USD 5.575 million, which received no objection from the FCPF Participant Committee members. A project document for this second grant was prepared by the WB and the GoL. The Emissions Reduction Program Document (ER-PD) was completed in 2017, and accepted by the CF in 2018. Also, the country's self-assessment of REDD+ readiness was prepared, and accepted by the FCPF so that the ER-PD could be accepted by the Carbon Fund.

Currently, the NRTF consists of 16 members with a Vice Minister of MAF as Chair; the Director General of DoF is a Vice Chair; a Deputy Director General of DoF is an ordinary and a standing member and also the national focal point of REDD+. Other members are Deputy Director Generals of departments and Directors/or Deputy Directors of divisions from six ministries including MAF, MoNRE, Ministry of Finance (MoF), Ministry of Planning and Investment (MPI), Ministry of Justice (MoJ); National University of Laos; Lao Women’s Union and the Lao National Chamber of Commerce and Industry (LNCCI). The NRTF role is to study, develop, propose and approve policies, legislations, methods, and mechanisms. The role also includes regular reporting on the progress of implementing REDD+ activities within the country to the NEC for update and further actions.

Lao PDR also receives international support from bilateral donors, international non-governmental organizations, research organizations, and other development partners. The two most important bilateral programs are those supported by the Government of Germany, Climate Protection through Avoided Deforestation (CliPAD) Program, and the Government of Japan, the Sustainable Forest Management and REDD+ Program (F-REDD). Both are working at the national level, as well as in selected provinces.

## **1.2 PROGRAM OBJECTIVE AND COMPONENTS**

The ER Program’s overall objective is “Reduced poverty, graduation from LDC status with sustained and inclusive growth through promotion of national potential and comparative advantages, effective management and utilization of natural resources and strong international integration”.

The GFLL will be the first step in Lao PDR’s transition from REDD+ readiness to implementation and subsequently results-based payments. The programme design sets the framework for implementing the NRS in a decentralized manner at the sub-national level. While strategically defined at the province level and executed at the district and village level, the project contributes to improving the national institutional and regulatory systems in manners that facilitates its replication and up-scaling. The impact of the project will lead to reduced emissions from land use, deforestation, forest degradation, and increased ecosystem resilience and enhanced livelihoods of forest-dependent people.

The Theory of Change (ToC) to achieve these impacts is designed around four inter-dependent and complementary components.

### **Component 1: Strengthening enabling conditions for REDD+ (US\$ 36.5 million of which GFLL US\$ 13 million)**

Component 1 covers interventions that lay the foundation for the implementation of sustainable land use and develop the enabling conditions to address drivers of deforestation and forest degradation in the key sectors, namely agriculture and forestry sector, but also in other land use sectors such as infrastructure development. The underpinning strategy is to provide the necessary

tools and capacity for institutional and cross-sectoral planning, coordination and policy and regulatory implementation. Activities target mainstreaming REDD+ into the national and provincial level socioeconomic development planning and design of policies and regulations that address the key drivers of deforestation and forest degradation and building capacity for its implementation. Improved law enforcement and planning activities will be achieved through the establishment and institutionalization of national and province level monitoring systems. The strengthening of institutional capacities to monitor and sanction forest violations will strengthen the enforcement of existing laws by national, province and district level authorities. The REDD+ readiness work has laid the foundation for strengthening already existing policies and regulations. The Government is already in negotiations on a FLEGT VPA.

GFLC builds on this opportunity and will focus on building necessary capacity for both national and sub-national level institutions as part of creating the enabling environment. Enabling conditions will be further developed through consistent and aligned provincial, district and village level land use planning and the necessary capacity development of staff to implement plans. This will be integrated into the existing government planning processes and linked to actions for securing land and resource tenure including land registration. Land use planning and land registration will take into consideration existing forest landscapes and their protection and sustainable use. Forests and forestland which for the most part is legally considered as State land and not subject to titling are often managed as communal or collective and customary lands. Strengthening their legal basis for tenure security will be pursued through developing a due registration process and system of land use plans and village forest management agreements.

GFLC will engage with the ongoing work in promotion of Responsible Agricultural Investments (RAI) under the agriculture sectors and with the Ministry of Planning and Investment (MPI). By strengthening the enabling environment, the GFLC triggers transformative impact across sectors towards developing a low carbon economy. Activities will aim for i) strengthening and streamlining policies and the legal framework, ii) improved forest law enforcement and monitoring, iii) improved provincial, district and village level land use planning, and iv) enhanced land and resource tenure security through land registration and other processes. The activities under this component are often important precursors for the success of further land-based interventions. This being the case, interventions that require significant earlier progress are planned for earlier implementation – while capacity building related activities will be continuous. It is important to note that for many areas of work, related ground work is already underway particularly at the central government level, and the GFLC interventions will build on these developments.

**Component 2: Climate smart agriculture and sustainable livelihoods for forest dependent people US\$ 41 million of which GFLC US\$ 12 million)**

Component 2 aims to address the cumulative negative impact of unsustainable agricultural practices and its transformation to high productivity with low impact on the environment. A range of technical options have been successfully tested in the Northern Uplands of Lao PDR over the

last few decades to support transition from mainly subsistence to commercial agriculture. Activities will focus on the promotion of Climate Smart Agriculture (CSA) investment and improved soil conservation practices, crop diversification, agroforestry techniques such as terracing, intercropping, among others.

The concept of CSA will also be integrated with the principles of RAI to embed broader social, environmental and economic safeguards and perspectives together with climate related concerns central to CSA. This component is designed to significantly curb expansion into forested landscapes and increase household incomes and resilience to climate risks caused by drought, floods, soil erosion etc. The investment will be supported through more effective extension services to the target groups, strengthening their value chain integration through promotion of processing, provision of marketing support and market information and stronger engagement with the private sector. The activities will also focus on building cooperative structures to enhance negotiation ability of these groups and improve access to rural finance. Women, ethnic groups and other vulnerable groups will receive special attention.

Activities will aim for i) establishment of an enabling environment to promote responsible, sustainable, deforestation-free and climate-smart agriculture, and, ii) implementation of CSA models to address market demand, low productivity, lack of alternatives and address land and soil degradation.

### **Component 3: Sustainable forest management (US\$ 53 million of which GFL US\$ 17 million)**

Under Component 3, the GFL will provide investments into sustainable forest management (SFM) planning and the implementation of village forest management and sustainable management of production forests. The GFL is targeting implementing and scaling up forest landscape restoration (FLR) and management on at least 70,000 ha including through assisted natural forest regeneration, plantation development and agroforestry systems to enhance forest carbon stocks. These activities will be supported by intensive capacity development and training of government staff and communities with a strong focus on ethnic groups, women and the most vulnerable groups. Through preparation and implementation of village forest management planning and agreements (VFMP and VFMA), the underlying rationale is to strengthen tenure security of land and forest resources, particularly those land and resources that are regarded as communal/collective and customary assets. These activities will be complemented by value chain integration of the rural population, identification and mobilization and creation of incentive mechanisms to attract private sector investments into sustainable forest development and forest landscape management.

Forestry sector interventions will focus on: i) establishing an enabling environment to implement and scale up SFM and forest landscape restoration and management, ii) implementation and scaling up of village forestry, and iii) implementation and scaling up of FLR and sustainable forest plantations.

### 1.3 ETHNIC GROUPS IN THE PROJECT AREA

Lao PDR has endorsed the International Labour Organization Convention 169 on Indigenous and Tribal Peoples (ILO 169, 1989) and United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). However, the GoL does not recognise the concept of indigenous peoples in its policies and legislation. Instead, the term “ethnic group” is officially used to describe its people, who are categorised into 50 broad ethnic groups. The GoL currently recognises 160 ethnic sub-groups.

The ethnic Lao account for slightly over half of the nation’s total population (53 per cent). When combined with other ethnic groups in the Lao-Tai ethno-linguistic family, the ethnic Lao comprise two-thirds of the population. The population of the non-Lao-Tai ethnic groups is greater in the Northern provinces. The ethnic Lao-Tai groups dominate the country economically and culturally. However, in some pockets of the country the number of non-Lao-Tai ethnic groups exceeds that of the ethnic Lao. Khmu and Hmong are the second and third largest ethnic groups respectively. Each of these two ethnic groups comprises more than half a million individuals.

A 1999 map of Ethnic Groups of Laos showed the spatial distribution of ethnic groups throughout the country, with the Hmong-Mien and Sino-Tibetan groups found primarily in the North. The Lao ethnic group is dominant covering 53 per cent of the total national population, followed by Khmu (11 per cent) and Hmong (9 per cent) and the rest are 3 percent or lower.

Ethnic group diversity is reflected in a rich diversity of ethnic languages. Each ethno-linguistic family is divided into main ethnic groups and is further divided through sub-ethnic groups. Some ethnic languages are only spoken languages and do not have written forms. While some ethnic languages have enough similarities that make mutual understanding possible, for other groups it is impossible to communicate. For example, the Lao-Tai and Tai-Kadai ethnic groups share approximately 90 per cent of their vocabulary, so it is relatively easy for them to reach mutual understanding. The communication situation is similar among ethnic groups within the Sino-Tibetan linguistic family. However, the Mon-Khmer are Austro-Asiatic speakers are divided into many sub-ethnic groups and they use languages that are not easily mutually comprehensible.

**Education** is strongly correlated with ethnicity. Non Lao-Tai ethnic groups make up a third of the population, but constitute a disproportionate share of people in households headed by someone with no formal education (64.4 per cent) or incomplete primary education (44.2 per cent). Education among the various ethnic groups varies greatly. Mon-Khmer and Hmong-Mien, the second and third largest groups, have similar literacy levels in the national language, which is Lao

(71.1 and 69.8 per cent, respectively). The lowest literacy rate was observed among the Sino-Tibetan speaking group at 46.8 percent as illustrated by Table 1.

**Table 1 Ethnic group literacy rates**

Ethnic group	No formal education	Some primary	Completed primary	Completed lower secondary	Completed upper secondary	Completed vocational training	University degree	All
Column percentages-distribution of education attainment across ethnic groups								
Lao-Tai	35.7	55.8	71.4	78.3	89.9	87.0	84.7	66.4
Mon-Khmer	34.4	33.0	20.5	12.6	4.9	8.3	6.9	22.3
Sino-Tibetan	15.1	2.0	1.5	1.5	0.9	1.7	0.3	3.4
Hmong-Lu Mien	14.5	7.6	5.8	7.3	4.1	2.9	7.3	7.1
Other	0.2	1.5	0.8	0.2	0.2	0.1	0.9	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Row percentages-distribution of education attainment within ethnic groups								
Lao-Tai	7.1	16.9	49.7	6.3	11.0	6.8	2.1	100.0
Mon-Khmer	20.5	29.8	42.4	3.0	1.8	1.9	0.5	100.0
Sino-Tibetan	59.7	12.2	20.7	2.5	2.2	2.6	0.1	100.0
Hmong-Lu Mien	27.1	21.5	37.4	5.5	4.7	2.1	1.7	100.0
Other	3.2	39.0	51.3	1.5	2.4	0.7	1.9	100.0
<b>Total</b>	<b>13.3</b>	<b>20.1</b>	<b>46.2</b>	<b>5.4</b>	<b>8.2</b>	<b>5.2</b>	<b>1.6</b>	<b>100.0</b>

**Main ethnic groups of ER Program area are as follows:**

1. Lao-Tai Ethno Linguistic Family consisting of six groups:
  - Lao and Tai groups are found in all six provinces.
  - Nyoun group is found in four provinces, but not in Houaphan and Oudomxay provinces.
2. Mon-Khmer Ethno Family has nine groups:
  - Khmu group is found in all six provinces.
3. Hmong –Mien Ethno Linguistic Family, have two ethnic groups:
  - Hmong and Ew-mien groups are found in all six provinces.
4. Sino-Tibet Ethno Linguistic Family consisting of five ethnic groups:
  - Phou Noy and Ho groups are found in four provinces, but not in Huaphan and Sayabouri provinces.

Other groups are generally found in three or less provinces. Refer to Table 2 for population growth in the project area/provinces.

**Table 2 Population growth in ER provinces**

	<b>Population in 2005*</b>	<b>Population in 2015**</b>	<b>Growth over 10 years (%)</b>	<b>Urban population 2015** (%)</b>
<b>Bokeo</b>	145,263	179,243	1.23	33%
<b>Huaphan</b>	278,677	289,393	1.04	14%
<b>Luang Namtha</b>	145,092	175,753	1.21	27%
<b>Luang Prabang</b>	400,202	431,889	1.08	32%
<b>Oudomxay</b>	264,582	307,622	1.16	24%
<b>Sayabouri</b>	338,669	381,376	1.13	40%
<b>Total</b>	1,574,490	1,767,291	1.12	

(Source: Population census 2005, from Lao Decide; Population and housing census 2015)

While cultural traits may explain some variations in literacy, socio-economic factors and geographical location that affect access to education may also have an impact. For example, in some ethnic groups the proportion of people who have never attended school reached more than 50 per cent in some cases, including Lahu (63 per cent), Akha (50 per cent), Tri (54 per cent), and Katang (41 per cent).

As a result of differing education levels most government staff are ethnic Lao. In some locations, government staff have difficulty working with local villagers, as they may not know the ethnic languages. Communication with and community engagement of the non-Lao-Tai ethnic groups (i.e. Mon-Khmer, Hmong-Mien and Sino-Tibetan ethnic groups) remains a challenge. The inventory and recruitment of government staff members, including women from those ethnic groups, or reliance of local interpreters, remains a prerequisite for the government staff to communicate with different ethnic groups and to fully ensure local ownership and participation. The Lao Front for National Development has staff throughout the country that can assist the government's district and provincial staff in communication and extension work with different ethnic groups.

**Poverty rates** vary by ethnicity and are higher among ethnic minorities in general, with the non Lao-Tai contributing to 55 per cent of all poor people (2013), despite being only one-third of the population in Lao PDR (The Sino-Tibet ethnic group has been an exception and they have experienced a rapid decline in poverty in recent years). The poverty rates were highest between the Mon-Khmer and Hmong-Mien headed households; with poverty rates of 42.3 per cent and 39.8 per cent respectively, almost double the national poverty rate of 23 per cent.

Ethnicity in the six northern ER-P provinces of Huaphan, Luang Prabang, Xayaboury, Luang Namtha, Bokeo and Oudomxay is quite diverse consisting of a total of 23 major ethnic groups classified into four ethno-linguistic families: Lao-Tai (6 groups), Mon-Khmer (10), Hmong-Mien (2) and Sino-Tibet (5). Lao, Tai, Khmu, Hmong and Ew-Mien ethnic groups can be found in all the six provinces. Some other ethnic groups, such as Phounoy, Ho, Lamet and Akha are common in Luang Namtha, Bokeo and Oudomxay provinces, but they are included as ethnic groups in Houaphan, Luang Prabang and Xayaboury provinces.

## **1.4 OBJECTIVE OF THE EGPF**

This EGPF is developed in accordance to OP 4.10. The main objective of the EGPF is to ensure that the development process fosters full respect for their dignity, human rights, cultural uniqueness and that ethnic groups do not suffer adverse impact during the development process and they will receive culturally – compatible social and economic benefits.

The EGPF provides a framework for not only mitigating negative impacts, but ensuring the ethnic groups will benefit from the Program. This EGPF is also based on broad community support consultations with affected ethnic groups. The EGPF ensures:

- (a) How to avoid potential adverse impacts on ethnic communities; or
- (b) When potential adverse impacts on ethnic communities are unavoidable, be minimised and mitigated or compensated; and
- (c) Ensure that ethnic groups receive social and economic benefits in a culturally appropriate manner that are inclusive in both gender and intergenerational terms, and obtain broad community support for the/any proposed sub-project.

This EGPF was prepared on the basis of a) the Strategic Environmental and Social Assessment (SESA); b) qualitative and quantitative social assessment conducted for the GFLP provinces; c) consultation with ethnic groups present in the GFLP areas; and d) consultation with key Program stakeholders, including PAFO, DAFO, Lao Front for National Development, and Lao Women’s Union.

## **2. POLICY, LEGAL AND INSTITUTIONAL SETTING**

### **2.1 GOVERNMENT POLICY AND PLAN FOR POVERTY REDUCTION**

**GoL policy and plan for poverty reduction:** In Lao PDR, the Five-Year Plan from 2016-2020 aimed to eradicate the poverty, and graduate from Least Developed Country (LDC) status by 2025. To achieve this objective, a number of policies, plans, and programs have been implemented and those related to ethnic communities include: support for food security, commercial agriculture production, rural development, infrastructural development, external economic relations, and improve access to services. Since 2000, villages are responsible for data collection on the living condition of families. Data suggested that Mon-Khmer and Hmong-Mien and Sino-Tibetan ethnic communities are the poorest in the country and identifies several causes of poverty including problems pertaining in land availability for food production and income generation. The National Socioeconomic Development Plans (NSED) focused on poverty reduction in the poorest areas and links poverty reduction to stop “pioneer shifting cultivation or slash and burn new forest area”, however, the “rotational cultivation” may still be maintained.

The sustainable land and forestry development programs are promoted by the GoL. GoL Policy and Legislative Framework on Ethnic Community: The Constitution defined Lao PDR as a multi-ethnic state, with “equality among all ethnic communities” as described in the Constitution and the party policy as follows: The Constitution of Lao PDR (No 63/NA, 2015) defines that all



"citizens of all ethnicity" have rights in education, health, land use and ownership, domicile of choice, and economic development regardless of sex, religion, social status, education, or ethnicity; as well as freedom of religion, freedom of speech; freedom to peacefully assemble and to protest. All citizens have the right to work and carry out their chosen livelihoods. Articles 8 and 22, guarantee that there will be no discrimination on the basis of ethnicity or gender. Articles in the Constitution where ethnic People are specifically mentioned are as follows: Article 1 – Lao PDR is a nation unified and indivisible of all ethnic communities; Article 2 - all power is of people, by people, and for the use of the multiethnic people; Article 3 - the right of a multi-ethnic people to be owners of the nation is exercised and guaranteed by the political system; Article 7 - mass organizations are the focal point for the solidarity and mobilisation for citizens of all backgrounds and ethnicity as participating members in the safeguarding and edification of their rights and interests; Article 8 - the State will carry out a policy of unity and equality among the various ethnic communities.

All ethnic communities have the right to preserve and improve their own traditions and culture and those of the nation. Discrimination between ethnic communities is forbidden. The state will carry out every means in order to continue to improve and raise the economic and social level of all ethnic communities; Article 13 - the economic system is for the purpose of improving the standard of living, materially and spiritually, of a multi-ethnic people; Article 19 - the State and the people will collaborate to build schools of all levels in order that a complete education system will be available to all, especially areas inhabited by ethnic People; and Article 22 - all Lao citizens, regardless of their sex, social position, education, beliefs or ethnicity, are equal before the law.

The 1992 ethnic policy, Resolution of the Party Central Organization concerning Ethnic Affairs in the new Era, focuses on gradually improving the living conditions of the ethnic communities, while promoting their ethnic identity and cultural heritage. The general policy of the Party concerning the ethnic communities include: Build National Sentiment (national identity); Realise Equality among ethnic communities; Increase the Solidarity Level among ethnic communities as members of the greater Lao family; Resolve Problems of Inflexible and Harmful thinking, as well as economic and cultural Inequality; Improve the living Conditions of the ethnic communities step by step; Expand, to the greatest extent possible, the good and beautiful Heritage and ethnic Identity of each group as well as their Capacity to participate in the affairs of the nation.

Other GoL related policy and legislation: Given that most of ethnic groups depends on subsistent agriculture and natural resources, they are also affected by other polices, and legislation related to land use and management of natural resources and the key ones are highlighted as follows:

**Compensation and resettlement (Decree 84/PM)** this decrees aims to protect the right of affected peoples by investment projects include ethnic groups. The decree aims at ensuring that the losses incurred by affected people are redressed such that Affected Persons share project benefits, are assisted to develop their social and economic potential in order to improve or at least restore their incomes and living standards to pre-project levels. The decree however being revised in line with the current institutional arrangement and improve implementation effectiveness. The Project may involve minor or temporary land acquisition for road maintenance work in some areas where ethnic minority groups or communities reside. No major loss of land is anticipated because the work will

be carried out within existing roads and may involve minor realignments without expansion, which may affect trees and other roadside private assets. A separate Resettlement Policy Framework (RPF) designed and applied to ensure that the ethnic groups are not adversely affected and their livelihood is not worst off as a result of project implementation.

The Lao PDR has been a member of the International Labour Organization (ILO) since 1964. Though the country has ratified a total of eight ILO Conventions, including five of the eight ILO core Conventions, Convention 169 on Indigenous Peoples has not been ratified. Table 1 International treaties and conventions in Lao PDR.

The 8th National Socioeconomic Development Plan (NSED - 2016-2020). The overall objective of the NSED is to ensure that Lao PDR graduates from Least Development Country status. It is designed with three outcomes, and each with a set of Performance Targets.

As part of the rural development and poverty reduction strategy, one focus of the 8th NSED is to consolidate and convert villages in remote areas inhabited by ethnic groups into small towns, and link these areas with roads and improved infrastructure. It states that tailored interventions are needed for the poorest groups, where the lack of access to infrastructure, markets and services remain barriers to growth and poverty reduction. Social welfare policy and poverty reduction must be tailored to ethnic people's specific needs and capabilities, and to address gender issues among various ethnic groups in order to improve the human capital of future generations. The 8th NSED emphasises the importance of continuing to improve and develop the information and culture sector by actively enhancing heritage and cultural values on the basis of the cultural diversity of the different ethnicities, and to share these traditions with the international forum. This five-year plan also promotes equality among multi-ethnic people, by promoting a sense of pride of the historical characteristics of various ethnic groups, and to rely on elders and leaders at the grassroots level of various ethnic groups to promote unity among ethnic group members as a means to ensure development.

**Guideline on Ethnic Group Consultation (2012)** A new national guideline on consultation with ethnic groups launched by the Lao Front for National Development (LFND) in 2012, was largely in line with the World Bank policy on Indigenous People (OP/BP 4.10). It aims to ensure that all ethnic groups who benefit from or are adversely affected by a development project, without regard to the source of funding, are fully engaged in a meaningful consultation process at all stages from preparation into implementation. The guideline also aims to ensure that the potentially affected ethnic groups are fully informed of project objectives, as well as their potential positive and adverse impacts on their livelihood and their environment, and provided with opportunities to articulate their concerns. The guidelines provide principles and processes to carry out meaningful consultations with, and obtain free, prior and informed consent of, all ethnic groups affected by developments projects in a culturally sensitive manner. The guidelines consist of a) objectives and scope of the guidelines, b) consultation processes with ethnic groups at respective stages of development projects, c) consultation approaches and methods for different ethnic groups in a cultural sensitive manner, d) expected outcomes of consultation at each stage, and e) implementation arrangement and responsibility.

**Land Law (2013)** The formal law governing land rights in Lao PDR includes the 2003 Constitution, the 1990 Law on Property, the 2004 Law on Protection and Development of Women and the 2005 Law on Heritage and Basis of Inheritance, and the revised 2013 Land Law.

The Constitution guarantees that the State will protect property and inheritance rights of individuals and organizations. It also declares all land to be a “national heritage” and that the State will ensure use, transfer and inheritance rights to land as defined by law. The 1990 Law on Property establishes and defines five forms of property, including: State property; collective property; individual property; private property (property belonging to a private economic unit other than an individual or collective); and personal property (items for personal use). It also establishes that ownership of all land, underground resources, water, forests and wild animals is vested in the State, though the State may grant rights of possession, use, transfer and inheritance to other entities (GoL Constitution 2015; GoL Property Law 1990).

All land in Lao PDR belongs to the population as a whole, and the State must safeguard long-term rights to land by ensuring protection, use, usufruct, transfer and inheritance rights. The Land Law lays out categories of land (agricultural, forest, water area, industrial, communication, cultural, national defense and security and construction) and defines the scope of use rights for each. It also establishes the basic organization of land-use management authorities and framework for land registration. The Land Law provides the basis for registering land rights and defines land certificates and land titles. Individuals and organizations access land through land-use rights. Recent land titling programs have formalised permanent land-use rights in urban and peri-urban areas, and land allocation programs have formalised temporary land-use rights for agricultural and forest land. Communal tenure, which is common in rural areas, has not been formalised.

The Land Law provides that land titles shall constitute evidence of permanent land use rights, and establishes a system of temporary land use certificates for agricultural and forest land, allowing rights to such land to be passed by inheritance, but not transferred, leased or used as collateral. The Land Law also does the following: Lao citizens are allowed to lease land from the State for up to 30 years; allows the State to lease out land or grant land concessions to non-citizens; prohibits land speculation; and guarantees compensation for State’s taking of land use rights. The Land Law provides for settlement of land disputes before the local land-management authority or before the People’s Court.

Many ethnic groups practice a system of land use and resource management which is uniquely adapted for upland areas. This has developed over generations (i.e. is traditional), and is underpinned through ritual and customary practices (Mann and Luanghot 2008). These customary systems of land management and allocation exist alongside the formal system, with initiatives in recent years to integrate some traditional practices into the formal law. In many rural areas of Lao PDR, communities control common property, such as forests or pastureland, and have devised local customary rules for the management of land resources and allocation of land to group members. The 1990 Property Law recognises cooperative or communal property rights generally. The Prime Minister’s 2006 Decree 88 on Land Titling and the 7th NSEDP included provisions to issue communal land titles for land allocated by the government to village communities (United States Agency for International Development [USAID] 2013). Many ethnic communities have

traditionally recognised certain areas of forest as sacred forest sites, or spirit forests, and this is an important cultural aspect which should be respected.

Under customary or informal rules in rural areas, local communities often control common property, including upland areas, grazing land, village-use forests and sacred forests. All community members are entitled to use communal land, and village authorities may grant similar use rights to those from surrounding villages. Communal tenure systems have evolved over a long period and vary from village to village. There is no formal registration process for communal tenure, though it remains an important part of the cultural, political, social and economic frameworks of rural communities (World Bank 2006; Mann and Luangkhot 2008).

Rural families may also hold land use rights under informal or customary rules. These land use rights are usually attributed to family plots, paddy land or land for swidden agriculture. These land use rights may be allocated by customary local authorities under local rules, and varies from village to village. The village chief (i.e. Nai Ban) may issue a Village Heads Certificate on Land Ownership, which while not valid on its own, may be used by local authorities to resolve disputes or used by the family as additional proof of ownership when applying to the state for a land survey certificate (World Bank 2006; Mann and Luangkhot 2008; GTZ 2009).

**The Land Law** also stipulates that, in case public infrastructure development projects cause damages to trees, crops or buildings of the private owners, the land owners have the rights to be compensated for the damages. 2.1.6 Law on Handling of Petitions (2015)

The revised Law on Handling of Petitions 012/NA approved by the National Assembly on December 5, 2014 and the President in 2015 provides provisions of objectives, principles and process of applying and handling different types of grievance, petition and complaints that may be raised by citizens. The Grievance Redress Law divides grievances into three categories as follows:

1. Proposals is to be applied to and resolved by concerned authorities.
2. Grievance is to be applied to and resolved by judicial institutions and court
3. Petition is to be applied to and resolved by Provincial and National Assembly

**The Law on Handling of Petitions 012/NA, 2015**, which has superseded the old version of Law on Grievance dated November 5, 2005 applies and protects rights and interest of all citizens and entities, state organizations, community and individuals with the aim to ensure justice, social security and order.

### **Relevant International Instruments**

The Constitution of Lao PDR has been amended to incorporate human rights principles outlined in the international treaties and conventions of which Lao PDR is a signatory party. Chapter four, articles 34 to 51 explain the basic rights of Lao citizens. In addition, basic rights as delineated in international instruments are included in many other national laws, such as the law on the protection of the rights and the interests of children, 2006 (refer to Table 3). The GoL set up the National Human Rights Research Centre in Vientiane, whose main objective is to support,

encourage, and implement human rights within the country. Its mandate also considers the carrying out of research on ethnic groups. The Centre was approved by decree, No. 95, dated 11/07/06 and by Prime Minister's decree, No. 137, dated 24/07/2006. The Lao PDR has been a member of the International Labour Organization (ILO) since 1964. Though the country has ratified a total of eight ILO Conventions, including five of the eight ILO core Conventions, Convention 169 on Indigenous Peoples has not been ratified.

**Table 3 International treaties and conventions in Lao PDR**

No	Name of Convention	Date of Signature	Date of Ratification
1	Int. Convention on Civil and Political Rights	7 Dec. 2000	29 Dec. 2009
2	Convention on the Rights of Persons With Disabilities	15 Jan. 2008	29 September 2009
3	Int. Convention for the Protection of All Persons from Enforced Disappearance	29 Sep. 2008	Not yet ratified
4	Int. Convention on the Protection of Rights of All Migrant Workers and Members of Their Families	Not yet signed	Not yet ratified
5	Int. Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	21 September 2010	26 Sep. 2012
6	Convention on the Rights of the Child		8 May 1991
7	Convention on the Elimination of All Forms of Discrimination against Women	17 July 1980	14 Aug. 1981
8	Int. Convention on Economic, Social and Cultural Rights	& Dec. 2000	13 Feb. 2007
9	Int. Convention on the Elimination of All Forms of Racial Discrimination		22 Feb. 1974
10	UN Convention Against Corruption	10 Dec. 2003	29 Sep. 2009
11	UN Declaration on the Rights of Indigenous Peoples		13 ep. 2007

## 2.2 WORLD BANK'S OPERATIONAL POLICY ON INDIGENOUS PEOPLES

### Overview

The OP 4.10 aims to avoid potentially adverse impacts on indigenous people and increase activities to bring to program benefits considering their cultural demands and needs. The Bank requires indigenous peoples, (here refer as Ethnic Groups -EGs), to be fully informed and able to freely participate in sub-projects under the program. The Program has to be widely supported by the affected EGs. Besides, the Program is designed to ensure that the EGs are not affected by adverse impacts of the development process, mitigation measure to be defined if required and that the EG peoples to receive socio-economic benefits that should be culturally appropriate to them.

The Policy defines that EG can be identified in particular geographical areas by the presence in varying degrees of the following characteristics:

- a) Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- b) Collective attachment to geographically distinct habitats or ancestral territories in the program area and to the natural resources in these habitats and territories;
- c) Customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- d) Indigenous language, often different from the official language of the country or region.

As a prerequisite for an investment Programme approval, OP 4.10 requires the borrower to conduct free, prior and informed consultations with potentially affected EG peoples and to establish a pattern of broad community support for the Programme and its objectives. It is important to note that the OP 4.10 refers to social groups and communities, and not to individuals. The primary objectives of OP 4.10 are:

To ensure that such groups are afforded meaningful opportunities to participate in planning Program activities that affects them;

To ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and

To ensure that any Program impacts that adversely affect them are avoided or otherwise minimized and mitigated.

In the context of the sub-project, the EGs (equivalent to indigenous peoples) in the ER-P jurisdiction (based on the existing ER-P Accounting Area and who either use or have used or seek to use the forests or are involved with production forestry on which carbon emissions will also be quantified) likely to receive long term benefits through a range of socio-economic, environmental and governance non-carbon benefits as follows:

- Maintenance of sustainable livelihoods, cultural identity and community cohesiveness;

- Improved access to cultural services and strengthening of traditional knowledge resources;
- Valuation for forest resources, including and especially NTFPs using socio-cultural accounting methods rather than simply conventional resource economic methods;
- Modest income generation and employment opportunities;
- Promotion of climate smart agriculture;
- Conservation and protection of biodiversity;
- Protection and proliferation of medicinal plants and curative practices;
- Water use regulation and watershed management;
- Strengthening of village level socially inclusive governance;
- Improved forest governance and management; and
- Participatory land use planning.

Under Components 2 and 3, some proposed Project activities may be involved with potential land acquisition and/or resettlement impacts and/or ethnic communities/social groups (such as Hmong, Khmu, Mien, Makong, Bru and others), who are known in Lao PDR as Ethnic Groups (EG) and meet WB eligibility criteria under OP/BP 4.10. Other donors may have their own eligibility criteria. To mitigate these impacts, WB OP/BP 4.10 requires that special planning measures be established to protect the interests of ethnic groups (i.e. social groups with a social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process). The EG are considered to be vulnerable ethnic communities in Lao PDR as their livelihood is heavily based on subsistence agriculture and forest. The presence and involvement of these EG triggers the WB operational policy on Indigenous Peoples (OP/BP 4.10). As a prerequisite to WB support, the Project must meet the requirements of OP/BP 4.10.

The six target provinces are located in remote areas and mostly with limited road access, it is likely that the project will be located in areas which are home to ethnic populations. Given that the Project aims to improve quality, stability, and safety of existing provincial and district roads and climate resilient all local population, including ethnic communities, will collectively benefit from the Project. However minor impacts may also occur and need special mitigation measures. OP/BP 4.10 requires for screening of EG community in the project area and if they are present as a group or community, preparation of an Ethnic Group Development Plan (EGDP) will be prepared and applied (refer Annex 1). Free, prior, and informed consultation will be required during the planning and implementation to establish ethnic community broad support for the project. Given that all the project works and locations are not known before appraisal and thus ethnic people are still to be identified, an Ethnic Groups Policy Framework (EGPF) has been developed describing the policy and procedures for consultation for the projects to ensure that the EG can voice their concerns and their opinions are heard throughout the project preparation and implementation process. Need for preparation of an EGDP will be identified during the safeguard screening to be conducted (refer Annex 1). The EGPF is an integral part of the Environment and Social Management Framework (ESMF) prepared for the Project.

### **3. PROGRAM POTENTIAL IMPACTS**

#### **3.1 POSITIVE SOCIAL IMPACTS**

The ER-P interventions are designed to generate non-carbon benefits particularly in social and governance benefits of participatory development. The ER Program also promotes pro-poor development and enhanced food security impacts through strong engagement of the rural population, with attention paid to ethnic groups and women along the entire process, and corresponding in provisions within the benefit sharing regime. Other priority non-carbon benefits which are expected include improved land tenure security, enhanced capacity in law enforcement, monitoring and reporting; and increased watershed protection and forest and landscape restoration.

The activities under the four main components will be rolled out in the six ER Program provinces, targeting over 70,000 ha for promoting improved agriculture interventions and 320,000 ha for promoting sustainable forest management and FLR. The enabling environment related activities under Component 1 will also generate impacts beyond the ER Program area. An estimated 42,000 rural households and ethnic groups (total approximately 254,000 people) are projected to benefit from the ER Program at least 40 per cent of whom will be women and ethnic group members. These estimates are based on the estimates from the PRAPs.

The ER Program envisages a budget of USD 136 million for its roll out (for the six years of 2019-2024). This includes already committed finances from Government and international sources, anticipated finances including a project under formulation for submission to the Green Climate Fund, and reinvestments of a part of the anticipated results-based payments from the Carbon Fund. The ER Program anticipates a potential income stream equivalent to 13.24 million ERs (USD 66.2 million based on USD 5/tCO<sub>2e</sub>). Such ex-ante estimation of emission reductions and removals are based on the areas of interventions to be implemented and a co-efficient applied to reflect efficiency rate for non-land-based interventions. This reflects net results of approximately 19.36 million tCO<sub>2e</sub>, against the 2005-2015 reference level (RL), to be achieved. Of this, 12.67 million tCO<sub>2e</sub> are from reduced emissions, and 6.69 million tCO<sub>2e</sub> are from enhanced removals.

The Benefit Sharing Plan (GFLL-BSP) will be administered and managed by the Environment Protection Fund (EPF) for the first two year of the ER implementation. There will be a transition of fund management from EPF to Forest Protection Fund (FPF). The transition will include capacity building for FPF staff to manage and disburse the fund to beneficiaries. Fund will be disbursed with approval signatures from both The Head of DoF (MAF) and the Chairman of National REDD+ Task Force (NRTF). The Approval will be done after Verification and Validation of beneficiaries from PAFO and DAFO are confirmed. However, this arrangement is still being discussed within Ministry of Agriculture and Forestry (MAF) whether to use EPF or FPF as fund manager for the BSP. No decision has been made so far.

The GFLL-BSP articulates the principles of the Lao REDD+ approach to benefit sharing that ensures over 85 per cent of gross ERPA Payment as of results-based payments are allocated to communities in districts and provinces. The funds will be directly transferred to communities once the result of reduced emissions has been measured and verified by DAFO and PAFO. The ethnic



group through village committee fund will be eligible to receive the funds. The remaining 15% of total gross ERPA Payment are allocated for fixed operational costs for the GoL to manage, facilitate, and monitor the ER program. The operational costs include coordination and communication between and within government agencies at national, provincial, and district levels.

### **3.2 NEGATIVE SOCIAL AND ENVIRONMENTAL IMPACTS**

On the basis of the consultations and the impact assessment referred to in the SESA, the main negative impacts are expected to be related to the following:

- Restricted access to forest
- Insecurity of land tenure and ethnic groups in remote areas not having land title
- Loss of livelihood and income due to changes in land use planning
- Unequal distribution of benefit sharing
- Lack of meaningful consultation and engagement in ER Program implementation
- Gender inequality in land use rights, including forest land rights, has potential negative implications for women's abilities to benefit under REDD+ on the same scale as men
- Potential loss of critical natural habitats
- Conversion of natural forests into plantation
- Loss of forest to infrastructure
- Invasive species, forest fires and soil erosion
- Health and safety issues due to the increased inappropriate use of dangerous pesticides and herbicides, and
- Soil and water contamination from dangerous pesticide-related wastes.

### **3.3 MITIGATION MEASURES**

Risk management will be addressed through the safeguards plans, the Environmental and Social Management Framework (ESMF), Ethnic Group Policy Framework (EGPF), Resettlement Policy Framework (RPF), and Process Framework (PF).

In all cases, every effort will be made to avoid permanent land acquisition and physical resettlement. However, where avoidance is not possible, compensation will be paid to the affected households. For example, for local people who lose their land permanently compensation will be made in accordance with this EGPF/RPF. Temporary environmental impact due to dust, noise, etc. which affects the income generation activities of local people affecting shops, local businesses, etc. will be duly compensated.

## **4. ETHNIC GROUP POLICY FRAMEWORK, PRINCIPLES AND PROCEDURES**

### **4.1 BASIC PRINCIPLES OF THE ETHNIC GROUP POLICY FRAMEWORK**

The basic principles of the EGPF to be applied to the ER-P will be as follows:

- Scope: Ethnic group peoples can be identified in particular geographical areas by the presence in varying degrees of the following characteristics: (i) a close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) an indigenous language, often different from the national language; and (iv) presence of customary social and political institutions.
- Based on the above characteristics, there are many ethnic groups in Laos. According to Lao Front for National Development (LFND) classification, four linguistic groups with 50 ethnic categories. They are Lao-Tai, Mon-Khmer, Hmong-lomien, and Sino-Tibetan groups. The Bank has determined that OP/BP 4.10 will apply to at least three linguistic groups except for Lao-Tai, who still maintain cultural and socio-economic practices different than those practiced by the Lao national majority.
- In the context of this Project, it is important to note that the OP/BP 4.10 refers to social groups and not to individuals. The primary objectives of OP/BP 4.10 are: (a) to ensure that such groups are afforded meaningful opportunities to participate in planning that affects them; (b) to ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and (c) to ensure that any project impacts that adversely affect them are avoided or otherwise minimised and mitigated.

To ensure that all communities are consulted properly, the following principles will be considered during the data collection and FPIC process of the projects.

- All communities will be approached in the spirit of honest and constructive collaboration, and clearly explained about the rationale for emission reduction, and of the subproject's purpose, activities, potential benefits and potential losses.
- All communities, regardless of their ethnic group or social status, will be engaged in an inclusive and culturally relevant manner on the basis of a free, prior and informed consultation aimed at establishing broad-based and sustainable community support for the subproject.
- All communities will be informed by the responsible DoF throughout the project implementation through appropriate means of information, education and communication. If needed, communication throughout the project cycle will use appropriate information.
- The principles are similar to the EGPF being applied to the on-going projects.
- Education, and communication materials to respond to issues of language and ethnicity, literacy/illiteracy, gender, and social vulnerability.
- All communities will have the opportunity to participate in and benefit from the project as well as take on the responsibility to adhere to emission reduction.

- Projects will give sufficient attention to encourage women to play an active role in the consultation process. During implementation, the women will be: (a) consulted and their concerns addressed; (b) given the opportunity to participate in community group meetings, focus group discussions, planning and implementation; and (c) represented equally in the Feedback and Grievance and Redress Committees (FGRCs).

## **5. CONSULTATION FRAMEWORK FOR ETHNIC GROUPS UNDER EGPF**

### **5.1 Consultation and Information Disclosure**

The GoL's program design broadly consulted all six provinces (including targeted consultations with ethnic groups (EGs)). Participatory methods included village-level meetings with households, focus group discussions, workshops, participatory forest transects, natural resource assessments and interviews of key informants. Consultations have sought to identify local people's views regarding opportunities and constraints arising from forest and land resource access and use, including possible land use conflicts, and the security of their livelihoods. Qualitative data acquired through these processes has been used in the design of the overall program. Also, a detailed stakeholder analysis was conducted as part of developing the consultation and participation plan to identify the relevant stakeholders that might gain or lose from the program.

This section provides a framework for ensuring that the ethnic groups in the Program area (equivalent to the indigenous peoples as defined in OP 4.10 of the WB) has equal opportunity to share the Program benefits, that free, prior and informed consultation, and adequate information dissemination will be conducted to ensure their broad-based community access and support to the Program are obtained, and that any potential negative impacts are properly mitigated and EGPF will be applied to all the sub-projects. It provides guidance on how to conduct preliminary screening of ethnic groups, social assessments, EGDP establishment and identification of mitigation measures given due consideration to consultation, grievance redress, gender awareness, and monitoring. An outline of the EGDP report is provided in Annexure 1.

In terms of consultation and participation of ethnic groups, when the sub-projects have impacts on EG, the affected EG peoples have to be consulted on the basis of free, prior, and informed consultation, to assure:

- EG people and the community where they belong to are consulted at each stage of sub-project preparation and implementation;
- Socially and culturally appropriate consultation methods will be used when consulting EG communities. During the consultation, special attention will be given to the concerns of EG women, youth, and children and their access to development activities;
- Affected EG people and their communities are provided, in a culturally appropriate manner at each stage of preparation Program information (including information on potential adverse effects that the Program may have on them; and
- The free, prior and informed consultations with EG leads to a broad community support for the Program implementation.

If necessary, a local person (of the same EG group) will be invited to join the consultation just in case local EG language is required to promote the free exchange of information between the EG peoples, and the consultant team.

Consultation is important to EGDP preparation since it provides ethnic groups (both potentially affected and not affected by sub-projects) with opportunities to participate in planning and implementation of sub-projects. More importantly, it helps identify potential adverse impact, if any, as a result of sub-project, on EG's income generation activities and their livelihoods, thereby enabling devising of appropriate measures as to how adverse impacts could be avoided, minimized, and mitigated.

Consultation also aims to ensure EG people have opportunities to articulate, on the basis of their understanding of sub-projects/Program goal, their needs for support from the Program in relation to the Program goal/Program activities.

### **Consultation with EG during program implementation**

Free prior and informed culturally appropriate consultations will be conducted with all ethnic people that are living in villages that will potentially be included in the sub-projects. Information on what the ER-P hopes to achieve and how these ethnic group villagers will benefit but also the possible negative impacts will be included in the consultative processes. Furthermore, as part of the processes associated, it will be necessary to explain very carefully the objective of the ER-P and enable all participants to understand the specific nature of the ER-P. Most importantly it is necessary to explicitly state the expected results-based outcomes of the ER-P. The consultation will take into consideration that in some of the villages of the ER-P only a single ethnic minority group resides, but in villages with more than one ethnic group, all ethnic groups are given the same treatment. The ER program will therefore ensure culturally appropriate consultations that are consistent with the culture of EG, including their language, customs and traditions. The EGPF and activities associated with the ER-P will be also be updated.

The Provincial Program Management Unit (PPMU) will be responsible for ensuring the participation of the EG communities. The social scientist in the PPMU will support the PPMU in carrying out culturally appropriate consultations with the targeted beneficiaries. Effective communication strategy and documents will be prepared during the readiness and ERPD design, these will be used to support the communication and outreach to ethnic groups. Community groups/associations, local leaders and EG leaders, LWU and LFND, and local agencies will be targeted as well during consultation process. It is essential to invite all local people to participate in meetings, including separate meetings with women, to know their views on ER program activities and identify the positive and negative impacts on their lives from the program and any proposed sub-projects.

PPMUs will hold regular meetings with the local development committees, LWU and women's associations, village chief and local communities to ensure that all involved persons are fully aware of and understand the contents of the ER program. The purpose of the consultations is for all EGs expected to be affected by the program to gain sufficient information about the component, activities, the mitigation and compensation measures, and mechanisms established for redress of grievances.

Through the consultation process, PPMUs will notify the EG people of their rights, the scale of the sub-project, and the potential impacts on the livelihoods, environment and natural resources. When there is a difference or a conflict between EGs and the project implementing agencies emerge, PPMUs will need to put in place a mediation and negotiation approach to resolve those differences. Negotiation includes mutual respect for cultural differences, discussion of the issue with the legitimate representatives of the EGs, allowing sufficient time to make decisions, and willingness to compromise and record results.

## **5.2 Preparation prior to conducting free, prior, and informed consultations**

- Before starting consultation with EGs, the objective of the EGDP should be set forth. This aims to ensure a) a project's potential adverse impact on EG's livelihood/ income generation activities, if any, could be avoided/ minimized/ mitigated and b) EG peoples (in the sub-project area) receive social and economic benefits (from the sub-project) that are culturally appropriate to them.
- The following information/ tools should be ready to assist the preparation of the EGDP:
- Key findings of the social assessment, including both positive and negative impacts of the sub-project, if any;
- Data collection tools (including a) guide questions - to facilitate the consultations, b) household questionnaire (if quantitative analysis is required, c) other utensils assisting data recording. Data collection tools should be pretested to ensure the way the questions are asked are understandable (local languages), and appropriate to consult EGs;
- Language: when pre-test/ experience indicates local EG language should be used for consultation, a good interpreter (i.e. a local EG person) should be arranged and available on the research team to ensure effective and convenient communication/ interaction during the consultation process;
- Program information: a set of documents summarizing key information related to the ER-P, such as a) Program goal, b) Program Components and Sub-Components; c) Suggested Activities; c) Potential ER-P impacts (from the social assessment), etc., should be carefully prepared beforehand, and provided to the facilitators; and
- Program information should however not rely solely on written documents/ communications (e.g. for compensation, technical training, etc.). In most of the sub-project areas, particularly where target beneficiaries are located in relatively remote areas - making schooling difficult – the level of education is very low and there are relatively high levels of illiteracy, particularly amongst women. The content of documents and communications must be supplemented by face-to-face verbal communications.

Language barriers with ethnic groups at sub-project sites could be an issue. However, as with the general community, literacy is a problem that affects ethnic groups.

### 5.3 Conducting free, prior, and informed consultations

- The facilitators should ensure a free, prior, and informed consultation, and foster an informed participation of the EG peoples consulted. The consultation methods employed should be appropriate to the social and cultural values of the consulted EGs, and their local conditions. The purpose of FPIC exercise is expected to confirm whether there is a broad community support for the sub-project implementation.
- In case the outcomes result in adverse impacts for some households, it is important that the affected EG population understand clearly and sufficiently the potential impact, so as to be able to provide a meaningful feedback on how such impact could be avoided/minimized/mitigated, and how the compensation would be made in the event the adverse impact is unavoidable.
- It is also important for the facilitators understand clearly and assess the level of support from EG people they consult, particularly for those who are adversely affected and would expect appropriate mitigation or compensation measures.
- The research team should ensure a free, prior, and informed consultation, and foster an informed participation of the EGs consulted. The consultation methods employed should be appropriate to the social and cultural values of the consulted EG communities, and their local conditions. The purpose of FPIC exercise is expected to confirm whether there is a broad community support for the sub-project implementation.
- In case the sub-project results in adverse impact, it is important that the affected EG population understand clearly and sufficiently the potential impact, so as to be able to provide a meaningful feedback on how such impact could be avoided/ minimized/ mitigated, and how the compensation would be made in the event the adverse impact is unavoidable.
- It is also important for the research team to understand clearly and assess the level of support from EGs consulted, particularly for those who are adversely affected and would expect appropriate mitigation or compensation measures.
- The results of consultation must be provided to the affected EG communities to enable both facilitators and EGs to validate the results of the consultation process, and ensure that EGs consulted agree to be part of the proposal.

### 5.4 Information disclosure

The WB requirement is that this EGPF should be disclosed prior to Program appraisal. Lao version will be disclosed on the website of the DoF/ PMU, and locally at provincial, district, and village levels. The English version of this EGPF will be disclosed on Bank's website.

Site specific EGDP will be prepared during Program implementation by the PMU will be disclosed locally prior to appraisal of respective activities but consistent with the broader systems approach the WB will only appraise EGDPs selected at random. The EGDPs would be disclosed in an accessible place and in a form and language understandable to the EGs as well as other Program

stakeholders. Overall the ER-P is classified as Category B since it mainly consists of actions and measures aimed at reducing the rates of deforestation and degradation to protect and conserve forests in the areas of intervention. Any potential environmental impacts and risks stemming from the implementation of on the ground activities are expected to be moderate, localized, short-term, and manageable.

## **5.5 Ensuring Broad Community Support**

Ensuring broad community support will be made possible through using the culturally appropriate medium of communication and consultations. There are quite definitive language barriers in many of the ethnic groups, especially for older women and to a lesser extent older men and for some ethnic groups. However, during all consultations for the SESA and in the preparation of this EGPF all participants strongly preferred to be consulted in their own language. Thus, the EGPF clearly stipulates that unless this is demonstrated there would be no basis for broad community support.

## **6 IDENTIFICATION AND PREPARATION OF AN EGDP**

An EGDP will be prepared to ensure that ER program implementation will follow OP4.10 by fully respecting the dignity, rights, cultural practices and economy of ethnic minorities. EGDP will be prepared irrespective of whether one or more ethnic groups are involved. The Safeguards specialists within the PPMU would assist prepare an EGDP. PMU/PPMU will be responsible for ensuring that an EGDP was prepared consistent with OP4.10 with evidence of broad community support from all ethnic groups impacted by the ER-P.

Where there is no broad community support, it will be required to develop additional measures to ensure there is broad community support. For instance, it will be required to demonstrate that if one of the ethnic group villages or even households within the same villages do not support the ER-P for whatever reason, confidence-building measures via the EGDP will have to be explicitly stated. The EGDP will ensure that EGs will be represented by both men and women responsible for designing and implementing ER program activities, any negative impacts will be addressed through the consideration of alternative options according to the outcomes of consultations conducted.

The consultation framework aims to ensure that ethnic groups are well informed, consulted and mobilised to participate in the subprojects so that clarity could be provided regarding the potential benefits as well as potential negative impacts. Consultation with EG will be made during the preliminary screening process and the development and implementation of an EGDP if needed. Consultations with and participation of ethnic groups, their leaders and local government officials will be an integral part of the EGDP. Scope of the EGDP should include preliminary screening, social assessment, mitigation measures, development assistance, and monitoring

Preliminary Screening: As mentioned above (Step 1) that safeguard screening form being used is provided in ESMF. Specific procedure for consultation during the preliminary screening is highlighted as follows:

- All subproject areas which have ethnic group communities and are candidates for the Project support will be visited (at the time of first consultation with community) by DoF and relevant local authorities, and consultants (if any).

- Prior to the visit, respective DAFO and/or PAFO will send letters to the communities informing their leaders that they will be visited by the respective DAFO and local authorities and consultations will be conducted on the project. The letter will request that the communities invite representatives of farmers, women associations and village leaders for discussion on the project. During the visit, community leaders and other participants will present their views with regard to the project.

- At this visit, the social scientists (PAFO and/or consultants) will undertake a screening for ethnic group population with the help of ethnic group leaders and local authorities. The screening will check for the following: (a) names of ethnic groups in the affected villages; (b) total number of ethnic groups in the affected villages; (c) percentage of ethnic people in affected villages; (d) number and percentage of ethnic households along the zone of influence of the proposed sub-project.

If the results show that there are ethnic group communities in the zone of influence of the proposed project, a social impact assessment (SIA) will be planned for those areas.

## **6.1 ETHNIC GROUP SCREENING**

The triggering of the policy OP4.10 is the presence of ethnic groups influence, not whether they are adversely affected or “not able to benefit from interventions proposed”; if ethnic groups are beneficiaries of a Program – without direct adverse social impacts – an EGDP will be prepared based on free, prior and informed consultation and social assessment to ensure that the interventions proposed sub-project will provide culturally appropriate benefits to EGs.

- First, screening for EGs should be done within the sub-project area, and/or area of influence as determined by PMU/PPMU.
- Second, where it is identified that EG households are living in the jurisdiction area of the proposed sub-projects an EGDP will be prepared.. The basis for development of the EGDP will be based on the following criteria:
  - Community with ethnic groups living is under extremely difficult situation;
  - There is acquisition of production and/or residential land of ethnic groups;
  - There are negative impacts on ethnic communities living in the area; and
  - The need to assist the development of ethnic groups in the region through consultation.

Also, if the ethnic communities in the Program area are affected to the cultural identity or facing difficulties that present any obstacle to their participation, potential to benefit from the sub-project, there should be appropriate measures to resolve and mitigate this problem.



The EGDP should be developed on the basis of social assessment and consultation with ethnic groups in the Program area.

## 6.2 SOCIAL ASSESSMENT

**Purpose:** The Social Assessment (SA) required by the WB as an essential component of the EGDP preparation will be incorporated into the Socio-Economic and REDD+ Needs Assessment. This will be facilitated by a social development specialist with expertise in natural resource management issues in upland forest-dependent areas of the ER-P Accounting Area who will work in conjunction with ethnic group households to identify key socio-economic issues and past and existing deforestation and forest degradation activities that have led to the creation of hot-spots exacerbating deforestation and forest degradation. In the context of Bank's OP 4.10, this is a study that aims to explore how planned Program activities under a Bank supported sub-project that might affect the livelihoods of ethnic group households present in the proposed area of influence. The purpose of the SA is to ensure if there is any potential adverse impacts as a result of the sub-project, appropriate measures are in place to avoid, mitigate, minimize such potential adverse impact, or to compensate for affected population, if unavoidable. For this Program a Strategic Environmental and Social Assessment (SESA) was also prepared.

The overall objective of the SESA is to better understand the impacted communities in order to improve community engagement in long-term investment planning processes to ensure long-term sustainability and client ownership of the proposed investments.

**Methods:** A social assessment in brief is a series of activities that are carefully planned and implemented to generate an outcome as outlined in the Purpose section above. Most important with the SA exercise is the consultation process to be conducted with EG people in the sub-project area. Consultation should be undertaken as a series of meetings with EGs carried out at different times during the sub-project cycle to ensure potential impact is projected as accurate as possible. As a good practice, EGDP will be prepared based on free, prior and informed consultation and social assessment to ensure that the sub-project will provide culturally appropriate benefits to EG people.

The EG consulted needs to be provided with accurate and sufficient information about the proposed interventions before specific consultations take place. However, for the ER-P this should not be a major issue because of the approach will mean all affected members. The problem will arise for those households or villages who decide for whatever reason not to join the sub-project.

Hence, for this category of EG person, appropriate consultation methods, specific to each ethnic groups, need to be adopted to obtain valid and reliable feedback from the EG being consulted. When consulting EG, particular attention need to be given to vulnerable groups, particularly those below the poverty line, the landless, the elderly, women and children. It is important that broad community support for the sub-project intervention be obtained before such an intervention is appraised for implementation.

**Data collection:** There are two types of data that need to be collected for a social assessment undertaken for the proposed interventions. Data that are already available to the affected/target EG population is secondary data. However, apart from the SESA and some statistical data there is not much secondary data available. However, the point has already been made that the ER-P can readily identify those ER-P areas which will involve more than one ethnic group. This was quite easily undertaken during the SESA when ethnic group villages in different communes and districts of the ER-P provinces were undertaken. The social assessment component also known as the social screening component will need to rely on external experts because such capacity is not readily available at the local level. Experience shows that data specific to the household level are typically not readily available. Primary data, therefore, should be obtained from affected population through household surveys/visits, through focus groups discussion using appropriate participatory consultation processes and natural resource transects.

**Type of data:** When conducting a social assessment to develop an EGDP, the following information should be collected from both secondary and primary sources:

- General socio-economic data of the potentially affected EG population specify key demographic data on household composition, gender-differentiated data on income streams and occupations, education, health status, etc.;
- Key cultural traits of EG groups;
- Types of income generation activities, including income sources, disaggregated by their household member, work season, include land and productive assets;
- Annual natural hazards, such as storms, floods and drought that may affect their livelihood and income earning capacity, including a focus on more recent climate change induced natural hazards;
- Common pool resources, production and livelihood systems, and whether such groups have access to production forest land and agricultural land;
- Potential (positive and adverse) impacts of sub-projects on their livelihoods; and
- Preferences of EG for support in development activities that are related to the ER-P.

**Data Analysis:** This exercise is challenging, ranging from simple to complicated, depending on the type of data collected and the complexity of data, as well as data analysis skills available from the social assessment team. As a suggestion, qualitative data analysis should be obtained and analysis to support the findings of the social assessment. Quantitative analysis should be considered well before hand, and should only be adopted with the support from trained staff and support from an external consultant. The extant point is that the EGPF should not promote exercises in data analysis that are abstract.

## **Institutional Arrangements and Steps for preparation of an EGDP**

PMU and PPMU and their safeguards specialists should follow these guidelines in order to prepare an EGDP for a sub-project.

- Screening of EG peoples as stated above

### **6.3 Preparation of an EGDP report**

An EGDP should contain elements and aspects as indicated in the World Bank's OP 4.10. The depth and breadth of the EGDP may vary depending on the nature of Program impacts, and the proposed development activities – as agreed upon with the consulted EG peoples that are consistent with the ER-P. The final version of the EGDP, incorporating final feedback from consulted EG peoples has to be disclosed – as per OP 4.10 requirements.

### **6.4 Procedure for review and approval of an EGDP and reporting on implementation**

Once preparation of an EGDP is completed for a sub-project, Provincial PMU needs to submit the EGDP to the Central PMU for their review and comments. As part of the broader systems approach adopted for the ER-P a degree of self-reporting is envisaged for the ER-P this includes review and approval of an EGDP. The ERPA General Conditions already require that the Program Entity (PMU) submits as a separate annex to each ER Monitoring Report “evidence satisfactory to the Trustee that the ER Program Measure(s) are being implemented in accordance with the Safeguards Plans.” This means the Program Entity (PMU) is required to self-report on compliance of ER Program Measure(s) with WB safeguards. The FCPF Methodological Framework requires (Criterion 25) that (i) the Safeguards Plans for an ER Program include “appropriate monitoring arrangements” for safeguard information; and (ii) the (self-reported) information on the implementation of the Safeguards Plans (provided as a separate annex to each ER Monitoring Report) is regularly collected, reported and publicly disclosed. The Program Entity is encouraged to make such information available to relevant stakeholders. General reporting and in particular reporting on safeguards will occur annually (this will be based on internal quarterly and semi-annually reporting).

### **6.5 Implementation arrangements of an EGDP**

The Ministry of Agriculture and Forestry (MAF), on behalf of the GoL, is the Program owner. MAF assumes an overall responsibility for the entire ER-Program. The PMU directly implements all ER-P activities in the field with technical support from PPMU. Details of implementation arrangements are provided in ESMF.

At the Central level: a PMU is established at DoF to coordinate the Programme implementation. PMU will be responsible for the overall implementation of EGDPs prepared under the Program and ensuring that all PPMUs understand the purpose of EGPF, and how EGDPs for each sub-project are prepared and approved prior to implementation. PMU is also responsible for ensuring effective implementation of the EGDP, including monitoring and evaluation of the implementation of the EGDP.

At the outset of the Program implementation, safeguards specialists in PMU will provide training to specialists and staff at PPMUs to enable them undertake screening of ethnic group peoples in the sub-project area. Where local capacity is insufficient to prepare an EGDP, qualified consultants may be mobilized to assist PPMU in development of EGDP for the sub-projects. EGDP should be prepared in accordance with the EGPF.

At provincial level: The PPMUs are responsible for preparing and implementing the EGDPs. Appropriate staff and budget – sufficient to implement an EGDP, should be assured. In case where EG peoples are affected as a result of land acquisition, to allow construction of sub-projects, compensation, assistance to EG affected will be addressed through relevant RAP which is prepared for the establishment of sub-projects in accordance with the program's RPF.

**Responsibilities for preparation and implementation of an EGDP are as follows:**

- a) The general responsibility of the elaboration and implementation of the EG policy framework belongs to the Program Management Unit Office (PMU). The PMU shall employ safeguards consultants (placed in all PPMUs) in close coordination with PAFO/DAFOs and other organizations involved in the ER-P and affected communities to prepare the EGPF. This EGPF will be approved by the MAF and cleared by the WB prior to the time of Agreement Negotiation.
- b) The EGDP of each province will be prepared with the assistance of an external expert based on the principles of the EGPF and the ER-P will cover the costs of this assistance.
- c) The DoF/MAF, shall be responsible for ensuring effective implementation of the EGPF and the EGDPs in close consultation with all provincial departments.

Relevant and involved provincial/district departments will be provided with capacity building experience to prepare and implement the EGDPs in accordance with the EGPF.

**7 FEEDBACK AND GRIEVANCE REDRESS MECHANISM**

The ESMF describes the FGRM in detail. Grievances related to environmental and social issues from ethnic groups that result from Project activities at the community level will be resolved by the Village Mediation Unit (VMU). However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the DoF/MAF Office or the National Assembly (NA), as provided for by law in Lao PDR. At each level grievance details, discussions, and outcomes will be recorded in a grievance logbook. The status of grievances submitted and grievance redress will be reported to DAFO management through the monthly report.

The communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanism or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaints to the WB's independent Inspection Panel which determines whether harms occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted freely after concerns have been brought directly to the WB's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress

Service (GRS), please visit [www.worldbank.org/grs](http://www.worldbank.org/grs). For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

There are several pieces of legislation in Laos that provide for consultations with local communities. These include the Initial Environmental Examination (IEE) and Environmental and Social Impact Assessment (ESIA) depending on the sizes of investment projects. In areas where participatory land use planning (PLUP) is carried out, consultations with local communities also take place, although PLUP and other types of participatory planning are not enshrined in legislation. FPIC is practiced in Laos as part of the requirements of development partners, especially the international finance institutions such as the World Bank and ADB. Moreover, the sam sang (literally, “three builds”) directive of the community development with significance of participatory approach.

The 8th NSEDP emphasises agricultural development in a number of plains and plateau areas, while upland and mountainous areas are given less mention. MONRE-sponsored regulations 8029 and 8030 on IEE and ESIA (2013). There is a PLUP Manual produced by MAF (2010). There is also an MPI Participatory Planning Manual (2012). PM 59 on Participatory Sustainable Forest Management (PSFM) in Production Forest Areas (PFAs) (2002) provides for community participation.

Of interest for this project, the Scaling Up Participatory Sustainable Forest Management project (SUFORD-SU) had developed a Community Engagement Manual in 2015 which includes FPIC, even if it may not completely reflect FPIC “best practice.” Apparently, the LFND has produced guidelines on Ethnic Group Consultation in 2012.

## **7.1 ETHNIC GROUP POLICY FRAMEWORK CONSULTATION AND INFORMATION DISCLOSURE**

During 2016 to 2019, village/district/province level consultations were conducted, focusing on the project scope and for finalization of the SESA, ESMF, and RPF. The data collected and results of analyses were taken into consideration during the drafting of the ESMF, EGPF and RPF.

The SESA, ESMF including RPF and EGPF were disclosed on the MAF website and the World Bank’s website. The final ESMF, EGPF and RPF will be re-disclosed in MAF/REDD+ website and in the six target project provinces as well as on the World Bank’s website.

The Ethnic Group Consultation Guidelines launched by the LFND in 2012, which is in line with the National Guideline on Public Involvement, 2012 were strictly followed. It aims to ensure that all ethnic groups who benefit from or are adversely affected by a development project, without regard to the source of funding, are fully engaged in a meaningful consultation process at all stages from preparation into implementation.

## **8 MONITORING AND EVALUATION**

### **Overview**

Responsibility of overall monitoring of GFLR rests with an approach of measurement, monitoring and reporting established under the supervision of the DoF/MAF. The implementation and results of EGPF and integrated activities of ethnic group works would be monitored regularly and internally by provincial and district committees. Regular reports will be compiled into quarterly reports, would be submitted to DoF/MAF.

Implementing the EGPF will also be subjected to external independent monitoring by a qualified consultant or a civil society organization (CSO).

The WB will retain the responsibility to determine that safeguards system application to ER Program. Monitoring and evaluation process is outlined in ESMF.

Additional monitoring would be introduced with the assistance of Thirty Party monitors.

To encourage broad-based participation and target the vulnerable and dis-advantaged participants, disaggregated in terms of gender, ethnicity and socio-economic indicators would be identified.

The following guidelines will be considered in developing a monitoring and evaluation system:

- Involve villagers in designing the monitoring program, collecting data, and drawing conclusions, and
- Identify indicators and tools to measure the project's impact on women, ethnic groups and vulnerable section of the village.

For external monitoring, Independent Third-Party monitors or an independent consultant should be engaged. External monitoring should be a regular feature, as agreed by the DoF/MAF. Reports of independent monitors should be submitted to the WB, as and when necessary.

### **8.1 Internal monitoring**

Monitoring and evaluation will cover both program performance monitoring and effectiveness monitoring. Program performance monitoring will determine the progress in program implementation against established benchmarks and milestones indicated in the program document and work plans.

The DoF/MAF will appoint adequate full-time staff to undertake the internal monitoring of EGPF implementation. The staff will monitor the process of land acquisition or land donation in collaboration with local village or district authorities. Specifically, this staff will conduct internal monitoring with following key assignments:

- Coordinate with related agencies in process of EGPF implementation
- Collect necessary data, as required by the EGPF, to set up a database of implementation progress reports for internal monitoring purpose
- Identify any pending issues/non-compliance issues during implementation
- Work closely with the external monitoring consultant to oversee the implementation of

EGPF, and

- Receive and report complaint of affected people to competent authorities for resolution.

Depending on the nature and complexity of the EGDP, and implementation stages, the internal monitoring could be maintained weekly, monthly, and quarterly. A quarterly report should be prepared, as a minimum demand, to ensure DoF/MAF is aware of the a;,) EGPF implementation progress, b;,) any issues that may arise so as to take timely and appropriate action.

Contents of the internal monitoring reports that will be issued on a monthly basis should include:

- Payment and use of the funds for land acquisition compensation and restoration
- Support to the vulnerable groups
- Land readjustment and reallocation
- Quality and quantity of newly reclaimed land
- Schedule of the above activities
- Implementation policies and rules in the resettlement plan
- Participation and consultation of the affected people during the implementation, and
- Staffing, training, work schedule and resettlement operation at various levels.

Quarterly monitoring visits will be undertaken as per specific activities, in order to:

- Improve environmental and social management practices
- Ensure the efficiency and quality of the consultation processes
- Establish evidence and performance-based environmental and social assessment for the project, and
- Provide an opportunity to report the results of safeguards instrument impacts and proposed mitigation measures' implementation.

With regard to the project implementation, the DoF/MAF will conduct monitoring activities during the feasibility studies and EGPF to determine the extent to which mitigation measures are successfully implemented. Monitoring will focus on three key areas: (i) compliance monitoring; (ii) impact monitoring; and (iii) cumulative impact monitoring.

Monitoring carried out by staff of DoF/MAF should be coordinated with the external monitoring consultant, when the external monitoring consultant is engaged.

To encourage broad-based participation and to particularly target the poor and vulnerable, participation will be monitored and disaggregated in terms of gender, ethnicity, and household socio-economic status. The following guidelines will be considered when developing the full M and E system and for identifying potential indicators:

- Disaggregate information by gender, ethnic group, and household socio-economic status;
- Involve villagers in designing the monitoring program, collecting data, and drawing conclusions from the data compiled;
- Continue feedback meetings after fieldwork and incorporate recommendations into systems development;

- Keep disaggregated records of involvement and participation in different activities at village level and also in the databases;
- Note successful and unsuccessful strategies for future reference in curriculum development, field implementation, and other project areas; and
- Identify indicators and tools to measure the project's impacts on women, ethnic groups, and the poor.

As the implementation of the project may lead to a change in access to forest resources in areas as a result of protection activities, building capacity for improved monitoring activities is essential. Monitoring should be participatory and include the monitoring of beneficial and adverse impacts on persons within project impact areas.

The EGPF will require that key performance indicators be developed in relation to related activities. Indicators can be grouped as those that: (i) will demonstrate whether or not the EGPF is meeting performance expectations; and (ii) demonstrate the status of livelihoods in communities (through household-level indicators). The following indicator groups are suggested as a basis to measure the success and weakness of activities related to affected groups.

#### Resettlement Policy

Framework Indicators to measure the effectiveness of the EGPF include:

Number of participants in consultation process

Number and types of vulnerable groups participating in consultation process

Number of affected communities included relative to total number of affected communities

Number of grievances or conflicts recorded

Number of remedial activities implemented in response to recorded grievances

Time taken to resolve grievances

Number of individuals with a positive perception over the level of empowerment in natural resources management

Number of individuals with a positive perception over the level of empowerment in natural resources management, disaggregated by vulnerable group and user sub-group categories

Community livelihood Indicators to measure status of households and changes in forest resource use and access restriction:

Change in type of natural resources use, and substitute activities

Changes livelihood activities of households, by type of activity and amount

Change in livelihood activities of households, by type of activity and amount, disaggregated by vulnerable group and user sub-group categories.



## 8.2 External Monitoring

An independent monitoring consultant or Independent Organization (IO)/Third Party monitors will be contracted to monitor the implementation of social safeguards of the program, including the EGPF/EGDP/sub-projects. The monitoring report will be submitted to the World Bank for review and comments. External monitoring should be conducted at least twice a year during the implementation of the Program to timely identify issues that might need immediate action from PMU and PPMU.

Third Party/independent monitoring would involve a combination of independent verification of self-reporting data provided by the Program Entity and annual audits of a sample of ER Program activities to confirm procedural compliance as well as timely preparation of key documents, post-review of the quality review of safeguards documentation which has been prepared, consultation processes, effectiveness of management measures specified in the Safeguards Plans, and disclosure of information, among other important aspects. Third Party monitoring can serve at least three purposes. First, to provide timely information to the Program Entity on specific issues of non-compliance or significant implementation problems so that the Program Entity can take corrective actions, if needed. Second, Third Party monitors provide information to the PMU and the World Bank on systemic safeguard performance issues which may require changes in management approach and/or additional financial or human resources. Third, the disclosing the results of monitoring will inform concerned stakeholders about implementation experience under the ERPA Operation.

In practice, Third Party monitors will typically be private consulting firms, individuals or teams recruited from universities or colleges, government institutes not affiliated with the operation, or NGOs with knowledge and experience in safeguards. Third party monitoring is expected to be undertaken at least twice per year, provision for this is included in the draft budget for supporting the ESMF implementation (refer Section 8 of the ESMF).

In conjunction with internal monitoring by DoF/MAF staff, it will be important to include strict procedures for external monitoring and evaluation. The external M&E function aims to provide regular monitoring and evaluation of land acquisition and land donation for the project, to assess whether objectives are achieved. The external monitoring will also provide an early alarm function for the project management department and a complaint and grievance channel. External monitoring indicators will include:

- Progress: including the preparation of the EGDP, and implementation of compensation
- Quality: including to what extent PAP and PAH are satisfied with compensation and restoration
- Compensation Fund: including the payment and use of the funds for land acquisition compensation
- Affected People: including PAP and PAH socio-economic situation before and after the project and economic restoration of the affected people.

### 8.3 INDEPENDENT MONITORING

A qualified external monitoring entity will come from an independent organisation (IO), such as a civil society organisation, academic research institute or consultancy in Lao PDR. The major responsibilities of the external monitoring organisation will include:

- Develop the EGDP in conjunction with the internal monitoring team
- Observe all the aspects of the EGDP and its implementation; provide M&E reporting to the WB, and
- Provide technical consulting services in terms of information investigation and processing.

*Objectives:* The general objectives of independent monitoring are to periodically supply independent monitoring and assessing results on the implementation of the resettlement objectives, on the changes of living standard and jobs, APs income and social foundation restoration, effectiveness, impacts and sustainability of APs' entitlements, and on the necessity of mitigation measures (if any) in an attempt to bring about strategic lessons for making policy and planning in the future.

*Responsible Agencies:* In accordance with the WB requirements for consultant employment, the PMU will hire an organization for the independent monitoring and evaluation of RAPs implementation.

*Monitoring and Evaluation Objectives:* The following indicators will be monitored and evaluated, including but not limited to:

- (i) Payment of compensation will be as follows: a) full payment to be made to all affected persons sufficiently before land acquisition; (b) adequacy of payment to replace affected assets;
  - (ii) Provision of assistance for APs who have to rebuild their houses on their remaining land, or building their houses in new places as arranged by the project, or on newly assigned plots;
  - (iii) Assistance for recovering livelihood/income sources;
  - (iv) Community consultation and public dissemination of compensation policy:
    - (a) APs should be fully informed and consulted about land acquisition, leasing and relocation activities; (b) the independent organization (IO) should attend at least one community consultation meeting to monitor community consultation procedures, problems and issues that arise during the meetings, and propose solutions; (c) public awareness of the compensation policy and entitlements will be assessed among the APs; and (d) assessment of awareness of various options available to APs as provided for in the RAP;
  - (v) Affected persons should be monitored regarding restoration of productive activities;

- (vi) APs' satisfaction on various aspects of the RAP will be monitoring and recorded. Operation of the complaint mechanism and speed of complaint settlement will be monitored; and
- (vii) Through the implementation, trends on living standard will be observed and surveyed. Any potential issues in the recovering living standard are reported and suitable measures will be proposed to ensure the program objectives.

## **ANNEXURES**

### **ANNEXURE 1: GUIDELINES FOR PREPARATION OF AN ETHNIC GROUP DEVELOPMENT PLAN**

The EGDP will consist of a number of activities and will include mitigation measures of potentially negative impacts, modification of subproject design, and development assistance. Where there is land acquisition in ethnic group communities, the Project will ensure that their rights will not be violated and that they be compensated for the use of any part of their land in a manner that is culturally acceptable to them. The compensation and rehabilitation will follow the RPF of the Project.

An EGDP will include:

- legal Framework
- baseline data
- land tenure information
- local participation
- technical identification of development or mitigation activities
- institutional arrangement
- grievance mechanism and disclosure arrangement
- implementation schedule
- monitoring and evaluation, and
- Cost and financing plan.

The EGDP will also provide evidence that the results of consultations have been taken into account and consideration.