Early Warning System

WB-P152066

Second Lao Environment and Social Project (Additional Financing)

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Quick Facts

Countries	Laos
Financial Institutions	World Bank (WB)
Status	Active
Bank Risk Rating	B
Voting Date	2015-04-29
Borrower	Lao People's Democratic Republic
Sectors	Agriculture and Forestry
Potential Rights Impacts	Cultural Rights, Healthy Environment, Housing & Property, Indigenous Peoples, Labor & Livelihood, Right to Food, Right to Health, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 16.60 million

Project Description

This objective of the project is to strengthen the management systems for national protected areas conservation and for enforcement of wildlife laws. This project comprises additional financing in the amount of US$15 million equivalent is proposed for the existing Lao Protected Area and Wildlife project (PAW). The existing project (PAW) and this additional financing will be consolidated into this single project and renamed the Second Lao Environment and Social Project.

This project has three components:

- Component 1: Institution development and capacity building to improve collaboration of national and provincial public institutions to design and monitor national and regional natural resources, environmental, and social policies
- Component 2: Management of wildlife and protected areas to improve the capacity and collaboration of local public institutions, civil society and communities to manage wildlife and protected areas
- Component 3: Project administration and Environmental Protection Fund capacity building

Location(s): Lao People´s Democratic Republic. The sub-projects in Project Component 1 (institutional development and capacity building) will support National level institutions. For Component 2 (management of wildlife and protected areas), locations for sub-projects will include the eight provinces (Bolikhamxay, Khammouane, Houaphan, Luang Prabang and Xiengkhouang, Savannakhet, Xaysonboun and Vientiane), along with Vientiane capital. All sub-project locations will be confirmed during project implementation, except for the two National Protected Areas that were identified in the previous project – Nakai Nam Theun National Protected Area (which is adjacent to the Nam Theun 2 Hydropower Station) and Nam et-Phou Louey National Protected Area.

Resources needed: Land acquisition. Locations of sub-projects are not yet available

Early Warning System Project Analysis

Risk Assessment: Category B.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category B is assigned to a project if it has “potential adverse environmental impacts on human populations or environmentally important areas - including wetlands, forests, grasslands, and other natural habitats.”

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Based on the World Bank documents, this project triggers the following safeguard policies:

Environmental Assessment OP/BP 4.01 triggered because the sub-projects under Component 2 (above) will support enforcement of national and international good practice for conservation and the development of sustainable protected areas. Bank documents state that the project will not involve major civil works or have large scale negative environmental/social impacts and that the legislation can have positive impacts. However, Bank documents also flag the risk that such rules and regulations . . .may not be developed with sufficient consultations with stakeholders, including ethnic minority groups and local communities, and may inadvertently restrict their access to natural resources.

Natural Habitats OP/BP 4.04 triggered because minor disturbance and localized negative impact on natural habitat may occur during the construction and operation of small conservation facilities planned the in the [Protected Areas] management plans, such as substations and checkpoints or small infrastructure's requested by communities as part of the Community Action Plan.

Forests OP/BP 4.36 triggered because implementation may locally affect the forest cover as well as affect the rights and welfare of people and their dependence on the forests.

Pest Management OP 4.09 triggered because the support to agriculture activities . . . might increase the use of insecticides/chemicals/eligible pesticides or present pest management practices. Bank documents state that the impacts of pesticide use will be assessed during each sub-project screening. Where pesticides are used, a Pest Management Plan will be developed.

Indigenous Peoples OP/BP 4.10 triggered because the majority of affected people under the project are expected to be Ethnic Minorities and meet the eligibility criteria under OP 4.10. These include Hmong, Khmu, Mien, Makong, and Bru. Bank documents also state that many ethnic groups are also known to be present in other provinces that are included under the project. Impacts to indigenous peoples/ethnic minorities will be addressed in the Community Engagement Framework, which includes an Ethnic Group Planning Framework.

Physical Cultural Resources OP/BP 4.11 triggered because, even though the locations of the sub-projects are unknown, Ethnic Minority groups (Hmong, Mien, Lao Tai and Khmu) reside in the project area. Bank documents state that there could be a limited number of graves, village cemeteries, and/or communal properties in spiritual forests in the subproject sites that may be affected by project activities.

Involuntary Resettlement OP/BP 4.12 triggered because this project may require minor land acquisition. The project may also restrict the current access of local communities and people to natural resources inside the [Protected Areas]. In the short-term, the loss of livelihood could be unavoidable because adaptation to changes in resource allocation and livelihoods may be a longer-term process.

Projects on International Waterways OP/BP 7.50 triggered because some of the PAs are likely to include rivers that are

People Affected By This Project

OUR RISK ASSESSMENT

Based on the World Bank's project documents, this project poses potential risks to the following human rights:

Right to Property & Adequate Housing: Bank documents indicate that implementation may locally affect the forest cover as well as affect the rights and welfare of people and their dependence on the forests. According to the Bank, there may be restrictions to the current access of local communities and people to natural resources inside the [Protected Areas]. Bank documents also state that involuntary resettlement may be needed and in some cases and in the short term loss of livelihood could be unavoidable because adaptation to changes in resource allocation and livelihoods may be a longer-term process. Other types of minor land acquisition that may be required under community livelihood activities and/or small repair, rehabilitation or new construction of office buildings and other facilities on public land. Finally, Nakai Nam Theun National Protected Area, one of the project locations, is adjacent to the Nam Theun 2 Hydropower project, a project in which civil society groups, such as Mekong Watch, documented significant adverse impacts on indigenous peoples in this area, including displacement and loss of livelihoods.

Right to Livelihood: As noted above, land acquisition may result in short term loss of livelihood.

Rights of Indigenous People: This project will likely impact the ability of affected indigenous populations to maintain their political, economic and/or social structures in accordance with indigenous peoples' cultures, spiritual traditions, histories and philosophies. World Bank documents state that the majority of affected people under the sub-projects are indigenous peoples, who are called Ethnic Groups in Lao PDR. Ethnic Minorities include the Hmong, Khmu, Mien, Makong, Bru, as well as groups living near Nakai Nam Theun National Protected Area and Nam et-Phou Louey National Protected Area. Bank documents state that these populations are considered to be vulnerable because their livelihood is heavily based on subsistence agriculture and forest. The right to maintain their culture may also be impacted because a limited number of graves, village cemeteries, and/or communal properties in spiritual forests in the subproject sites may be affected by project activities. According to the Bank, where their broad community support is not ascertained based on free, prior and informed consultations, sub-projects will not be implemented. Careful attention must be provided to this issue, given the context for indigenous population and ethnic minorities in Lao PDR. Minority Rights Organization has stated that [e]thnic minorities continue to be particularly vulnerable given that the ethnic Lao largely control the Parliament and the upper echelons of government.

Right to Culture: As noted above, Bank documents state that a limited number of graves, village cemeteries, and/or communal properties in spiritual forests in the subproject sites may be affected by project activities, thereby possibly impacting the ability of affected communities, including indigenous populations, to maintain traditional customs and take part in cultural life.

Right to Food: Bank documents state that the alteration of the water flows and the construction of small water distribution systems or small irrigation can affect activities like fishing or agriculture. Additionally, the change in the management of forests can affect the rights and welfare of people and their dependence on the forests and may also have impacts on food security.

Right to Water: Direct and indirect tributaries of the Mekong River will be affected and small water distribution systems or small scale irrigation will be constructed, possibly having an effect on water flow.

Right to Health: As noted above, the project may lead to an increase the use of insecticides/chemicals/eligible pesticides or present pest management practices, thereby impacting the right to health.

Right to a Healthy Environment: The project will have direct impacts on Protected Areas. Impacts include minor disturbance and localized negative impact on natural habitat [that] may occur during the construction and operation of small

Investment Description

- World Bank (WB)

Bank financing: World Bank
Borrower: Lao People´s Democratic Republic, Ministry of Finance
Amount of bank loan or investment: USD 15 million (International Development Association), Lao PDR (USD 1.6 million)
Total project cost: USD 16.60 million

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CONSULTATIONS

Bank documents identify the risk that “such rules and regulations, however, may not be developed with sufficient consultations with stakeholders, including ethnic minority groups and local communities and may inadvertently restrict their access to natural resources.” Free, prior and informed consultations had been held during preparation of PAW project with provincial and site level stakeholders as well as local people in the two pre-selected Protected Areas. Bank documents state that “free, prior and informed consultations will be carried out with affected people, and their broad community support to project activities will be ascertained. Community Action Plan (CAP) will be developed based on a participatory process.”

The initial project Environmental and Social Management Framework (ESMF) and Community Engagement Framework (CEF) underwent public consultation in December 2013 and January 2014 in Vientiane as well as in the districts concerned with the two NPAs in Bolikhamxay and Khammouane Provinces, in Viengkham, Phonexay and Phonethong Districts, Luang Prabang Province, in Viengthong, Samneua and Houamouang Districts, Houaphanh Province and in Phoukout, District, Xiengkhouang Province. The updated ESMF and CEF underwent additional consultation in May and June 2014 in 7 provinces, including the 3 new provinces, as well as in Vientiane capital.

Sub-project delivery agencies will conduct “free, prior and informed consultations” with affected people, including ethnic groups, as they develop subproject proposals.

PROJECT-LEVEL GRIEVANCE MECHANISM

According to Bank documents, “[t]he project will use indigenous leadership and conflict resolution mechanisms as the first tier grievance mechanism but will significantly strengthen their capacity including on safeguards requirements, gender equity, existing legal and administrative frameworks and land management.”

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection

Bank Documents

- Integrated Safeguards Data Sheet (Appraisal Stage) - Second Lao Environment and Social (Additional F [Original Source]
- Lao People's Democratic Republic - Additional Financing for the Second Lao Environment and Social Pr [Original Source
- Lao People's Democratic Republic - Second Lao Environment and Social Project : additional financing [Original Source]
- Lao People's Democratic Republic - Second Lao Environment and Social Project : additional financing [Original Source]
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- Lao People's Democratic Republic - Second Lao Environment and Social Project : community engagement [Original Source]
- Lao People's Democratic Republic - Second Lao Environment and Social Project : environmental and soc [Original Source]
- Lao People's Democratic Republic - Second Lao Environment and Social Project : resettlement plan (Vo [Original Source]
- Lao People's Democratic Republic - Second Lao Environment and Social Project : resettlement plan : E [Original Source]
- Official Documents- Financing Agreement for Additional Credit, Credit 5620-LA (Closing Package) (Eng [Original Source]
- Official Documents- Letter ref. Disbursement for Additional Credit, Credit 5620-LA and TF016619 (Clo [Original Source]
- Official Documents- Supplemental Letter ref. Financial Data for Additional Credit, Credit 5620-LA (C [Original Source]