

Indigenous Peoples and Ethnic Minority Development Framework

DRAFT

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Lao PDR: Climate-friendly Agribusiness Value Chains Project

Prepared by the Ministry of Agriculture and Forestry for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 2 April 2018)

Currency unit	–	Laotian kip (LAK)
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\$1.00	=	LAK 8,283.97

ABBREVIATIONS

ADB	-	Asian Development Bank
CSA	-	climate-smart agriculture
DAFO	-	District Agriculture and Forestry Office
DMF	-	Design Monitoring Framework
EG	-	Ethnic Group
EGP	-	ethnic group plan
EGDF	-	Ethnic Group Development Framework
EGDP	-	Ethnic Group Development Plan
EMO	-	external monitoring organization
GHG	-	greenhouse gases
GMS	-	Greater Mekong Subregion
ILO	-	International Labor Office
IP	-	Indigenous People
IPDF	-	Indigenous Peoples development framework
IPP	-	indigenous peoples plan
LARF	-	land acquisition and resettlement plan
LARP	-	land acquisition and resettlement framework
MAF	-	Ministry of Agriculture and Forestry
NCAW	-	National Committee for the Advancement of Women
PAFO	-	Provincial Agriculture and Forestry Office
PIU	-	project implementation unit
PMU	-	project management unit
PPCP	-	public private community partnership
PPP	-	public-private partnerships
PPIU	-	provincial project implementation unit
PPTA	-	project preparation technical assistance
PRC	-	Provincial Resettlement Committee
SIA	-	social impact assessment
SPS	-	safeguard policy statement

NOTE

In this report, “\$” refers to United States dollars.

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I. EXECUTIVE SUMMARY

1. This report presents a framework indicating the due diligence and procedures required in order to assess any indigenous people impacts that may be expected to occur during implementation of the project and its composite subprojects, and to prepare an Indigenous Peoples' Plan (IPP) when needed.

2. The project will target investments along the Greater Mekong Subregion (GMS) central and east-west economic corridors in areas with comparative advantage in the production and marketing of rice and vegetables. The rice value chain will target Khammouane, Saravan, and Savannakhet provinces, and the vegetable value chain in the Vientiane Capital Administration Authority, Champasak and Sekong provinces.

3. As required by the ADB SPS (2009), a proposed project is assigned one of the following categories depending on the significance of the potential impacts on Indigenous Peoples:

- (i) **Category A.** A proposed project is classified as category A if it is likely to have significant impacts on Indigenous Peoples. An IPP, including assessment of social impacts, is required.
- (ii) **Category B.** A proposed project is classified as category B if it is likely to have limited impacts on Indigenous Peoples. An IPP, including assessment of social impacts, is required.
- (iii) **Category C.** A proposed project is classified as category C if it is not expected to have impacts on Indigenous Peoples. No further action is required.

4. The project has been assessed as Category B for this safeguard area due to the presence of ethnic groups¹ in the project areas. The ADB SPS (2009) Indigenous Peoples safeguards, are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples (IPs) own, use, occupy, or claim as an ancestral domain or asset. According to the ADB SPS (2009), the term Indigenous Peoples refers to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees.

5. As noted below, the Government of Lao PDR does not use the term Indigenous People (IP), and prefers to refer to ethnic minorities as ethnic groups (EGs). It is acknowledged that not all EGs are regarded as IP's according to ADB SPS (2009) terminology. It is also not possible to define which EGs are considered IPs (using the ADB criteria) as the extent to which these characteristics are demonstrated by each EG depends upon their geographic and topographic location, rather than tribal or cultural identity. This is due to the massive extent of internal migration and relocation caused by years of war, environmental impacts, changes to farming systems, a desire to develop and modernize, and government policies. This framework will adopt the term Ethnic Group (EG) rather than IP so as to align better with government of Lao PDR policy documents.

¹ The Government of Lao PDR uses the term ethnic group (EG) rather than Indigenous People (as the EGs have migrated into Lao from PRC in the north, Viet Nam the east, and Cambodia the south), and in preference to the term ethnic minority.

6. The project will not accept any category A subproject that results in significant impacts on IPs (EGs).

Table 1: ADB SPS IP Characteristics

i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;	EG members do self-identify and mainly through language used within their own communities. EG people residing in project areas dress and carry out daily lives as their Lao neighbors and observe both Lao and their own EG traditional festivals and customs. Traditional EG clothing is usually worn by women only during important events and festivals. Those living in Project areas have adopted the same livelihoods as mainstream Lao, their children attend Lao schools. The majority of EG men and women are fluent in Lao, have Lao ID cards and are considered as Lao citizens under the law and also by the GoL national administrative system.
(ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;	EG in Laos have generally originally moved into Laos moving south from China, or moving northerly in from what is now Cambodia. EG communities in the subproject areas have (over generations) moved or been relocated away from highland areas and subsistence, shifting slash and burn farming and have taken up lowland rice, vegetable and other cash crop farming as the main livelihood activity, and adopted permanent farming systems. The EGs in project areas are no longer demonstrating collective attachment to specific geographic areas and are living alongside and amongst Lao communities, sharing the local natural resource base.
(iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture;	EGs in the Project areas may be members of ethnic homogenous or mixed communities. They reside in villages alongside mainstream Lao and in villages of mixed ethnicity. In all cases they have adopted Lao political administrative and economic systems. Village heads are pre-vetted by the government and selected by the community as in all Lao villages. The Village Chief is required to report and attend monthly meetings at the District Office as are all village heads. The Village Committee structure is also based on GoL requirements with representatives of the Lao Women's Union, land and production tax liaison, security, and registrar functions. Some customary social structures maybe found in addition to the mainstream Lao structures, such as Sharmans, spirit doctors, elders council, who have been incorporated into the local context, and are supported by local administrations.
(iv) a distinct language, often different from the official language of the country or region	EGs will retain their own language and use it within the HH and also within the village, however, the majority are fluent in Lao, their children attend Lao schools and receive instruction in Lao language. EG literacy rates are behind those of the mainstream Lao, and the literacy rate for EG women is lower than that of EG men. EGs in the Project areas have higher literacy rates than those still living in remote mountainous areas.

7. Under the proposed project there will be no impact on EGs traditional customary rights of use and access to land and natural resources; cultural and communal integrity; health, education, traditional livelihood systems, and social security status; or indigenous knowledge. The project will not produce any negative impact exacerbating the vulnerability of any minority EG households

in project areas. Those EG households impacted by the project are those owning and or using land in the irrigation area, members of farmer groups, training recipients, or partners in private-public partnership (PPP) arrangements, who have specifically elected to participate in Project activities and for whom only positive benefits are anticipated.

8. Three representative subprojects were selected for detailed feasibility study during project preparation, however, each of these subprojects was assessed as Category C (with no impact on EGs) as they either were not present in the project areas or, the EGs present did not demonstrate the IP characteristics indicated by the ADB SPS (2009) above. There are approximately 20 more subprojects to be identified during CFAVC implementation and it is possible that future SPs do impact on EGs households.

9. Due to reasons attributed mainly to literacy, and the ADB and the Government of Lao PDR policy requirements to ensure equality and inclusion amongst all groups in beneficiary communities, EG screening and consultations shall be undertaken for each Subproject taken to feasibility study, and either an Ethnic Group Development Plan (EGDP) will be prepared, or, depending upon the extent of impact, “special measures” identified in the community consultations and contained in this EGDP will be incorporated into each LARP prepared for any subproject with EG household beneficiaries. These “special measures” reflect elements of the EGDP comprise special measures that should be used to ensure EG inclusion, participation and representation, and benefit sharing. These generic measures are set out in Section 8 of this Framework, and the extent and mix of these measures to be applied in each subproject will be determined on a case by case basis and detailed in the EG Due Diligence Report, or combined with the LARP, prepared for each subproject.

II. PROJECT BACKGROUND

10. ADB approved a project preparation technical assistance (PPTA) for Climate-friendly Agribusiness Value Chains Sector Project, with funding support from Japan’s Asia Clean Energy Fund and the Canadian Climate Change Fund for the Private Sector in Asia. The project is a regional initiative covering Cambodia, Lao PDR and Myanmar and will invest in pro-poor, inclusive and climate resilient agricultural value chains in Cambodia, Lao PDR and Myanmar. The proposed project will enhance rural household incomes and agricultural competitiveness by providing improved critical production and post-harvest infrastructure, reducing energy costs by promoting bio-energy use and sustainable biomass management and offering targeted agribusiness policy and capacity support services. The Ministry of Agriculture and Forests (MAF) will be the executing agency.

11. The project is a sector project. Three subprojects have been identified and subject to feasibility study during project preparation. More projects will be identified and feasibility studied during project implementation. This framework will be used as a guide in addressing ethnic groups impacts for all subprojects and in determining safeguard categorization, to ensure that project investments comply with the government and ADB safeguard objectives, principles and requirements.

III. THE PROJECT

A. The Project Areas

12. The project area will focus on rice value chains in Khammouane, Savannakhet, and Saravan provinces, and vegetable value chains in Champasak and Sekong provinces and Vientiane Capital. Although the projects' core commodities are rice and vegetables, during project implementation the executing agency will have the flexibility to expand the number of commodities covered. Due to the nature of the project having a value chain focus, the project areas within the target provinces will be in valley floor areas (for irrigation), lowland production hub areas and the adjacent lower uplands that have access to water, and with proximity to critical infrastructure such as sealed road links and gateways.

B. Impact, Outcomes and Outputs

13. The project is aligned with the following impact: agricultural competitiveness improved through enhanced productivity, quality and safety, value addition and rural household incomes. The project will have the following outcome: productive and resource efficient agribusiness value chains in project areas developed. The project has three outputs: (i) Critical agribusiness value chain infrastructure improved and made climate resilient; (ii) Climate smart agriculture and agribusiness promoted; and (iii) Enabling environment for climate friendly agribusiness enhanced.

IV. PROJECT INVESTMENT ACTIVITIES AND EVALUATION CRITERIA FOR SUBPROJECT SELECTION

A. Output 1 - Critical agribusiness value chain infrastructure improved and made climate resilient

1. Activity 1.1: Rehabilitating small scale irrigation infrastructure (tertiary canals and water retention ponds) and rural roads

14. Under this Activity, the project will (i) improve and upgrade tertiary canals from earth-lined to brick-lined or concrete structures to direct water to the farmer's field and reduce water losses, while ensuring that the improved structures are climate resilient; (ii) rehabilitate water retention ponds to provide supplemental irrigation during droughts; and (iii) improve and upgrade earth-based farm access roads to climate resilient gravel-based surfaces to improve supply of inputs to farms and market access, reduce post-harvest crop losses, and enhance safety. During the design period, the provincial agriculture and forestry offices (PAFOs), district agriculture and forestry office (DAFOs) and farming communities discussed and assessed farm linked irrigation and road improvement civil works, and subsequently a short list of potential priority subprojects was drawn up and agreed.

15. Selection criteria:

- (i) The subproject must not be in the mandate for improvement under an existing ADB rural infrastructure project, e.g., Greater Mekong Subregion East-West Economic Corridor Agriculture Infrastructure Project;
- (ii) The proposed irrigation and road improvement work must be directly farm linked;
- (iii) The proposed irrigation work should focus, primarily, on tertiary canal upgrading from soil lined canals to concrete and/or brick lined structures; however, other civil works may be considered at the discretion of the executing agency and on

justification from PAFOs; Introduction of appropriate bio-engineering approaches to the upgrade specification and detailing of roads and canals is to be encouraged, both from the climate change perspective, as well as specifically helping to maintain the traditional biodiversity of the canal systems;

- (iv) The proposed road works should focus on upgrading a minimum of 5 km road by the levelling and consolidation of soil based surfaces to gravel;
- (v) The proposed civil works must be appropriately designed to take into account adaptation to climate change variabilities such as improved drainage, particularly flooding (such as road drainage, concrete rather than earthen canals); and
- (vi) Land acquisition avoided to the extent possible and no physical resettlement or dislocation will be accepted.

2. Activity 1.2: Enhancing crop research, protection and quality testing infrastructure

16. Under this Activity, the project will improve and upgrade infrastructure in five crop research centers in Khammouane, Saravan, Savannakhet, Champasak and Sekong provinces, one national diagnostic soil laboratory, and one national plant protection laboratory to be fully operational to provide agribusiness services and to strengthen forward and backward value chain linkages for at least 50 agricultural producer groups (APGs). Improvement of infrastructure at provincial research centers is expected enhance development and dissemination of climate resilient varieties. Likewise, improvement of two national laboratories and three laboratories in provincial agricultural colleges will strengthen safety and quality of plant production and soil testing services.

3. Activity 1.3: Improving climate friendly value chain infrastructure for agribusiness enterprises

17. Under this Activity, (i) infrastructure in at least 36 agribusinesses upgraded and greenhouse gas mitigation and adaptation measures integrated. Agribusiness enterprises (ABEs) include rice mills, vegetable collection centers and pack houses, and biofertilizer factories. Financial support will be provided to qualified applicants through conditional matching grants with beneficiaries' contributions in cash. The matching grant scheme will be handled by a project-appointed financial management entity. ABEs will also benefit from training and capacity building in CSA, management, administration and finance and operational logistics.

18. **Upgrading of infrastructure in small to medium scale rice mills with service provision to farmers:** The project will upgrade infrastructure in at least 14 rice mills, being members of clusters formed into registered rice groups or cooperatives to, inter alia, (i) allow the separation of white and glutinous rice and avoid the production of mixed rice types and improve access to premium domestic and export markets; (ii) improve rice recovery rates; (iii) enhance mill capacity usage; (iv) provide services and support to rice APG paddy suppliers; and (v) comply with the requirements to achieve good manufacturing practices (GMP) and hazard critical control points certification. The project will support small and medium scale rice mills, which have a production capacity between 4 to 16 paddy tons per day. The project will focus on supporting existing registered rice milling groups and cooperatives.

19. **Selection criteria:** The following specific selection and evaluation criteria is proposed for project support under this subproject:

- (i) be a member of a registered rice mill group, and a majority Lao PDR owned legal entity;
- (ii) support the community (farmer's groups) and establish a production arrangement (Input supply, credit, minimum guaranteed price, etc.) with the farmer's groups to operate efficiently and to operate within a planned business framework of medium and small-scale rice mills within their registered rice mill group network;
- (iii) buy paddy from the small rice mills in their network to balance demand supply gaps;
- (iv) medium sized mills to engage in enhancing the production capacity of the small rice mills in their network by the transferring knowledge and know-how;
- (v) build together an inclusive businesses and investment plan;
- (vi) have a legally recognized business license;
- (vii) have, or be prepared to adopt, CSA, green energy saving and food safety (GMP and hazard critical control points certification) policies;
- (viii) have a public private community partnership (PPCP) approach with the paddy suppliers and buyers;
- (ix) contribute financially to the sub project, in terms of "in kind contributions (land, material and labor), own funds, and demonstrate a viable financial situation;
- (x) financial and/or technical support will not be available if the applicant has already secured, or has requested, similar support from other donors;
- (xi) the subproject should be replicable in other project areas; and
- (xii) involve no involuntary land acquisition, resettlement, physical or economic dislocation.

20. **Construction or upgrading of vegetable collection centers and pack houses:** The project will support registered APGs and/or agriculture cooperatives to upgrade pack houses for vegetable collection and marketing clusters to, inter alia, (i) reduce post-harvest losses; (ii) improve quality and quantity of high value vegetables marketed to premium domestic and export markets; (iii) provide services to their members; and, (iv) comply with the requirements of GAP and organic agriculture certification.

21. The proposed subproject is focused primarily on supporting farmers' groups, financially and technically, as key beneficiaries, but with incentives to the private sector under PPCP arrangements including capital injection by the Government², possibly in terms of concessional loans and tax incentives. The proposed subproject supports some 2,170 ha of vegetable production in Champasak Province; 1,374 households, and 3,450 ha of greenhouses and sub-surface irrigation. The proposed core sub project involves three activities (i) establishment of vegetable "hub and spoke" collection and marketing infrastructure in order to develop an effective and safe production, handling and transport technologies for the purpose of profitable and sustainable exports to high value markets; (ii) establishment of effective and appropriate technical and commercial practices among farmer groups and among other supply chain participants such as transporters, traders, exporters; and (iii) development of additional markets and new supply chains and channels for small farmers to sell their produce.

22. Selection criteria:

- (i) be registered with the PAFO as a farmers group or agricultural cooperative having met the requirements of the MAF Ministerial Decree of 25 September 2014, or,
- (ii) be a registered majority Lao owned company;

² Vice Ministers comment in the project inception workshop on 11 February 2016.

- (iii) be experienced in the growing, harvesting and selling of vegetables with an actual or proven potential market demand;
- (iv) having received training and capacity building from DAFO. or other qualified trainers in high value crop production and post-harvest technology;
- (v) having, or be prepared to adopt, a CSA and green energy saving policy;
- (vi) be prepared to adopt a PPCP approach to marketing and farmer service provision to enterprise business activities;
- (vii) submit a business plan covering the proposed subproject investment;
- (viii) be prepared to make a minimum 10% contribution to the cost of the proposed investment which can be in kind e.g., land, materials and labor;
- (ix) demonstrate a sound and sustainable financial situation and ability to operate efficiently and within a planned business framework;
- (x) be prepared to support the community and its individual farmers in terms of support to agricultural inputs, credit, minimum guaranteed prices; and
- (xi) involve no involuntary resettlement or land acquisition, physical or economic dislocation.

23. **Upgrading bio-fertilizer factories with service provisions to farmers:** The project will upgrade at least five registered biofertilizer factories to (i) increase organic fertilizer production and operational efficiency; (ii) promote the use of organic fertilizers to organic crop farmers; (iii) provide services and support to APG buyers; and (iv) comply with the requirements to achieve GMP certification.

24. Selection criteria:

- (i) medium scale organic fertilizer companies with the current production capacity between 1,500 to 2,000 tons per annum;
- (ii) be a state owned or majority Lao-owned company with a recognized business license in line with the enterprise law;
- (iii) have a concession/exploitation agreement with authority concerned (village authority, etc.) with regard to the feedstock exploitation;
- (iv) have an internal demonstrable policy on green energy saving and climate change adaptation and mitigation;
- (v) contribute financial support to the subproject, either from on own funds or in kind (e.g., land, materials and/or labor), > 10% of subproject cost, and demonstrate a sustainable financial situation and ability to operate efficiently and within a planned business framework;
- (vi) have identified actual and/or potential economically viable markets for organic fertilizers.
- (vii) be prepared to adopt a PPCP approach, where appropriate, to marketing and farmer service provision to enterprise business activities;
- (viii) submit a business plan covering the proposed subproject investment;
- (ix) be prepared to make a minimum 10% contribution to the cost of the proposed investment which can be in kind e.g., land, materials and labor;
- (x) involve no involuntary resettlement or land acquisition, physical or economic dislocation.

B. Output 2: Climate smart agriculture and agribusiness promoted

25. It will focus on (i) development and dissemination of climate resilient varieties of rice and vegetables, (ii) provision of information on CSA and organic agriculture; and (ii) support to

institutional and farmers' groups capacity building and strengthening on productivity and quality improvement; reduction of post-harvest losses; and group management and understanding the cropping calendar.

1. Activity 2.1: Deploying climate-resilient rice and vegetable varieties

26. Yields of both rice and vegetable varieties grown in the target provinces are adversely impacted by climate change. Under this Activity, the project will support the National Agricultural and Forestry Research Institute to develop, trial and release climate-resilient rice and vegetable varieties. Advice from the International Rice Research Institute (IRRI) will be sought to develop new rice varieties and improve land management and crop establishment, which are resource use (labor, water, energy) efficient, with reduced risk and drudgery, able to generate avenues for employment and economically attractive to youth and women.

27. The varietal characteristics will include tolerance to higher temperatures, drought, prolonged submergence as well as varieties with shorter cropping cycles. Support will be provided to the National Agricultural and Forestry Research Institute to develop a commercialization program with recommendations on the legal framework to develop intellectual property rights and partial cost recovery for the institution. A collaboration agreement will be signed with the IRRI for rice research in this context. The project implementation consultants will provide coordination support in the preparation of the terms of the agreement.

2. Activity 2.2: Strengthening capacity of agricultural production groups (APGs) and agribusinesses in climate smart and organic agriculture

28. The project will strengthen technical capacity of MAF staff, including PAFO and DAFO staff, farmers and farmers' groups, water user groups, APG committee members, ABEs, and other value chain actors on CSA, organic farming and agribusiness. To the extent possible, regional and international institutions such as IRRI and International Water Management Institute will be engaged to assist in capacity building. The project will strengthen capacity of different stakeholders along the value chain using diverse approaches listed below.

- (i) **Training of Trainers (TOT) courses.** The courses indicated below may be merged and form part of an overall TOT curriculum and are not exhaustive. It is recommended that the Food and Agricultural Organization of the United Nations publication, *Climate-Smart Agriculture Sourcebook*,³ is used as a guideline when preparing TOT courses, including the following: controlled environmental agricultural technology (CEAT) including hydroponics, GAP, integrated pest management practices, farm mechanization, organic farming, land preparation and sustainable land management techniques, on-farm micro irrigation techniques and innovation, post harvesting and handling, value addition and marketing, climate change adaptation and mitigation measures, and environmental and gender issues in farming.
- (ii) **Farmer training courses.** Based on the advice of district project implementation units (PIUs), selected farmers will be trained in CSA through district level training courses. The courses, the content of which will be based on the subjects indicated above, will be delivered by Department of Technique Extension and Agriculture

³ Food and Agriculture Organization of the United Nations. 2013. *Climate-Smart Agriculture Sourcebook*. www.fao.org/docrep/018/i3325e/i3325e.pdf.

Processing staff who have completed TOT courses and appointed by the national project management office (NPMO), and organized by the project implementation consultant. The indicated average duration of each course is five days, including one-day practical field work. The courses will be arranged with intermittent sessions over a maximum of five weeks. Each training session should be organized with a maximum of 25 participants, with duration of at least one full day per session.

- (iii) **Farm demonstration plots.** Field demonstrations on farm mechanization, micro-irrigation and water conservation, climate resilient varieties, and CEAT techniques will be undertaken using a roadside demonstration plot provided by a volunteer lead farmer selected by the provincial PIU under overall advice from the Department of Technique Extension and Agriculture Processing. The project will nominate lead farmers responsible for the demonstration plots. The project will provide the lead farmer with a stock of farm equipment including micro-irrigation, mechanized and other farm tools and implements, CEAT such as shade houses, net houses, green houses, and an annual supply of agricultural inputs including seeds and planting materials, fertilizers, herbicides and pesticides. It is proposed that the project pays the lead farmer a nominal fee to compensate for the use of his/her land, and time, for demonstration purposes. The lead farmer and the provincial PIU shall enter into an agreement and the fee should be decided by the provincial PIU in collaboration with NPMO.
- (iv) **Farmer field days.** Regular field days will be organized at critical times, such as planting or harvest, for small groups of a maximum of 10, linked to the demonstration plots described above.
- (v) **Study visits.** Lead farmers and provincial government staff directly involved in project implementation will be selected to participate in regional tours of one-week duration, in groups of 10 maximum, to suitable locations in the region, particularly Cambodia, Southern China, Thailand, and Viet Nam. The purpose is to exchange best practices and innovative climate smart and organic production technologies.
- (vi) **Workshops.** A minimum of three workshops will be organized, at central level, to discuss developments in innovative farm technology including research and development studies, experiences of individual farmers, and solutions to problems. Three provincial level workshops will also be held during the lifetime of the project.
- (vii) **Farmer group training.** Training will be provided to APGs and water user groups in group formation, management, administration, accounts, logistics, marketing, certification and networking. A main objective is to encourage several APGs, say in a district, to evolve into agricultural cooperatives.
- (viii) **Gender sensitization.** The safeguards, gender and social development specialist will provide training for government officials, workshops and provincial/district gender focal points, facilitated by the NPMO safeguards officer.

3. **Activity 2.3: Promoting farm mechanization through smallholder financing scheme**

29. The project will provide financial and technical support to APGs entering into a profitable agribusiness ventures through the establishment and operation of a smallholder financing scheme (SFS). Small investments in farm-based CSA technology, mechanization and infrastructure may be funded through the SFS on a group guarantee basis, subject to the guidelines on SFS. A key activity under this Activity will be the promotion and support to the formation of agricultural

cooperatives for those interested APGs who meet the requirements of regulations under the ministerial agreement dated 25 September 2014.

a. Farm level individual rice and vegetable farmers

30. Through their groups and cooperatives, will be supported in the acquisition of farm based, climate-smart, agricultural infrastructure and mechanization equipment to improve product quality productivity and profitability and meet organic and good agricultural practice (GAP) certification requirements.

31. Selection criteria:

- (i) member of a farmers group or agricultural cooperative;
- (ii) possess an agricultural background and have rice and/or vegetable production experience;
- (iii) applicant to operate a farm of less than 2.5 ha;
- (iv) attendance at project awareness and capacity building training courses;
- (v) access to actual or potential markets; and
- (vi) rationale and justification of investment proposal to be submitted and approved by farmers group or agricultural cooperative committee; and
- (vii) all applicants must be prepared to make a contribution to the cost of investment.

b. Farmers group joint agribusiness activities

32. Farmers group to support their joint activities in post-harvest crop handling to promote improved market access, prices, contract farming and value addition through small-scale agro-processing.

33. Selection criteria:

- (i) existence as a farmers group for a minimum of 1 year with the legal status to allow them to enter into contracts with third parties;
- (ii) participation of leading members of farmers groups in the project's knowledge awareness training courses production and value addition and farmers group management;
- (iii) the investment project must be market driven involving crops with proven actual or potential demand, and illustrate backward and forward linkages along the value chain;
- (iv) the potential for involvement of women, on an equal basis with men, in the investment;
- (v) employment potential for youth, indigenous peoples and disadvantaged groups in the investment; and
- (vi) the investment proposal should not have any negative social and environmental effects, provide proof of knowledge of the comparative benefits and risks, and the potential price premiums that will result from the investment.

C. Output 3: Enabling environment for climate-friendly agribusiness enhanced

34. This output will focus on support for formulation of climate friendly agribusiness policies and standards and enabling environment for green finance.⁴ It will help in mainstreaming climate change concerns into agribusiness at policy and operational levels, and promote awareness on climate risk sharing instruments such as crop insurance, and recommend green financing instruments. Key activities include: (i) assistance to MAF and Ministry of Industry and Commerce in formulating an enabling agribusiness policy and identification of opportunities for private sector engagement; (ii) harmonization of commodity standards, grades and certification; (iii) agricultural land ownership policy, registration and titling; and (iv) green financing options.

1. Activity 3.1: Formulating climate friendly agribusiness policies and standards

35. The project will assist in policy formulation through (i) identification of measures to remove barriers for private sector investment in agribusiness and related activities; (ii) identification of investment strategies for the public sector to enhance CSA; (iii) promotion of the development of climate-friendly infrastructure so that Lao PDR's agribusinesses have a comparative and competitive advantage; and (iv) creation of institutional and legal frameworks conducive to supporting CSA, particularly with respect land registration, regulations, taxes, business registration and the streamlining of licenses required and the government institutions.

2. Activity 3.2: Promoting awareness on green finance and climate risk sharing mechanisms

36. The project will support creation of PPCPs in agribusiness through identification of incentives for private sector participation, enhancing ABEs' access to finance, reduce the risk aversion of commercial banks to financing the agribusiness sector; and reduce climate change risk to crop production through promoting crop insurance.

37. The executing agency will be the Ministry of Agriculture and Forestry (MAF). MAF will delegate the responsibility for overall project coordination and management to its Department of Planning and Finance (DOPF). In turn, DOPF will establish a NPMO that will be responsible for project coordination and management, including financial management of project accounts, procurement of goods and works, recruitment of consultants, and monitoring and reporting. To ensure inter-agency cooperation at the national level, a steering committee will be established within MAF. In the five provinces of Khammouane, Savannakhet, Saravan, Champasak and Sekong, the implementing agencies will be the PAFOs. A provincial project implementation unit (PPIU) will be established in each PAFO to be responsible for financial management at provincial level, and coordination and management of implementation of subprojects. The PPIU will also coordinate and supervise the work of the district coordination offices (DCOs). Project implementation support will be assisted by an international and national consulting team.

⁴ Green finance" can be defined as financing of investments that provide environmental benefits in the broader context of environmentally sustainable development. These environmental benefits include, for example, reductions in air, water and land pollution, reductions in greenhouse gas (GHG) emissions, improved energy efficiency while utilizing existing natural resources, as well as mitigation of and adaptation to climate change and their co-benefits. Green finance involves efforts to internalize environmental externalities and adjust risk perceptions in order to boost environmental friendly investments and reduce environmentally harmful ones. Green finance covers a wide range of financial institutions and asset classes, and includes both public and private finance. Green finance involves the effective management of environmental risks across the financial system (Source: UNEP – September 2015).

V. ETHNIC GROUPS IN THE LAO PDR

38. In Lao PDR, there are 49 ethnic groups officially recognized by the government. They are categorized according to four ethno-linguistic families.⁵ The Tai-Kadai family includes Lao, Lue, Phoutay and other lowland groups, and accounts for 67% of the national ethnic group population. The Mon- Khmer family includes the Khmu, Khuan and Samtao that account for 23% of the population. The Hmong, Yao and other Hmong-Tien groups, account for 7% and the Sino-Tibetan groups account for 3%.

39. Nationally, ethnic minority groups make up approximately 46.8% of the total population of Laos.⁶ The four main ethno-linguistic families are often re-categorized according to three topographic locations reflecting the traditional and preferred environments in which they live, and these three terms are commonly used by both government workers and civil society when describing the classification of the non-Lao ethnic groups (although use of these three categories is now officially discouraged and is based on livelihood differentiations that are no longer necessarily applicable), they remain the most widely used in normal conversation:

- (i) Lao Loum - Lowland Lao (mainly Lao Tai), groups traditionally living in the lowland, valley floor regions of the country that historically have cultivated paddy, practiced Buddhism and are integrated into the national economy. These correspond to the Lao-Tai group and represent approximately 65% of the population.
- (ii) Lao Teung – Upland (slope) Dwellers (mainly Mon-Khmer), groups traditionally dominating the middle hills and for the most part practice swidden agriculture (rain fed upland hill rice, maize), many raise cattle, most are reliant on forest products and to some extent are isolated from the dominant lowland culture. Many groups exhibit varying degrees of assimilation and adaptation to Tai-Lao culture. These groups are the original inhabitants of Southeast Asia and consist of the Austro-Asiatic or Mone-Khmer ethnic groups (approximately 25% of the population).
- (iii) Lao Soung - Highland Lao (Sino-Tibetan Burma and Hmong-luMien), groups dwelling in the highland areas practicing swidden agriculture growing mainly hill rice, maize, and traditionally many have grown opium. Many of these groups are historically relatively recent arrivals from Southern China and Viet Nam and form about 10% of the population.

A. Poverty and Ethnic Groups

40. The poverty rate is still highest among the Mon-Khmer (42.3%) and Hmong-Lumien (39.8%) groups. The large Lao-Tai group have substantially lower poverty incidence than the other ethnic groups (15.4%). The Mon-Khmer have poverty incidence more than two and a half times the rate of the Lao-Tai, and have seen a relatively slow decline in poverty incidence compared to the Lao-Tai (lowland dwellers). Unfortunately the poverty rates reflect the difficulties, and additional costs, associated with the development of remote and upland areas.

Table 2: Ethnicity, location and poverty

Location	2003 % of Total Poor	2013 % of Total Poor
Lowland	28.6	18.8
Midlands	36.7	22

⁵ The actual number of ethnic groups may be as high as 236 depending on the level of classification used in regards to groups and subgroups within the main ethno-linguistic families (Chamberlain et. al.1996).

⁶ 2015 National Population and Housing Census, LNSC (2016)..

Uplands	43.4	33.9
Ethnic Linguistic Group	2003 % of Total Poor	2013 % of Total Poor
Lao Tai	25.1	15.4
Mon Khmer	53.7	42.3
Chine Tibet	40	16.4
Hmong Lu Mien	45.8	39.8

Source: Poverty Profile in Lao PDR Poverty Report for the Lao Consumption and Expenditure Survey, 2012–2013.

41. As can be seen using the 2015 national census data for poverty mapping, in general those provinces with high ethnic minority populations also have high poverty incidence levels. For the project, it is clear that Attapeu, Saravan and Sekong in particular have high ethnic minority populations (approximately 50%, 90% and 70%) and also amongst the highest levels of poverty nationally.

Figure 1: Poverty density

Source: World Bank: 2016. "Where are the Poor? Lao PDR 2015 Census Based Poverty map – Provincial and District Level. June 2016.

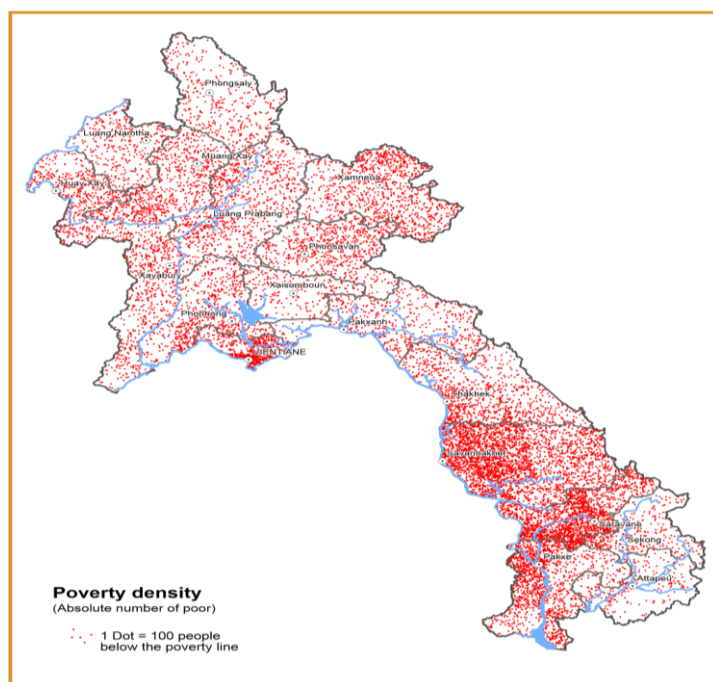


Figure 2: Poverty headcount

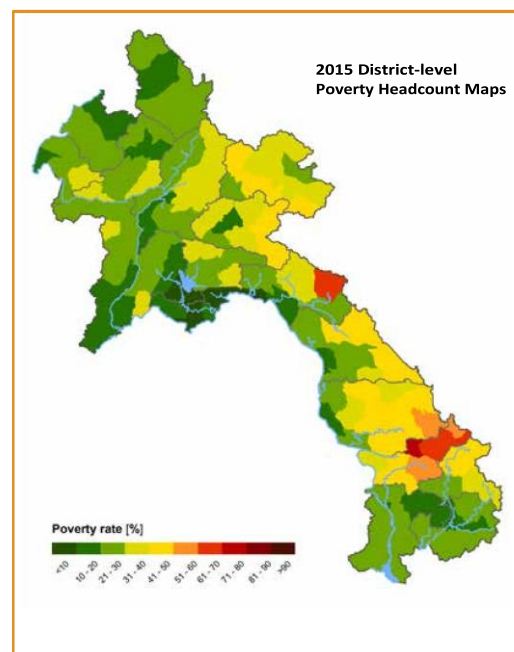


Table 3: Ethnic Group Population Estimates

Province	Total Pop	% EMG	2014 EMG Popn	% and No. of Lao-Tai		% and No. of Mon-Khmer		% and No. of Sino Tibeto-Burma		% and No. of Hmong-Lewmien		% and No. Other	
Oudomxai	329,110	78.5%	253,177	20.6%	54,281	60.5%	150,584	5.7%	10,466	12.3%	35,340	0.0%	156
Phongsali	180,996	80.4%	145,203	18.9%	25,198	20.7%	31,240	53.6%	78,921	6.1%	8,811	0.0%	0
Luang Namtha	181,000	72.2%	123,975	26.9%	34,632	34.3%	35,892	31.2%	43,209	6.8%	9,175	0.0%	0
Bokeo	182,198	62.4%	111,294	37.1%	39,137	28.4%	43,266	18.2%	11,202	15.1%	16,074	0.1%	268
Xiengkhouang	263,465	51.3%	129,540	48.0%	55,326	10.0%	15,037	0.1%	120	41.2%	58,115	0.0%	0
Luangpabang	472,618	70.7%	302,364	30.0%	79,866	51.4%	151,169	0.2%	419	17.6%	52,343	0.1%	313
Houaphan	340,828	44.4%	150,345	55.7%	66,283	20.3%	28,812	0.0%	38	23.1%	34,628	0.0%	13
Sayabouly	403,504	27.2%	106,955	73.6%	58,727	15.8%	27,685	0.1%	206	9.9%	13,397	0.0%	115
Saisomboun	81,801	67.1%	54,824	32.0%	13,876	19.3%	8,198	0.1%	67	47.7%	32,202	0.3%	158
Vientiane Prov	446,270	30.8%	143,469	70.7%	69,680	16.6%	31,956	0.1%	91	11.5%	19,657	0.0%	22
Bolikhamxai	294,707	29.7%	76,420	74.6%	42,182	8.8%	9,067	0.1%	68	14.5%	16,252	0.7%	1,007
Khammouane	434,199	19.5%	64,896	76.4%	41,230	21.5%	21,600	0.1%	176	0.0%	12	0.7%	870
Savannakhet	1,004,646	29.2%	222,757	69.9%	114,959	29.2%	105,742	0.0%	0	0.0%	0	0.2%	348
Champassak	727,821	13.4%	100,654	85.1%	57,208	13.4%	41,925	0.0%	0	0.0%	0	0.2%	401
Saravan	403,575	48.9%	151,431	49.8%	47,751	48.9%	101,195	0.0%	0	0.0%	0	0.6%	1,529
Sekong	115,165	89.3%	98,765	10.0%	11,958	89.3%	86,082	0.0%	0	0.0%	0	0.1%	80
Attapeu	143,934	69.3%	87,857	29.2%	25,180	69.6%	61,550	0.0%	0	0.0%	0	0.1%	77
Vte Capital	903,747	3.7%	40,090	95.0%	36,731	1.4%	601	0.2%	72	2.3%	2,320	0.1%	38
Total	6,909,583	34.2%	2,364,017	59.3%	874,208	26.8%	951,603	4.6%	145,055	8.2%	298,326	0.2%	5,395

Sources of data: Population and EMG estimated for 2014 by DPIC, MOH,

42. As discussed in the Executive Summary, the ADB SPS (2009) Safeguard area 3 for IP is not triggered under CFAVC. EG communities in the project area, and indeed, the majority throughout Laos, are no longer pursuing traditional livelihoods in the same geographic areas as earlier generations. There has been significant movement and relocation of ethnic groups communities in the southern provinces due to colonialism, war, environmental impacts and influences. From the 1990's the GoL commenced an aggressive program to halt opium production and shifting slash and burn cultivation, and relocated highland and upland communities into lower areas. Later, in the early 2000's the GoL continued relocations but under a rationale of consolidating remote sparsely populated communities and relocating them into lowland areas in order to gain better access to government services. Many EG communities elected to relocate voluntarily as livelihoods in the remote upland and highland areas are considerably harder and less secure than those in lowland areas.

43. Ethnic groups households may still live within their own community in upland areas they have traditionally occupied, they may form a majority in some lowland villages or could be a minority within a mainstream Lao village, or they may live in a community that has several different ethnic groups. The latter scenario is often encountered in urban and peri-urban areas where ethnic groups have taken residence over generations, or in rural areas where there has been previous resettlement, or village consolidation has taken place. It is not possible to identify a specific EG that will trigger the ADB SPS (2009) IP safeguards as the degree of "tradition" is determined by geographic and topographic location and not by tribal group or culture. In general, the more remote, the more traditional. Regardless of geographic location, EGs are firmly engaged in the cash market driven economy, although the extent of market engagement will vary according to local conditions, mainly access to road transportation arteries.

44. As in the Greater Mekong Subregion (GMS) in general, the inclusion of ethnic groups in the countries' economic development have largely been left behind, and the main reason being the significantly higher costs of developing infrastructure in isolated and upland areas, resulting in boom town development along valley floors compared with little change in upland areas. A comparison of poverty incidence and ethnic minority demographic maps confirms that ethnic minorities make up the poorest communities (Table 2 Figures 1 and 2 above).

B. Education and literacy

45. The Lao Social Indicator Survey 2012 (LSIS)⁷ found that ethnic groups are disadvantaged with regards to access to education and healthcare due to isolation and difficulty to travel, and lack of cash. A lack of education combined with geographic isolation results in lower levels of literacy and awareness. Women from minority communities are even more disadvantaged, being held back by tradition and social mores and practices in many cases.

46. The 2012 LSIS reports that children from non-Lao-Tai ethnic groups living in rural and remote areas have the lowest indicators of primary education. While 89% of students in the capital Vientiane who enroll in grade 1 stay in school long enough to advance to grade 5, less than half of them do in the most disadvantaged provinces (e.g. Sekong, Saravan). These differences in enrolment and survival are reflected in youth literacy rates in the Lao language. For example, 90% of 15-24 years old in urban areas are literate, compared with only 41% of those in rural villages without road access. These are the area's most usually inhabited by ethnic groups.

47. Educational disparities widen at the intersection of gender and ethnicity. Literacy rates for young males of Lao-Tai ethnicity are 84%, but only 63% for Mon-Khmer. The disparity increases for ethnic females, with 81% of Lao-Tai ethnicity but only 45% of Mon-Khmer ethnicity are literate in the Lao language.⁸ This is explained by lower rates of enrolment and greater drop-out rates for rural women in remote areas (usually inhabited by ethnic communities). At the end of the 2010 school year, some 91.7% of primary school aged girls were enrolled at school, but this rate drops significantly to 55.5% for lower secondary school and only 30.4% for upper secondary school.

48. The 2012-2013 Lao Economic and Consumption Survey V (LECS) surveyed the education level of household heads and found the percentage of those with no formal education amongst Lao-Tai was 7.1%, Mon-Khmer 20.5%, Chine-Tibet 59.7% and Hmong –luMien 27.1%. The LSIS also reported that urban literacy amongst men and women aged between 15 to 24 years was 91% for women and 92% for men, compared to rural literacy of women 60% and men 72%.

C. Health

49. Significant inequalities persist along rural–urban lines and geographic areas (north, center, and south), and among ethnic groups with regards to access to quality healthcare. The Lao PDR's maternal mortality rate is still among the highest in the world at 357 deaths per 100,000 live births according to the 2012 LSIS and the 2014 United Nations Development Programme Millennium Development Goals (MDG) report. This high rate suggests that access to and quality and uptake of emergency obstetric and skilled birth attendant at delivery pose major challenges for the country to achieve the MDG goal of 260 per 100,000, but shows a marked improvement from the 1995 baseline of 796 per 100,000. Under five mortality rate remains high at 79 per 1,000

⁷ Conducted by National Statistics Center.

⁸ Government of Lao PDR, Department of Planning, Ministry of Education and Sports. 2014. *Ethnic Groups Development Plan for the Second Global Partnership for Education Project*. Vientiane.

compared to the 1993 baseline of 170 and the MDG target of 70. Infant mortality per 1,000 is 68 compared to the 1993 baseline of 114, and MDG target of 45. Health service quality and access vary widely, particularly between rural and urban areas, with service quality being inversely proportional to degree of isolation.

50. A household survey in 2011 on Mother and Child Health (MCH) in six central and southern provinces demonstrates that financial factors were the most-reported constraint on health service utilization by women.⁹ Forty-five percent of all women reported that obtaining money for treatment was a barrier to receiving medical advice or treatment. Not wanting to go alone, and/or not being allowed to go alone, and physical access and transportation were additional problems reported.

51. Home birth is unavoidable for many ethnic group women due to distance and time to access the health service and in most instances of maternal death, the woman has not presented at the health center until it is too late. When problems arise at a home birth the first resort is traditional treatment, whatever is available in the community. When the situation starts to become desperate, the woman is taken to the health center, and in many cases the child is born either in the village or before they arrive at the health facility. Case records show that in many cases the death is caused by post-delivery blood loss.

D. Livelihood systems

52. When first arriving in Laos, ethnic groups traditionally occupied upland (Mon Khmer) or highland areas (Sino Tibetan, Hmong Lu Mien) and livelihood systems vary accordingly. Highland dwellers grow hill rice, have grown opium but now mainly replaced with maize, raise livestock (cattle, pig, poultry) and grow vegetables for home use, and collect non-timber forest products. They have practiced swidden or shifting cultivation for generations and the government is trying to replace these shifting slash and burn techniques to more permanent stable production systems. In some areas they are encouraged to grow sugar cane and also rubber.

53. Upland dwellers have traditionally grown hill rice maize, cassava, ground nut, soy beans and other vegetables and also raise livestock such as cattle, pigs, goats, poultry. They also collect non-timber forest products for making handicrafts and items for households use.

54. The extent of ethnic group participation in the cash market economy depends upon location and access rather than traditional beliefs or preference to adhere to traditional customs. Traditional EG farming systems are mainly slash and burn shifting cultivation and free ranging cattle, both of which are labor intensive and low yielding, and traditionally reflect the need for EG HHs to raise a large number of children (it is common to find HHs with up to 10 children), in order to respond to the HH labor needs. This practice has changed as EG farmers themselves have changed their farming systems and relocated to lowland areas over time, both in response to government environmental policies and also in order to secure more efficient crop yields.

55. Those ethnic groups that have relocated to lowland areas have adopted mainstream Lao livelihoods. Those close to built-up areas, markets and arterial roads are more likely to grow produce for sale and home consumption. Ethnic groups in traditional remote areas are following a more subsistence based livelihood but also produce some handicrafts and produce some crops

⁹ World Bank. 2013. *Maternal health, child health, and nutrition in Lao PDR: Evidence from a survey in six central and southern provinces*. Washington.

and livestock for sale, although these are mainly bought up by middle persons who visit the village, buy then transport the products and resell them in lowland market hubs.

56. The following information on community wealth indicators was obtained from FDGs under the ADB Biodiversity Conservation Corridors Project (BCCP) from ethnic groups village households in Attapeu, Champassak, and Sekong provinces. These BCCP villages are more remote and isolated than villages in the project area, and socio-economic conditions would be correspondingly harder.

Table 4: Community Perceived Wealth Indicators

No.	Rich/Better off	Medium	Poor
1	Have permanent house ¹⁰ and some assets in kind of motorbike, hand tractor, rice mill, Hyundai and truck	Have permanent or half permanent house and some assets in kind of motorbike, hand tractor, rice mill and thresher	Have non-stable house and have no vehicles
2	Have agricultural land, for instant coffee/cardamom plantation; paddy field between 1.5-3 ha and livestock (buffalo/cattle) more than 3 heads	Have agricultural land, for instant coffee/ cardamom plantation; paddy field between 1-2 ha, and livestock (buffalo/cattle) 2-3 heads	Lack of agricultural land and no livestock (buffalo/cattle)
3	Have household labor and equipment for agricultural activities and rice produced is sufficient consumption for a year and also sell to make household income	Have household labor and equipment for agricultural activities and rice produced is sufficiency for a year	Lack of equipment and labor to do agricultural activities. Rice produced is an insufficiency with average of six months, lack of cloths and food, children have less an opportunity to go to school
4	Have average income at least 3,000,000 LAK/month	Have average income 1,500,000 LAK/month	Have average income 230,000 LAK/month

Source: ADB Biodiversity Conservation Corridors Project (BCCP) baseline May 2013.

VI. RELEVANT POLICY ON ETHNIC GROUPS

A. Asian Development Bank

57. As mentioned for the Lao PDR context, the terms indigenous people and ethnic groups are synonymous. ADB recognizes the rights of ethnic groups to direct the course of their own development. Ethnic groups do not automatically benefit from development, which is often planned and implemented by those in the mainstream or dominant population in the countries in which they live. Special efforts are needed to engage ethnic groups in the planning of development programs that affect them, in particular, development programs that are supposedly designed to meet their specific needs and aspirations. Ethnic groups are increasingly threatened as development programs infringe into areas that they traditionally own, occupy, use, or view as ancestral domain.

58. ADB's SPS 2009 aims to: (i) avoid adverse impacts of projects on the environment and affected people, where possible; (ii) minimize, mitigate, and/or compensate for adverse project

¹⁰ Permanent house is a one/two story house with wall made by lumber/brick, roof covered by zinc/tile and floor laid by lumber/concrete. Half permanent house is constructed by wood and concrete or wood and bamboo. Non-stable house is a house that its wall is made by bamboo/wood and roof is covered by cogon grass.

impacts on the environment and affected people when avoidance is not possible; and (iii) assist in strengthening country safeguards systems and develop the capacity to manage environmental and social risks.

59. The ADB SPS 2009 objectives in relation to ethnic groups are to design and implement projects 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.

60. The ethnic group safeguards will be triggered if a subproject directly or indirectly affects the dignity, human rights, livelihood systems, or culture of indigenous peoples or affects the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.

61. The term Indigenous Peoples is used by ADB in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following 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. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the project area because of forced severance remains eligible for coverage under this policy.

B. Legal and Institutional Framework for Ethnic Groups in Laos

1. Constitution of the Lao PDR

62. The Lao 1991 Constitution refers to the multi-ethnic Lao people and the official terminology for describing the diverse population of the Laos is ethnic groups. Article 8 of the Constitution proclaims that "the State pursues the policy of promoting unity and equality among all ethnic groups. All ethnic groups have the rights to protect, preserve and promote the fine customs and cultures of their own tribes and of the nation. All acts of creating division and discrimination among ethnic groups are forbidden. The State implements every measure to gradually develop and upgrade the economic and social level of all ethnic groups". Article 75 of the Constitution specifically indicates that the Lao language and script are the official national language and script.

63. Party policy relating to ethnic minorities remains relatively unchanged from that announced by Party Central in 1992,¹¹ which identified three essential tasks for ethnic group development:

- (i) strengthening political foundations, strengthening national (Lao) identity and equality between ethnic groups;

¹¹ Government of Lao PDR. 1992. Contained within the Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era. Vientiane.

- (ii) increasing production and opening of channels of distribution in order to convert subsistence-based economics towards market-based economics; and,
- (iii) expanding coverage of education, health and other social benefits for ethnic groups.

C. National Economic and Social Development Plan

64. The draft 8th National Economic and Social Development Plan (NESDP),¹² which runs from 2016 until 2020 refers to ethnic minority development under Output 2, where poverty reduction of the ethnic minorities is “linked to the building of developed villages, to agglomerate big villages into small towns in rural areas linked to productions in the local regions and territories, to resettle the people by allocating new places to stay and permanent professions in priority manner, to pursue the people’s poverty reduction by promoting commercial production and services according to their respective local potential”.

D. Lao Women’s Union

65. The Lao Women’s Union (LWU) was originally established in 1955 to mobilize women for the Lao People’s Revolutionary Party. In 1991, the LWU was recognized under the Constitution of Lao PDR. Although not established specifically for ethnic groups, the LWU is mandated to represent women of all ethnic groups and to protect women’s rights and interests, mobilize and increase women’s involvement in national development.

66. The LWU is under the Party’s Central Committee and plays a key role in the development of Lao government policies in regards to women and in national development. The LWU structure is represented in all ministries and reaches down to village level (including ethnic group villages) and has responsibility for responding to women’s development needs; promoting the status and role of women; and, promoting unity amongst women of different ethnic groups and social strata throughout the country. The LWU at provincial and district level is very active in livelihood development and health activities in villages. The LWU organization is often included as an implementation partner in many projects due to its already extensive network in rural communities.

E. National Committee for the Advancement of Women

67. The National Committee for the Advancement of Women (NCAW) was established under Prime Minister’s Decree No. 37/PMO, dated 1 April 2003, and is tasked with implementing the National Strategy for the Advancement of Women which outlines gender related goals and targets for each sector, and has established a basic structure in each ministry comprising the Government of Lao PDR. NCAW’s mandate is to support SubCAW networks in line ministries for the advancement of women and to integrate gender into the planning, budgeting and monitoring and evaluation (M&E) cycle of line ministries. NCAW plays a lead role in coordination of gender development both internally and with international partners. The NCAW, through its SubCAW network, also has responsibility as the main focal point for CEDAW¹³ and Child Convention¹⁴ work within the Government of Lao PDR.

¹² Government of Lao PDR, Ministry of Planning and Investment. 2010. *NESDP 2011-2015: Targets for 2015*. Vientiane.

¹³ Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly.

¹⁴ United Nations Convention on the Rights of the Child, 1990.

68. The National Strategy for the Advancement of Women contains specific targets focused on women's and children's health under Program III: Ensuring gender equality and women empowerment to participate in all fields. The activities indicated under these programs are to be implemented through the SubCAW network within each line ministry and includes (i) increasing mother and child health care network from the central down to grass-root levels, and therefore including ethnic group communities, by implementing safe motherhood project to cover poorest districts; (ii) ensure provision of mobile service with integrated mother and child health care package; and (iii) organize training skilled health workers and traditional birth attendants, provide health care service in each locality appropriately.

69. On 20 January 2015, the United Nations Human Rights Council met in Geneva, Switzerland to examine Laos's human rights record through the universal periodic review process.⁶ On 23 June 2015, Laos accepted 118 of the 196 universal periodic review recommendations. These included recommendations from Cambodia on protection of the cultural rights and languages of indigenous peoples, and from Ghana on ensuring that all ethnic groups are treated equally and have equal access to social services, including health and education.

70. The lead government agency in relation to ethnic groups is the Lao Front for National Construction (LNF), Department of Ethnic Affairs.

VII. SAFEGUARD CATEGORIZATION

71. Following parameters set by the ADB SPS (2009) for assessing impacts, the project has been assessed as having limited impacts on EG households, and in fact these impacts have been determined as positive and beneficial for EGs in the project areas. The project provinces (apart from Vientiane Capital), Vientiane, Champasak, Khammouane, Saravan, Savannakhet, and Sekong have significant ethnic group populations and subprojects implemented with farmer groups and individual farmers by demographic dynamics will include HHs from different ethnic groups. EG screening and consultations shall be undertaken for each Subproject taken to feasibility study, and either an Ethnic Group Development Plan (EGDP) will be prepared, or, depending upon the extent of impact, "special measures" identified in the community consultations and contained in this EGDF will be incorporated into each LARP prepared for any subproject with EG household beneficiaries. These "special measures" reflect elements of the EGDP comprise special measures that should be used to ensure EG inclusion, participation and representation, and benefit sharing. Purpose of the EG Development Plan Framework

72. Project preparation involved the identification, scoping and detailed feasibility study of three typical subprojects, and the preliminary identification of some 20 pipeline subprojects that will be scoped and selected subprojects taken to detailed feasibility study during project implementation. Demographic information from the project provinces indicates that there are ethnic group households present in provincial populations, and although no ethnic houses were found in the three subprojects studied at feasibility, it is possible that some ethnic group households will be beneficiaries under the subprojects that will be identified during project implementation and in which case an ethnic group development plan (EGDP) would be needed (or at least elements of such).

73. The EGDP framework should be used to guide screening for impacts on ethnic groups, conducting social impact assessments and in the identification of special measures and actions needed pertaining to any specific subproject impacting on EG households. These special measures may be combined with a LARP if a LARP is being prepared for communities with EG members. If no LARP is required but the subproject implementation will require "special

measures” for EG households, the EGDP prepared will specify the special measures that need to be reflected in subproject implementation.

74. The approach being taken under this framework is to ensure project operational procedures contain mechanisms to provide inclusive development, where ethnic households and groups are given the same opportunities for informed consultation, participation, decision making and benefit sharing as mainstream Lao households. Framework Principles

75. The project and its subprojects will be governed by the following principles in respect of ethnic groups:

- (i) Early screening to determine ethnic group presence and/or collective attachment to, the project area as well as potential project impacts on ethnic groups.
- (ii) Conduct of culturally appropriate, gender-sensitive and technically backed-up social impact assessment where full consideration to ethnic group-generated options as regards benefits and mitigation measures are taken into account and translated into ethnic group plans that includes a framework for continued consultation and culturally appropriate disclosure modalities during project implementation, specifies measures to ensure ethnic groups receive culturally matched benefits, identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts, and includes culturally acceptable grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.
- (iii) Undertake meaningful consultations with affected ethnic group communities and households to maximize their participation across project cycle and to avoid adverse impacts and to provide a culturally appropriate grievance review mechanism.
- (iv) Avoid restricted access to and physical displacement from customary land areas and avoid marginalization, and ensure that affected ethnic group communities participate in all aspects of the project cycle and that their benefits are equitably shared.
- (v) Identify ‘special measures” required based on the social impact assessment with the assistance of qualified and experienced experts that addresses ethnic group needs in order to fully participate in the project activities. Special measures include continued consultation with the ethnic households and group communities during project implementation; specifies measures to ensure that ethnic groups 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.
- (vi) Disclose the findings of the SIA and EG screening and the draft EGDP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, in an accessible place and in a form and local languages understandable to affected ethnic groups communities and other stakeholders. The final EGP and its updates will also be disclosed to the affected ethnic group communities and other stakeholders.
- (vii) Monitor implementation of the EGDP and/or ‘special measures” using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the desired outcomes have been achieved, taking into account the baseline conditions and the results of SP participation monitoring. Disclose monitoring report.

VIII. SUBPROJECT SCOPING AND SCREENING IN PPTA

76. Three selected representative subprojects were identified for detailed feasibility study under project preparation, with the aim that these three projects could be vetted sufficiently under the PPTA to enable implementation upon start up. During the course of implementation of the project other subprojects will be taken to feasibility study. The following proposed subprojects, which are considered as core subprojects, as defined by the ADB, are described:

- (i) Upgrading rice mill infrastructure with service provision to farmers (Khammouane province);
- (ii) Upgrading vegetable collection and marketing infrastructure with service provision to farmers (Champasak province); and
- (iii) Upgrading organic biofertiliser factories with service provision to farmers (Vientiane).

77. Ethnic group households were found to be impacted only under the vegetable collection and marketing infrastructure subproject. Paksong in Champassak province, is on the Bolaven Plateau an area populated by different Mon-Khmer ethnic groups like the Laven (Bolaven means "place of the Laven"), Alak, Katu, Ta-oy and Suay among others. Several Katu and Alak villages can be found along the road from Pakse to Paksong (about 45 km). The Laven make up around 50% of the local population in Paksong,

78. The safeguard and gender teams met and held women's focal group and community discussions with 14 farmers (including six women) and members of the VPGE group from Houayset village in Paksong. Some 50% of the target farmer group (6 out of 12 members) and the deputy leader of the group is Laven. According to the village head, ethnic group households in the village are fluent Lao speakers but only about 60% overall can read and write Lao language, compared to around 90% of mainstream Lao. However, ethnic group household children have been educated at Lao schools, so all households in the village do have family members who can read and write Lao script.

79. Laven members of the group were willing to provide details of their integration into Lao communities and their status as group members. The Laven began integration with mainstream Lao society when the French colonialists introduced coffee plantations to the area, with many Laven being plantation laborers. Following the fall of colonialism many of those Laven have remained in the lowland areas and have become well integrated into the Lao society over the generations. These ethnic group households hold Lao citizenship and their children attend Lao schools, and pursuing the same livelihood activities (agricultural production, commerce, services, government workers) as the Lao mainstream, and are fluent in spoken Lao language. They are no longer maintaining their ethnic group traditional identities. The interviewees considered themselves full and equal members of the vegetable group, and as the group had 50% Laven membership, there was no discrimination or inequality between the Laven and mainstream Lao group members. In regards to group membership, group decisions are made by member votes after discussion, and all members have equal voting rights.

80. Total homestead land area in the Houayset village is approximately 213 ha and land available for general crop production is approximately 630 ha, and for coffee production, approximately 522. There are approximately 110 ha of land available for vegetable production, which are farmed by approximately 150 women farmers.

81. Focus group respondents explained that in this area there is no significant out-migration of local people. In some households, young females go to Vientiane to work in the garment factory sector and in some households, young men go abroad particularly to Thailand to work as unskilled laborers on construction sites. The wife then remains at home to look after the children and elderly family members. However, there are no significant changes in household decision-making in cases of out-migration. Because the wages in garment factories are relatively low, there is no significant contribution to rural household income from remittances.

82. There are six vegetable production groups in Houayset village comprising 24 farming households cultivating greenhouse vegetable produce. These greenhouse farmers are self-taught and learned about how to cultivate vegetables in greenhouses from direct observation of farming techniques in Pakse Phonthong District, approximately 45 km away during visits to relatives. Vegetables grown in greenhouses include pumpkin, cucumber, onion, garlic, green leafy vegetable, Chinese cabbage, chilli and Swiss potato. Farmers stated that no chemical pesticides are used in vegetable cultivation, and fertilizer is the only input applied. There are also six large vegetable collectors who operate in the area, all of whom cultivate and produce vegetables themselves. On average each of these six households grows one hectare of vegetables. Collectors buy cabbage from farmers at 1,000 Lao kip per kilo and they sell it on at 1,500 Lao kip per kilo. Collectors organize bagging of produce using plastic sacks using hired labor. One sack contains approximately 23 kilos of cabbage, which is then sold for 25,000 kip per bag. One female collector hires 10 female workers per day and pays them 1,500 kip for each sack of cabbage which is packed. In one day, approximately 30 tons of cabbage can be bagged in this way.

83. For coffee production, each family has approximately 4.50 ha coffee land. This generates significantly large cash income through contract farming with the 'Dao Coffee' factory and enterprise based in Champasak. The main sources of working capital for farmers are the Agriculture Extension Bank, Policy Bank and Phatthana Bank.

84. Focus group members explained that approximately 10-20 years ago, they were considered poor, and rice production was low yielding and sufficient for home consumption only. However, since upland rice cultivation is no longer allowed by the government, farmers cultivate coffee on upland fields, raise livestock and grow mainly vegetables on low flat land. Coffee, vegetables and livestock are sold in order to buy rice because there is no irrigation water available for lowland rice production. The price of rice is also low and unattractive and so farmers are not very interested in growing paddy. Villagers can now afford to buy better clothes, build new houses, they have bought cars and have enough money for educating their children, and even for sending them to university in Vientiane. The focus group reported that living conditions were much better compared with previous years. Their children have received an education. Some girls have received medical training. Many young women have been able to open small shops serving the village.

85. Given the beneficial impacts and lack of any negative impacts from the subproject on households, and the full integration of ethnic group subproject group members into mainstream Lao and their demonstrated commercial acumen and adaption to the cash market economy and enjoy the same socio-economic status as the lowland Lao, it is not proposed to prepare a separate Indigenous Peoples' Plan (EGP) for this subproject. Instead, elements of an EGP are included in the subproject feasibility report (and copied below). The most important principle is that ethnic group members are given the same opportunities and equality in regards to consultation, group decision making and accessing subproject benefits.

A. EGP Elements in the Vegetable Processing Subproject

86. Due Diligence is required to ensure that all group members are properly and meaningfully consulted in regards to group management decisions. Decisions as to land acquirement (choice of plot) and whether the group shall lease or buy, must be discussed at open group meetings and transparent vote taken by the membership. Project implementation staff must observe that the process has been participatory and transparent and should ensure that VPGE follow basic guidelines in the decision-making meetings as follows:

- (i) Project information is disseminated in ethnic group communities in project areas in local language;
- (ii) The subproject activities, benefits and impacts are clearly explained to all members;
- (iii) Ethnic groups are provided equal access to project activities and benefits;
- (iv) Household level requirements and commitments for implementing the subproject are explained;
- (v) The PIU must ensure any ethnic groups or members of groups who are ethnic groups and who wish to apply for PPP support from the project are provided assistance in the preparation of applications, and completing forms, preparing reports as needed;
- (vi) In case of irreconcilable differences, the project implementation staff must advise the group members of the grievance redress procedure contained in the EGP;
- (vii) The group must agree beforehand as to the extent of majority needed to carry decisions;
- (viii) Each member household has equal voting rights;
- (ix) To ensure transparency and full participation, group meeting agendas should be presented in both Lao and ethnic group language to ensure full understanding and comprehension by ethnic group men and women;
- (x) Minutes of these group meetings must be taken, and minutes must include the names of all people participating and this must differentiate between gender and ethnicity;
- (xi) Agreements and disagreements and objections must be recorded in the minutes, providing details of those supporting and those not supporting a proposal, issue or objection, and this should indicate name, gender and ethnicity;
- (xii) A record is taken of the vote – those for and those against;
- (xiii) The decision-making process will be subject to a 100% audit – whereby the external monitoring organization (EMO) for Resettlement and Land acquisition and ethnic groups will check to verify that due diligence was carried out satisfactorily; and
- (xiv) The project M&E system must track the participation of ethnic groups in subproject groups: (a) the number of ethnic group households accessing the revolving fund; (b) the number and resolution of any grievances presented; and (b) the number of audits conducted by the EMA and the status of the audit results.

B. EGD Elements for Other Representative Subprojects

87. In the case of the other representative subprojects studied at feasibility (rice mill, biofertilizer), there were no EG households or groups identified. However, there are up to 20 or so additional subprojects to be identified during implementation and these will include irrigation and access road/track improvements, as well as more PPP arrangements, and other initiatives involving training and capacity building.

Table 5: Special Measures for Subprojects

SP Sector	Special Measures Likely Needed
Irrigation and Roads	<ul style="list-style-type: none"> • Ensure EG households are consulted, and are included proportionally in survey samples. • Use local translators to disseminate project information, use separate men and women's focal groups as consultation method, use same sex group facilitators. EGs to be represented on WUG committees.
Agriculture and technical Training	<ul style="list-style-type: none"> • Ensure EG households are selected as participants proportionately. • Ensure community training uses appropriate translation services. • Ensure EG women are specifically invited to participate in training. • Determine the best times and locations for offering training to women. • District extension staff carry project agricultural production training into non-target villages and EG communities by incorporating CFAVC training into local extension training programs.
Rice mill, biofertilizer – PPP opportunities	<ul style="list-style-type: none"> • Ensure opportunities are broadcast locally and announced in local languages in EG communities and communities with EG households. • Ensure and advise EG households that translation assistance will be made available in order to complete necessary registration and application forms.
All components	<ul style="list-style-type: none"> • Ensure the grievance redress mechanism is advised to communities in local languages. • Project staff undergo gender and EG sensitivity and awareness training at project start up.

88. It will be the responsibility of the PMU and project safeguard consultants to ensure that the PAFO and DAFO staff are sufficiently trained to carry out their tasks, that the target communities are made aware of these conditions, and that the M&E reporting is followed through.

1. Working with EG communities

89. There are some general rules to be followed when working with remote EG communities:

- Elders have a position of respect in the community, , and buy-in from the Elders' Council will facilitate acceptance of project interventions. When working at village level it is critical that the first contact is with the village administration and the Elders.
- Traditional healers, shamans have positions of respect and influence in the community and need to be brought alongside rather than working against the health office.
- Women do not usually attend meetings with outsiders
- Women will not usually ask questions or make comment in meetings

- Family decisions are usually made at home between husband and wife
- In many EG communities, women are not encouraged to talk to men from outside the community
- Separate men and women's focal or discussion groups should be convened in order to provide women a forum within which they can ask questions, volunteer information and ask questions in a neutral environment.
- Messages need to be conveyed in local language – proven translators need to be used.
- Avoid using technical language when talking to EGs.
- Do not use IEC, BCC materials that rely extensively on text (Lao) as almost all EG languages are oral only.
- Women should facilitate the discussion in the women's groups and men facilitate men's groups.
- EG people lack scientific and political knowledge but are rich in local and environmental knowledge. EG people have a wealth of knowledge aiding their survival in difficult conditions. They are not ignorant or uncivilized.
- EG communities are close knit, like to do things together and demonstrate a higher level of social cohesion.

2. Consultation with EG women

90. In many EG communities', women are discouraged from talking to outsiders, especially men from outside their community. Usually the wife does not accompany the husband to village meetings. Husbands and wives will discuss issues in the home".

91. In big meetings most EG women do not have confidence to speak up and will not criticize or conflict with anything said by the authorities or the men. They are very often reluctant to ask questions whilst in a mixed group. To have more meaningful consultation with EG women, separate sex discussion groups need to be used and, facilitators of same sex used for each group (women facilitate women's group). Depending upon the training, EG women may need to be provided a forum in which they feel comfortable to ask questions, contribute comments and also ask for clarification. In mixed ethnic villages where EGs are the minority, a separate, mixed sex EG consultation group can be used.

IX. SUBPROJECT SCOPING AND SCREENING DURING PROJECT IMPLEMENTATION

92. The subproject selection during implementation in respect of PPP subprojects such as processing centers, rice mills, and subprojects offering investment grants, will be demand driven and a competitive application process used. It is imperative then that information on the project is disseminated to ethnic groups in the project areas on an equal basis as for mainstream Lao. As implementation proceeds under the project, additional subprojects will be identified and taken to feasibility study. The ethnic group screening checklist (Annex 1) is used to assist in assessing impact and safeguard classification. Subproject selection shall ascertain the following:

- (i) The subproject will consult with IP and EG in identifying and designing activities that will directly benefit them in improving their livelihoods;

- (ii) The project will not impinge on ethnic groups' traditional socio-cultural and belief practices (e.g. child-rearing, health, education, arts, and governance);
- (iii) The project will not adversely affect the traditional livelihood systems of ethnic groups (e.g., food production system, natural resource management, crafts and trade, employment status);
- (iv) The subproject location, in areas traditionally occupied, owned, or used by ethnic groups, or in lowland production hub areas close to transportation links;
- (v) If any SP is proposed for implementation on land traditionally used by local EG communities, the EGDP must demonstrate that the EG community support the project and will derive benefits outweighing any costs to the community;
- (vi) The project will not promote any of the following activities:
 - (a) Commercial development of the cultural resources and knowledge of ethnic groups;
 - (b) Physical displacement from traditional or customary lands;
 - (c) 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 ethnic groups.
- (vii) The project will not promote any of the following activities without an action plan prepared in accordance with the SPS special requirements for such:
 - (a) Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by ethnic groups; and,
 - (b) Acquisition of lands that are traditionally owned or customarily used, occupied, or claimed by ethnic groups.

X. PREPARATION OF THE EGDP

93. During initial screening, if a subproject has identified impacts on ethnic groups, an EGDP will be prepared to respond to the issues identified. The following indicates the process to be followed in collecting data and information to prepare the EGDP.

A. Initial Consultation

94. The project field staff must convene community meetings to explain the project and the planning and implementation process. The community must be given sufficient information to understand the project objectives, activities and implementation process, impacts and benefits, and also be made aware of the grievance redress mechanism. The initial meeting will also explain the need to conduct a social impact assessment.

95. The opportunity is given to the community to ask questions, raise issues and objections and clarify any issues needed. The project can provide explanations and consider design changes as may be needed. Consultations do not finish here, but continue throughout the project cycle, and will be implemented in conjunction with LARP consultations if applicable.

96. All consultation must be documented in the EGDP. Details are to be provided as to participation, disaggregated by sex and ethnicity, issues discussed, problems or objections noted, suggestions and revisions made. Attendance lists should be attached to the EGDP to demonstrate the consultation.

1. Broad Community Support

Meetings held to disseminate project information to beneficiary communities should also gauge the level of community support for proposed SPs. Project information includes the objectives, outcomes, benefits to members of the community, any negative impacts and how these will be mitigated. Participation and consultation mechanisms are explained as is the Grievance Redress Mechanism. At that point it is possible to gauge the level of community support and this can be done via separate mens and women's meetings, community wide meetings. A show of hands can be taken and those "for" the project counted, and those "against" the project counted. The numbers should be disaggregated by sex and reported in the EGD. Reasons for not supporting the subproject can be discussed with a view to mitigation. A 75% "for" vote is the minimum requirement for demonstrating broad support.

B. Social Impact Assessment

97. A social impact assessment (SIA) must be undertaken as part of all subprojects feasibility studies. Through the SIA each subproject will identify key project stakeholders, beneficiaries and ethnic minority groups and undertake a culturally appropriate and gender-sensitive process for meaningful consultation. The SIA will determine the impacts on ethnic households and prepare the "special measures" needed in conjunction with the feasibility study.

98. The SIA will be conducted in a gender-sensitive manner in consultation with ethnic groups. The SIA will (i) establish the baseline socioeconomic profile of ethnic groups in the project area and the project impact zone; (ii) assess access and opportunities to avail of basic social and economic services; (iii) determine the short- and long-term, direct and indirect, and positive and negative impacts of the project on EG households economic status; (iv) assess subsequent special measures approaches and resource requirements for addressing the various concerns and issues of projects that affect them. The EGD will draw on findings from the SIA, and in conjunction with the subproject feasibility study, will indicate the special measures needed if there are EG households in the target community and if impacts on ethnic groups are established.

99. Whether potential effects on EGs are positive or negative, and depending upon the extent and number of households impacted, each subproject will prepare a SIA that will:

- (i) Clearly identify and state the positive and negative impacts that will be received by the ethnic groups as a result of participation in the subproject.
- (ii) Include EG households in any socio-economic survey sample proportionate to their presence in the target village.
- (iii) Provide a baseline socioeconomic profile of the ethnic groups in the subproject area. Baseline information will include ethnicity and sex disaggregated data on demographic, social, cultural, and wealth status (poverty levels), sources of income, and occupations of household heads, crops grown and NTFPs collected, livestock held, proximity to markets and marketing arrangements (refer copy of suggested Socio-Economic questionnaire – Annex 4)
- (iii) Include a gender-sensitive assessment of the community's 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 EG households given their particular circumstances..

- (iv) Assess the potential adverse and positive effects of the subproject. These should be assessed for the short- and long-term, direct and indirect, and positive and negative impacts of the project on each beneficiary group's social, and economic status. These impacts will include improved water distribution in irrigation schemes, increases in crop yields, incomes, representation on community based organizations, reduced travel times, receiving new information and technology for agriculture production.
- (v) The SIA will identify 'special needs' that will be required for any EG groups in regards to consultation processes, training in farming systems and agricultural production and marketing, communication of information regarding credit availability, communicating Project opportunities and procedures for participating.,

100. The suggested contents and data needed in preparing an SIA for subprojects is shown at Annex 2 to this document and a sample socio-economic households survey is shown at Annex 4)

101. The subproject screening criteria will exclude any subproject with significant impacts resulting in category A classification for involuntary resettlement. During project implementation any additional subprojects identified will be reviewed for ethnic group impacts. The review will be conducted through field visits to the subproject areas and through meetings convened with subproject beneficiary groups and communities. All negative impacts (temporary and permanent) will be minimized through subproject design and consultation with communities in target areas and other stakeholders.

102. The project safeguard experts will prepare the planning documents through meaningful consultation with affected groups to assist the government in fulfilling the above. The level of detail and comprehensiveness of EGPs will vary depending on the specific subproject and the nature of impacts to be addressed. The critical aspect is the identification of positive and negative impacts.

103. If ethnic groups are the sole or the overwhelming majority of direct subproject beneficiaries, and when only positive impacts are identified, the elements of an EGP could be included in the overall subproject design rather than preparing a separate EGP. In such cases, the subproject document will include a summary of about how the subproject complies with the ethnic group safeguards. In particular, it will explain how the requirements for meaningful consultation are fulfilled and how the accrual of benefits has been integrated into the subproject design. If a subproject only poses involuntary resettlement impacts on indigenous peoples, combined resettlement and ethnic group plans will be prepared. Otherwise, the recommended outline for an EGP is shown at Annex 3. As mentioned, the EGP can be combined with the LARP if the latter is being prepared for the specific subproject.

104. Particularly in respect to, although not limited to, irrigation and farm access road subprojects, upon completion of detailed engineering design and detailed measurement surveys, the EGDP will be updated. Mitigating measures to avoid adverse impacts on ethnic groups and measures to enhance appropriate development benefits will be adjusted, but the agreed outcomes as specified in the draft EGDP will not be lowered or minimized. If new EG households are identified prior to submission of the final EGDP, meaningful consultation will be undertaken with them also.

C. Further Consultation

105. Follow-up consultation should also take place as part of the EGP preparation. Follow-up consultation at this stage will be to confirm final designs and plans, accept any final issues or problems. This is particularly important in the case of the final designs of irrigation and access road subprojects. It is important that women, and especially EG women, are provided separate consultation forums, facilitated by women and in local language, to avoid being dominated by men and or stronger Lao speakers. In communities of mixed ethnicity, separate EG consultation groups should be used, again, with local translators. The community are provided an additional opportunity to identify further special needs.

D. Table of Project Impacts

106. The EGDP must also provide a table of impacts. This will indicate the positive and negative impacts on all project participants, and specifically ethnic group households, participating or otherwise impacted by the subproject. Ethnic group households could be directly impacted by subprojects under several different modalities: as landholders on an irrigation scheme being rehabilitated, recipients of SMART agriculture training, as members of an agricultural enterprise or farmers group seeking support for processing and storage facilities, as trainees at agriculture extension, training and development centers, as recipients and users of improved crop varieties, users of project revolving funds, and as households installing and using biodigesters, amongst other activities undertaken by the project.

107. Based upon the project design and the type of subprojects identified, the following potential impacts for ethnic group households have been identified:

Table 6: Project Impacts

Output	Activity	Positive Impact on Ethnic Minority Beneficiaries	Negative Impact on EGs
1. Critical agribusiness value chain infrastructure improved and made climate resilient	<p>Activity 1.1: Rehabilitating small scale irrigation infrastructure (tertiary canals and water retention ponds) and rural roads.</p> <ul style="list-style-type: none"> Irrigation canals, water retention canals, production technology and infrastructure, farmer connectivity and access to markets and road networks <p>Activity 1.2: Enhancing crop research, protection and quality testing infrastructure.</p> <ul style="list-style-type: none"> farmer access and adoption of high yielding crop varieties; farmers' group's (FGs) access to improved soil testing; enhancement of climate-smart organic agriculture infrastructure; <p>Activity 1.3: Improving climate friendly value chain infrastructure for agribusiness enterprises.</p> <ul style="list-style-type: none"> upgrading of small and medium capacity rice mill infrastructure supported; vegetable "hub and spoke" collection and marketing infrastructure supported and enhanced; upgrading of bio-fertilizer production factories infrastructure and service facilities; 	<p>Improved efficiency and resilience of infrastructure.</p> <p>Improved water supply and management</p> <p>Reduced irrigation costs</p> <p>Improvements in crop yields</p> <p>Improved income from crops</p> <p>Improved cropping intensity</p> <p>Reduced marketing costs</p> <p>Improved rice milling efficiency</p> <p>Crop diversification</p>	<p>Lack of education, literacy and remoteness may prevent EGs from formally registering FGs.</p> <p>EGs are predominantly residing in upland areas and so have less access to irrigation, lack access needed for growing vegetables commercially.</p> <p>Hub will focus on lowland areas</p>

2. Climate smart agriculture and agribusiness promoted.	<p>Activity 2.1: Deploying climate-resilient rice and vegetable varieties</p> <p>Activity 2.2: Strengthening capacity of agricultural production groups (APGs) and agribusinesses in climate smart and organic agriculture</p> <ul style="list-style-type: none"> ▪ Training of trainers (TOT) ▪ Farmer and farmer and water user group training and knowledge awareness ▪ Support / capacity building to farmer marketing groups and water user's groups ▪ Enhanced agribusiness marketing information services ▪ Technical assistance <p>Activity 2.3: Promoting farm mechanization through smallholder financing scheme</p> <ul style="list-style-type: none"> ▪ Farm level individual rice and vegetable farmers ▪ Farmers group joint agribusiness activities 	<p>Capacity of farmer groups and water user groups strengthened Improved market information availability Informed choice</p> <p>New technology training Crop insurance providing a safety net Land title deeds being used as collateral for bank loans.</p> <p>Improved access to credit for investment in production and adapting farm mechanization technology</p>	<p>Lack of education and literacy may prevent some EGs accessing credit and insurance.</p> <p>EG land titling in traditional upland communities is done on a collective basis, so cannot be used for individual HH collateral.</p> <p>Inability of poorer households to afford crop insurance.</p>
3. Enabling environment for climate-friendly agribusiness enhanced	<p>Activity 3.1: Formulating climate friendly agribusiness policies and standards</p> <ul style="list-style-type: none"> ▪ Policy studies, recommendations and pilot project proposals <p>Activity 3.2: Promoting awareness on green finance and climate risk sharing mechanisms</p> <ul style="list-style-type: none"> ▪ Proposed investment activities will be reviewed during the interim period in order to assess whether the project, supported by the ADB, can provide credit and insurance products 	<p>Supportive policy environment</p> <p>Security of tenure and incentive to invest in land improvements</p>	

XI. ETHNIC GROUP DEVELOPMENT FRAMEWORK RECOMMENDATIONS

108. The type of subprojects expected to include ethnic group beneficiaries are those supporting farmer groups and cooperatives, in the southern provinces especially, who are developing marketing and processing hubs, individual group members and farmers trained in new technology and SMART agriculture, farmers on irrigation schemes (although at a more reduced rate as irrigation subprojects will be in lowland hub areas). Given the project outputs and activities and in reference to the impacts identified above, it is anticipated that the main EGP needs will be to address issues concerning inclusion and participation, and particularly consultation and dissemination. It is therefore expected that the following activities and recommendations will be a common factor in the EGPs prepared for subprojects.

Table 7: Indicative Ethnic Group Plan Activities

Project Output	Activities	Activities/Recommendations
1. Critical agribusiness value chain infrastructure improved and made climate resilient	<p>Activity 1.1: Rehabilitating small scale irrigation infrastructure (tertiary canals and water retention ponds) and rural roads.</p> <p>Activity 1.2: Enhancing crop research, protection and quality testing infrastructure.</p> <p>Activity 1.3: Improving climate friendly value chain infrastructure for agribusiness enterprises.</p>	<ul style="list-style-type: none"> • Ensure project information giving details of programs and opportunities, and how to apply, are disseminated in EG communities in project areas and in local language. • Check with local authorities regarding target village Lao language or EG language capacity prior to conducting consultations and meetings to determine whether additional support for translation and interpretation will be needed for community and HH meetings. • Use ethnic group-specific and gender-specific meetings if necessary, based on project staff assessments and EG preferences. • Use local translators to assist in consultation and planning meetings, deliver training and ensure EG community understands issues, concepts and requirements. • Use separate men and women's discussion groups to identify priority infrastructure needs and benefits to both men and women and also to identify options for infrastructure design, management and O&M. • Ensure consultation with both EG women and men and include in any surveys according to the level of EG representation in the community • Ensure interested eligible EGs are provided assistance as needed to complete application and registration forms and other documents needed • EGs are provided equal training opportunities as mainstream Lao • Technical support available in EG language if needed. • Maintain training and meeting participation records and disaggregate by gender and ethnicity.

Project Output	Activities	Activities/Recommendations
2. Climate smart agriculture and agribusiness promoted.	<p>Activity 2.1: Deploying climate-resilient rice and vegetable varieties</p> <p>Activity 2.2: Strengthening capacity of agricultural production groups (APGs) and agribusinesses in climate smart and organic agriculture</p> <p>Activity 2.3: Promoting farm mechanization through smallholder financing scheme</p>	<ul style="list-style-type: none"> Information on project activities and opportunities are made available to all communities in project areas Information is disseminated in local language. Crops grown by EG communities also considered for development EG HHs are provided assistance to complete application and registration forms and other documents needed EGs are equally considered for selection in training, capacity building, credit and insurance programs Market information made available to EG communities New crop varieties and information is available and disseminated to EGs
3. Enabling environment for climate friendly agribusiness enhanced	<p>Activity 3.1: Formulating climate friendly agribusiness policies and standards</p> <p>Activity 3.2: Promoting awareness on green finance and climate risk sharing mechanisms</p>	<ul style="list-style-type: none"> Information on project activities and opportunities are made available to all communities in project areas Information is disseminated in local language. EG HHs are provided assistance to complete application and registration forms and other documents needed EGs are equally considered for selection in credit and insurance programs Market information made available to EG communities

EG = ethnic group, HH = household, O&M = operation and maintenance

A. Stakeholder Consultations and Participation

109. Meaningful consultation with ethnic groups will be ensured through the use of culturally appropriate communication strategies, such as separate men's and women's discussion groups and use of local language where needed. Although most ethnic groups in the project provinces will have Lao language capacity it may vary significantly from individual to individual and can be expected to be significantly lower in EG women, and it must be determined if ethnic households in specific target areas need translation assistance.

110. The table below indicates the definitive points for stakeholder participation across the project cycle under the project. The plan will be undertaken to ensure informed participation in all facets of the project cycle. Timely disclosure of relevant and adequate information will be made that is understandable and readily accessible to affected people/gender, in an atmosphere free of intimidation or coercion. The use of separate focal groups for discussion of issues, separated by gender and ethnicity, is encouraged in cases where subprojects are being implemented in communities of mixed ethnicity.

Table 8: Stakeholder Consultation Plan

Stage	Stakeholders	Activity	Outcomes
1. Project identification	EA Ministry level Provincial and district level IA at provincial and district level Commune and village authorities Target beneficiary HHs	Govt and agency meetings to agree on selection criteria Scoping – visiting potential sites, physical inspection	Agreement on objectives, priorities. Agreement on SP selection criteria

	Members of vulnerable or minority groups Project TA	Meetings with commune and village authorities Meetings with target beneficiaries	Indicative development priorities for community Identification of problems and issues Basic design needs Records of community participation disaggregated by sex and ethnicity.
2. Project preparation	EA Ministry level Provincial and district level IA at provincial and district level Commune and village authorities Target beneficiary HHs Members of vulnerable or minority groups Project TA	Field level data collection – socio-economic data and surveys. HH level and Focal group discussions meetings to identify needs – includes meetings with EG HHs and gender separate focal discussion groups. Focused data collection from EG HHs Discuss proposed project design. Obtain feedback, determine level of support.	Data for preparation of socio-economic profiles. Needs and constraints identified. Special considerations identified. Agreement on project focus, objectives and indicative activities. Identification of gender issues, women's needs and priorities. Identification of safeguard needs Records of community participation disaggregated by sex and ethnicity.
3. Project appraisal	EA Ministry level EA Provincial and district level IA at provincial and district level – if different from EA. Commune and village authorities Target beneficiary HHs Members of vulnerable or minority groups Project TA	Presentation of proposed project design to community. Present proposals to separate men's and women's focal groups for discussion. Separate meetings with affected HHs and members of EG HHs. Discussion of safeguard issues and proposed mitigation	Agreement on final designs Agreement on safeguard and mitigation actions Formal acceptance of project and signing of documents of consent where needed. Agreement on women's needs and priorities to be included in the gender action plan. Records of community participation disaggregated by sex and ethnicity.
4. Project implementation and monitoring	EA Ministry level EA Provincial and district level IA at provincial and district level – if different from EA. Commune and village authorities Target beneficiary HHs Members of vulnerable or minority groups Project TA	Meetings to prepare final detailed engineering designs. Presentation to and acceptance by community of detailed designs and updated EG Plans and LARP. Community meetings to include separate meetings with EG HHs and focal group. Ongoing focal group meetings to monitor implementation progress – separate EG group meetings where needed.	Finalization of consent documents. Finalized detailed engineering designs. EGP and LARP finalized. Feedback on implementation progress, issues and constraints. Additional capacity building needs identified. Records of community participation disaggregated by sex and ethnicity.
5. Project completion and evaluation	EA Ministry level EA Provincial and district level IA at provincial and district level – if different from EA. Commune and village authorities Target beneficiary HHs Members of vulnerable or minority groups Project TA	Meetings with commune and village officials to discuss benefits, issues. Focal group meetings to identify benefits received, implementation issues and improvements needed. Separate EG focal group meetings where needed.	Feedback on implementation progress, issues and constraints. Suggestions for future improvements Records of community participation disaggregated by sex and ethnicity.

EA = executing agency, EG = ethnic group, IA = implementing agency, HH = household, LARP = land acquisition resettlement plan, TA = technical assistance

B. Documentation of the Consultation Process

111. Documentation of consultation meetings is important and must be attended to and the following data should be recorded as a minimum:

- (i) Context of the gathering (consultation or any activity initiated by or for the project - reason for the activity, where, when, who are present);
- (ii) Record what is being said, questions asked, issues raised and by whom – disaggregated by gender and ethnicity;
- (iii) Note if any particular interest group attempts to dominate discussions;
- (iv) If necessary separate leadership or influential persons from the focal discussion group and consider forming a specific “leadership” discussion group in order that influence on other persons during discussions is mitigated; and
- (v) Ensure records are taken of the date of the meetings and of who participated – and disaggregate by gender and ethnicity.

XII. ADDRESSING GENDER DISPARITIES

112. Important differences in roles between women and men, or other gender norms, may have a significant bearing on the subproject. Because gender disparities usually result in women and men having different needs, demands, and constraints, it is crucial to identify them early in the design process before key decisions are made. If these differences are ignored, the prospects for success of the project may be adversely affected, and women may not have the opportunity to benefit from the project on equal terms with men. Social norms related to gender roles frequently result in:

- (i) Gender-based inequality in access to and control of key resources;
- (ii) Unequal opportunities for women and men in areas such as education, mobility, and public decision making; and
- (iii) Formal or informal discrimination against women in areas such as inheritance, ownership and registration of land, access to credit, and employment.

113. The consultation plan outlined above includes discussions with separate women’s groups as well as consultation with women at the household level in order to identify the specific needs and priorities of women in the community. This information is used in conjunction with the SIA as well as the project gender action plan to formulate activities to address needs and mitigate constraints.

XIII. GRIEVANCE REDRESS MECHANISMS

114. Although no grievances are envisaged under the proposed project, the ADB SPS (2009) does require a grievance redress mechanism. In the Lao PDR the judicial system starts at the local level with the village committee, which is normally used for grievances against local government agencies, civil actions and minor criminal matters. In the case of most ethnic group communities there is a more informal but very influential village elders group that includes individuals with social capital and influential social position in the community. The village elders should also participate in the grievance hearing and resolution at village level.

115. Ethnic group members may make verbal complaints at the village level. If the issue is to be referred to the district authorities, formal complaints must be put in writing and bear the village

stamp to indicate that the complaint has been referred correctly through the local grassroots authorities. If the village has difficulty in submitting a formal written complaint, the Lao National Front (LNF) office at district level will provide the necessary assistance to do so. Complaints received must be documented and acted upon immediately. Village committee will be advised of the need to keep records of grievance hearings and the information needed.

116. Should issues not be resolved at the village level, an appeals process at district and provincial levels will be made available through the respective District and or Provincial Resettlement Committee office who will act on behalf of the project owner. The respective district or provincial office will be required to request the participation of the provincial or district Lao National Front representatives at any grievance hearing, to act and represent the EG household concerned. If the matter is still not resolved, the issue can be referred to the provincial Peoples' Court.

117. Grievance resolution will be aligned with the other safeguard processes where possible. The procedural steps for filing and resolution of grievance and complaints are described in the table below.

Table 9: Grievance Procedure

Stages	Activities/Procedures
Stage 1	At the village level, AP files a complaint/grievance verbally or in writing to VC/VE at village level. If unwritten, the VC/VE will assist to put it in writing and provide a copy to the project at district level. The head of the district project unit and the VC will hear the complaint in public for transparency, and based on their traditional method of conciliation and mediation. Resolution is required within five days after the complaint/grievance was received.
Stage 2	If no solution or understanding is reached within 5 days, the AP can bring the complaint at the district level. The GRC at the district level will meet the AP, and aim to resolve within 10 days after receiving the complaint.
Stage 3	If the AP is still unsatisfied or has not received any decision from the GRC at the district level, he/she can seek redress at provincial GRC that should decide the issue within 10 days.
Stage 4	The AP may elevate the complaint for hearing at the PMO if still unsatisfied with the decision of GRC at the provincial level. The PMO will ensure to resolve each complaint within 10 days after receiving the appeal.
Stage 5	As a last resort, the AP may file the case to the local Court of Law, with assistance from PMO. The decision of the Court of Law is final and executory.

AP = affected person, VC = village committee, VE = village elder, GRC = grievance redress committee.

118. All costs involved in resolving the complaints (meetings, consultations, communication and reporting/information dissemination) will be borne by the project. Safeguard monitoring reports will include the following aspects pertaining to progress on grievances: (i) number of cases registered with the grievance redress committee (GRC), level of jurisdiction (first, second, and third tiers), number of hearings held, decisions made, and the status of pending cases; and (ii) lists of cases in process and already decided upon may be prepared with details such as name, ID with unique serial number, date of notice, date of application, date of hearing, decisions, remarks, actions taken to resolve issues, and status of grievance (i.e. open, closed, pending).

XIV. INSTITUTIONAL ARRANGEMENTS

A. National Level

119. The executing agency for the project will be the MAF. MAF will delegate the responsibility for overall project coordination and management to its Department of Planning and Cooperation (DoPC). In turn, DoPC will establish a national project management office (NPMO) that will be responsible for project coordination and management, including financial management of project accounts, procurement of goods and works, recruitment of consultants, and monitoring and reporting.

120. To ensure inter-agency cooperation at the national level, a national steering committee (NSC) will be established within MAF. The NSC will be chaired by a Vice Minister of MAF and will include representation from the Ministry of Finance (MOF), Ministry of Planning and Investment; Ministry of Industry and Commerce, MPWT, Ministry of Foreign Affairs; the Water Resources and Environmental Administration, National Land Management Authority, Lao Women's Union (LWU), Committee for the Advancement of Women's Affairs and the provincial vice governors from the participating provinces. The NSC will meet annually or as required to review overall implementation progress, approve annual work-plans and budgets, and provide overall policy guidance. The NPMO will provide secretariat services to the NSC.

B. Implementing Agencies

121. In the six provinces of Champasak, Khammouane, Savannakhet, Saravan, Sekong, and Vientiane the implementing agencies will be the provincial agriculture and forestry offices (PAFOs). A provincial project implementation unit (PPIU) will be established in each PAFO to be responsible for financial management at provincial level, and coordination and management of implementation of subprojects. The PPIU will also coordinate and supervise the work of the district coordination offices (DCOs).

122. To assist in implementation at the district level, district coordination offices (DCO) will be established within participating district agriculture and forestry offices (DAFOs). The DCOs will provide coordination and supervision of subproject activities at district level. In particular, they will be responsible to assist with: identification of associated initiatives during subproject feasibility; community development activities; coordination of resettlement activities; environment management activities; indigenous people development activities; gender action activities; and monitoring and reporting on physical progress of implementation.

123. A provincial steering committee (PSC) will be established in each of the participating provinces to ensure inter-agency coordination at provincial level. The PSC will be chaired by the provincial vice governor with equivalent representation to that for the NSC. The PSC will meet bi-annually or as required to: review implementation progress; ensure adequate levels of coordination between key agencies; approve provincial work-plans and budgets; and approve subprojects for financing under the project. Subproject investment reports (SIRs) shall be approved by PSCs after obtaining the necessary concurrence of ADB for social and environmental safeguards. The PPIU will provide secretariat services to the PSCs.

124. Under the government Decree 192 and its implementation guidelines, each province has a standing Provincial Resettlement Committee (PRC). If involuntary resettlement and land acquisition arise, the PRC will be activated and will become the focal point for implementing the LARP in each province.

C. Consultants

125. Implementation will be guided by a consultant team that will include international and national safeguard specialists who are assigned specific responsibility for LAR and ethnic group work. The safeguards specialists are responsible to ensure that subproject screening is carried out correctly and that the ethnic group categorization accords with ADB SPS (2009). The specialists will also be responsible for formulating any EGP required and also for ongoing monitoring and reporting on EGP implementation. It is recommended that the international social safeguard specialist be hired for 3 months each project year, and the national consultant be hired full time. It is expected that EGP work would require 5% of the specialists' time.

D. Provincial Level

126. Key agencies at provincial level will be the PAFO and DAFO offices. Provincial and district agency staff will assist project implementation teams to:

- (i) Conduct feasibility study socio-economic surveys, including ethnicity and sex disaggregated data, to understand local LARP and ethnic group development issues;
- (ii) Undertake and document consultation with communities and local ethnic groups to explain and discuss project plans, impacts, determine the appropriate interventions;
- (iii) Conduct meetings with affected households;
- (iv) Assist to conduct IoL surveys and DMS;
- (v) Assist in the design of interventions to address identified issues relevant to the overall subproject;
- (vi) Play a lead role in the implementation and monitoring of the LARPs, or the enhancement measures;
- (vii) Conduct feasibility study socio-economic surveys, including ethnicity and sex disaggregated data, to understand local ethnic group development issues;
- (viii) Undertake and document consultation with communities and local ethnic groups to determine the appropriate interventions;
- (ix) Assist in the design of interventions to address identified issues relevant to the overall subproject; and
- (x) Play a lead role in the implementation and monitoring of the EGPs, or the enhancement measures.

E. District and Level

127. Although implementation teams are from provincial agencies, district level staff will compliment provincial teams if and when possible and depending upon local resource conditions. The project implementation teams will work closely with village committee officials. The village administration level plays an important role in coordinating between project and community and will assist in conducting surveys, collecting data and also assist in arranging appointments with community groups and households as needed.

XV. MONITORING AND REPORTING ARRANGEMENTS

128. Due to the small number of ethnic groups in the project areas and the limited impacts anticipated, the project will initially rely on internal monitoring to ensure the EGP is being implemented as expected. The executing/implementing agencies with assistance from the national and international social safeguards specialist shall conduct the supervision and in-house

monitoring of implementation of the EGP. The national and international safeguard specialists will ensure that the monitoring and reporting is being carried out in accordance with the EGP. The project technical assistance will conduct safeguard training for line agency staff participating in implementation and this training must include monitoring, data collection and reporting

129. The need for an independent external monitoring organization (EMO) will be reviewed during implementation for land acquisition and resettlement planning (LARP) and if contracted, the EMO will also be given responsibility for monitoring the implementation of the EGPs. Sample terms of reference for the EMO are attached to the LARF. If there are only a small number of LARPs and EGPs prepared, and the activities proposed under the EGP relatively straightforward, the PMU may decide to use internal resources only. If that is the case, the Project will contract an EMO on an ad hoc basis to verify the EGP implementation. The independent EMO is most likely an NGO, group of consultants, or if a very small number of EGPs, an independent national consultant could be hired for the task. If an EMO is being hired, the project social safeguard team will prepare appropriate terms of reference for the EMO.

A. Participation Targets

130. ethnic group participation targets have been set for the project design monitoring framework (DMF). Depending upon the type of subproject and its location, some subprojects will have significant ethnic group representation whilst other may have none. In the main and based on the project design, potential subprojects beneficiaries will be comprised of:

- (i) existing farmer groups and or cooperatives who are already engaged in agricultural production, processing and marketing who wish to obtain partnership investment from the government to expand and establish hub processing centers;
- (ii) rice mill owners;
- (iii) farmers of irrigation schemes located in production and transportation hubs;
- (iv) users of farm and factory access roads associated with the processing plans, rice mills and irrigation schemes in lowland production hub areas;
- (v) farmers in lowland production hub areas receiving training; and
- (vi) government policy, research and development centers.

131. The following targets apply to Output 1 and training will apply to both Outputs 1 and 2. Rates do not strictly follow the ethnic group population rates in each province as the majority of the ethnic group communities are living in more remote isolated villages that are outside of the project targeted “hub” areas. Participation rates have been adjusted to reflect the situation in each province. The targets can only be considered as estimates but are based on experience from projects such as the ADB BCCP. The exact subprojects that will be implemented under CFAVC have yet to be confirmed and some even are as yet unidentified.

Table 10: Indicative EG Participation Targets

Province	EG Population % in Province	EG Targets		
		Members of Farmer Groups include EGs	Farmers Trained Includes EGs	Irrigation scheme Farmers includes EGs
Vientiane Capital	3.7%	0%	0%	0
Vientiane Province	30.7%	5%	5%	0
Khammouane	19.5%	5%	5%	0%
Savannakhet	29.2%	15%	15%	5%
Saravan	48.9%	25%	25%	15%
Sekong	89.3%	45%	45%	25%
Champassak	13.4%	5%	5%	0%

B. Indicators

132. As a minimum, the CFAVC must report on the number and type of subprojects that have ethnic group participants, the number of ethnic group members and households participating, the gender of the ethnic group participants, and also monitor the ethnic groups participation in project supported activities and meetings. Other relevant benchmark data obtained from the subproject SIA would also be included such as income derived from the activity being supported by the project. Other indicators being reported would be the number of grievances received from ethnic group members and the number of ethnic group households affected by land acquisition. All project participation and consultation data is to be disaggregated by ethnicity and sex.

133. Schedule of Monitoring and Reporting. The EGP will establish a schedule for the implementation of the EGP taking into account the project's implementation schedule and the consultation plan. The EGP will also indicate the monitoring and reporting schedule required from line agency staff. The safeguards specialists assisting implementation shall ensure that executing agency staff at provincial level are aware of the EGP and their monitoring and reporting responsibilities. Quarterly Design and Monitoring Framework (DMF) update reports are required by the PMU from provincial PIUs. These quarterly reports will include indicator updates for the GAP, LARP and also the EGP. Every 6 months, the DMF report must be updated by the PMU and copied to the executing agency and ADB.

134. Final Evaluation. The EGP will also indicate a process to be followed for end of project evaluation. The process will focus on separate men's and women's focal groups, facilitated in local language if needed. The focal groups will identify benefits that they have received, issues and constraints encountered during implementation, and also identify means through which project implementation could be improved. It will also report household income levels and specifically income from the activity being supported by the project. This final evaluation is conducted by the project safeguard team and will form part of the project completion report.

XVI. BUDGET AND FINANCING

135. The EGP provides the line item costs that will be subject to detailed planning and budgeting during implementation at the project and subproject levels. The PMU is responsible for the provision of necessary financing of all EGP activities. The EGP will specify funding requirements for each of the actions in the plan and these will vary according to the needs of each subproject EGP. Cost estimates provided in the plans must be as detailed as possible, linked to specific activities. The EGP will focus on costs involved in ensuring participation and inclusion.

136. The project has funds for the hire of international and national social safeguards specialists. Most of the ethnic group subproject screening, EGP preparation, staff training and EGP monitoring will be conducted by this technical assistance. The table below indicates some of the key activities that will need to be costed in each EGP.

Table 11: Budget Line Items for EGP

ACTIVITY	DESCRIPTION	DURATION
1. EA and IA training in Safeguard area 3	Training to line agency implementation staff on purpose of EG safeguards, need for EGP, process for preparation of EGP, linkages to LARP where applicable. Monitoring and indicators.	At project start up and before additional SP feasibility studies are conducted. Conduct as one off event – total cost \$2500
2. Social Assessment	All villages with EGs. Need for local language translation to conduct social impact assessment and benchmarking, FGDs.	Ongoing as SPs are identified but must be before the specific project activities are implemented

ACTIVITY	DESCRIPTION	DURATION
		Allow \$250 per EGP for hiring local translators. Can be combined with LARP costs where applicable.
3. Preparation of EGP	Use of SP screening and SIA data	Prepared by CFAVC TA
4. Monitoring of EGPs	<u>Quarterly Monitoring.</u> The DMF is updated by the PIU for the PMU. <u>Six-monthly DMFs</u> are updated and copied to ADB. <u>Final Evaluation.</u> Final evaluation of the implementation of the EGP will be three months before project completion	Built into implementation arrangements and consultants ToRs. PMU arranges ongoing internal monitoring and implementation monitored by same EMO hired for LARP monitoring.
5. Preparation of IEC materials	Preparation of printed explanatory materials in EG language if needed. Translation and printing.	Ad hoc – as needed. Allow project total of \$500 per SP involving EGs
6. Meetings, training and dissemination,	Hire of local EG translators and facilitators to assist in conducting meetings, focal groups, training and information dissemination	Ad hoc as identified as needed for specific SPs Allow \$10 per resource person per day
7. Hiring of National Consultant for safeguard area 3	Will be combined with safeguard area 2 (RS/LA)	CFAVC overhead – hired for 60 person-months (full time 5 years). 5% of time for EG work
8. Hiring of International Consultant for safeguard area 3	Will be combined with safeguard area 2 (RS/LA)	CFAVC overhead – hired for 15 person-months (3 month/year for 5 years). 5% of time for EG work

ANNEX 1: INDIGENOUS PEOPLES IMPACT SCREENING CHECKLIST FOR SUBPROJECTS

KEY CONCERNS	YES	NO	NOT KNOWN	Remarks
A. Indigenous Peoples Identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				
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?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
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?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				

KEY CONCERNS	YES	NO	NOT KNOWN	Remarks
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)				
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., farming systems, incomes, food production system, natural resource management, crafts and trade, employment status)				
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				
C. Identification of Special Requirements: Will the project activities include:				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
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?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				

ANNEX 2: SOCIAL IMPACT ASSESSMENT CONCEPTS AND METHODS

A. Social Impact Assessment

1. The SIA assists in promoting inclusive social development by helping to achieve development outcomes that are equitable and sustainable, thereby contributing to poverty reduction and development goals. The social development outcomes sought through this approach to SIA are as follows:

- (i) Greater inclusiveness and equity in access to services, resources, and opportunities;
- (ii) Greater empowerment of poor and marginalized groups to participate in social, economic, and political life; and
- (iii) Greater security to cope with chronic or sudden risks, especially for poor and marginalized groups.

2. The scope and depth of the social analysis will vary depending on the sector, the focus and complexity of the project, and the social context in which it will be implemented. Nevertheless, the thematic areas that a social analysis will cover generally includes the following key social dimensions and strategies, and a suggested socio-economic survey form is attached at Annex 5:

- (i) Positive and negative projects impacts and benefits;
- (ii) Sources and levels of incomes;
- (iii) Land and asset holdings;
- (iv) Literacy and education;
- (v) Community and HH needs and development issues and priorities;
- (vi) Participation and special measures needed for inclusion;
- (vii) Gender and development;
- (viii) Social safeguards; and
- (ix) Management of other social risks and vulnerabilities.

B. Key Social Analysis Outputs

3. Social analysis is an integral part of project design process and should contribute to the technical and economic analyses, stakeholder consultations, consideration of alternative design options, and preparation of the final design, including monitoring and evaluation indicators. The overall results of the social assessment will provide the following key outputs:

- (i) Socioeconomic profiles of relevant population groups;
- (ii) Social action or mitigation plans, or other measures incorporated in the project design; and
- (iii) Social development targets and indicators.

4. For most projects, the data collection process will include both primary and secondary data, and a combination of qualitative and quantitative methods. Qualitative approaches are particularly relevant to social analysis because they identify issues and capture variables not obtainable through quantitative surveys, particularly relating to social inclusion/exclusion, empowerment/disempowerment, and security/insecurity.

C. Data Collection Methods

5. In conducting the SIA, two main data collection methodologies are recommended that will capture both qualitative and quantitative data:

- (i) Household level Questionnaire based Interviews. These will involve closed questions with either multiple choice answers or numerically coded responses.
- (ii) Focus Group Meetings. These semi-structured consultations with a small group (generally 5–10 participants plus 1–2 facilitators) are used to explore people's attitudes, concerns, and preferences. Focus groups are particularly useful to elicit the views of members of a community who may be reluctant to speak in a more public setting (such as women, indigenous peoples, the disabled, or poor individuals and households). It is preferable to use gender disaggregated focal groups (ie: separate men's and women's groups).

D. Secondary Data

6. Sources of secondary data that may be relevant in preparing the socio-economic profiles (see below) include the following:

- (i) Population Census. A national census can usually provide basic data on employment, household size, housing, and access to basic services, including data disaggregated by region or state/province.
- (ii) Living Standard Measurement Surveys (LSMS) and Other Existing Household Surveys. LSMS and other multi-topic surveys can provide data on household income and expenditures, employment, health, education, ownership of land and other assets, and access to basic services and social programs.
- (iii) Demographic and Health Surveys. These surveys generally include data on (a) health, infant mortality, fertility, contraceptive practices and family planning, antenatal care, type of facility and care used by women for childbirth, feeding practices, vaccination, health center use by mothers and children, satisfaction with health services, and cost of treatment; (b) educational attainment; (c) occupations of men and women; (d) migration; (e) access to water, sanitation, and energy services; and (f) ownership of durable goods. These surveys can be used to calculate household wealth and are particularly relevant to gender analysis.
- (iv) Employment Surveys. These surveys provide data on (a) employment, unemployment, and underemployment patterns; (b) wages and other household income; (c) demographics; and (d) housing features. However, the surveys are unlikely to provide information on microenterprises and other informal business activities, or on the unpaid labor of household members involved in agriculture or household businesses.

E. Profile of Beneficiaries

7. Key outputs from the SIA are socioeconomic profiles of the target groups which are key inputs to the design of a project, and provide baseline data for monitoring the social impacts of the project on relevant groups. The purpose of these profiles is to:

- (i) Identify the relevant client/beneficiary population and any other populations likely to be affected by the project;
- (ii) Identify subgroups with different needs and interests; and

- (iii) Assess the relevant needs, demands, constraints, and capacities of these groups and subgroups in relation to the proposed project.

8. These profiles provide a basis for further analysis of significant social issues (e.g., related to gender, indigenous peoples, involuntary resettlement, labor, affordability, or health/trafficking risks related to large infrastructure projects). They also aid the project design team in framing project components, selecting technologies, and devising implementation arrangements that are appropriate, feasible, and responsive to local needs and capacities.

F. Content of Socioeconomic Profiles

9. Socioeconomic profiles are based upon the primary and secondary data obtained through the household interviews, focal group discussions and also other reports reviewed providing relevant secondary data. A sample outline of a socioeconomic profile addressing social issues in agriculture and rural development is provided below.

G. Location and physical characteristics:

- (i) Map (showing roads, land use, rivers, bridges, major settlement areas); and
- (ii) Description of location.

H. Economic (including disaggregation of data by gender, ethnicity, and income level):

- (i) Ownership of assets;
- (ii) Land (e.g., amount, type, distribution, security of tenure);
- (iii) Other (e.g., livestock, equipment, buildings);
- (iv) Type of livelihood (e.g., subsistence, commercial, or both);
- (v) Household income/expenditures;
- (vi) Skills;
- (vii) Employment and allocation of labor;
- (viii) Use of and access to credit;
- (ix) Use of and access to marketing service; and
- (x) Use of and access to commercial inputs.

I. Social infrastructure (including disaggregation of data by gender, ethnicity, and income level):

- (i) Access to health services;
- (ii) Education (primary, secondary, informal);
- (iii) Water and sanitation;
- (iv) Housing;
- (v) Roads and communications; and
- (vi) Energy.

J. Demographic (including disaggregation of data by gender, ethnicity, and income level):

- (i) Age/sex/family size;
- (ii) Birth/death rates;
- (iii) Health and nutrition (of adults and children);
- (iv) Migration (in and out); and
- (v) Number of single-parent households.

K. Social organization (including evidence of differences based on gender, ethnicity, or income level):

- (i) Family structures;
- (ii) Social structures in the community;
- (iii) Information on how collective decisions are made;
- (iv) Local institutional structures;
- (v) Nongovernment organizations (NGOs) or community-based organizations (CBOs) in the area; and
- (vi) Level of social cohesion, social respect, and initiative.

ANNEX 3: OUTLINE OF AN INDIGENOUS PEOPLES DEVELOPMENT PLAN

1. This outline is part of the Safeguard Requirements 3. An EGP is required for all projects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on indigenous peoples. The substantive aspects of this outline will guide the preparation of EGPs, although not necessarily in the order shown.

A. Executive Summary of the IPP

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

B. Description of the Project

3. This section provides a general description of the project; discusses project components and activities that may bring impacts on indigenous peoples; and identify project area.

C. Social Impact Assessment

4. This section:

- (i) Reviews the legal and institutional framework applicable to indigenous peoples in project context.
- (ii) Provides baseline information on the demographic, social, cultural, and political characteristics of the affected indigenous peoples 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 indigenous peoples 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 indigenous peoples, 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 indigenous peoples 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 indigenous peoples' perceptions about the project and its impact on their social, economic, and cultural status.
- (vi) Identifies and recommends, based on meaningful consultation with the affected indigenous peoples, 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 indigenous peoples receive culturally appropriate benefits under the project.

D. Information Disclosure, Consultation and Participation

5. This section: (i) describes the information disclosure, consultation and participation process with the affected indigenous peoples 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 indigenous peoples 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 minority participation during implementation; and (v) confirms disclosure of the draft and final EGDP to the affected EG peoples.

E. Beneficial Measures

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

F. Mitigative Measures

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

G. Capacity Building

8. Capacity building under the Project is being offered is mainly technological such as SMART agriculture, mechanized farming, production and processing equipment and machinery, marketing, developing product standards and production codes of conduct. This section indicates measures to strengthen the EG subproject participants' capacity to take advantage of project supported opportunities and activities, and obtain maximum benefits and from agriculture and related training that will be provided. It should indicate the specific capacity constraints and needs of the target group under consideration, to successfully implement or benefit from the activities.

H. Grievance Redress Mechanism

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

I. Institutional Arrangement

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

J. Monitoring, Reporting and Evaluation

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

K. Budget and Financing

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

ANNEX 4: DRAFT SOCIO-ECONOMIC SURVEY

SOCIO - ECONOMY	1 HEAD / SPOUSE OF HOUSEHOLD AND FAMILY												
	1.1 Head of household	Name			Sex	Male		Age	[in years]		Literate	yes	
					Female				no				
		Disabled	yes		Single Head	yes		Owner of Land	yes, for				
		no		no		no							
		Occupation											
	(please ✓)	"own activities / self employed"			"working for others"			"not working"					
		Farming			Employee - private sector business			No opportunity					
		Fish farming / aquaculture			Hired labourer - most of the year			No skills					
		Forest / NTF activities			Hired labourer - seasonal			No interest					
Livestock			Government employee - administration			Retired							
(please ✓)	Business			Government employee - public services			Disability:						
	Shop						Physical /						
	Services						Mobility						
							Disability:						
							Intellectual /						
						Mental							
1.2 Spouse of head of household	Name			Sex	Male		Age	[in years]		Disabled	yes		
				Female				no					
	Literate	yes		Owner of land	yes		if YES, for						
	no		no										
	Occupation												
	(please ✓)	"own activities / self employed"			"working for others"			"not working"					
		Farming			Employee - private sector business			No opportunity					
		Fish farming / aquaculture			Hired labourer - most of the year			No skills					
		Forest / NTF activities			Hired labourer - seasonal			No interest					
		Livestock			Government employee - administration			Retired					
(please ✓)	Business			Government employee - public services			Disability:						
	Shop						Physical /						
	Services						Mobility						
							Disability:						
							Intellectual /						
						Mental							
1.3 Family	Ethnicity of head of HH			Members [No.]		Years in Village	Status						
	Ethnicity of Spouse			Male	Female		Ranking	Well-Off / Rich	Middle / Average	Poor / Vulnerable			
	Main Language in HH												
ASSESSMENT OVERVIEW	SUBPROJECT												
	Name												
	Province												
	District												
	Village of Household												
	SURVEY												
	Data Collection	Date			Survey-No.								
		Interviewer			Venue								
		Accompanied by			from								
	Household Persons Attending Interview					Role in HH							
				Role in HH									
				Role in HH									
				Role in HH									
DATA INPUTING													
Date				Data Inputter									

SOCIO - ECONOMY

AFFECTED PRIVATE ASSETS

8.0 After listening to the Project Information Dissemination, Do you think your HH benefit directly from the project:		
Benefit	Yes	No
Direct water supply		
Improved distribution		
Improved access		
Increased land value		
Increased rental value		
Expected increased yields		
Expected decreased maintenance		
Do you think the benefits are significantly greater than the value of the land and/or assets you will lose?		
Will the loss of assets negatively impact your livelihood significantly?		
Do you support the project as planned?		