

# **ETHNIC GROUPS DEVELOPMENT FRAMEWORK**

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## **Ethnic Groups Development Framework**

Document Stage: Draft for discussion

Project Number: 47300

September 2014

## **Lao People's Democratic Republic: Northern Smallholder Livestock Commercialization Project**

Prepared by the Ministry of Agriculture and Forestry for the Asian Development Bank (ADB)

This Ethnic Groups Development Framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

## ABBREVIATIONS

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ADB	Asian Development Bank
AHs	Affected Households
ASEAN	Association of South East Asian Nations
DED	Detailed Engineering Design
DIU	District Implementation Unit
DMS	Detailed Measurement Survey
DONRE	Department of Natural Resources and Environment
EA	Executing Agency
EGDP	Ethnic Groups Development Plan
IA	Implementing Agency
IOL	Inventory of Losses
IPs	Indigenous Peoples
IPP	Indigenous Peoples Plan
LPG	Livestock Producer Group
MAF	Ministry of Agriculture and Forestry
MONRE	Ministry of Natural Resources and Environment
NGO	Non-government organization
NPMO	National Project Management Office
PAFO	Provincial Agriculture and Forestry Office
PIU	Provincial Implementation Unit
PPP	Public Private Partnership
PPTA	Project Preparatory Technical Assistance
SES	Socio-Economic Survey
SIA	Social Impact Assessment
SPS	ADB Safeguard Policy Statement (2009)

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## I. INTRODUCTION

### A. Project Description

1. Laos is set to enter the ASEAN Economic Community in 2015, making possible new opportunities for trade in agricultural commodities. Due to growing population levels, as well as changing diets associated with rising incomes, there is an increasingly strong market demand for livestock products from the neighboring countries of the People's Republic of China, Vietnam and Thailand, as well as domestically.

2. Laos is well positioned to capitalize on the growing livestock demand; however the extent that livestock production can reduce poverty, meet growing domestic meat demand and lift livestock exports is hampered by the low level and quality of production and the condition of its agricultural value chains. Key constraints are limited producer group capacity, poor animal husbandry, limited access to quality feed, fragmented market infrastructure (with limited processing systems and facilities), lack of credit and services; lack of product standards, and information failures across supply chains.

3. The Northern Small Livestock Commercialization Project (the Project) will enable local producer groups and agribusinesses to increasingly meet the high market demand by improving agricultural value chains, with a focus on livestock in the Northern provinces. The Project will strengthen livestock producer groups to increase market driven quality and quantity production. It will assist the government to develop enabling conditions, including standard contracts, to enable livestock producer groups and agribusiness to efficiently interact. In addition to improving production infrastructure at the farm level, it will finance the construction of mid-sized livestock processing plants. To support the sustainable and efficient management of the processing plants, the Project will develop standard arrangements for Public Private Partnerships (PPP). It will also provide support to the Northern Agriculture and Forestry College (NAFC) in Luang Prabang to modernize its facilities and improve market oriented training. The project will be implemented in 11 districts of four provinces including Luang Namtha, Luang Prabang, Houaphanh, and Xiengkhouang and in a period of seven years with the estimated cost between US\$15 and 25 million.

4. Proposed components of the Project include: (i) enhancing the provision of key farm inputs; (ii) upgrading livestock producer groups to commercial system; (iii) strengthening trading and processing of animal products; and (iv) providing effective project organization and management. Among four components, components (i), (ii) and (iii) would entail land acquisition of local ethnic groups. The scale of land acquisition by the components, however, would be minor. There would be no severely affected households by land acquisition. These three project components would bring positive effects to the participating local ethnic peoples to increase knowledge and skills on animal breeding and become actively involved in the market led sales of products. In addition, an enhanced access to farm inputs such as feed, vaccines and medicines, veterinary services, farming techniques and credit by the components, livestock production in quantity and quality of the LPGs would be increased- generating income for the participating ethnic households and upgrading their livestock production farming to commercial systems. The Component (iv) of the project would help PAFO/DAFO staff – of which most are ethnic people - to enhance capacity to implement, manage, and account for projects and improve capacity to extend agricultural technologies.

5. For the interventions and key outcomes, the project will:

- Strengthen livestock producer groups to meet market driven quality and quantity production. This will require:
  - (i) Provision of good animal husbandry training;
  - (ii) Access to services for animal health, breeding, input supplies and marketing services;
  - (iii) Improved on-farm production infrastructure; and
  - (iv) Suitable enabling conditions for contracts between livestock producer groups and agribusinesses.
- Establish mid-sized livestock processing facilities, by:
  - (i) Construction finance; and
  - (ii) Develop public-private partnerships (PPP) for efficient management of facilities
- Support modernisation of the Northern Agricultural & Forestry College (NAFC) at Pakseung, by:
  - (i) Improving facilities; and
  - (ii) Improving training provided.

6. The Ministry of Agriculture and Forestry (MAF) will be the executing agency (EA) with responsibility for overall project coordination and management. MAF will establish a national project management office (NPMO) in Vientiane, which will be responsible for project delivery, including reporting. The Provincial Agriculture and Forestry Office (PAFO) will establish a provincial implementation unit (PIU) which will provide day-to-day support for project implementation and will work closely with the Provincial Industry and Commerce Office, Provincial Chamber of Commerce, as well as other relevant partners and stakeholders.

## **B. Rationale for an Ethnic Groups Development Framework**

7. The project components and activities have been identified. Eleven (11) districts of four project provinces of Houaphanh (Hiem, Xiengkhor and Aed Districts), Luang Namtha (Singh, Viengkhoukha, and Nalae Districts), Luang Prabang (Phoukhuon and Phonexay District), and Xiengkhouang (Nonghet, Khoun and Pek) have also been selected. However, the project villages and particular locations of improved infrastructures in the project districts have not been decided by the relevant agencies and as such impacts on ethnic groups could not be determined prior to project approval. An ethnic groups development plan (EGDP), therefore, cannot be prepared at this stage, but an Ethnic Groups Development Framework (EGDF) is prepared to specify the requirements that will be followed in relation to screening and assessment of impacts, meaningful consultation, and preparation of EGDPs during project implementation.

8. This EGDF is prepared in accordance with ADB's procedures for project loan as presented in ADB's *Safeguards Policy Statement (SPS)* (2009).

## **II. OBJECTIVES AND POLICY FRAMEWORK**

9. The objectives of the Ethnic Groups Development Framework are to ensure that, if ethnic groups in the project provinces are positively and negatively affected by the project, they (i) are adequately and fully consulted; (ii) receive culturally appropriate benefits from the project and compensation for any losses; (iii) are provided with special assistance as per laws and policies; and (iv) receive adequate protection against project adverse impacts on their

culture identities. This Ethnic Groups Development Framework also sets out the steps for preparation of EGDP for the subproject/component where impacts on ethnic groups are identified. The EGDP will be formulated and approved before any physical activities start.

10. In the ADB's SPS (2009), the term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region.

11. In Lao PDR, the term "ethnic groups" is more acceptable and understandable than "Indigenous peoples" or "ethnic minorities". The terminology "ethnic groups" was introduced by the Constitution (1991), used in the census (1995) and in the "Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era" (1992) of the Government and the Party Central Organization. This official terminology is used in this Ethnic Groups Development Framework.

#### **A. Relevant Laws and Regulations of Lao PDR**

12. In Lao PDR, the all issues that related to ethnic groups governed by four key legislative bases, including (i) the Constitution (1991, amended 2003); (ii) the 1992 Resolution on "Ethnic Affairs in the New Era"; (iii) Decree 192/PM on Compensation and Resettlement of Development Projects - together with its Regulation on Implementation (November 2005) and Technical Guidelines (as updated in March 2010) on resettlement planning, containing some provisions for ethnic groups related issues; and (iv) the Decree 112/PM on Environmental Assessment.

13. Constitution (1991, amended 2003) highlights the cultural rights of different ethnic groups, the right of ethnic groups to protect, preserve and promote their customs and heritage. The Constitution also prohibits acts of division and discrimination between ethnic groups. Articles in the Constitution where ethnic groups are specifically mentioned are as follows:

- (i) Article 1: Laos is a nation unified and indivisible of all ethnic groups;
- (ii) Article 2 : all power is of people, by people, and for the use of the multiethnic people;
- (iii) Article 3 : the right of a multi-ethnic people to be owners of the nation is exercised and guaranteed by the political system;
- (iv) Article 7 : mass organizations are the focal point for the solidarity and mobilization for citizens of all backgrounds and ethnicity as participating members in the safeguarding and edification of their rights and interests;
- (v) Article 8 : the State will carry out a policy of unity and equality among the various ethnic groups. All ethnic groups have the right to preserve and improve their own traditions and culture and those of the nation. Discrimination between ethnic groups 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 groups;

- (vi) Article 13 : the economic system is for the purpose of improving the standard of living, materially and spiritually, of a multi-ethnic people;
- (vii) 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 minorities; and
- (viii) Article 22 - all Lao citizens, regardless of their sex, social position, education, beliefs or ethnicity, are equal in the law.

14. Under the foundations formed by the Constitution, the Party Central Organization issued the Resolution on Ethnic Minority Affairs in the New Era (1992). The Resolution constituted two parts: (i) analyzing the problems of planning and implementing development interventions in the ethnic groups areas; and (ii) mandating all government agencies to create a targeted plan for the development of rural and mountainous areas in general, of the ethnic groups areas in particular. This resolution was to be implemented through both political and economic development activities. Included in the latter was the halting of shifting cultivation and the permanent settlement of the people who practiced it. This was to be followed by programs to improve livelihoods of ethnic groups.

15. Decree 192/PM (November 2005) on compensation and resettlement specified requirements of taking in to account the local culture and practices in project's planning and operation as well as to mitigate the negative impacts and improve socioeconomic conditions of ethnic communities. Article 11 of the Decree stipulates that during planning, construction and operation periods, project owners shall consider local cultural and religious properties, practices and beliefs.

16. Project owners shall define mitigation measures and socio-economic benefits to improve status of ethnic communities and shall be in harmony with their cultural preferences and shall be decided in consultation with affected communities.

17. For projects implemented in ethnic areas, Decree 192/PM (Article 15) also requires that project owners shall carry out necessary studies and field investigations and prepare and submit an ethnic minority's development plan to concerned government authorities for approval in cases where screening indicates the likelihood of adverse social impacts.

18. Decree 112/PM on environmental assessment also stipulates that a Social Management and Monitoring Plan (SMMP) should be part of the environmental assessment, and the SMMP should define the main social activities, measures on prevention, minimization and mitigation of social impacts, as well as measures on compensation, assistance, resettlement and restoration of living conditions of the people who are (will be) affected by the investment project. Article 7 of the Decree stipulates that affected households (including ethnic groups) by the project have the following rights:

- (i) To receive information about the development plan, the benefits that they will receive and impacts on environment and society which may arise from the investment project;
- (ii) To receive information on the measures of prevention and mitigation of impacts on the environment and society, the environmental management and monitoring plan and the report on the progress in implementation of the measures to prevent and minimize the impacts of the investment project;



- (iii) To participate in the consultation meetings at all levels on the environmental management and monitoring plan, and the social management and monitoring plan;
- (iv) To participate in discussions on compensation, migration, resettlement and restoration of the living conditions of the people who are affected by the investment project;
- (v) To participate in discussions on implementation of the environmental and social activities, as well as the environmental management and monitoring plan (EMMP), and the social management and monitoring plan (SMMP) of the investment project;

## **B. ADB Policy on Indigenous Peoples**

19. On 29 June 2009, ADB updated its safeguards policies by integrating its policies on involuntary resettlement, indigenous peoples and the environment into one common Safeguards Policy Statement (SPS). The SPS was approved by the ADB Board on 20 July 2009 and became effective on 20 January 2010.

20. The objectives of ADB Policy on Indigenous Peoples are to ensure that project are designed and implemented in a way that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the Indigenous Peoples themselves so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as a result of projects, and (iii) can participate actively in projects that affect them. The term "Indigenous Peoples" is used by the SPS in a generic sense to refer to a distinct, vulnerable, social, and cultural group possessing the following four characteristics in varying degrees:

- (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- (iii) customary, cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- (iv) a distinct language, often different from the official language of the country or region.

21. Projects financed by ADB, including associated facilities that are financed by the Government or other sources, are expected to observe the following policy principles:

- (i) Screen early on to determine (a) whether Indigenous Peoples are present in, or have collective attachment to, the project area; and (b) whether project impacts on Indigenous Peoples are likely;
- (ii) Undertake a culturally appropriate and gender-sensitive social impact assessment or use similar methods to assess potential project impacts, both positive and adverse, on Indigenous Peoples. Give full consideration to options the affected Indigenous Peoples prefer in relation to the provision of project benefits and the design of mitigation measures. Identify social and economic benefits for affected Indigenous Peoples that are culturally appropriate and gender and intergenerationally inclusive and develop measures to avoid, minimize, and/or mitigate adverse impacts on Indigenous Peoples;

- (iii) Undertake meaningful consultations with affected Indigenous Peoples communities and concerned Indigenous Peoples organizations to solicit their participation (a) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (b) in tailoring project benefits for affected Indigenous Peoples communities in a culturally appropriate manner. To enhance Indigenous Peoples' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the Indigenous Peoples' concerns;
- (iv) Ascertain the consent of affected Indigenous Peoples communities to the following project activities: (a) commercial development of the cultural resources and knowledge of Indigenous Peoples; (b) physical displacement from traditional or customary lands; and (c) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. For the purposes of policy application, the consent of affected Indigenous Peoples communities refers to a collective expression by the affected Indigenous Peoples communities, through individuals and/or their recognized representatives, of broad community support for such project activities. Broad community support may exist even if some individuals or groups object to the project activities;
- (v) Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected Indigenous Peoples communities participate in the design, implementation, and monitoring and evaluation of management arrangements for such areas and natural resources and that their benefits are equitably shared;
- (vi) Prepare an Indigenous Peoples plan (IPP) that is based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected Indigenous Peoples communities. The IPP includes a framework for continued consultation with the affected Indigenous Peoples communities during project implementation; specifies measures to ensure that Indigenous Peoples receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures;
- (vii) Disclose a draft IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected Indigenous Peoples communities and other stakeholders;
- (viii) Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, or (b) involuntary acquisition of such lands; and
- (ix) Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess

whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports.

**C. Reconciliation of Government and ADB Policies**

22. In general, the main principles of the government policies (Constitution, Decrees 192/PM and 112/PM) on ethnic groups reflect those of ADB's SPS (2009). However, the provisions of government policies are not as detailed as these in ADB's policy. Significant differences between ADB's safeguard requirements for Indigenous Peoples in the 2009 Safeguard Policy Statement and Lao PDR's legislation on planning and implementation of ethnic groups development, including measures to address the differences, are outlined in Table 1 below.

**Table 1. Differences between ADB and Lao PDR's Legislation, including Measures to Address the Differences**

No.	Items with Difference in Policy	ADB Policy	Lao PDR's Legislation (Decrees 192/PM and 112/PM)	Measures to Address the Difference
1	Screening of IPs and impacts on IPs	Early screening: (i) whether IPs are present in the project area; and (ii) whether project impacts on Indigenous Peoples are likely.	Under the screening if the project cause adverse social impacts on the local ethnic groups	Early screening: Whether IPs are present in the project areas, and The likely impacts of the project on the local IPs
2	Undertake social impact assessment	Undertake a culturally appropriate and gender-sensitive social impact assessment on potential project impacts, project benefits and mitigation measures to avoid, minimize, and/or mitigate adverse impacts on Indigenous Peoples.	Carry out necessary studies and field investigations including census, inventory of lost assets and socio-economic baseline surveys	Conducting Culturally appropriate and gender sensitive social impact assessment: Potential positive and negative project impacts Project benefits Mitigation measures to avoid or mitigate the adverse impacts Collect the socioeconomic baseline data/information
3	Consultations and participation	Undertake meaningful consultations with affected ethnic communities and concerned organizations to solicit their participation in (i) designing, implementing, and monitoring measures to avoid/mitigate adverse impacts; and in (ii) tailoring project benefits for affected ethnic communities	IPs to receive information on development plan, benefits, impacts on environment and society; receive information on the measures of prevention and mitigation of impacts on the environment and society; participate in discussions on compensation, migration and restoration of the living condition; and participate in discussions on	Meaningful consultation will be conducted with IPs, communities and concerned organizations on project design, implementation and monitoring; the project benefits; the project impacts; and the measures to avoid/mitigate the adverse impacts.  IA/IAs will conduct consultations and participation following the provisions of the Consultation and

No.	Items with Difference in Policy	ADB Policy	Lao PDR's Legislation (Decrees 192/PM and 112/PM)	Measures to Address the Difference
			implementation of the environmental and social activities.	Participation Framework prepared/approved for the Project.
4	Avoid/minimize the impacts on protected areas and natural resources	Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources.	No provision	Impacts on protected areas and natural resource will be avoided/mitigated by design alternatives and appropriate implemented plans/programs.
5	Preparation and disclosure of the IPP	<p>Prepare an IPP that includes a framework for continued consultation with IPs during project implementation; specifies measures to ensure that IPs receive culturally appropriate benefits; measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.</p> <p>Disclose the draft and final IPP/ updated IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project</p>	If the project causes adverse social impacts, the ethnic minority development plan (EMDP) will be prepared and submitted to concerned agencies for approval.	<p>An Ethnic Groups Development Plan (EGDP) for subproject/component causing adverse impacts on EGs will be prepared following the outline provided by this Ethnic Groups Development Framework.</p> <p>The EGDP will be disclosed in the public places and ADB website.</p>

No.	Items with Difference in Policy	ADB Policy	Lao PDR's Legislation (Decrees 192/PM and 112/PM)	Measures to Address the Difference
		appraisal.		

### III. AFFECTED ETHNIC GROUPS BY THE PROJECT

#### A. Ethnic Groups in Lao PDR

22. In ADB's SPS, the term Indigenous Peoples (IP) (*ethnic group* in the Lao PDR context) is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. These definitions are applied directly to some of the populations classified in Lao PDR as ethnic minorities. General distinctions from social, economic, and languages can be made between Tai-Kadai and other ethno-linguistic groups. The "non- Tai Kaidai" groups such as Lao Theung and Lao Sung, for simplicity, are referred to as ethnic groups. According to the result of the 2005 Population Census of the government, Lao PDR comprises of forty-nine ethnic groups with distinct differences in languages and culture and livelihood systems. The largest ethnic group, the Lao-Tai (Lao Loum) - makes up 64.9% of the population and traditionally lives in lowland areas with agricultural systems based on paddy rice cultivation. The Mon-Khmer group (Lao Theung) settles in midland areas and the Chine-Tibet and Hmong-Lu Mien (Lao Sung) groups prefer the high altitudes where they engage in uplands agricultural practices. The populations of ethnic groups in Lao is presented in the table 2 below:

**Table 2. Populations of Ethnic Groups in Lao PDR**

<i>Ethno-Linguistic</i>	<i>Topographical</i>	<i>No. Of Ethnic</i>	<i>Proportion of Population</i>
Lao Tai	Lao Loum	8	64.9
Austroasiatic (Mon-Khmer)	Lao Theung	32	22.7
Hmong-lu Mien	Lao Sung	2	8.6
Chine – Tibetan	Lao Sung	7	3.8

*Source: Statistical Data of Ethnic Group and Religion Research Institute, Lao PDR, 2009*

23. The cultural and linguistic differences are greater among many of the midland Lao than those among the Lowland and Upland Lao. The Mon-Khmer language family comprises the largest number of ethnic groups but slightly less than one-quarter of the total population. Often due to their remote location, the ethnic people have comparatively less access to government services such as health, education, agricultural extension and infrastructures.

24. Ethnic Groups in the eight northern-most provinces consist of three groups: Lao Tai (Lao Loum), Hmong and Khmou, of which Hmong and Khmou (Lao Sung) are considered as ethnic minority groups in the project area. These three groups take account of 71.2% of the total population in the area. Table 3 below presents the ethnicities by province.

**Table 3. Ethnicities in the Northern Provinces**

Provinces	Ethnicities				Population (persons)
	Lao Tai (persons)	Hmong (persons)	Khmou (persons)	Other ethnics (persons)	
Phonsali	5,268	35,612	4,638	120,429	165,947
Luang Namtha	4,007	35,659	7,292	98,352	145,310
Oudomxay	24,226	156,188	36,818	47,947	265,179
Bokeo	22,188	34,954	19,602	68,519	145,263
Luang Prabang	118,016	190,595	65,335	33,093	407,039
Houaphane	75,012	28,879	68,289	108,758	280,938
Sayaboury	207,187	34,731	26,807	69,944	338,669
Xieng Khoang	102,176	18,502	88,104	20,814	229,596
<b>Total</b>	<b>558,080</b>	<b>535,120</b>	<b>316,885</b>	<b>567,856</b>	<b>1,977,941</b>
<b>Percentage</b>	<b>28.2%</b>	<b>27.1%</b>	<b>16.0%</b>	<b>28.7%</b>	

Source: Population Census, Lao PDR, 2005

25. While the Lao-Tai group is cultivating wet-land sticky-rice and cassava as the main crops and breeding animals, the Mon-Khmer and Chine-Tibetan are planting dry-land rice and collecting non-timber forest products to exchange in the local market, plus with animal breeding are main livelihoods. The poverty rate among the ethnic groups in the Northern provinces is high. Lack of labor, low crop-yields, lack of investment capital, lack of adequate land and knowledge for production have been seen by ethnic people as the main reasons for poverty. Table 4 below highlighted the poverty rate of the Northern provinces.

**Table 4. Poverty in the Northern Provinces**

Province	Years 2002/03			Years 2007/08		
	Urban	Rural	Total	Urban	Rural	Total
<b>Phongsaly</b>	36.8	52.7	50.8	5.6	50.1	46.0
<b>Luangnamtha</b>	26.0	22.1	22.8	7.8	35.7	30.5
<b>Oudomxay</b>	38.9	46.2	45.1	13.0	38.6	33.7
<b>Bokeo</b>	24.5	20.6	21.1	17.9	35.3	32.6
<b>Luangprabang</b>	29.7	40.6	39.5	13.5	30.8	27.2
<b>Huaphanh</b>	26.1	54.8	51.5	28.6	52.7	50.5
<b>Xayabury</b>	29.8	23.7	25.0	15.3	15.8	15.7
<b>Xiengkhuang</b>	19.7	46.6	41.6	16.6	48.1	42.0

Source: Statistical Data, Department of Statistics, Ministry of Planning and Investment, Lao PDR, 2008

## B. Potential Positive and Adverse Effects of the Project on the Ethnic Groups

26. Ethnic people in the Northern provinces have familiarity and considerable local knowledge in rearing livestock. However, lacking of feed for animals (no grass for cattle for 3-4 months in dry-season in all visited provinces under the PPTA), lack of credit to purchase animals for breeding and fattening, lack of knowledge of animal nutrition, disease prevention, livestock management and market access, among others, pose a risk to livestock commercialization.



**Table 5. Ethnicity in some LPGs**

Provinces	Ethnicity in some LPGs					% IP
	Cows (groups)	% IP	Buffalos (groups)	% IP	Goats (groups)	
Phonsali	325	13.77	205	12	135	52
Luang Namtha	292	16.32	172	14	102	68
Oudomxay	654	32.77	534	5	464	15
Bokeo	305	19.90	185	14	115	61
Luang Prabang	962	29.56	842	3	772	9
Houaphane	580	18.61	460	5	390	87%
Sayaboury	641	10.67	521	5	451	16
Xieng Khoang	149	40	84	10	16	65

*Source: Statistical Data, Provincial Departments of Rural Development, Lao PDR, 2014*

27. The project would bring positive effects to the participating ethnic households in the target provinces to improve their livelihoods. Many interventions, especially in capacity building, enhanced advisory services, and strengthened formal training facilities would increase knowledge and skills of the ethnic households on animal breeding and become actively involved in the market led sales of products.

28. An enhanced access to farm inputs such as feed, vaccines and medicines, veterinary services, farming techniques and credit by the project, livestock production in quantity and quality of the LPGs would be increased, generating income for the participating ethnic households and upgrading their livestock production farming to commercial systems.

29. Improved livestock product marketing services and facilities would strengthen trading and processing of animal products of the LPGs and its ethnic member households.

30. Livestock farming knowledge and skills of ethnic women will be improved through various trainings and involvements in animal husbandry. Most of the scholarships to study at NAFC in Luang Prabang will be for ethnic girl-students.

31. Provision of farm level productive equipment and materials as well as the support of various agri-businesses would create wage-labor for local ethnic communities.

32. Local traders and local service providers, many of whom are local ethnic people, will have improved access to agricultural products and services and thereby more potential to expand their businesses.

33. Participation of farmers and villagers in livestock farming will be improved through better communication and information sharing within the LPGs and with provincial and district agriculture and forestry offices.

34. The project would also bring positive benefit for staff of provincial and district agriculture and forestry offices by providing training and enhancing capacity to implement, manage and monitor projects as well as to extend agricultural technologies.

35. The only potential negative impact by the project to the local ethnic people is land acquisition. However, the scope of land acquisition is expected to be very minor. For the component providing community level productive equipment and materials, there is unlikely to be any land acquisition. Any land so affected however would be owned by the

participating smallholder farmers and therefore, would not be classified as involuntary resettlement. With the component of upgrading livestock farming groups to commercial system, there are several activities amongst the proposed activities that would require land such as (i) pasture/fodder establishment; (ii) essential ancillary facilities (granaries, stores, mills, reservoirs, etc.) for animal producer farmers; (iii), water, sanitation and waste management structures (possible extension for community use); and (iv) communal infrastructure works. This may result in the permanent loss of small areas of land, minor damage to structures, crops and trees. With regard to the component for strengthening trading and processing of animal products, there are two activities that would require land acquisition (i) support for newly-built municipal abattoirs, and (ii) road repairs for livestock and meat transport. There would be no severely affected households by land acquisition (no household who will have from more than 10% of total production landholding affected, nor would any relocation be involved). During the detailed technical design, land acquisition will be mitigated by examining alternative design options and conducting consultations with local ethnic groups and communities to reduce the land requirements for implementing project activities.

36. The potential positive and adverse effects on local ethnic groups will be carried out more comprehensively once the particular project interventions are determined by the concerned agencies for each province and the impacts (including both positive and adverse impacts as well as the measures to avoid/mitigate the adverse impacts) will be reflected in the ethnic groups development plan for the project.

#### **IV. SOCIAL IMPACT ASSESSMENT AND PREPARATION OF AN ETHNIC GROUPS DEVELOPMENT PLAN**

##### **A. Screening**

37. The Screening Form is attached in the Appendix 1 of this Ethnic Groups Development Framework. The screening will be conducted by the PIUs based on (i) review the relevant documents on ethnic groups in the project areas; (ii) site visits to the project provinces/districts where the interventions will be supported in, (iii) meetings with local authorities and concerned agencies to confirm on the presence of the ethnic groups in the areas; and (iv) meaningful consultations with ethnic groups and communities, consultation with organizations and concerns agencies, local authorities on the potential impacts by the project on the ethnic groups. The objectives of the screening performance are to (i) determine if the impacts on ethnic groups are significant; (ii) identify the level of assessment and institutional resources required to address IP safeguard issues; and (iii) determine information and consultation requirements.

38. Based on the screening result, PIUs will summarize the impacts to submit to the NPMO. The following information will be analyzed by PIUs and NPMO:

Name(s) and numbers of ethnic groups in the subproject area;

Attachment to habitats and territories;

The autonomy and distinctness of the ethnic group;

Potential positive and negative impacts including on culture, livelihood and land.

Information disclosure and consultations needed to the affected ethnic groups

39. As the project has been categorized as Category B for the IP safeguards, the project shall have “limited adverse impacts” – meaning, for all the project interventions, the “adverse impact” at community or sub-community level is only on a few individuals or households. If negative impacts by the project interventions are identified, the NPMO in collaboration with

the PIU and loan implementation consultant will review the designs of the support intervention to determine whether changes can be made to avoid or reduce the level of adverse impacts on ethnic groups. Project activities that will entail physical relocation of ethnic groups from customary lands will not be included in the project, except where such displacement has the consent of affected ethnic groups/communities

## **B. Social Impact Assessment**

40. Social impact assessment will be carried-out by the PIU and the data/information will be used to prepare an ethnic groups development plan.

41. Where screening indicates potential project impacts, PIU will conduct investigation on the nature of the project impacts. Methodologies to be used for the assessment will be quantitative methods (collect statistical data and conduct questionnaire survey) and qualitative methods (key-informant interviews, in-depth interviews and focused-group discussions). The following information will be collected:

42. Baseline socioeconomic profile of the ethnic groups in the project areas. Baseline information will include ethnicity and sex disaggregated data on demographic, social, cultural, and wealth status (poverty levels) characteristics of the affected ethnic groups;

43. Identify the land and territories that ethnic groups have traditionally owned or customarily used or occupied; and the natural resources on which they depend;

44. Assess their access to and opportunities to avail themselves of basic social and economic services;

45. Include a gender-sensitive assessment of the affected minorities' perceptions about the project and its impact on their social, economic, and cultural status. A gender-sensitive analysis is critical to the determination of potential adverse impacts, relative vulnerability and risks to the affected ethnic groups given their particular circumstances and lack of access to opportunities relative to those available to other social groups;

46. Assess the potential adverse and positive effects of the project. These should be assessed for the short- and long-term, direct and indirect, and positive and negative impacts of the project on each group's social, cultural, and economic status; and

47. Identify and recommend measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects. Such measures must ensure that the ethnic groups receive culturally appropriate benefits under the project.

48. PIUs will analyze the data/information to prepare the SIA report to submit to the NPMO. The data/information on social impact will form an integral part of the ethnic groups development plan.

49. The identified social impacts as well as the measures to enhance the potential positive impacts and to avoid/minimize the potential negative impacts will be consulted with ethnic groups, communities, organizations, concerned agencies and local authorities. The procedures of information disclosure and consultations are presented in the Section E below). The ethnic groups development plan will discuss the opinions, suggestions and concerns of the stakeholders and how the opinions, suggestions and concerns of the stakeholders have been addressed in the ethnic groups development plan.

### **C. Preparation of Ethnic Groups Development Plan**

50. An ethnic groups development plan shall be prepared for each project province. The ethnic groups development plans will be prepared by NPMO with support of LIC, based on the results of screening, social impact assessment and meaningful consultations.

51. Outline of the ethnic groups development plan (EGDP) is provided in Appendix 2. The draft EGDPs will be produced in Lao and English languages and will be submitted to the concerned Provincial Government for formal endorsement.

52. The EGDPs will be endorsed by Provincial Government and submitted to ADB for concurrence. The documents will be disclosed in accordance with ADB's Public Communications Policy to the affected communities and on ADB's website.

### **V. CONSULTATION AND PARTICIPATION**

53. The meaningful consultation with affected ethnic groups persons, their host communities, and civil society will be conducted by borrower/client for every subproject/component identified as having involuntary resettlement impacts. The aim of the meaningful consultation process is that all ethnic groups affected by the projects are properly and timely informed and consulted about the project, the scope, implementation schedule and activities, as well as expected impacts, both positive and negative, on the community and ethnic groups. Ethnic peoples' aspirations, needs, and preferred options for the projects will be sought and measure to enhance benefits or mitigate negative impacts will be considered and recorded. The meaningful consultation process with EGs will ensure their informed participation in (i) designing, implementing, and monitoring measures to avoid adverse impacts on them or, when avoidance is not possible, to minimize, mitigate, and compensate for such effects; and (ii) tailoring project benefits that accrue to them in a culturally appropriate manner. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

54. In carrying out meaningful consultation, all communication concerning the project will take place in a timely and appropriate manner - in the ethnic language of the ethnic groups and in a culturally appropriate way. Public meetings will be arranged in villages, using participatory approach and the ethnic minority language(s). Information will be posted in a central public location such as the village meetings venue or village head's house. Information will be mostly pictorial in order to guarantee accessibility of the information for ethnic people with poor literacy skills. The public meetings will include participation of ethnic women and special attention will be given to the concerns of women and youth.

55. PIUs, district and village authorities will ensure that ethnic people are notified at least two weeks in advance about the public meetings. Local people's opinions, suggestions and concerns will be recorded in an appropriate way through minutes of meetings. Any claims or grievances brought up in meetings or other consultations will be recorded in the same way.

56. The draft EGDP will be disclosed at village level in a public meeting including all relevant stakeholders, with the final EGDP also disclosed at a public meeting. Women

representing affected households must be present at the disclosure meetings. Copies of the EGDG will be placed in the village's leader houses and mass-organization leaders.

57. PIUs, district and village authorities shall carry out meaningful consultations with and participation of affected ethnic communities following the guidance of the Consultation and Participation Framework prepared and approved for this project.

## **VI. DISCLOSURE OF INFORMATION**

58. PIU, with support from district and village authorities will provides information to and consults with the affected ethnic groups and other stakeholders in a manner appropriate for the anticipated project impacts.

59. Timely disclosure of relevant information on the project to ethnic groups will be carried out in a form and language(s) understandable to them, is also mandatory. It is an integral part of consultation and participation. PIU will disclose full and abbreviated versions of the EGDG. The abbreviated form will describe the project very briefly; list the anticipated impacts, major proposed mitigation measures, and project benefits; outline the grievance redress mechanism; and include contact details of the project contact information office for more information.

60. Under the Project, for IP safeguards, the following documents will be disclosed to ethnic communities and posted in the public places and upload to ADB website (i) Draft and final Ethnic Groups Development Framework; and (ii) Draft and final Ethnic Groups Development Plans and/or Corrective Action Plans prepared during implementation (if any).

## **VII. GRIEVANCE REDRESS MECHANISM**

61. A well-defined grievance redress and resolution mechanism will be established to resolve grievances and complaints in a timely and satisfactory manner. The objective of the grievance redress mechanism is to resolve complaints as quickly as possible and at the local level through a process of conciliation; and, if that is not possible, to provide clear and transparent procedures for appeal. All affected persons, including those from ethnic groups, will be made fully aware of their rights, and the detailed grievance redress procedures will be publicized through an effective public information campaign. An aggrieved affected person (AP) or AH will be free from any fees in connection with the lodging and resolution of complaints, as the costs will be borne by the Executing Agency (EA).

62. Villages consulted about grievance procedures have all identified the village level as the most appropriate and accessible level to resolve any ethnic group's conflicts and disputes. Any ethnic institutions and organizations, or mass organizations, in the affected area will also be consulted and/or involved in resolving any disputes involving ethnic groups/households that may arise, as needed.

63. The procedures for grievance redress mechanisms should be culturally appropriate and gender-sensitive, and are set out below. The grievance redress mechanism that has been adopted is the same as that for the resettlement affected people.

Stage 1: (at village level): In each village, there is an existing village arbitration unit. An aggrieved APs may bring his/her complaint on any aspect of compensation, relocation, environment or unaddressed losses to the village arbitration unit or other designated village grievance officers. The unit will organize a meeting with the complainants to resolve the issue using its traditional methods of conciliation and negotiation; the meeting will be held in a public place and will be open to other APs and villagers to ensure transparency.

Stage 2 (at district level): If within 5 days of lodging the complaint, no understanding or amicable solution can be reached or no response is received from the village arbitration unit, the AP can bring the complaint to the District Resettlement Committee. The District Resettlement Committee will meet with the AP to discuss the complaint, and provide a decision within 10 days of receiving the appeal.

Stage 3 (at provincial level): If the AP is not satisfied with the decision of the District Resettlement Committee or in the absence of any response, the AP can appeal to the Provincial Resettlement Committee. The Provincial Resettlement Committee will provide a decision on the appeal within 10 days.

Stage 4 (at ministerial level): If the AP is still not satisfied with the decision of the Provincial Resettlement Committee, or in the absence of any response within the stipulated time, the AP can submit his/her grievance to NPMO. NPMO acting on behalf of the MAF will render within 10 days of receiving the appeal.

Stage 5 (administrative court): As a last resort, the AP may submit his/her case to the Court of Law. The complaint will be lodged with the Court of Law; the decision of the Court will be final.

64. The above grievance redress mechanism is subproject to be disclosed and discussed with the ethnic groups to ensure that they understand the process. PIUs are responsible to follow up the grievance process from the APs. At each stage of the grievance redress process, careful written records will be maintained by the PIUs.

## **VIII. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION**

### **A. Ministry of Natural Resources and Environment (MONRE)**

65. Within the designated roles and responsibilities, MONRE will on behalf of the Government (i) provide policy guidance and direction for ethnic groups development planning and implementation; and (ii) approve the EGDF before it is forwarded to ADB for review and approval.

### **B. National Project Management Office (NPMO)**

66. MAF will establish a NPMO in the Department of Planning and Cooperation in Vientiane. Generally, NPMO will be responsible for project delivery, including reporting. For ethnic groups development planning and implementation, NPMO has following responsibilities:

Guide, support and supervise the work of the PIUs to screen the ethnic groups in the project areas and the impacts by the project.

Prepare and submit the EGDP for the concerned Provincial Government and ADB for review and approval.

Establish and disseminate standard procedures to the PIUs for: (a) carrying out screening and social impact assessment; (b) establishment and management of databases on ethnic groups in the project areas; (c) consultations and information dissemination to ethnic groups, local authorities and other stakeholders; (d) prompt implementation of corrective actions and resolutions of grievances; (e) ongoing internal monitoring on the implementation of the EGDP.

Coordinate with other ministries, government agencies, mass organizations, NGOs or other organizations to ensure efficient, effective delivery of support and mitigation measures.

Prepare and submit the semi-annual progress report on EGDP implementation to ADB, MAF and MONRE.

**C. Provincial Implementation Units (PIUs) and District Implementation Units (DIUs)**

67. Each Provincial Agriculture and Forestry Office (PAFO) will establish a Provincial Implementation Unit at the province level and a District Implementation Unit at the district level. For Ethnic group development planning and implementation, the PIUs/DIUs have following responsibilities:

Screen the ethnic groups and the impacts on the ethnic groups in the province;

Coordinate with provincial, district and village authorities to carry out fieldwork required to prepare the EGDP, including the social impact assessment, information disclosure and consultations;

Collaborate with the provincial and district resettlement committees and village arbitration units to address the grievances. Document the grievance redress and resolutions reached at different levels;

Implement the support measures and the mitigation measures as specified in the approved EGDP; and

Conduct internal monitoring of the implementation of the EGDP as per agreed indicators; and, prepare and submit monthly report to NPMO on the progress and outstanding issues.

**D. Provincial Resettlement Committee**

68. The Provincial Authority will set up the Provincial Resettlement Committee. The Provincial Resettlement Committee will be chaired by the provincial Vice Governor and will have representatives of the District Governor; and representatives of provincial departments such as finance, natural resources and environment, agricultural and forestry, etc. The Provincial Resettlement Committee will have the following responsibilities:

Support the PIUs on screening, social impact assessment, information disclosure and meaningful consultation with ethnic groups;

Implement the support measures and the mitigation measures as specified in the approved EGDP; and

Receive and resolve AP grievances and complaints in instances where APs appeal the decisions taken at the district level.

**E. District Resettlement Committee**

69. The District Authority will establish the District Resettlement Committee. The District Resettlement Committee will be headed by the District Governor and will include representatives from district offices. The primary roles and responsibilities of the District Resettlement Committee include the following:

Support the PIUs/DIUs on screening, social impact assessment, information disclosure and meaningful consultation with ethnic groups;

Implement the support measures and the mitigation measures as specified in the approved EGDP; and

Receive and resolve AP grievances and complaints in instances where APs appeal the decisions taken at the village level.

## **F. Village Authorities**

70. The village authorities will assist the District Resettlement Committees, PIU/DIU and NPMO to prepare the EGDP by participating in and supporting field work to collect data on ethnic groups; organizing public meetings and consultations in the village and information disclosure. The village authorities will have the following responsibilities:

Facilitate public information meetings and consultations with ethnic groups and other stakeholders and help to ensure villagers and ethnic peoples awareness of the project intervention, the impacts by the project and the support measure as well as the mitigation measures for the adverse impacts;

Assist Provincial and District Resettlement Committees and PIU/DIU in carrying out the screening, social impact assessment, information disclosure and consultations in the village and confirm the results;

Participate in implementation of the support measures and the mitigation measures as specified in the approved EGDP; and

Act as a grievance redress level (village arbitration unit) to and receive and resolve grievances and complaints of APs and other stakeholders.

## **G. Institutional Capacity for Ethnic Groups Development Planning, Implementation and Monitoring**

71. Under the PPTA stage, assessment of institutional capacity for ethnic groups development planning, implementation and monitoring has been carried out. Generally, the capacity of the concerned agencies is sound. Several ethnic-groups development plans have been implemented in the local by the agriculture and forestry offices and relevant agencies. Recently, the agriculture and forestry offices and concerned agencies of Northern provinces have planned and implemented an ethnic groups development plan for the ADB funded Project named “the Northern Regions Sustainable Livelihoods through Livestock Development Project”. The EA and IAs have sound understanding of principles, requirements, and steps in planning and implementation of EGDP following ADB policy.

72. The institutional capacity of agriculture and forestry offices and concerned agencies, however, should be strengthened. Under the implementation stage, the Loan Implementation Consultant, once mobilized, will design and implement the necessary capacity building for the EA, IAs and other concerned agencies in ethnic groups development planning and implementation.

## **IX. BUDGET AND FINANCING**

73. Budget for ethnic groups development planning and implementation, including (i) the amounts to implement the support measures to the ethnic communities and mitigation measures to the adverse impacts as specified in the EGDP and (ii) administrative costs to prepare, implement and monitoring of the EGDP (staff costs, social impact assessment, consultations, monitoring, reporting). The budget will be detailed during the EGDP preparation. As the budget is the project counterpart funds, the Ministry of Finance will be responsible for the disbursement of funds to the NPMO to prepare and implement of the EGDP. The NPMO will disburse to PIUs/DIUs, provincial and district and village authorities to carry-out the activities. The Government will ensure timely provision of counterpart funds for resettlement to meet any unforeseen obligations in excess of the budget estimates in order to satisfy the aforementioned requirements and policy objectives.



## **X. MONITORING AND REPORTING**

74. As the IP safeguards of the Project is Category B, engagement of an external monitor is not required to carry out ethnic groups development planning and implementation. Only internal monitoring of EGDP implementation will be performed with support of LIC social safeguards specialists.

75. PIUs will conduct the internal monitoring of EGDP implementation to identify as early as possible the activities achieved and the cause(s) of problems encountered so that arrangements in EGDP implementation can be adjusted. Related information will be collected monthly from the field to assess the progress of EGDP implementation and will be consolidated semi-annually safeguards implementation progress report.

76. An initial key indicator will be, as per assurances to the ADB, the opinions and concerns of ethnic groups have been addressed, the benefits of the project have been enhanced to local ethnic communities and the adverse impacts have been avoided/mitigated. The other main indicators that will be monitored regularly are:

Fund to implement the EGDP are allocated timely and adequately;

Payment of compensation and special assistances to ethnic people in various categories, according to the compensation and assistance policy described in approved RP;

Public information dissemination and meaningful consultation procedures;

Priority of APs regarding the options offered;

All the measures/activities as envisaged in the EGDP have been implemented. Delivery of technical assistance and support for local ethnic peoples;

Ethnic groups, particularly ethnic women, benefited from the project interventions; and

Adherence to grievance procedures and outstanding issues requiring management's attention.

77. NPMO will incorporate the internal monitoring report submitted by the PIUs/DIUs on the status of EGDP implementation in the overall project progress report to ADB quarterly, or in the form of a report on status of EGDP implementation semi-annually.

78. MONRE, NPMO and Provincial Governor Office may also conduct internal resettlement monitoring to ensure that the EGDP implementation is compliant to the provisions of the approved EGDP.

## APPENDIXES

### Appendix 1: Screening Checklist on Ethnic Groups

KEY CONCERNS	YES	NO	NOT KNOWN	Remarks
<b>A. Indigenous Peoples Identification</b>				
1. Are there socio-cultural groups present in or use the project area who may be considered as "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				<ul style="list-style-type: none"> <li>Names of the ethnic minorities or indigenous communities in the project area.</li> </ul>
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				<ul style="list-style-type: none"> <li>Names of national or local laws or policies.</li> <li>Names of research/studies (if any)</li> </ul>
3. Do such groups self-identify as being part of a distinct social and cultural group?				<ul style="list-style-type: none"> <li>Provide the relevant documents, research /studies or consultation, assessment results</li> </ul>
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				<ul style="list-style-type: none"> <li>Names the relevant researches/studies and results of consultation and assessment.</li> </ul>
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				<ul style="list-style-type: none"> <li>Names the relevant researches/studies and results of consultation and assessment.</li> </ul>
6. Do such groups speak a distinct language or dialect?				<ul style="list-style-type: none"> <li>If distinct language or dialect is spoken, list the ethno- linguistic group(s)</li> </ul>
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				<ul style="list-style-type: none"> <li>If yes, names the relevant researches/studies and consultation, assessment results</li> </ul>
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				<ul style="list-style-type: none"> <li>If yes, names of national or local laws or policies specified so.</li> <li>Names of research/studies or statistical data on the presentation of the ethnic minority in any formal decision making bodies (if any)</li> </ul>
<b>B. Identification of Potential Impacts</b>				

KEY CONCERNS	YES	NO	NOT KNOWN	Remarks
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				<ul style="list-style-type: none"> <li>Benefit/target that the Project documents mentioned to the IPs.</li> <li>Results of consultations and assessment</li> </ul>
10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				<ul style="list-style-type: none"> <li>Results of consultations and assessment on the impacts by the project</li> </ul>
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)				<ul style="list-style-type: none"> <li>Impacts that the Project documents mentioned on livestock husbandry, production and business, etc. of IPs.</li> <li>Results of consultations and assessment</li> </ul>
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				<ul style="list-style-type: none"> <li>Relevant documents on land occupied, owned and used of the IPs in the Project area (8 Northern provinces).</li> <li>Results of consultations and assessment</li> </ul>
<b>C. Identification of Special Requirements</b> <i>Will the project activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				<ul style="list-style-type: none"> <li>The Project's activities/outcome that the Project documents mentioned.</li> <li>Results of consultations and assessment</li> </ul>
14. Physical displacement from traditional or customary lands?				<ul style="list-style-type: none"> <li>Results of Involuntary resettlement screening and assessment</li> </ul>
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				<ul style="list-style-type: none"> <li>Results of consultations and assessment</li> </ul>
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				<ul style="list-style-type: none"> <li>The Project's activities/outcome that the Project documents mentioned.</li> <li>Results of consultations and assessment</li> </ul>
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				<ul style="list-style-type: none"> <li>Results of Involuntary resettlement screening and assessment</li> </ul>

#### D. Anticipated project impacts on Indigenous Peoples

Project component/ activity/ output	Anticipated positive effect	Anticipated negative effect
<p><b>1. Strengthen Livestock Producer Groups (LPGs)</b></p> <ul style="list-style-type: none"> <li>(i) Providing training in good animal husbandry.</li> <li>(ii) Improving farm level production infrastructure;</li> <li>(iii) Enabling conditions for LPG and agribusiness to contract</li> </ul>	<ul style="list-style-type: none"> <li>• Positive impacts that the Project documents mentioned to the IPs.</li> <li>• Results of consultations and assessment with IPs and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Negative impacts that the Project documents mentioned to the IPs (if any).</li> <li>• Results of consultations and assessment with IPs and other stakeholders</li> </ul>
<p><b>2. Establish livestock processing Facilities</b></p> <ul style="list-style-type: none"> <li>(i) Finance the construction of midsized livestock processing facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Positive impacts that the Project documents mentioned to the IPs.</li> <li>• Results of consultations and assessment with IPs and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Negative impacts that the Project documents mentioned to the IPs (if any).</li> <li>• Results of consultations and assessment with IPs and other stakeholders</li> </ul>
<p><b>3. Support modernization of NAFC</b></p> <ul style="list-style-type: none"> <li>(i) Support the modernization of facilities and training at NAFC in Luang Prabang.</li> </ul>	<ul style="list-style-type: none"> <li>• Positive impacts that the Project documents mentioned to the IPs.</li> <li>• Results of consultations and assessment with IPs and other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Negative impacts that the Project documents mentioned to the IPs (if any).</li> <li>• Results of consultations and assessment with IPs and other stakeholders</li> </ul>

## **Appendix 2: Outline of an Ethnic Groups Development Plan**

### **A. Executive Summary of the EGDP**

This section concisely describes the critical facts, significant findings, and recommended actions.

### **B. Description of the Project**

This section provides a general description of the project; discusses project components and activities that may bring impacts on local ethnic groups; and identify project area.

### **C. Social Impact Assessment**

This section:

- (i) reviews the legal and institutional framework applicable to ethnic groups in project context;
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected ethnic communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend;
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with ethnic groups at each stage of project preparation and implementation, taking the review and baseline information into account;
- (iv) assesses, based on meaningful consultation with the affected ethnic communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected ethnic communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live;
- (v) includes a gender-sensitive assessment of the affected ethnic groups perceptions about the project and its impact on their social, economic, and cultural status; and
- (vi) identifies and recommends, based on meaningful consultation with the affected ethnic communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the ethnic groups receive culturally appropriate benefits under the project.

### **D. Information Disclosure, Consultation and Participation**

This section:

- (i) describes the information disclosure, consultation and participation process with the affected ethnic communities that was carried out during project preparation;
- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected ethnic communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure ethnic people participation during implementation; and
- (v) confirms disclosure of the draft and final EGDP to the affected ethnic communities.

#### **E. Beneficial Measures**

This section specifies the measures to ensure that the ethnic groups receive social and economic benefits that are culturally appropriate, and gender responsive.

#### **F. Mitigation Measures**

This section specifies the measures to avoid adverse impacts on ethnic groups; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected ethnic groups.

#### **G. Capacity Building**

This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address ethnic groups issues in the project area; and (b) ethnic people organizations in the project area to enable them to represent the affected ethnic people more effectively.

#### **H. Grievance Redress Mechanism**

This section describes the procedures to redress grievances by affected ethnic communities. It also explains how the procedures are accessible to ethnic peoples and culturally appropriate and gender sensitive.

#### **I. Monitoring, Reporting and Evaluation**

This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the EGDP. It also specifies arrangements for participation of affected ethnic people in the preparation and validation of monitoring, and evaluation reports.

#### **J. Institutional Arrangement**

This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the EGDP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the EGDP.

#### **K. Budget and Financing**

This section provides an itemized budget for all activities described in the EGDP