



Laos People's Democratic Republic
Peace Independence Democracy Unity and Prosperity

Mekong Integrated Water Resource Management
Additional Financing (M-IWRM-AF) Project

Attachment B:
Ethnic Groups Planning Framework (EGPF)

Updated: March 9, 2017

PREFACE

This document is called the Ethnic Groups Planning Framework (EGPF) for the Mekong Integrated Water Resource Management Additional Financing Project (M-IWRM-AF, AF, or the Project) and it will be applied to all investments to be financed by the World Bank (WB) that involve ethnic groups that meet the WB's definition of Indigenous Peoples as defined by the WB safeguard policy OP/BP 4.10. The EGPF is an update of the EGPF of the original project taken into account the proposed activities to be financed under the AF. The EGPF is connected to the overall mitigation instrument namely the Environmental and Social Management Framework (ESMF) for the M-IWRM-AF.

The Project Management Units (PMU) of national components (Component 2 and 3) and the respective Component Management Units (CMUs) of the Department of Water Resources (DWR) of the Ministry of Natural Resources and Environment (MONRE) and the Department of Livestock and Fisheries (DLF) and the Department of Irrigation (DOI) of the Ministry of Agriculture and Forestry (MAF) who are responsible for implementation of specific component are responsible for ensuring compliance with the EGPF, including keeping proper documentation in the project file for possible review by the World Bank.

This document is considered a living document and could be modified and changed in line with the changing situation or scope of the activities. This EGPF has been consulted with the respective Ethnic Groups located in the project area. Close consultation with the World Bank and clearance of the revised EGPF will be necessary.

Lao PDR: Ethnic Groups Planning Framework (EGPF)

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List of abbreviations and Acronyms

AF	Additional financing	SVK	Savannakhet Province
ATP	Attapeu	USD or \$	United State Dollar
BKX	Bolikhamxay Province	VTP	Vientiane Province
CAR	Compensation and resettlement	WB	The World Bank
CMU	Component Management Unit	XBF	Xe Bang Fai
CRPF	Compensation and Resettlement Policy Framework	XBH	Xe Bang Hieng
CPS	Champassak	XCP	Xe Champhone
DLF	Department of Livestock Fisheries (of MAF)	XX	Xekong
DOI	Department of Irrigation (of MAF)	XSB	Xaisombouan
DONRE	District Office of Natural Resources and Environment		
DWR	Department of Water Resources (of MONRE)		
EGPF	Ethnic Groups Planning Framework		
EGP	Ethnic Groups Plan		
ESMF	Environmental and Social Management Framework		
ESMP	Environmental and Social Management		
GOL	Government of Lao PDR		
GRC	Grievance Redress Committee		
GRM	Grievance Redress Mechanism		
IWRM	Integrated Water Resources Management		
KM	Khammouane Province		
Lao PDR	Lao's People Democratic Republic		
LMB	Lower Mekong Basin		
MAF	Ministry of Agriculture and Forestry		
M-IWRM	Mekong Integrated Water Resources Management		
M-IWRM-AF	Mekong Integrated Water Resources Management additional financing		
MONRE	Ministry of Natural Resources and Environment		
OP/BP	Operational policy/Bank procedure		
PAP	Project affected peoples		
PMU	Project Management Unit		

Section I. Introduction

1. Main objective of the Mekong Integrated Water Resources Management Additional Financing (M-IWRM-AF) is *to establish examples of improved Integrated Water Resources Management (IWRM) in the Lower Mekong Basin (LMB)* and more detailed description are given in *Annex 1*. The estimated amount of Additional Financing to be provided to the Project is on the order US\$25 million.

2. Implementation of Component 3 (*Improved Floodplain and Aquatic Resources Management*) in Lao PDR would involve ethnic groups. Main objectives of this component are to: (i) support sustainable river basin and floodplain management by balancing ecological and community livelihood interests with water resource development goals and (ii) fisheries co-management in key spawning and feeding habitats of regional significance. Activities will be implemented through the following components:

- *3.1.1 River Basin Management*¹: This component is implemented by DWR of MONRE. The Project has supported IWRM process through stakeholder driven water resource management exercises in the XBF and XBH basins including preparation of river basin profiles for XBF and XBH, development and implementation of flood management plan for the lower XBF and a wetland management plan for Xe Champhone (XCP) which is located in the lower part of XBH, and initiation of groundwater activities in Savannakhet. With additional financing, the Project will intensify its activities in XBF and XBH as well as expand river basin management activities into Nam Ngiep and Nam Ngum.
- *3.1.2 Sustainable Irrigation and Drainage*: As a complement to the river basin management activities in the XBF and XBH basins, the DOI of MAF is implementing a series of upgrades to existing small-scale irrigation systems which involve: constructing fish-friendly gates; modernizing existing infrastructure through improved pumping stations and canal distribution systems; working with local farmer groups to establish water user groups and production “user groups;” and promoting sustainable rice intensification (SRI). With additional financing, the upgraded area will increase from 50% to 75% of the total “command area” of approximately 30,000 hectares in the XBF and XBH river basins.
- *3.2 Fisheries Management*: This component is providing support for improved management of critical habits for aquatic resources in the southern Lao provinces of Pakse and Champasak. The Project includes support for: (i) establishing community-managed fisheries management organizations; (ii) developing local fishery management plans; (iii) supporting alternative livelihood activities to reduce reliance on capture fisheries; (iv) supporting small-scale village level infrastructure to enhance economic opportunities; and (v) developing the capacity of the provincial and national fishery agencies. With additional financing, these activities will continue and be intensified within the existing project areas.

¹ This component was named as “Strengthening Management in Priority River Basins and Floodplains” under the original project.

3. Scope of Component 3.1.2 (*Sustainable Irrigation and Drainage*) will cover the lower part of Xe Bang Fai (XBF) and Xe Bang Hieng (XBH) while that of Component 3.2 (Fisheries management) will cover the Mekong mainstream near Lao-Cambodia border at Champasak and in Sekong River flowing through Sekong and Attapeu provinces similar to the original project. Scope of river basin planning and small community investments of Component 3.1.1 however will be scaled up in XBF and XBH basins while the activities will be expanded to cover the River Basin Committee (RBC) operations in lower part of Nam Ngum as well as cover the establishment of a river basin organization (RBO) in Nam Ngiep. These areas, especially and Champasak wetlands, are considered the most critical habitats (mainly for refugees during the dry season and spawning season) for many long migratory species, including endangered fish species such as *Pangasius krempfi*, and *Pangasianodon gigas* and mammals like the critically endangered Irrawady dolphin (freshwater dolphin). It is also known that this area is inhabited by various indigenous peoples and they may be affected (positively and negatively) by the project. The lower part of XBF and XBH are also important wetlands for fish migration while Xe Champhone (XCP) Ramsar site located in lower XBH is considered a critical habitat for Siamese crocodile and many kinds of birds.

4. To avoid, minimize and mitigate potential negative impacts on these ethnic groups and to comply with the World Bank's safeguard policy on Indigenous peoples (OP/BP 4.10), an Ethnic Groups Planning Framework (EGPF) has been developed to ensure that these indigenous peoples would be sufficiently and meaningfully consulted leading to their broad community support to project interventions, that they will receive culturally appropriate project benefits and that any potential negative impacts are properly mitigated. The EGPF will form a basis for project implementation and for monitoring and evaluation of how the project deals with indigenous peoples issues. The EGPF follows Government of Lao PDR (GoL) regulations, and WB's indigenous people's policy (OP/BP. 4.10).

5. Section II below outlines background condition regarding indigenous peoples and related regulations in Lao PDR while Section III describes the objective and basic principles of OP/BP 4.10 and how it is applied to the M-IWRM-AF (the Project), including actions that have been and will be undertaken by M-IWRM-AF. Section IV provides a technical guideline for consultation framework with ethnic groups in Lao PDR which has been applied during the preparation of M-IWRM-AF. Section IV also provides a general scope for preparation of an Ethnic Groups Plan (EGP if the presence of Ethnic Groups is confirmed, including measures if adverse negative impacts on ethnic groups are anticipated.

Section II. Background

2.1. Overview of the Ethnic Groups in Lao PDR

6. *Definitions and Categories.* The term 'indigenous peoples' is not used in Lao PDR, as is also the case in Vietnam and China. Rather the term 'ethnic groups' that corresponds to the Lao term, *xon phao* is used to describe all ethnic groups in the country. Official terminology for the classification of "ethnic groups" according to the 1991 Lao constitution and a review by the National Edification Committee (August 2000) consists of a two-tiered

system with 49 main ethnic groups and over 100 sub-groups. There are four main ethno-linguistic categories in the country: Lao-Tai, Mone-Khmer, Sino-Tibetan and Hmong-Iewmien groups.

7. In addition, there are three terms most commonly used by the government and by the population itself when describing the classification of ethnic groups in practice:

- Lowland Lao (mainly Lao Tai), groups living in the lowland regions of the country that for the most part cultivate paddy, practice Buddhism and are integrated into the national economy. These correspond to the Lao-Tai group and represent approximately 65% of the population.
- ‘Slope Dwellers’ (mainly Mone-Khmer), groups dominating the middle hills that for the most part practice swidden agriculture, are reliant on forest products and to some extent are isolated from the dominant lowland culture. Many groups, however, 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).
- ‘Highland Lao’ (Sino-Tibetan and Hmong-Iewmien), groups dwelling in the highland areas practicing swidden agriculture and include the Sino-Tibetan and Hmong-Iewmien ethnic groups. Many of these groups are relatively recent arrivals from Southern China and Vietnam and form about 10% of the population. There are also examples of these groups settling in lowland areas.

8. Lao PDR is a diverse and multi-ethnic state whose citizens consist of 49 distinct ethnic groups grouped into four main ethno-linguistic groups: (i) Tai-Kadai comprises of 8 ethnic groups (66.2%), (ii) Austro-Asiatic of 32 ethnic groups (23%), (iii) Hmong-Yu Mien of 2 ethnic groups (7.4%), and (iv) Sino-Tibetan of 7 ethnic groups (2.7%). The Tai-Kadai ethno-linguistic group (or Lao Tai) accounts for about 66% of the nation’s population, and is the largest ethnolinguistic group in only 4 of the 18 provinces: Attapeu, Champasack, Khammouane, and Savannakhet. (Population and Housing Census, 2005).

Table 1: Percentage of Ethnic Groups by Target Province

Province	Population	Largest Group	%	Second Group	%	Third Group	%	% of Total Ethnic
Attapeu	87,229	Lao	36.9	Lavae	17.4	Oey	16.4	63.1
Champasack	501,387	Lao	84.4	Laven	4.9	Xuay	2.4	15.2
Khammouane	272,563	Lao	59.4	Phutai	21.7	Makong	13.4	40.6
Savanaketh	672,758	Lao	57.5	Phutai	18.9	Katang	8.7	42.5

Source: Lao Front for National Construction, Department of Ethnic Affairs, 1999.

9. There is considerable population of Mone-Khmer group, mainly ethnic Makong, found in the XBF floodplain, whereas majority of the population are Lao in the fishing

villages in Champasack. XBF is mainly Lao (71%) and it is followed by Phouthyai (25%), Mangkong (3%) and King (1%). There are several ethnic groups living in Attapeu, each with its distinctive language, culture and belief systems. Ethnically, Lao Tai (majority Lao) make up only 38% of the population, and the remaining 62% are Mone-Khmer, considered to be “ethnic minorities”. The highest concentration of Lao Tai is found in Samakkixay District around Attapeu town. The Mone-Khmer in Attapeu include the Lave (Brao), Talieng, Oy, Harak, Yea and Cheng. Of the 13 ethnic groups identified in the province, 12 speak languages in the Mone-Khmer ethno-linguistic classification.

2.2 Legal Framework and Regulations

10. Constitution of Lao PDR, ratified in 1991, uses the term “citizens of all ethnicity” throughout the document. It specifically recognizes the need to incorporate the concerns of ethnic groups in developing policy in all sectors, and has reaffirmed its commitment to strengthen the rights of all ethnic groups in various congresses, conferences, decrees, and laws since the 1980s (Articles 8 and 22). Article 75 of the Constitution specifically indicates that “the Lao language and script are the official language and script.

11. The 1992 Ethnic Minority Policy of the Lao PDR² towards ethnic minorities identifies three essential tasks: (i) strengthening political foundations, (ii) increased production and opening of channels of distribution in order to convert subsistence-based economics towards market-based economics, and (iii) a focus on the expansion of education, health and other social benefits. Of direct relevance to this Project this 1992 Policy states that the Lao PDR must discourage ethnic minorities from continuing their practices associated with shifting cultivation through arranging for permanent livelihoods for such groups so that the benefits of other forms of agriculture outweigh those associated with shifting cultivation. Basically the Lao PDR considers that many of its upland minorities (and this especially includes the Khmou and Hmong) observe “backward traditions that are reflected in their production lifestyle”. In practice the Lao PDR realizes that it is quite impractical to change all these “backward” practices it attributes to ethnic minority groups because even many Lowland Lao are involved in some forms of upland agriculture.

Section III. Key Issues and Application of EGPF to M-IWRM-AF

3.1 WB’s Safeguard Policy: Indigenous People (OP/BP 4.10)

12. The WB’s OP/BP 4.10 (Indigenous Peoples) requires that special planning measures be established to protect the interests of ethnic groups with a social and cultural identity distinct from the dominant society that may make them vulnerable to being disadvantaged in the development process.

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

² Known under its full title as Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era

- (a) a close attachment to ancestral territories and to the natural resources in these areas;
- (b) self-identification and identification by others as members of a distinct cultural group;
- (c) an indigenous language, often different from the national language; and
- (d) presence of customary social and political institutions.

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

- to ensure that such groups are afforded meaningful opportunities to participate in planning that affects them;
- to ensure that opportunities to provide such groups with culturally appropriate benefits are considered; and
- to ensure that any project impacts that adversely affect them are avoided or otherwise minimized and mitigated.

15. In the context of M-IWRM-AF, the ethnic groups (EG) in Champasak, Sekong, and Attapeu provinces are likely to receive a long term benefits through the support on community fisheries and livelihood development investments, but they may be negatively affected by the temporary loss of livelihood and restrictions to natural resources due to the sustainable fishery arrangements. The EG in other project areas of Khammouane and Savannakhet province are also likely to receive a long term benefits through supports of Component 3-1 (sustainable irrigation and drainage and river basin management). For the M-IWRM-AF, therefore, the EGPF has focused on *consultation to make sure that the ethnic groups have an opportunity to voice their concerns and to participate in and benefit from the Project*. Subsections 3.2, 3.3, and 3.4 below describe the activities that have been undertaken during preparation of M-IWRM-AF project and those to be carried out during implementation.

3.2 Screening for Ethnic Groups and Impacts Assessment of M-IWRM-AF

16. Preliminary consultations were conducted during the preparation of safeguard instruments (including this EGPF) of the Project. The preliminary consultations aimed to support the EG screening process by providing additional data to identify ethnic minority communities in the project areas and also to inform project designs so the sustainable water resource mechanisms to be developed under the Project will receive broad community support from the Ethnic minority communities and is thus sustainable. The preliminary consultations were carried out by the implementing agencies assisted by a team of an international social specialist and national consultants. As result of the implementation experience of EGPF of the original project; it is suggested that ethnic groups are present in the project area and preparation of EGP should be prepared and will be reviewed by the World Bank.

17. The consultation suggested that the ethnic groups in the Project areas would receive culturally appropriate benefits from the project. As a result of the consultation process; with relevant ethnic groups, including, local governments and the local and international non-governmental organizations active in the Project area, broadly agree on the following principles:

- First, better fisheries management would benefit the local communities in the long run by establishing sustainable fisheries management;
- Second, the fisheries management plan would be developed through full consultation, participation and ownership of the respective ethnic groups and other local communities; and
- Third, the Project also envisages the provision of small-scale livelihood demonstration activities (which will be selected through consultation and participatory planning with affected communities), including but not limited to aquaculture, agriculture and livestock demonstration activities, extension services, handicrafts to eco-tourism, etc. in order to mitigate potential negative impacts.

18. A social assessment will be conducted during project implementation which will define the nature and scope of impacts on the indigenous peoples among the affected populations. By gathering both qualitative and quantitative data in the project areas through a range of Participatory Rapid Appraisal (PRA) techniques, the basic social and economic profile of beneficiary population or project affected people will be developed. The priority investments to be financed under the Project will be in line with the principles and procedures described in Subsection 3.3 below. Beneficiary communities will be supported to develop conflict resolution mechanisms, a key element of community based fisheries management, and the grievances, if any, from ethnic groups will be addressed as part of the conflict resolution mechanisms, under the close supervision of the Project. If a beneficiary community includes ethnic minority communities that do not belong to the majority ethnic group of the community, their representatives will be included in the conflict resolution mechanisms. This will ensure cultural appropriateness, and community involvement particularly of the ethnic groups in decision making processes regarding efficient and effective use of existing community resources.

3.3 Principles and Procedures Applied to M-IWRM-AF

19. The Project Management Unit (PMU) of DWR of the Ministry of Natural Resource and Environment (MONRE) and the Component Management Units (CMUs) of DWR and of the Department of Irrigation (DOI) and the Department of Livestock and Fisheries (DLF) of the Ministry of Agriculture and Forestry (MAF) will ensure that *free, prior and informed consultations are undertaken, in a language spoken by, and location convenient for, potentially affected ethnic groups*. The views of ethnic groups are to be taken into account during preparation and implementation of investments, while respecting their current practices, beliefs and cultural preferences. The outcome of the consultations will be documented into the Project documents.

20. PMU/CMU will conduct a Social Assessment before any project activities are implemented that could impact positively or negatively ethnic minority communities. As

result of the SA, an EGP with specific activities and investments will be prepared as mentioned in paragraph 19 above. For the preparation of the EGP the guidelines provided in Section IV will be followed. The EGP will be submitted to the World Bank for clearance before investments implementation begins. If the ethnic groups reject the EGP, the investments will not be approved.

21. If the ethnic groups conclude that the investments will be beneficial to them, and that any adverse impacts can be mitigated, a plan to assist them will be developed based on consultation with ethnic groups and local Lao Front for National Construction (LFNC) representatives. The community should also be consulted to ensure that their rights and culture are respected. The assistance may also include institutional strengthening and capacity building of ethnic villages and community groups working with the investments.

22. A series of training will be provided to all implementers and local agencies preparing and implementing EGPs and LNFC will be invited as a resource person to provide training and perspectives on ethnic policy in Lao PDR.

3.4 Monitoring, Documenting, and Reporting for M-IWRM-AF

23. The Component Management Unit (CMUs), in close consultation with the Project Management Unit (PMU) of DWR and the Lao Front for National Construction (LFNC), is responsible for supervision and monitoring of ethnic groups related issues, including documentation and reporting. Results will be included in the Project progress report. The Bank supervision missions will periodically review the progress to ensure that affected indigenous peoples are receiving project benefits and that any adverse impacts on them are sufficiently mitigated.

24. Given the small nature of civil works to be carried out under the Project and the fact that selection of priority investment would follow the participatory planning and consultation process described in this policy, significant adverse negative impacts to indigenous peoples are not expected to occur. Therefore, independent monitoring will not be necessary. However, upon WB's request, an independent monitoring would be conducted. Also, whether conflicts involving ethnic groups have occurred and been resolved in compliance with this document will be monitored and reported by project staff who will be charged to strengthen the community-based fishery management during the implementation.

Section IV. Technical Guidelines for Consultation Framework with Ethnic Groups Affected by Investment

25. The consultation framework is designed to help ensure that ethnic groups are well informed, consulted and mobilized to participate in the investments to be supported by a project. Consultation methods will include: (a) using ethnic groups local languages; (2) allowing the participant ethnic groups for consensus building and discussions for the project investments; (3) the consultation process will include culturally appropriate mechanisms and venues for consultation. The consultation process will facilitate the articulation by ethnic groups of their views and preferences. Their participation will not only make the community-based fisheries management more sustainable but also provide them benefits with more

certainty, or protect them from any potential adverse impacts of investments to be financed by the project. Additionally, the consultation process includes a quick environmental and social impact assessment to determine the degree and nature of impact of each subproject to be supported by the Project. As a result of the consultation process with ethnic groups, an EGP will be developed to address impact if warranted. Consultations with ethnic groups representatives, including local government officials will be an integral part of the EGP, which should be prepared along with the subproject feasibility reports. Key elements of the consultation guidelines are discussed in more details in Subsections 4.1-4.8 below.

26. A series of training will be provided to all implementers and local agencies preparing and implementing EGPs. The Lao Front for National Construction (LFNC) will be invited as a resource person to provide training and perspectives of the GoL on ethnic policy in Laos.

4.1 Preliminary Selection

27. The preliminary selection process during project implementation is developed as a collective fishery management represented by their respective ethnic group. A consultation process involving ethnic groups would provide a comprehensive baseline data on socio-cultural, economic and technical aspects of each investment particularly for those areas that have been identified with ethnic groups during the project preparation. This also includes participatory mapping of community access to road and other key services. The social assessment will indicate specific potential social issues on indigenous populations because of the investments, the responsible project sponsor will undertake specific measures to consult with, and give opportunity to indigenous populations in participating decision making related to the investments, should they so desire. The social assessment process itself is often the method by which such consultations are undertaken however they can be undertaken as a separate exercise.

28. All investments areas which have ethnic group communities and are candidates for project support will be visited (at the time of first consultation with communities) by project implementers and relevant local authorities, including personnel with appropriate social science training or experience. Prior to the visit, respective project sponsor will send notice to the communities informing their leaders that they will be visited by the respective project sponsor and local authorities and that consultation will be conducted on the investments. The notice will request that the communities invite to the meeting representatives of farmers, fishermen, women associations and village leaders for discussion on the investments. During the visit, the community leaders and other participants will present their views with regards to the investments and also to consider social and environmental safeguards of the Project.

29. The Project will utilize the existing community grievance mechanism to take into account specific cultural attributes as well as traditional-cultural mechanisms for raising and resolving issues— to ensure that the concerns of different ethnic groups are received and addressed during project preparation, implementation and beyond project completion. To achieve this, projects would: 1) identify and determine culturally acceptable ways to address grievances from significantly different ethnic groups within affected communities, including different ethnic or cultural groups within the project-affected area; 2) understand cultural attributes, customs, and traditions that may influence or impede their ability to express their

grievances, including differences in the roles and responsibilities of subgroups (especially women) and cultural sensitivities and taboos; and 3) agree on the best way to access grievance mechanisms, taking into consideration the ways communities express and deal with grievances.

30. At this visit, personnel with social science training or experience will undertake a screening for ethnic group population with the help of ethnic group leaders and local authorities. The screening will check for the following:

- (a) names of ethnic groups in the affected village
- (b) total number of ethnic groups in the affected villages
- (c) percentage of ethnic people in affected villages
- (d) number and percentage of ethnic households within a described zone of influence of the proposed investments. (The zone of influence should include all areas in which investments-related benefits and adverse impacts are likely to be relevant.)

31. If the results show that there are ethnic group communities in the zone of influence of the proposed investments, a social assessment will be planned for those areas.

4.2 Social Assessment

32. For the preparation of the EGP, a social assessment will be undertaken by qualified personal. The social assessment will gather relevant information on the following: demographic data; social, cultural and economic situation; and social, cultural and economic impacts - positive and negative.

33. *Free, prior and informed consultations* will be conducted through a series of meetings, including separate group meetings: ethnic village chiefs; ethnic men; and ethnic women, especially those who live in the zone of influence of the proposed work under subproject. All consultation will be conducted in easily accessible locations. All will be carried out in relevant local languages. Discussions will focus on investments impacts, positive and negative; and recommendations for design of investments. If the social assessment indicates that the ethnic community rejects the proposal, even after all measures to mitigate negative impacts are considered, the investments will not be approved (and therefore no further action is needed). If the ethnic group supports the subproject implementation an EGDP will be developed to ensure that the ethnic groups receive culturally appropriate opportunities to benefit from the investments activities, and to address any concerns or negative impacts associated with the investments. This EGDP would also include the following:

- A summary of results of the free, prior, and informed consultation with the affected ethnic communities that was carried out during subproject preparation and that led to broad community support for the subproject;
- A framework for ensuring free, prior, and informed consultation with the affected ethnic communities during subproject implementation;

4.3 Ethnic Groups Plan (EGDP)

34. The EGP will be prepared in a flexible and practical manner to fit under the proposed project activities. An EGP will include:

- (1) summary of the Social Assessment
- (2) legal framework
- (3) baseline data;
- (4) land tenure information;
- (5) summary of free prior and informed consultation with the affected ethnic minority communities;
- (6) a framework for ensuring free prior and informed consultation with the affected ethnic groups.
- (7) technical identification of development or mitigation activities;
- (8) institutional arrangement;
- (9) implementation schedule;
- (10) monitoring and evaluation; and
- (11) cost and financing plan.

4.4 Implementation arrangement

35. The Project Management Unit (PMU)³ will be responsible for providing training to project staff and local authorities to undertake the work of consultation, screening, social impact assessment, analyses and preparing EGPs.

36. The Component Management Unit (CMU) of individual investments and local authorities are responsible for implementing EGPF (arrange adequate staff and budget).

4.5 Monitoring

37. Implementation of the EGPFs will be regularly supervised and monitored by the project management unit of the investment project. The findings and recommendations will be recorded in quarterly reports and to be furnished to the World Bank.

38. Investments with an EGDP will be subjected to external monitoring by the appropriate agencies and/or an independent qualified consultant. The external monitoring agency or consultant should be hired under terms of reference that specify frequency of monitoring, sampling and interviewing methods, and reporting requirements. Monitoring reports should be maintained by project management unit and made available to the World Bank supervision team.

³ This term component management unit (CMU) is used here to represent the agency responsible for monitoring and supervision of safeguard activities, including EDPF.

4.6 Schedule

39. The EGP should have an implementation schedule that is coordinated with the investments implementation. Logically, social assessments and group meetings should be undertaken before investments designs are finalized. Monitoring should take place at the recommended times during and after civil work.

4.7 Budget

40. The EGDP will include information on detailed cost of mitigation measures and other rehabilitation entitlements for ethnic minority in the affected areas. Sources of funding for the various activities and financing plans will be clearly specified in the cost tables.

4.8 Reporting/Documentation

41. If preparation of an EGDP is required, the PMU of DWR will prepare and submit the EGDPs to the World Bank for clearance before investments implementation begins. As stated above, the monitoring reports and quarterly reports will be prepared by the monitoring agencies and the PMU respectively and will be maintained in the PMU and made available for the Bank's review.

4.9 Transparency and Grievance Mechanism (TGM)

42. The same grievance mechanisms that will apply for land acquisition and restriction of access to resources will apply to ethnic minorities. The TGM will be designed in a culturally appropriate manner with specific measures regarding the use of local languages, consultation and information dissemination. The grievance mechanisms under the Project will be two-tiered: one internal to the communities concerned and the other, involving third-party/external mediation. At the beginning of the project implementation, Grievance Redress Committees will be established from villages to provincial levels built on the existing structures consisting of concerned departments, mass organizations, women and ethnic representatives. At the village level, community based fishery management will incorporate the existing grievance mechanisms that will be chaired by elder and/or spiritual/tribal leaders, which are largely acceptable to local communities, particularly the indigenous minority groups. The grievance mechanism and procedures would thus be built upon local social and cultural resources to help resolve conflicts and mitigate impacts during project preparation, implementation and operation phases. The grievance mechanism will be applied to persons or groups that are directly or indirectly affected by a project, including those who belong to ethnic groups, as well as those that may have interests in a project and/or have the ability to influence its outcome either positively or negatively. The project will provide training and support to strengthen these existing structures for effectively and collectively dealing with possible grievances that may be raised by local population within the project affected areas, including those who belong to ethnic minorities.

43. Those people affected by project interventions may raise their complaints to the village committees, if not satisfied or unclear about project interventions. The claim may be made

orally or in writing with assistance from the village committees who shall provide response to the claimant within 5 days after receipt of the grievance. If the claimant is not satisfied with the decision made at the village level, s/he may submit the claim to the district level committee with support from the CMUs. Within 15 days after receipt of the claim, the district committees shall make decision and provide response to the claimant. The claim may be lodged with Provincial Court of Law whose judgment would be final.

44. All complaints and grievances will be properly documented and filed by the district and village committee as well CMUs addressed through consultations in a transparent and proactive manner. These grievance documents and report will be made publicly accessible. All costs associated with grievance handing process incurred by the claimant and /her/his representatives are to be covered by the project developer. The grievance handling process is described below:

Procedures	Venue	Response Time	Responsible Unit/Institution	Means of Verification/Documentation
Step 1 – Village Level	Public place accessible to complainant/beneficiaries or PAPs	Within 5 days	Community Fishery Association Village Committee Leaders	Written record of grievance, through the assistance of CMUs. Quarterly submission of names and pertinent information about the complainants, nature of complaint, dates the complaints are lodged, and resolution of the same to CMUs.
Step 2 - District Level	District authority's office	Within 15 days	District Authority/CMUs	Written record of grievance from the village committee, through the assistance of CMUs. Quarterly submission of names and pertinent information about the complainants, nature of complaint, dates the complaints are lodged, and resolution of the same to CMUs.
Step 3 – Provincial Level	Provincial government's office	Within 10 days	Provincial government/CMUs	Written record of grievance from the village committee and District authority, through the assistance of CMUs. Quarterly submission of names and pertinent information about the complainants, nature of complaint, dates the complaints are lodged, and resolution of the

				same to CMUs.
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Annex 1. Brief Description of M-IWRM-AF Project

1. The government of the Lao PDR is requesting Additional Financing (AF) in the amount of approximately US \$25 million for the Mekong Integrated Water Resources Management Phase 1 Project. Component 1 of the project is implemented by the Mekong River Commission (MRC), while Components 2 and 3 are implemented by the Government of Lao PDR. The AF will support the expansion of activities under Components 2 and 3 of the Project. Hereafter, the term “Project” will only refer to components implemented by the Lao PDR.

2. The World Bank approved the original US \$18 million Project on February 8, 2012. The Project is part of the Mekong Integrated Water Resources Management (IWRM) series of projects consisting of: Mekong IWRM Phase 1 Project (Lao PDR); Mekong IWRM Phase 2 Project (Vietnam); and Mekong IWRM Phase 3 Project (Cambodia). The overall objective of the Mekong IWRM series of projects is “to establish examples of improved integrated water resource management practices in the Lower Mekong Basin.”

3. Rationale for Additional Financing: The Project was designed to help the Lao PDR establish a modern water resources management system. In 2011, the Lao PDR created the Ministry of Natural Resources and Environment (MONRE) – the first time natural resources management was consolidated under a single ministry. In early 2016, MONRE presented the Natural Resources and Environment Strategy 2025 (NRES) which outlines MONRE’s vision, aims, and strategy and an action plan for 2016-2020. MONRE will require significant support, some of which will be provided through the proposed AF activities, in order to strengthen institutional structures and technical capacity to effectively implement the NRES. It is expected that a new Water Law will be passed in 2017, which will provide MONRE with the legal authority to take a more proactive and authoritative role in management of the nation’s water and related resources.

4. Significant progress has been made under the Project, however additional financing is required to cover funding short-falls and expand the scope under the Project. The following sections present the status of current activities under the Project and the proposed activities moving forward with AF financing.

Component 2: National Water Resources Management Scale up activities to strengthen institutional and technical capacity for IWRM especially through:

2.1 Support for refining a legal framework enabling integrated water resources management including updating the current Water Resources Law which is currently in an advanced stage, developing priority implementing regulations and supporting their implementation. The draft Water Law is programmed to be presented to the National Assembly in 2017. MONRE intends to further develop draft priority

implementation regulations (or guidelines in the case the Law is not revised) including: i) information and data management; ii) river basin management and water allocation; iii) water use certificates; iv) wastewater discharge management; v) drought management and response; vi) flood management and mitigation; vii) groundwater management; and viii) wetland management.

2.2 Support for Water Quality and Eco-System Health: The implementing agency for this sub-component is MONRE's Natural Resources and Environment Institute (NREI). The construction of a new national water quality laboratory financed under the project will be completed in late 2016, and NREI had conducted initial water quality sampling in the Xekong, Xai Bang Hieng, and Nam Ngum basins. Additional financing will support the completion of the NREI laboratory building, purchase of essential laboratory equipment, and fund the start-up of water quality monitoring program.

2.3 Support for Water Resources Modelling and Assessment: This component is implemented by NREI in support of MONRE. The Project has supported the development of basic rainfall-runoff, basin simulation, and hydro-dynamic/flood water resource models for the Xai Bang Fai, Xai Bang Hieng, Xekong, and Xedong. Additional financing will extend this modelling effort into the 10 priority river basins in the Lao PDR, prepare water resource assessments in all 10 priority basins, and develop a National Water Resources Information and Data System.

2.4 Support for Hydrological and Meteorological (Hydro-Met) Network Upgrading: This component is implemented by MONRE's Department of Meteorology and Hydrology (DMH). The Project has financed the construction of National Early Warning Center and provincial DMH offices, and the expansion of hydro-met stations in the Xekong and Xedong basins. With additional financing DMH will expand its hydro-met monitoring stations in the northern part of the country.

2.5 Project Management: MONRE will continue to be the responsible Ministry for the Project and will support the implement of the Project by providing overall project administration and oversight utilizing its existing structures as outlined the updated Project Operations Manual. The Ministry of Agriculture, Forestry, and Rural Development (MAFFRD) will continue to be responsible for implementing Component 3.1.2 (Irrigation) and Component 3.2 (Fisheries).

Component 3: Improved Floodplain and Aquatic Resource Management: The objectives are to: (i) support sustainable river basin and floodplain management by balancing ecological and community livelihood interests with water resource development goals; and (ii) fisheries co-management in key spawning and feeding habitats of regional significance.

3.1.1 River Basin Management: This component is implemented by MONRE's Department of Water Resources. The Project has supported stake-holder driven water resource management exercises in the Xai Bang Fai and the Xai Bang Hieng basins including formulating river basin profiles and action plans for groundwater management in Xai Bang Fai and wetland management in Xai Bang Hieng. With

additional financing, the Project will intensify its activities in these two basins and expand into the Nam Ngum and Nam Ngiep river basins. The scope of river basin planning and management activities will include groundwater, floods and droughts, water allocations and minimum flows, water infrastructure investment planning, capacity building, and stakeholder engagement.

3.1.2 Sustainable Irrigation and Drainage: As a complement to the river basin management activities in the Xai Bang Fai and Xai Bang Hieng basins, the MAF's Department of Irrigation is implementing a series of upgrades to existing small-scale irrigation systems which involve: constructing fish-friendly gates; modernizing existing infrastructure through improved pumping stations and canal distribution systems; working with local farmer groups to establish water user groups and production "user groups;" and promoting sustainable rice intensification (SRI). Additional financing will focus on the XBF basin located primarily in Khammouane Province with one district in Savannakhet Province. The upgraded area will increase from 50% to 75% of the total "target command area" of approximately 30,000 hectares in the XBF and XBH river basins.

3.2 Fisheries Management: This subcomponent is providing support for improved management of critical habitats for aquatic resources in the southern Lao provinces of Pakse and Champasak. The Project includes support for: (i) establishing community-managed fisheries management organizations; (ii) developing local fishery management plans; (iii) supporting alternative livelihood activities to reduce reliance on capture fisheries; (iv) supporting small-scale village level infrastructure to enhance economic opportunities; and (v) developing the capacity of the provincial and national fishery agencies. These activities will continue under the Project, and AF will be provided to help cover current funding shortfalls.

5. The Project area will be similar to the original project covering the following river basins: Xe Bang Fai (XBF), Xe Bang Hieng (XBH), Nam Ngiep and Nam Ngum. This will involve majority of 9 provinces located in the central and southern parts of the country i.e. Xieng Khoung (XK), Xaysomboun (XSB), Vientiane (VTP), Bolikhamxay (BKX), Savannakhet (SVK), Salavan (SLV), Attapue (ATP), and Champassak (CPS).