



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

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**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Lao People's Democratic Republic	EAST ASIA AND PACIFIC	P170559	
Project Name	Lao Landscapes and Livelihoods Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	12/1/2020	3/31/2021
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	Ministry of Agriculture and Forestry		

Proposed Development Objective(s)

To improve sustainable forest management and enhance livelihoods and tourism opportunities in selected landscapes in northern, central and southern Lao PDR

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>57.37</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The proposed operation would support the Government of Lao PDR to implement a strategic program to manage its forest estate to achieve the conservation, production, and protection objectives.



This operation would convene sectors, financing sources, stakeholders and partners, as well as information and incentives. By convening institutions, information, incentives, and investments around one government-led program of activities in targeted large landscapes in the south, central and north of the country, action can be more efficient and effective. The project would provide a platform for scaling up action throughout the greater Annamites as more experience is built. Coordinated action would deliver a complementary range of environmental and economic benefits related to better functioning and more resilient ecosystems, and the protected areas, wildlife, production forest areas, and village livelihoods dependent on them.

MFD: The project would be designed to facilitate and leverage private sector participation in industrial and smallholder forest plantations, nature-based tourism, green infrastructure, and clean cookstoves to create jobs and support livelihoods by sustainable management of and re-investment in natural capital. The project would carefully distinguish between public sector investment and support financed by the project and private sector investment leveraged by, facilitated by, or coordinated with the project. IFC and the WB have been working closely together on predecessor forestry operations and policy development conducive to forestry.

#### **D. Environmental and Social Overview**

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

Environmental perspective:

The proposed operation will have countrywide affect and involve multisector including public and private sectors, NGOs, and local community. Criterias have been set, however, the project sites are to be identified in a later stage. Approximately, five landscapes within the greater annamites would be selected based on the set forth criteria and budget available for project intervention. The project Component 1 aims to build natural capital throughout the forest estate. Project financing would focus on public sector interventions and seek opportunities for enabling and leveraging complementary parallel private sector and other public sector investments in forestry, wildlife, and nature-based tourism. Component 2 aims to improve and diversify livelihoods for villages located in the forest estate. Component 3 aims to enhance institutions, incentives and information including forest/wildlife crime and information modernization for resource monitoring and climate risk reduction. Component 4 includes project management, monitoring, fund raising, communication and regional coordination on biodiversity and illegal timber and wildlife trades.

Given the sensitivity of project targeted areas (animate mountain, which is mainly critical habitat of endanger wildlife species within the legalized forest areas and Unexploded Ordinance (UXO)) and nature of proposed project's activities, environmental impact and mitigation measures will be thoroughly assessed and defined before project appraisal.

Project locations and detailed design of components and activities will be confirmed during advanced project preparation or prior to appraisal according to the criteria set.

Social perspective:

The project investments are expected to cover approximately five priority landscape areas along the animate mountain in the northern, middle and southern part of Laos which will be determined prior to appraisal. These



landscape areas are often home to vulnerable and poor communities including multi-ethnic minority groups whose livelihood is mainly dependent on forest land and resources. Conservation and forest management activities to be supported by the project may result in restriction on land use and access to forest land and resources. Although, the project will provide a grant and technical support for their alternative livelihood improvement, it may be time-consuming and challenging for the vulnerable households especially women and ethnic groups to adopt conservation-oriented livelihood practice and activities introduced by the project. Moreover, increased engagement in the project activities may lead to increased burden on the participating households, especially women and therefore may result in further impoverishing the vulnerable households and increasing their vulnerability.

Most of project beneficiaries are among poorest of the poor and may have used the forest lands for years without having a clear legal status and thus can be considered as an illegal occupier based on national regulations including the revised Forest Law and Land Law endorsed by the National Assembly in June 2019. The project will support land and forest use planning as part of landscape and conservation planning and management, but will not involve in land registration and titling for the land users within the forest and protected areas due to unclear and inconsistencies among the prevailing national laws and legislations and inadequate national capacity in legal reinforcement. An Environmental and Social Assessment (ESA) will be required under ESS1 to identify potential risks and impacts and mitigation measures.

#### D. 2. Borrower's Institutional Capacity

The project will involve Government of Lao PDR and private actors, likely the NGOs and local communities. The project implementation will be led by Ministry of Agriculture and Forestry (MAF) in partnership with the Ministry of Natural Resources and Environment (MONRE). Some project activities maybe implemented by other agencies which may need further capacity assessment and training for preparation and implementation of ESF related instruments. These include, but should not be limited to Ministry of Energy and Mines (MEM) and Ministry of Industry and Commerce (MOIC) to involve in clean cookstove promotion, Ministry of Information, Culture and Tourism (MOICT) to facilitate and regulate tourism activities; Ministry of Public Work and Transport (MPWT) for infrastructure development, Lao Women's Union (LWU) for gender and women participation, Lao Front for National Development (LFND) for ethnic groups mobilization and facilitation and private sector for plantation investment etc. The implementing agency (MAF) and some of its partners have long experience with World Bank's operations in forest conservation, protected area management and livelihood development, which trigger the World Bank safeguard policies. Due to recent staff turn over and institutional restructuring within the ministries, an assessment will be undertaken during project preparation for agencies involved in project implementation to identify gaps and needs for their staff capacity and institutional strengthening in view of the project's environmental and social risks management. Based on findings of the assessment, capacity development plan will be developed and implemented under the project to ensure adequate capacity of the implementing agencies in place to identify potential risks and impacts, prepare and implement ESSs instruments. Focal staff from the implementing agencies will be assigned to work specifically on environmental and social risk management during project preparation and throughout implementation period. The project will provide targeted trainings and support for focal points to enable them to implement ESF instruments to mitigate and manage risks and impacts. As required, consultants will be recruited to assist the implementing agencies to undertake an Environmental and Social Assessment (ESA), preparation and implementation of required management plans to be applied under the project.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS



**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**Environmental Risk Rating**

Substantial

Environmental and Social Risk is classified as “Substantial”. The Substantial risk rating is proposed at this stage as the project aims to promote and invest in the sustainability of the forest estate to deliver environmental and livelihoods benefits through forestry, protected area and wildlife management, and nature-based tourism. The risk rating could be revisited before appraisal as project locations and detailed design of components and activities are determined.

Project locations and activities will only be determined at the later stage of project preparation. However, the project will have future countrywide effect by supporting policies formulation and capacity building for government officials to promote and invest in the sustainability of the forest estate to deliver environmental and livelihood benefits through forestry, protected area and wildlife management, and nature-based tourism. Project area may include all forest types, namely, Conservation Forest, Protection Forest, and Production Forest. Activity may include private industry forest plantation (not supported by the project); agriculture, infrastructure and tourism support for livelihood improvement. The project will also provide technical assistance for the mentioned outcomes, establish offices for staff at the local level and provide staff per diem for implementation of project activities. Infrastructure to be supported by the project will be small-scale civil work such as, office construction / rehabilitation for provincial staff where environmental impact expected to be minor, temporary, site specific and manageable through adjusted design and construction management techniques.

The risks facing the sustainability of the Lao forest estate center on (i) potential expansion of private industrial forestry plantations that could lead to displacement of native varieties and local people, (ii) expansion of agricultural production and infrastructure into conservation, production and protection forest areas, and associated degradation and deforestation, and (iii) illegal extraction of timber and wildlife. Unsustainable forms of tourism could also present a risk, although this is not significant presently given the low numbers of tourism visits to Lao PDR. Taken together, these trends affect the sustainability and livelihoods role of the forest estate and can undermine ecosystem function, biodiversity values, and contribute to more frequent or more severe flooding and landslides. The project design, including the ESF instruments, is meant to ameliorate these risks by (i) building the enabling environment for more, and more sustainable, forms of private and public investment in protected area management and nature-based tourism, village forestry, industrial forest plantations, (ii) strengthening the institutional capacity of the government to perform its function as regulator and arbiter of a level playing field that can help capture benefits for local people and the environment, and (iii) investing in sustainable models of village forestry, and (iv) investing in forest-based and alternative livelihoods support through village development funds.

The project will be implemented mainly by Ministry of Agriculture and Forestry (MAF) and partially by Ministry of Natural Resources and Environment (MONRE), who have long experience with the World Bank operations and safeguard compliance. However, project operational capacity remains weak and must be strengthened, especially, in the new ESF implementation. The Task Team will work with client to identify the potential impact and put in place appropriate mitigation measures. Training will be provided to the client to ensure they have adequate capacity to implement relevant ESSs.

**Social Risk Rating**

Substantial

Public Disclosure



The Substantial risk rating is proposed this stage. Although the project is expected to bring about a range of social benefits including village and household livelihood improvements, the project investments have potential to generate social risks and impacts, both direct and indirect.

1) Major social risks and impacts include potential restriction of access to forest land, protected areas and forest products as a result of conservation and environmental management activities. Access restriction could impact on natural resources-based livelihoods and customary land use and tenure of vulnerable groups, particularly women, and ethnic minority groups, who are often found with collective attachment to the landscapes in Lao PDR.

2) Social risks may involve community health and safety issues that may be brought about by teams of project staff (direct workers) and consultants as well as young graduates (indirect workers) who will be assigned to work in the local communities within and around selected landscapes and some tourists expected to visit eco-tourism spots and stay in the host communities and households. These may include, but should not be limited to water, waste and air born diseases, Sexual Transmitted Diseases (STDs/HIV/AIDs), Sexual Exploitation and Abuse (SEA), Gender-Based Violence (GBV) and Violence Against Children (VAC).

3) A range of conservation-oriented livelihood activities are expected to be funded through the proposed Village Livelihood Development Grant (VLDG) under the project to the target villages and households to support and scale up their livelihood initiatives. VLDG is designed to compensate affected households for access restriction and provide them with alternative sources of sustainable livelihood. Some of these livelihood interventions may pose a challenge to the vulnerable households especially the ethnic groups and women with limited technical know-how to adjust or adopt ecological friendly livelihood practice and technology. Increased participation in conservation management activities to be supported by the project may result in increased workload on some participating households especially ethnic women who often carry out most of day-to-day livelihood activities. This could in turn result in further impoverishment among the vulnerable.

4) The project will finance small civil works to rehabilitate the existing offices and facilities of implementing agencies (PAFOs/DAFOs and PONRES/ DONRES). Land acquisition and resettlement of village and households are not anticipated. However, with possible co-financing made available by the government agencies, expansion and construction of new bigger offices may be needed and may require more land area outside the existing premises. In the event if acquisition of private land and household relocation are unavoidable, a Resettlement Policy Framework (RPF) will be prepared to be applied by the infrastructure subprojects under the project regardless the sources of funds.

5) Customary land use right and tenure security of target villages and households in selected landscapes may be at risk without land use and titling documentation as the project will not support and directly involve in land registration and titling in the selected landscapes. The communities and households in the project areas may have used the forest lands for years without having clear legal status as per the prevailing Laws (Land Law and Forest Laws, 2016). At anytime, their land within the project area may be acquired by the government and private investment projects without or with unfair compensation as they may be considered as 'illegal occupiers'. Possible grievances and noises on the land taking may be raised to the project and concerned authorities through Grievance Redress Mechanism (GRM) to be established under the project.



The risk rating will be revisited before appraisal as project locations and detailed design of components and activities have become clearer.

## B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

### B.1. General Assessment

#### ESS1 Assessment and Management of Environmental and Social Risks and Impacts

##### **Overview of the relevance of the Standard for the Project:**

Project financed activities are expected more positive for both environmental and social aspects, nevertheless, considering project interventions described in the Risk section (A) above, the client will carry out an Environmental and Social Impact Assessment once the project areas and activities are known to identify possible impact and appropriate mitigation plan. The following instruments are to be prepared before project appraisal:

- ESMF will be prepared before project appraisal as many project activities and locations will only be known after appraisal or at the beginning of the project when a participatory planning is carried out with the target communities and concerned stakeholders. Main guidelines and tools will be provided under ESMF to guide preparation and implementation of assessments and mitigation plans once activities and locations are determined.
- In addition, the PRF and EGDF will also be prepared before project appraisal as project activity will likely involve access restriction and ethnic groups who are often present in and around forest areas based on experiences from the similar Bank financed projects (SUFORD and LENS2).
- ESS 1 requires a Social, Legal and Institutional Assessment (SLIA) to be undertaken to identify potential economic and social risks and impacts of the land use planning and conservation agreements (regulations), and appropriate measures to address and minimize them, in particular those that affect the poor and vulnerable groups. Outcomes of the SLIA will inform and improve the project design, risk management and sustainability. SLIA process and tools will be included in ESMF and should be undertaken after the selection of specific project locations.
- An Environmental and Social Commitment Plan (ESCP) will be established to ensure that the relevant ESF instruments are prepared as part of project design and implemented throughout the project period to address and mitigate risks identified under relevant ESSs.
- Stakeholder Engagement Framework (SEF) will be prepared as project location and activity are not known at this stage. The development of individual SEP will be followed as soon as the specific locations, stakeholder groups, and schedule of activities are known and when more specific information is available.

##### **Areas where “Use of Borrower Framework” is being considered:**

The client's E&S Framework is not proposed to be relied on for the project, in whole or in part. However, as relevant and consistent, national legal framework and legislation can be referred to and recognized.

#### ESS10 Stakeholder Engagement and Information Disclosure



The project is expected to involve different groups of stakeholders from national to village levels, that include local communities, government line agencies, mass organization and private sectors. The project stakeholders and the level of their engagement will be pre-identified and analyzed by the client. Project activities, possible impact and proposed mitigation measures will be discussed with all project related stakeholders. Main groups of stakeholders will potentially include local communities and households including ethnic groups who will be directly and indirectly affected by project's activities, officials of concerned government ministries and their line agencies at provincial and district levels who will be involved in project's activities implementation, such as, MAF, MONRE, MEM, MOIC, MOICT, MPWT and interested private sectors.

The other concerned stakeholders are Civil Society Organizations (CSOs) including international NGOs, academia (including the National University of Laos - NUOL, Faculty of Forestry, Center of Environment and Faculty of Social Sciences) and the GoL's mass organizations Lao Women's Union (LWU) and Lao Front for National Development (LFND) who have their existing networks in place from the central down to village levels.

Success of this project in delivering socially inclusive benefits and achieving project outcomes will depend on ensuring meaningful and culturally appropriate engagement of the concerned stakeholders especially target local communities including the vulnerable households, women and ethnic groups. A Stakeholders Engagement Framework (SEF) will be developed by the client (with support of WB's staff) in consistent with ESS10 early in project preparation and effectively reach out to affected and interested stakeholders to ensure meaningful engagement, accessibility, accountability and cultural-appropriateness. SEF will include Grievance Redress Mechanism (GRM) to be established under the project using the existing country system to receive and respond or resolve grievances and feedback that may be raised by project affected people and stakeholders. GRM will also provide a channel to ensure that feedback received from ethnic groups are reflected and used to inform project design and implementation. SEF will need to be prepared and consulted prior to appraisal. The development of individual SEP will be followed as soon as the specific locations, stakeholder groups, and schedule of activities are known and when more specific information is available.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### **ESS2 Labor and Working Conditions**

The project is not expected to finance any major construction of infrastructure and civil works that would potentially bring an influx of both local and external labors. However, the project will involve both direct workers (government staff appointed from the implementing and concerned agencies at all levels), contracted workers (consultants and newly graduated students) and community workers (villagers and village volunteers) in conservation and environmental management, forest plantation, tourism and livelihood activities. In some critical cases, army could possibly be partnered for forest and wildlife protection and legal reinforcement. MAF is required to develop and implement Labor-Management Procedures (LMP) applicable to the project, which will be included in the ESMF (and adapted in the ESMPs considering the specifics of each project location and duration). The LMP will be completed prior to implementation of any above mentioned activity and will apply to all different groups of staff and workers. the LMP will also set out how all groups of project workers will be managed and treated in line with the national labor law and this ESS. The labor-management procedures will also ensure that different project teams (both direct and indirect workers) and community workers will be provided with adequate resources and tool kits required, safe





accommodations, transport, first aid-kits available at working sites, and can be contacted/reached in case of emergency. MAF will ensure that Social Security (health and life insurance) is provided to all team members according to the Labor Law before the commencement of project activity.

Client will develop a dedicated labor grievance mechanism, as part of LMP, for all groups of workers will have to be adapted in order to collect and address potential grievances coming from these workers.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

Project activities and locations are not known at this stage, however, as mentioned in ESS1 and ESS2, the project may support minor civil work to rehabilitate and construct substations in the forest areas for patrolling teams where the following potential environmental aspects will have to be observed and mitigated.

**Air emissions:** During the construction/rehabilitation phase, air emissions will include exhaust from heavy vehicles and machinery, and fugitive dust generated by construction activities. Those most likely to be affected are people living within the proximity of the construction sites. The implementation of mitigation measures such as dust suppression will be applied to minimize the impact of air emissions during construction and rehabilitation, and residual impacts are expected to be limited in scope and duration.

**Noise:** During the construction/rehabilitation phase, noise might likely be generated from the use of construction machinery, vehicle movements and construction activities. The relatively short-term and small-scale nature of the works suggest that noise levels will not be excessive or cause long-term nuisances. The construction works will however, present short-term nuisance to the public and to owners adjacent to some of the project sites. The Environmental and Social Management Plan of the ESIA to be prepared by the client will include mitigation measures to minimize and manage the noise levels such by applying standard restrictions to hours of site work.

**Waste management:** Construction and rehabilitation activities will generate solid waste which will primarily include excavated soil and hazardous waste such as hydrocarbon oils from construction machinery and vehicles. The waste generated by the construction works whose quantity is not anticipated to be important will be disposed at sites previously identified by the ESIA. Proper solid waste management will also apply to those patrolling staff who will be periodically staying and patrolling in the forest area by applying principle of reuse, recycle and disposal in a manner that is safe for human health and environment.

**Water use:** water use for the construction work will be limited and will not course an issue. However, livelihood improvement activities may involve rehabilitation of irrigation system with gravity and pumping system. That means there will reorganizing and/or establishing a water user group and rule to balance any competition amongst the water users and other aquatic biodiversity. The contamination of surface water with its consequences on local environment and communities will be negligible.

The project may include agriculture activities that aim at fostering agriculture productivity and improve livelihood of local poor communities. That means, the probability for the use of pesticides and fertilizers is not negligible. ESMF will provide a guideline on development of Pest Management Plan (PMP) that will be developed and implemented once such agriculture activity in envisage.



#### ESS4 Community Health and Safety

Some project staff (direct and contracted workers) and villagers are expected to be appointed to implement and take parts in project activities. These include teams of staff and consultants from the implementing and involved agencies who may have to stay in project villages during their field visits and survey and patrolling teams for forest conservation activity who will have to stay sometime inside the forest area. Community, Health and Safety (CHS) risks and impacts anticipated from their visit and stay in the forest involves increase in the potential for infectious diseases, vector-borne diseases, soil, water and waste-related diseases, effect on privacy and mental well-being. Because of that, proportionate and tailored provisions will be included in project-specific Community Health and Safety Plans to be developed prior the beginning of related field activity.

Codes of Conduct (CoC) will be included in the letter of government staff and team appointment and contracts (for contracted workers) in line with relevant national laws and legislations to be adopted and applied under the project.

The project will ensure that ESS4 requirements are incorporated into policy and institutional framework for future private sector's investment on trees plantation and tourism activity. In this relation, the SESA will be prepared under ESS1 to make sure that ESS4 is complied with.

#### ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project investments are not expected to require significant land acquisition and resettlement of village and households. However, the restriction of access to forest land, protected areas and their natural resources in selected landscapes, which their livelihood mainly rely on is anticipated from project activity implementation to strengthen conservation and environment management. The project implementation and requirements may unintentionally result in impoverishment or hardship, economical and mental among the vulnerable villages and households particularly women, people with disabilities and ethnic groups due to the increased burden and culturally inappropriate interventions introduced by the project. A Process Framework (PF) will be developed to applied by the project to ensure that the villages and households and their livelihood will not get worse off as a result of project implementation and that they are provided with alternative sources of livelihood and necessary support.

Temporary and minor land acquisition and livelihood disturbance may be required for civil works to construct and rehabilitate exiting small scale community infrastructure and facilities (such as irrigation schemes, reservoir, small access tracks to agricultural and agroforestry land) to be financed through the Village Livelihood Development Grant (VLDG) under Component 2. A Resettlement Policy Framework (RPF) is prepared to be applied by the infrastructure subprojects financed under the project. RPF will be included in ESMF. RPF provides policy requirements and procedures to ensure that households and people affected by the subproject and their livelihood will not get worse off and compensation and support required are provided in line with ESS 5. For minor works to rehabilitate the existing offices and facilities of implementing agencies (PAFOs/DAFOs and PONRES/ DONRES), land acquisition and resettlement of village and households are not anticipated because the works will be undertaken within the existing premises and land area of the respective government agencies. In the event if private land outside the state land needs to be acquired and household's relocation is inevitable for those offices that may need to be reconstructed or expanded, site-specific RAPs or ARAPs will be prepared based on RPF.



### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The project design is explicitly meant to directly and indirectly improve protected area management, maintain ecosystem health, thereby protecting the habitats and biodiversity therein. In situations where project financed activities could result in altered habitats, appropriate mitigation measures will be identified.

Industrial plantations are expanding, which has potential for poverty reduction by creating jobs and securing livelihoods while also providing opportunities for more sustainable land use by reducing pressure on native forest and protected areas. Growing demand for land has the potential to change land use patterns in the country, requiring environmentally, socially and fiscally sound private investments and good governance. The project design is explicitly meant to directly and indirectly improve the government's capacity to ensure that private sector forest plantation investments are implemented in such a way as to protect and deliver environmental benefits, social benefits (jobs, livelihoods, rights to resources), and climate benefits.

There is always a risk of land clearance although this would be mitigated by project extension and ESF. Traditional rotational rice cultivation involves periodic land clearance.

An ESIA will be carried out and any warranted site specific biodiversity management plan will be developed and implemented to ensure biodiversity is properly managed and no negative impacts are incurred as a result of the project.

The project will ensure that ESS6 principles and requirements are incorporated in policy and institutional advice and framework development for future private sector investments on forest plantations and tourism activities.

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

In Lao PDR, there are 49 ethnic groups who are classified into four ethno-linguistic families namely Hmong Iew Mien, Mone-Khmer, Chine-Tibetan and Lao-Tai. The term "Ethnic Groups (EGs)" is often used as those ethnic minority groups belonging to the first three ethno-linguistic families (Hmong Iew Mien, Mone-Khmer and Chine-Tibetan) who meet the characteristics and definition of Indigenous Peoples (IPs) under ESS7. The Constitution (amended 2015) recognizes ethnic groups' self-identification as members of a distinct cultural group with a separate identity from the mainstream society. The Lao Front for National Development (LFND), through its Department of Ethnic Affairs (DEA), is the main counterpart responsible for dealing with issues related with IPs in the country. LFND is a GOL mass organization with a strong local presence in all provinces and districts.

Landscapes in the animate mountain in northern, central and southern parts of Lao PDR to be selected by the project are mostly home to the ethnic groups whose livelihood mainly relies on nature and forest resources and forest land. Most of these ethnic groups and households are poor and vulnerable to cope with restriction of access to forest land and resources, swift change in land use, and livelihood patterns that may result from project investments: land use planning, conservation regulations to be complied under a community conservation agreement and introduction of innovative livelihood and agro-forestry activities for conservation. Some vulnerable ethnic groups and households especially women may encounter challenges to adopt conservation-oriented livelihood practice and technology introduced by the project. Moreover, increased engagement in the project activities may lead to increased burden on the participating ethnic households, especially women and therefore may result in further impoverishing the vulnerable households and increasing their vulnerability. Thus, changes discussed above, have a potential impact on



traditional gender roles that may lead to persistent gaps between men and women, especially those belonging to vulnerable ethnic groups.

A Ethnic Group Engagement Framework (EGEF) will be prepared to be applied under the project. EGEF will be included in Community Engagement Framework which combines EGEF and Process Framework (PF). EGEF provides tools to screen the presence of ethnic communities with collective attachment to the project areas following the four criteria included in WB's ESS7. EGEF will guide assessment of the nature and degree of the expected direct and indirect economic, social and cultural risks and impacts on the ethnic groups. EGEF will also ensure that they will be engaged in meaningful consultation process to build local project support and promote effective project design. ESA will be also conducted to identify potential risks and impacts on the ethnic groups in the project areas to be selected and mitigation measures. ESA will inform project design to enhance positive impacts and minimize or avoid risks and impacts. In addition, SLIA will be also carried out to mainly study customary land use, relevant legal and institutional frameworks to inform policy dialogues. The agreements on IPs and commitments reached with the Borrower will be included in ESCP. EGEF will also include Grievance Redress Mechanism (GRM) to be built on existing country's system and adjusted to the local context and ethnic groups under the project to receive and respond or resolve grievances and feedback that may be raised by project affected people and stakeholders of ethnic groups. GRM will provide a channel to ensure that their feedback are reflected in project design and implementation. Depending on the project scope and design, some of the project activities may require Free Prior and Informed Consent Consultation (FPIC) if they involve the circumstances described in para. 24 of ESS7, in which the project will a) have adverse impacts on land natural resources subject to traditional ownership or under customary use or occupation; cause relocation of ethnic groups from land and natural resources subject to traditional ownership or under customary use or occupation; or, c) have significant impacts on ethnic group's cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected ethnic groups' lives.

### ESS8 Cultural Heritage

The project's ESMF will identify any potential risks to tangible and intangible cultural heritage risks and impacts. Although the project will not finance significant civil works and activities that will affect tangible cultural heritage, there could be some forms of intangible cultural heritage that could be potentially affected by the project activities, works and its staff (both directly and indirectly contracted workers as well community workers.

Some direct and indirect workers may deliberately or unintentionally become involved in physical cultural resources trafficking such as prohibited Buddha sculptures and religious items and encroach prohibited areas (such as cultural and spiritual sites, graves) respected by the local community during or after their stay in the target villages and project area.

There could also be potential risks associated with failure to recognize and pay respect to intangible heritage value and practice. Relevant national legislation related to cultural heritage should be visited and applied. The ESA and consultation to be conducted, especially with ethnic groups as required by ESS7 will identify the need and procedures to ensure that ethnic heritage value attributed to the landscape are recognized in the land use planning, conservation and VLDG implementation process. Project staff and consultants who are new to the areas are also encouraged to consult and seek advice from the District Lao Front for National Development Office in charge of ethnic affairs and village elder persons or spiritual leaders (for some ethnic villages) on how to behave during visit and stay in the local



community because intangible cultural heritage especially spiritual areas may not be revealed and unlikely to be asked for and recognized during visit to the project village and area.

A Cultural Heritage Framework will be developed and provided in the ESMF to be applied by all project staff and workers. The framework will include a list of Dos and Don'ts and the Chance Finds Procedure. The list of Dos and Don'ts will be included in the letter of appointment for staff and contracts for consultants.

**ESS9 Financial Intermediaries**

The project will provide direct financial support to the client and not through a financial institution or intermediaries.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

The project will be co-financing by the Global Environment Facility (GEF), however, the only World Bank ESF will be applied.

**B. Proposed Measures, Actions and Timing (Borrower's commitments)**

**Actions to be completed prior to Bank Board Approval:**

Detailed project design and locations will only be determined after the concept and before appraisal and some specific activities will only be known after appraisal or at the beginning of the project when a participatory planning is carried with the target communities and concerned stakeholders. Thus, an Environmental and Social Management Framework (ESMF) will be prepared and applied under the project. ESMF will provide guidelines and tools to guide preparation and implementation of assessments and mitigation plans once activities and locations are determined.

In addition, the PRF and EGDF will also be prepared before project appraisal as project activity will likely involve access restriction and ethnic groups who are often present in and around forest areas based on experiences from the similar and parent projects (SUFORD and LENS2) financed by the Bank in the same areas.

To ensure meaningful consultation and active participation by all groups of concerned stakeholders in project development and implementation, a Stakeholder Engagement Framework (SEF) will be prepared prior to appraisal. The development of individual SEP will follow as soon as the specific locations, stakeholder groups, and schedule of



activities are known and when more specific information is available on which stakeholders can provide meaningful comments. An SEF should focus on range of issues under consideration which can subsequently be addressed as applicable in a specific SEP.

To sum up, the following instruments and actions will be completed prior to Board’s approval:

- Stakeholders Engagement Framework (SEF) including guideline on Grievance Redress Mechanism (GRM) will need to be prepared and consulted prior to appraisal;
- Environmental and Social Management Framework (ESMF). The project’s ESMF will include guideline and tools for ESA; Environmental and Social Management Plan (ESMP), Pest Management Plan (PMP), SLIA; Labor-Management Procedures (LMP) and Resettlement Policy Framework (RPF); Community Health and Safety Plan; Environmental Code of Practice (ECOP) and UXO Clearance Plan for small office renovation civil work; Cultural Heritage Framework; a list of Do’s and Dont’s for preventing staff from involving in wildlife trade and consumption; a list of Do’s and Dont’s for preventing staff from generation and management of solid waste; a guideline for the development of SESA for policy development for both trees plantation and tourism activity; and GBV and CAC prevention measures.
- Community Engagement Framework (CEF) will combine Access restriction Process Framework (PF) and Ethnic Group Development Framework (EGDF) into one document;
- ESA and SLIA reports to be carried out and prepared after project locations are identified, if possible prior to appraisal to inform the project design

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Stakeholders Engagement Framework (SEF) to be prepared and consulted prior to appraisal in order to effectively reach out to affected and interested stakeholders to ensure meaningful engagement, accessibility, accountability and cultural-appropriateness as well as to establish community broad support.
- Environmental and Social Management Framework (ESMF) to address environmental and social risks and impacts anticipated from the project implementation. The project’s ESMF will include ESA procedures and tools; guidelines and tools for Environment Social Management Plan (ESMP); Unexploded Ordinance (UXO) Clearance Plan in case investment is on UXO contaminated area and Pest Management Plan (PMP) for agriculture intensification; a Social and Institutional Assessment (SLIF); Labor-Management Procedures (LMP); Resettlement Policy Framework (RPF); Community Health and Safety Plan; Environmental Code of Practice (ECOP) for small office renovation civil work; Cultural Heritage Framework; a list of Do’s and Dont’s for preventing staff from involving in wildlife trade and consumption; a list of Do’s and Dont’s for preventing staff from generation and management of solid waste; a guideline for the development of SESA for policy development for both trees plantation and tourism activity; and GBV and VAC prevention measures.
- Community Engagement Framework (CEF) will combine Process Framework (PF) to address and manage potential access restriction and Ethnic Group Engagement Framework (EGDF) to address and mitigate risks impacts on ethnic groups.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

28-Feb-2020

Public Disclosure



#### IV. CONTACT POINTS

##### World Bank

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##### Borrower/Client/Recipient

Borrower: Ministry of Finance

##### Implementing Agency(ies)

Implementing Agency: Ministry of Agriculture and Forestry

#### V. FOR MORE INFORMATION CONTACT

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#### VI. APPROVAL

Task Team Leader(s):	Stephen Danyo
Practice Manager (ENR/Social)	Susan S. Shen Recommended on 19-Jan-2020 at 19:53:22 EST
Safeguards Advisor ESSA	Emilijan Mohora (SAESSA) Cleared on 27-Jan-2020 at 10:37:1 EST