

# **Ethnic Groups Development Plan (EGDP)**

**For the Scaling up the implementation of the Lao PDR Emission  
Reductions Programme through improved governance and  
sustainable forest landscape management (Project 2)**

**prepared by**

**GIZ**

**for the Submission to the**

**Green Climate Fund**

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# Contents

- 1. Introduction ..... 3
  - 1.1 Programmatic approach ..... 3
  - 1.2 Ethnic Group Development Plan..... 5
    - 1.2.1 Background information ..... 5
    - 1.2.2 Approach for Project 2 ..... 6
- 2. Baseline information..... 7
  - 2.1 Ethnic Groups Legal Frameworks..... 7
    - 2.1.1 National Policy on Ethnic Groups..... 7
    - 2.1.2 International Legal Frameworks ..... 9
  - 2.2 The Ethnic Groups of Lao PDR ..... 10
    - 2.2.1 National level ..... 10
    - 2.2.2 Presence of the Ethnic Groups in the Project Areas ..... 11
  - 2.3 Representation of Ethnic Groups in Lao PDR..... 17
- 3 Key findings and analysis of impacts, risks, and opportunities..... 18
  - 3.1 Potential Positive Impacts..... 18
  - 3.2 Unintended/ Potential Negative Impacts ..... 20
- 4 Measures to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities ..... 22
  - 4.1 Overview of measures to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities..... 23
  - 4.2 Free, prior, and informed consent (FPIC)..... 30
- 5 Community-based natural resource management..... 32
  - 5.1 Overview ..... 32
  - 5.2 Impressions from Project 1 and lessons learnt for Project 2..... 33
- 6 Results of consultations and future engagement plans ..... 33
  - 6.1 Consultation of ethnic groups in PRAP and ER programme development..... 33
  - 6.2 Consultation of ethnic groups in the development and implementation of Project 1 ..... 34
    - 6.2.1 Project 1 development..... 34
    - 6.2.2 Project 1 implementation ..... 36

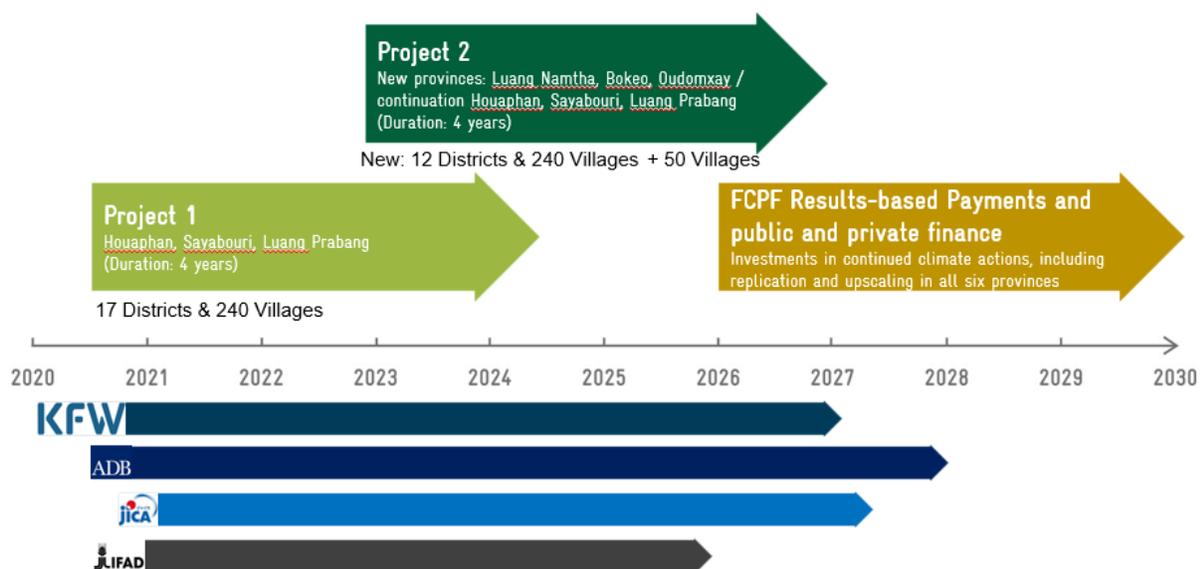
6.3. Results of consultations of ethnic groups in the development of Project 2.....	37
6.4 Future engagement plans .....	42
6.4.1 Consultation, trainings and workshops within Project 2 activities.....	43
6.4.2 Reporting on stakeholder engagement .....	43
7 Gender assessment and action plan .....	44
8 Benefit sharing plans.....	45
9 Tenure arrangements .....	46
9.1 Overview of tenure arrangements.....	46
9.2 Strengthening land use rights and tenure security within Project 2 .....	47
10 Grievance Redress Mechanism .....	47
10.1 Overview of the project’s grievance redress mechanism.....	47
10.2 Experience under Project 1 and adjustments for project 2.....	48
11 Costs, budget, timetable, and organizational responsibilities.....	48
11.1 Costs, budgets, timetables, organizational responsibilities.....	48
11.2 Monitoring, Evaluation and Reporting .....	48
11.3 Implementation Arrangements .....	48

# 1. Introduction

## 1.1 Programmatic approach

The Programme “Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management” (FP117) was approved by the Green Climate Fund in 2019 at B.24. Initially, FP117 was conceptualized as a pure mitigation single project which had to be reframed as a programme, with 3 Sub-Projects due to limited funding available. GCF Funding Proposal 117 explicitly outlined a programmatic approach with Project 1 covering 3 out of 6 provinces of the Lao Emission Reductions Programme (ER-Programme) under the Forest Carbon Partnership Facility (FCPF) and the subsequent Sub-Projects 2 and 3 to expand the programme intervention area the remaining 3 provinces (approx. 240 villages) covered by the ER-Programme, as well as 50 additional villages in the current project location. Sub-projects 2 and 3 were merged into a single sub-project (henceforth Project 2).

Figure 1. Overview of programmatic approach and timeframe



Project 1 (FP117) laid the ground for the transformational change in the project area, including supporting policy mainstreaming, strengthening the regulatory framework, and implementing and improving the measurement, reporting and verification (MRV) system, among others. It also supported interventions on the ground in 3 provinces, namely: Houaphan, Sayabouri and Luang Prabang. However, to fully reach the paradigm shift towards low-emission and climate resilient forest and land use practices outlined in the programmatic approach within FP 117, Project 2 is required.

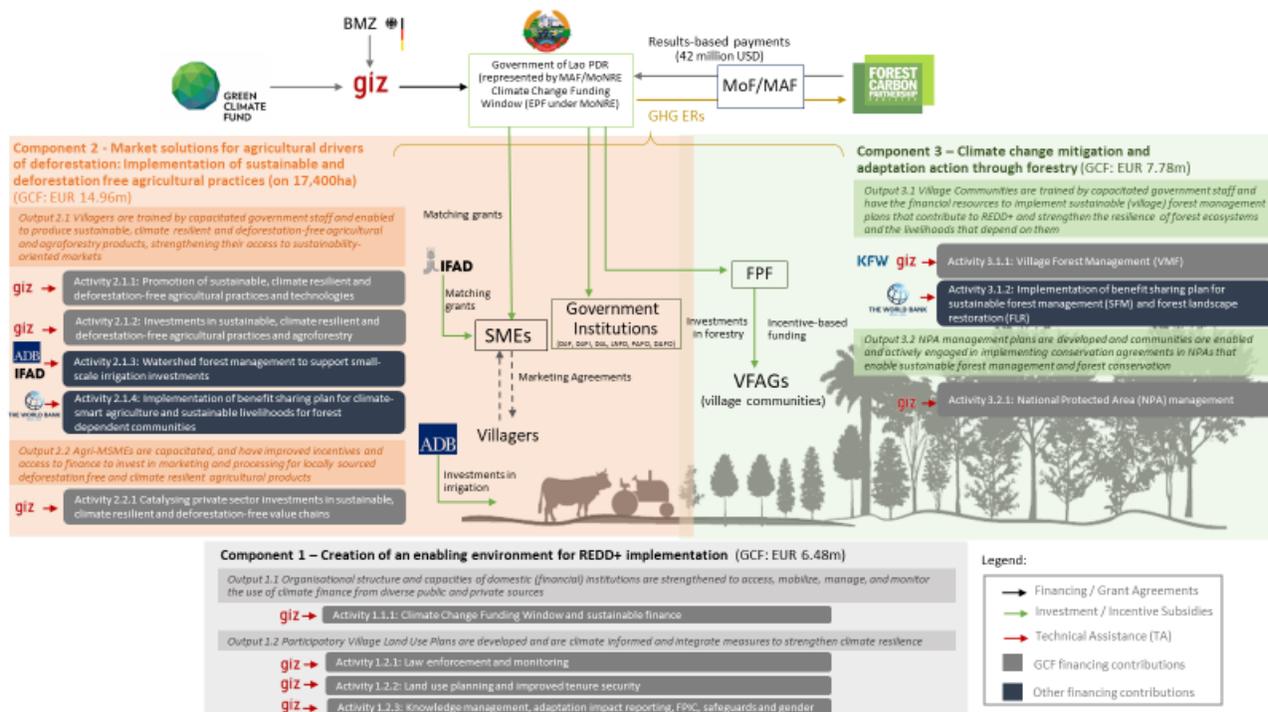
Project 2 aims to further advance and consolidate the programme’s objective of supporting the Government and people of Lao PDR transition to sustainable and climate resilient management of forests and landscapes at scale. Project 2 is comprised of three components (see Figure below):<sup>1</sup>

<sup>1</sup>Note: Project 1 used the term ‘outputs’ instead of components. In order to ensure alignment with the GCF Integrated Results Management Framework and new Funding Proposal Template, the term ‘component’ is applied under Project 2. Outputs under GCF’s IRMF are “Changes delivered as a result of project/programme activities that contribute to the achievement of outcomes.” – GCF. 2022. Guidance Note to support the completion of the IRMF elements of the revised funding proposal template for PAP and SAP, p. ii.

- **Component 1 – Enabling environment for REDD+ implementation** addresses barriers at the national and sub-national levels, including measures that aim to scale-up climate-informed participatory land use planning, strengthen land tenure security, improve forest law enforcement and monitoring, and scale-up and ensure access to sustainable financing for the AFOLU sector.
- **Component 2 – Market solutions for agricultural drivers of deforestation** builds on the enabling environment (Component 1) and addresses key drivers of deforestation and degradation within the agricultural sector. It delivers emission reductions at scale through reducing the expansion of agricultural activities into forested landscapes and promotes climate resilient agricultural practices that increase the resilience of local farmers and agri-ecosystems.
- **Component 3 – Climate change mitigation and adaptation through forestry** builds on the enabling environment (Component 1),<sup>2</sup> and will reduce emissions and strengthen the resilience of local livelihoods and forest ecosystems through sustainable forest landscape management and the promotion of Forest Landscape Restoration (FLR), with a focus on village and conservation forests.<sup>3</sup>

Figure 2 below shows project 2 components and interconnected activities.

Figure 2: Overview of project 2 components and activities



<sup>2</sup> Specifically, Activities under Component 3 that are subject to Component 1 deliverables are:

For Activity 3.1: Village Forest and Agriculture Grants (VFAG) must be in place after Village Forest Management (VFM) planning is concluded, to provide funds for the implementation of annual plans; Land use planning and improved tenure security – Land Use Plans have to be in place as a precondition for VFM, ensuring full compliance with the project’s Environmental and Social Management Plan (ESMP), Ethnic Group Development Plan and Gender Action Plan. Free, prior, and informed consent (FPIC) is required, where the procedures are outlined in detail within Chapter B.3 of the Funding Proposal, and within the ESMP located in Annex 6b.

For Activity 3.2: Identification of existing and/or establishment of new VFAGs to channel climate finance to target villages – VFAGs must be in place after National Protected Area (NPA) management planning is concluded, to provide funds for the implementation of annual plans. Again, full compliance with the ESMP and FPIC procedures are required.

<sup>3</sup> Conservation forests will focus on 5 national protected areas (NPAs) and 1 national park within the project area.

## 1.2 Ethnic Group Development Plan

### 1.2.1 Background information

The need to engage indigenous peoples, or ethnic groups for Lao PDR, in climate change policies and actions has been recognized by the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), including in the Cancun Agreement (decision 1/CP.16). The preamble of the Paris Agreement also acknowledges that Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on, inter alia, the rights of ethnic groups. The COP decision adopting the Paris Agreement (decision 1/CP.21) recognizes the need to strengthen practices and efforts of local communities and indigenous peoples related to addressing and responding to climate change. The COP has further requested that GCF consider a recommendation to enhance indigenous and traditional knowledge and practices and their integration into adaptation planning and practices, as well as procedures for monitoring, evaluation, and reporting. The GCF Indigenous Peoples Policy therefore has included a process and requirements for ensuring that GCF activities are developed and implemented in such a way that fosters full respect for and the active protection and promotion of indigenous peoples' dignity, rights, identities, aspirations, natural resource-based livelihoods, self-autonomy, and cultural uniqueness. The policy aims to assist GCF in incorporating considerations related to indigenous peoples into its decision-making while working towards the goals of climate change mitigation and adaptation.

Where ethnic groups are present, GCF and GIZ's safeguards policies require special action to safeguard their social and economic status and to avoid restricting their capacity to assert their interests and rights in forests, land, and other productive resources.

The GCF Indigenous People's Policy was approved in March 2018 applied to all GCF projects. Therefore, the project is required to strictly follow the guiding principles of the GCF safeguards policy on indigenous people. This EGDP will use GCF's guiding principles as a basis for its implementation, which includes the following:

- Develop and implement free, prior, and informed consent as specified in the ESMP.
- Respect and enhance the rights of ethnic groups to their lands, territories and resources and rights related to cultural and spiritual heritage and values, traditional knowledge, resource management systems and practices, occupations and livelihoods, customary institutions, and overall well-being;
- Recognize key international human rights and principles, including the principles set forth in UNDRIP and other relevant international and regional instruments relating to the rights of indigenous peoples and individuals including, where applicable but not limited to, ILO Convention No. 169, the International Covenant on Economic, Social and Cultural Rights, and the International Convention on the Elimination of All Forms of Racial Discrimination which Lao PDR is a party to;
- Respect the right of ethnic groups living in voluntary isolation, or remote groups with limited external contact to remain isolated and to live freely according to their culture. Activities that may affect these peoples, their lands and territories, or their ways of life will include the appropriate measures to recognize, respect and protect their lands and territories, environment, health and culture, and to avoid contact with them as a consequence of the activity;
- Respect and recognize traditional knowledge and livelihood systems including ways of ownership and knowledge transmission;

- Enhance the capacity for ethnic groups within the scope of project activities, especially the capacity related to provide advice, take leading roles and decision-making;
- Ensure access to project resources by inclusively engaging them with project activities and consider taking actions to better meet their needs and priorities to support their initiatives and efforts for climate change mitigation and adaptation actions; and
- Respect the system of self-government. The right of ethnic groups to freely pursue their economic, social, and cultural development and their right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.

As a prerequisite for Project approval, all above mentioned safeguards policies require their clients 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. They also require their clients to establish an appropriate gender inclusive framework that provides opportunities for consultation at each stage of project preparation and implementation, as well as uses appropriate consultation methods to the social and cultural values of the ethnic groups and their local conditions and, in designing these methods, gives special attention to the concerns of ethnic women, youth, and children and their access to development opportunities and benefits. These policies also address public disclosure, especially on the information about the project, including an assessment of potential adverse effects of the project on the affected ethnic groups, in a culturally appropriate manner at each stage of project preparation and implementation.

### 1.2.2 Approach for Project 2

This document comprises the **Ethnic Group Development Plan (EGDP)** (also known as an Indigenous People's Plan (IPP)) which has been developed for project 2 of the aforementioned GCF programme. The presence of diverse ethnic groups in the project areas has triggered GCF's and the World Bank's safeguards policy on indigenous peoples.

In Lao PDR, the Lao-Tai dominate politically, culturally, and economically and generally inhabit the river plains, particularly along the Mekong River. According to the United Nations Permanent Forum on Indigenous Issues, the majority of the other ethnic groups inhabit the rugged mountain territory that covers about 79 percent of the country and experience high-levels of marginalization. It is important to note that although officially there are 50 ethnic groups, the National Assembly's (NA) official Agreement N°213 of 24 November 2008 only recognized Lao nationality, and therefore regardless of which ethnic background people come from, they are all Lao citizens and the NA has declared that all ethnic groups are equal by law in terms of dignity and rights. It is for this reason that the term 'ethnic minority' and/or 'indigenous people' is not used, even though the Lao-Tai is main group and so instead the term 'ethnic group or multi-ethnic groups' has been officially accepted. In line with Lao PDR terminology, the term ethnic groups will be used instead indigenous people and this plan will be an Ethnic Groups Development Plan.

In line with the GCF policy, this EGDP has been developed to ensure that ethnic groups in the project's targeted areas are fully informed, consulted, and provided with adequate and legitimate opportunities to actively participate in project design and the determination of project implementation arrangements, operation, as well as the project's closure. Similar to the ESMP, this EGDP is to provide a practical plan to

manage the potential unintended environmental and social negative impacts associated with project's activities. Specifically, it is to ensure ethnic groups' rights are safeguarded, they receive the projects' benefits in a culturally appropriate manner. It further ensures meaningful and inclusive consultations take place and ethnic groups are actively engaged throughout the lifecycle of the project. The EGDP will be complementing and implemented in parallel with the ESMP and gender action plan.

This EGDP builds on the funding proposal and supporting annexes submitted with Project 1, including the Ethnic Group Development Planning Framework (EGDPF) submitted within the Environmental and Social Impact Assessment for FP117. It has been adjusted to reflect the design of Project 2, and has been informed by a combination of literature and desk review, as well as stakeholder consultations with civil society organizations (CSOs), governmental actors, and local villagers comprised of diverse ethnic groups.<sup>4</sup>

The development of this EGDP is further based on recent assessments for Project 2 (Feasibility Study – FP Annex 2a, Environmental and Social Impact Assessment – FP Annex 6a, and the Gender Assessment – FP Annex 8a), which were conducted in early 2022.

## 2. Baseline information

### 2.1 Ethnic Groups Legal Frameworks

#### 2.1.1 National Policy on Ethnic Groups

Lao PDR is a multi-ethnic society. As noted in the Strategic Environmental and Social Assessment (SESA) conducted for the ER-PD, *“the Government of Lao PDR (GoL) does not recognize the concept of indigenous peoples in its policies and legislation. Instead, the term “ethnic group” is officially used to describe its people, who are categorized into 49 broad ethnic groups. [...] Ethnic group diversity is reflected in a rich diversity of **ethnic languages**. Each ethno-linguistic family is divided into main ethnic groups and is further described through sub-ethnic groups. Some ethnic languages are only spoken languages, and do not have written forms.”*<sup>5</sup> Thus, the term ‘ethnic group(s)’ is used throughout this document.

Lao PDR's constitution (1991) notes the need to incorporate the concerns of ethnic groups in developing policy across sectors, and reaffirmed its intention to strengthen the rights of all ethnic groups (Articles 8 and 22). Article 75 of the constitution specifically indicates that *“the Lao language and script are the official language and script”*. Article 8 of the Constitution states, *“All ethnic groups have the right to preserve their own traditions and culture, and those of the nation. Discrimination between ethnic groups is forbidden.”* Article 8 further declares that:

*“The State pursues the policy of promoting unity and equality among all ethnic groups. All ethnic groups have the rights to protect, preserve and promote the fine customs and cultures of their own tribes and of the nation. All acts of creating division and discrimination among ethnic groups are forbidden. The State implements every measure to gradually develop and upgrade the economic and social level of all ethnic groups.”*

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<sup>4</sup> The consultation results contain the information/topics discussed during the consultation as well as the informants/participants' feedbacks, recommendations, and concerns. The consultation results not only have been fed into the development of this EGDP but also the updated of ESMP and GAP and broader project design. For more information refer to the stakeholder engagement plan in FP Annex 7.

<sup>5</sup> ER-PD SESA Report 2017, p. 27.

The Resolution of the Party Central Organization Concerning Ethnic Group Affairs in the New Era (1992), aimed to gradually improve the lives of ethnic groups in Lao PDR, while maintaining their ethnic identity and cultural heritage. It is the cornerstone of current national ethnic group policy. The general policy of Lao PDR concerning ethnic groups can be summarized as follows:

- 1) Build national sentiment (national identity).
- 2) Realize equality between ethnic groups.
- 3) Increase the level of solidarity among ethnic groups as members of the greater Lao family.
- 4) Resolve problems of inflexible and stereotypical thinking, as well as economic and cultural inequality.
- 5) Improve the living conditions of the ethnic groups step by step.
- 6) Expand, to the greatest extent possible, the heritage and ethnic identity of each group as well as their capacity to participate in the affairs of the nation.

The Agreement on the Approval and Enforcement of Guidelines on Public Involvement in Project Environmental Impact Assessment Process 707/MoNRE (05 February 2013): Defines processes and opportunities for communities to participate in planning and decision-making related to investment projects, raise issues related to project implementation, including a process to resolve social and environmental impacts that may arise (and do this in a fair and conflict-free manner). The Agreement outlines two main objectives:

- To ensure project implementation is in accordance with the rules and regulations, is transparent and involves everyone (particularly those affected by investment projects)
- To ensure affected people receive fair and reasonable treatment and compensation from the impacts that arise from investment projects.

Law on Handling of Petitions No. 012/NA (2015): Provides objectives, principles, and processes for applying and handling different types of grievances, petitions and complaints that may be raised by citizens. The guideline instructs that all complaints and petitions are to be filed by their line authorities at the local level, up to the national level. The grievance redress processes are divided into three stages:

- Proposals are to be applied to, and resolved by, direct concerned authorities
- If the issue is not solved, then the grievance is to be applied to, and resolved by, judicial institutions at the district level
- If the complainant is still not satisfied with the result, the petition is to be applied to, and resolved by, the provincial assembly.

Government Decree on Ethnic Groups No. 207/GoL (20 March 2020): Article 17 Dissemination of Information, Instruction, Policy, Law, and Regulation to Lao multi-ethnic groups, point 1, requires that information be presented via a translator, newspaper and digital or electronic tools. Point 2 requires that the expansion of the communication network and media to the entire country be accessed by all ethnic groups. Point 3 requires the development and improvement of communication systems in the countryside, with the objective to improve quality and training to increase ethnic groups' access to information. Article 18, Access to Legal Information and Justice, point 2, promotes helping poor,

vulnerable, and disabled ethnic people access legal information and justice – ethnic groups can pursue justice procedures and official documentation and administration without incurring a fee.

The Guideline on Ethnic Group Consultation (2012): Issued by the Lao Front for National Development, provides guidelines for consultation with ethnic groups. It aims to ensure *all* ethnic groups who benefit from or are potentially adversely affected by a development project, regardless of the funding source, are fully engaged in meaningful consultation at all stages – from project preparation to implementation. The guide also aims to ensure that potentially affected ethnic groups are fully informed of project objectives, including positive and adverse impacts on their livelihood and environment. Ethnic groups must be provided with opportunities to articulate their concerns. The guidelines provide principles and processes to assist with facilitating meaningful consultations to obtain free, prior, and informed consent of all ethnic groups affected by development projects in a culturally sensitive manner.

### 2.1.2 International Legal Frameworks

Lao PDR has further endorsed, signed and/or ratified to various international treaties and conventions related to ethnic groups and human rights (see Table below). In addition, Lao PDR endorsed the International Labour Organization (ILO) Convention 169 on Indigenous and Tribal Peoples (ILO 169, 1989), and the United Nations Declaration of Indigenous Peoples’ Rights (UNDRIP, 2007).

*Table 1. International treaties signed and/ or ratified by Lao PDR related to ethnic groups and human rights*

<b>Treaty Name/ Description</b>	<b>Treaty Abbreviation</b>	<b>Signature Date</b>	<b>Ratification Date, Accession(a), Succession(d) Date</b>
Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment	CAT	21. Sep 2010	26. Sep 2012
Optional Protocol of the Convention against Torture	CAT-OP		
International Covenant on Civil and Political Rights	CCPR	07 Dec 2000	25. Sep 2009
Second Optional Protocol to the International Covenant on Civil and Political Rights aiming to the abolition of the death penalty	CCPR-OP2-DP		
Convention for the Protection of All Persons from Enforced Disappearance	CED	29. Sep 2008	
Convention on the Elimination of All Forms of Discrimination against Women	CEDAW	17. Jul 1980	14. Aug 1981

Treaty Name/ Description	Treaty Abbreviation	Signature Date	Ratification Date, Accession(a), Succession(d) Date
International Convention on the Elimination of All Forms of Racial Discrimination	CERD		22 Feb 1974 (a)
International Covenant on Economic, Social and Cultural Rights	CESCR	07 Dec 2000	13. Feb 2007
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	CMW		
Convention on the Rights of the Child	CRC		08 May 1991 (a)
Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict	CRC-OP-AC		20 Sep 2006 (a)
Optional Protocol to the Convention on the Rights of the Child on the sale of children child prostitution and child pornography	CRC-OP-SC		20 Sep 2006 (a)
Convention on the Rights of Persons with Disabilities	CRPD	15. Jan 2008	25. Sep 2009

## 2.2 The Ethnic Groups of Lao PDR

### 2.2.1 National level<sup>6</sup>

The National Assembly’s Agreement No. 213 of 24 November 2008 states that regardless of ethnic background all Lao citizens are equal by law. Officially a multi-ethnic country, 50 recognized ethnic groups co-exist in the Lao PDR. Although equality before the law is essential for all, the insistence on treating all entirely equally can, in practice, overlook certain cultural, religious, and social practices of the ethnic peoples in Laos. This is especially noteworthy in customary uses of natural resources, gaps in access to social services, and the provisioning for alternative livelihoods. The promotion of equality also discourages the term ‘ethnic minority’ or ‘indigenous peoples’, using instead the official accepted term ‘ethnic group’.

The majority of the Lao population belong to non-Lao ethnic groups, and their livelihoods and cultural practices originate from deep connections to ancestral land and forest spirits. This close reliance on land and water resources has resulted in smaller villages, dotted throughout the varied geography of the country. This relative isolation from each other and from main roads or towns has created difficulties for official access to Government provided social services. The ethnic group equality policy states that all ethnic groups must:

<sup>6</sup>Social Assessment Lao PDR Global Partnership for Education III: Learning and Equity Acceleration Project (P173407).

- Prioritize the expansion of paddy fields and stable crops – resulting in the discouragement of rotating cultivation practices;
- Practice stable agriculture, especially expansion of paddy fields and stable crops (slash-and-burn practices are discouraged);
- Use Lao language for nation building, to develop a strong unified Lao PDR. (the Lao language is the official language of the country); and
- Form village clusters to support the merging of village administration units to support the Government of Lao to ease public administration and deliver social services more efficiently.

Due to remote geographic access and lack of political representation, and in spite of all attempts to ensure equality amongst Lao citizens, many ethnic groups lack access to Government infrastructure, social services, and experience generational poverty. The root causes of this structural marginalization must be tackled and integrated into official socio-economic development plans. All ethnic groups in Laos, although varied in terms of social structure and cultural representation, share similar socio-economic basis, relying mainly on natural resources and agricultural production for livelihoods, and receiving sporadic access to Government allocated social services depending on location.

Although different in terms of language, tangible and intangible culture, these ethnic groups have shared geographical resources, such as forests and water ways, for generations, living in sustainable ways. However, this shared resource base should not hide the real differences the various ethnic groups have for conceptualizing and practicing natural resource management. It is also likely that groups may struggle to understand reasons for focusing on forest protection for an emissions reduction programme. It is likely that project efforts to encourage improved governance of shared resources, including asking ethnic groups who have used forests for generations to consider these resources in different ways, may be a challenge, and is likely to require appropriate language and cultural sensitivity to support local engagement in project activities.

### 2.2.2 Presence of the Ethnic Groups in the Project Areas

The project covers six northern provinces<sup>7</sup> where the people are highly reliant on forests, agricultural, and other natural resources for both their income and subsistence. Economic activities vary from the cultivation of mostly lowland rice paddies and extensive commercial cropping to predominantly upland, swidden farming. Additionally, the project area is home to at least 23 of the 50 officially recognised ethnic groups in Lao PDR, although the number would be much higher if all of the groups and “sub-groups” were counted separately. The ethno-linguistic groups include the Lao-Tai (such as Lao and Lue), Mon-Khmer (especially the Khmu), Sino-Tibetan (mainly Akha), Hmong-lumien (mainly Hmong) and Palaungic (a few, smaller groups such as Bid and mainly in Bokeo). The project areas have a higher composition of non-Lao-Tai ethnic groups.

Ethnic groups in the Lao-Tai ethno-linguistic family have many linguistic similarities that permit mutual understanding, as do the groups in the Sino-Tibetan ethno-linguistic family. The Mon-Khmer ethno-linguistic family has many ethnic groups and sub-groups, and their languages are not easily mutually understood. The same difficulties with linguistic understanding prevail with the Hmong-lumien ethnic

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<sup>7</sup> Bokeo, Houaphan, Luang Namtha, Luang Prabang Oudomxay and Sayabouri.

groups. This can be illustrated from the fact that although the Hmong, the Yao the Akka are group in the same linguistic group, their dialects are completely different. This linguistic and corresponding educational situation poses great challenges for climate action - and for development in general. As government staff often do not speak the local languages, they have to work with the Lao Front for National Development (LFND), the Lao Women's Union, or others as interpreters to reach the local villages.

These ethnic groups meet the eligibility criteria of World Bank's and GCF's indigenous peoples, which can be identified by the following characteristics:

- Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation as well as to the natural resources in these habitats and territories;
- Customary cultural, economic, social, or political systems that are distinct or separate from those of the mainstream society or culture; and
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside. This includes a language or dialect that has existed but does not exist now due to impacts that have made it difficult for a community or group to maintain a distinct language or dialect.

### Poverty

In Northern Lao PDR, poverty rates are among the highest in the country. Despite progress has been made and substantial efforts have reduced the number of people living below the poverty line, from 52% to 26% from 1993 to 2013<sup>8</sup>, poverty levels in the northern region still exceed the national average (23%). The northern of Lao PDR comprise of mountainous and hilly areas, infrastructure such as access road, schools, health centres and other public facilities are not easily reached and accessed by various ethnic groups. Human development index (HDI) values are lower in programme region than the national level (0.44 compared to 0.61;

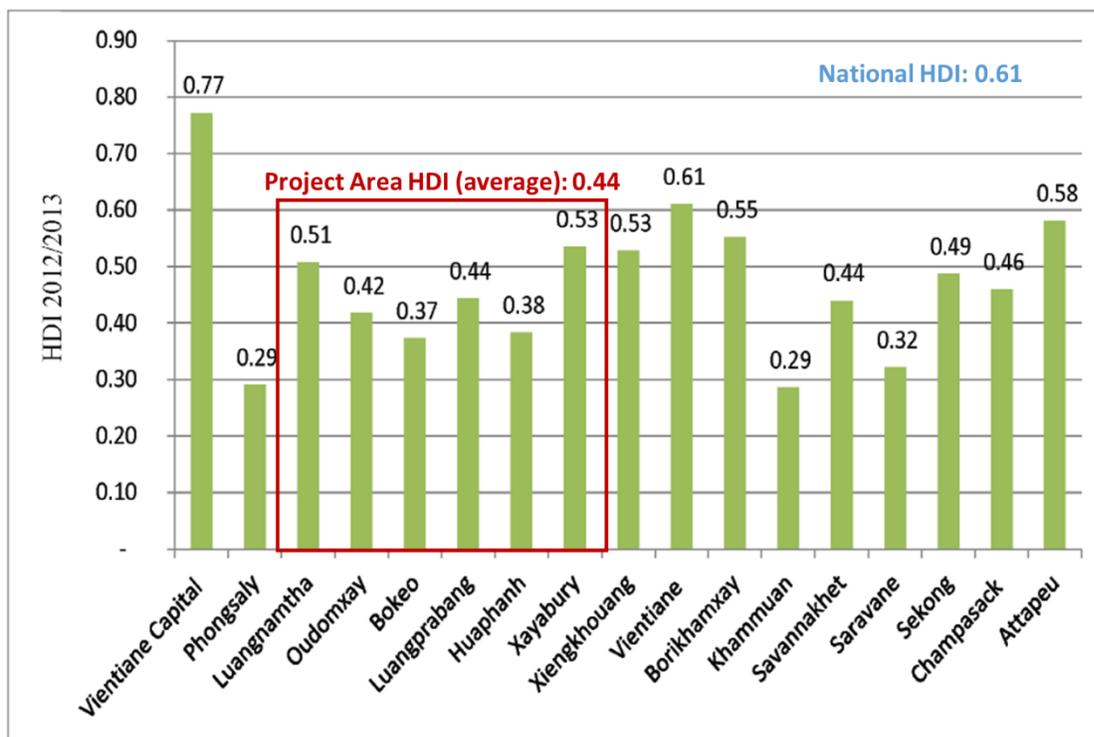
1). Bokeo, Houaphan have particularly low HDI values. Around 28% of people living in the programme area live below the poverty line,<sup>9</sup> surpassing the national average. There are substantial discrepancies between provinces and within provinces (including the rural and urban population, ethnic groups, and gender, among other factors). Sayaboury and Luang Namtha have poverty levels substantially below the national average, with 15% and 16% of the provincial populations, respectively. On the other hand, Bokeo has the second-highest incidence of poverty within Lao PDR, where 44% of the population lives in poverty. Houaphan, Oudomxay, and Luang Prabang also have higher levels of poverty (39%, 30% and 26% respectively).

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<sup>8</sup> Pimhidzai et al. 2014 and UNDP 2009 in MPI and UNDP 2017

<sup>9</sup> Lao PDR Poverty Line Definition from the 2017 Lao PDR Human Development Report (MPI and UNDP 2017): "The national poverty line is calculated on a nutritional basis. An adult must be able to consume an equivalent of 2,100 kilocalories a day to be above the poverty line. S/he should also have access to some non-food necessities. First, the monetary equivalent of 2,100 kilocalories of food (from a defined basket) is calculated, and then allowances for non-food items are calculated. The sum of these two is the poverty line. Each time a survey is conducted, the poverty line is adjusted for inflation. No new poverty line has been defined for over two decades. Lao PDR follows the World Bank's method of measuring poverty."

Figure 3. Province-specific HDI values, 2011-2013 for Lao PDR



Source: Adapted from UNDP 2015

### Food security

The main sources for food security are coming from shifting cultivation and therefore forest land is used for agriculture purposes by the ethnic groups. Also, since the majority of ethnic groups in the project live in the mountainous, hilly areas, their livelihoods are involved rotational upland agriculture activities, mostly upland rice for subsistence. A major limitation for ensuring food security is the region's mountainous terrain, and limited valley space for growing rice paddy. They often do not engage in economic or trading activities or have stable farming system. The annual yields are low, cultivation requires challenging physical labour, and unsustainable practices, which can lead to degradation (landslides, mass erosion events, sedimentation, and riverbank cutting downstream etc.). While ethnic groups rely heavily on the natural resources and forests, food security is a major challenge for many households. An estimated 25% of rural households in the region are food poor<sup>10</sup>.

Many ethnic groups are unique in the way that rights (to forests and to land) can be held privately or communally. Therefore, there are two sub-typologies; individual farmers, including the ethnic groups claim their rights to land through labour inputs and as the original forest clearers and first cultivators of the land (i.e., pioneer shifting cultivation). In ethnic groups community the "pioneer households that practice shifting cultivation" are recognized as having complete rights over particular land plots, including inheritance of the land plots by family members.

<sup>10</sup> Pimhidzai et al. 2014 in UNDP 2015.

### Information Box 1. Pioneering and rotational shifting cultivation

Shifting cultivation has a long tradition, especially for ethnic groups in northern Laos in upland areas (including for both Lao-loum and non-Lao-loum ethnic groups). The government clearly distinguishes between rotational cultivation (*haimounviang*) and pioneering shifting cultivation (i.e. encroachment) into (designated) forest land (at village level) (*thangpha hed hai*). The terms *pioneering shifting cultivation* and *rotational cultivation* are all used to refer to a *farming* system in which relatively short periods of cultivation are followed by relatively long periods of fallow. The goal of fallow periods is to “*regenerate the soil’s fertility by allowing the vegetation to regrow*”, while utilizing some of the fallow resources (e.g. NTFP and timber collection).<sup>11</sup> Where population density and agricultural/economic activity has not changed, such systems have often been stable for centuries. When changes occur, however, expansion into hitherto uncultivated natural areas takes place (pioneering shifting cultivation), often in conjunction with shortened rotational cycles.<sup>12</sup> In consequence, not only does this lead to increased deforestation, but the fertility of existing plots also diminishes over time, requiring further opening-up of new agricultural areas. This can lead to a destructive spiral of large-scale deforestation.<sup>13</sup>

Kenney-Lazar (2013) notes that the government has shifted their focus away from eradicating slash and burn agriculture, to have a broader focus on ensuring food security and socio-economic development, while “*stabilizing*” shifting cultivation.<sup>14</sup> The author further highlights that rotational cultivation is considered “*as an accepted form of swiddening, whereby farmers rotate in a cycle within established boundaries of agricultural land, leaving enough time for proper fallow regrowth as a result of low population density and available secondary forest.*”<sup>15</sup> That said special attention on the sustainability of the system needs to consider the crops, production practices and the biophysical attributes and socio-economic contexts. They further note “*Under low population densities when fallow lengths are long enough (approximately 15 years), shifting cultivation can be environmentally sustainable and even possibly carbon neutral.*”<sup>16</sup>

The primary focus of this project and its overarching programme is to stabilize the landscape. Focusing on agricultural drivers, this includes reducing and where possible avoiding the so-called pioneering shifting cultivation practices. The project will also include measures to support soil conservation, and help rotational agriculture, where possible, by increasing fallow times through the implementation of more sustainable practices (e.g. agroforestry). Trends highlighted in the Feasibility study show that rotational periods have been increasing due to unsustainable agricultural practices, including cash crop monocultures on steep slopes<sup>17</sup> and the increased use of agro-chemicals, among other factors. In addition, clearly distinguished boundaries between agricultural and forest land are key success factors for landscape stabilization.

The project fully supports culturally appropriate rotational shifting cultivation practices, which are widespread amongst the ethnic diverse population of the northern Uplands in the Lao PDR. The project introduced the Promotion of Sustainable Agricultural Production (PSAP) approach to address this trend. Under the PSAP approach 31 different farming models are being promoted as outlined in the “White-List”. Some of the PSAP activities aim to reduce pioneering shifting cultivation through the promotion of agro-forestry systems and more permanent land use systems such as coffee, cardamon, among others (see Feasibility Study in FP Annex 2a for more detailed information on PSAP). This also helps to provide the remaining land under shifting cultivation longer fallow periods to fully recover. Other PSAP activities would be suitable under rotational shifting cultivation systems, while helping

<sup>11</sup> NAFRI et al. 2005.

<sup>12</sup> Kenney-Lazar 2013.

<sup>13</sup> Folke and Colding, 2001.

<sup>14</sup> Kenney-Lazar 2013, P. 5.

<sup>15</sup> Kenney-Lazar 2013, P.5.

<sup>16</sup> Kenney-Lazar 2013, P. 7.

<sup>17</sup> Due to the introduction of cash-crops, such as maize and cassava, the use of intensive and unsuitable production practices for cash crops resulting in shortened fallow periods, many shifting cultivation areas have been depleted. Over the last 1-2 decades this led to further encroachment into forest areas and, hence, increased emissions.

to improve soil fertility and address challenges farmers are facing related to declining productivity and land degradation, which in turn results in shorter fallow periods. It is critical to note the project does not promote one prescribed approach, but instead provides villagers with information to help them strengthen the resilience and sustainability of their production systems based on the environmental context and their needs (considering differentiated needs within villages, including those of men and women from diverse ethnic groups, and more vulnerable households). This reflects best practices in the literature, that highlight that promoted practices need to be well-tailored and consider the specificities and context of each location<sup>18</sup> (e.g. soil type, slopes, crops cultivated, markets, population density, differentiated needs and priorities of men and women, availability of alternative livelihoods, and areas of cultural importance, among others).

The project will support climate-informed participatory land use planning that will facilitate improved land use at scale. This will include, where suitable, identifying areas of cultural importance and traditional/ customary practices, including rotational agriculture. Where rotational agriculture is deemed of interest, the project will work with villagers to help them identify potential challenges, and opportunities to strengthen the resilience and sustainability of these systems (e.g. promoting agroforestry, inter-cropping, among other practices), ensuring that activities are well suited to the environmental and socio-economic context, and priorities and needs of the villagers. Detailed planning processes through PLUP and PSAP action plan development will facilitate consultative and inclusive processes that consider the differentiated contexts of villages and their inhabitants (including differentiated contexts and priorities of men and women from diverse ethnic groups, among others). Targeted support for the implementation of climate-resilient and more sustainable agricultural practices, village forest management and village forest conservation agreements will further ensure the customary use of villagers is respected through participatory, transparent and inclusive processes with clear benefits for men and women from diverse ethnic groups. The project is based on Free, Prior and Informed Consent (see Chapter 4.2), where the LFND will be a key actor supporting FPIC processes and other project-related outreach with villagers. In addition, the Project's Grievance Redress Mechanism (Chapter 10) will be communicated in culturally-appropriate manners (including in local languages) and will be accessible to affected beneficiaries in case of any complaint or grievance, including, but not limited to, any related to customary rights. Additional measures to avoid, mitigate and manage adverse negative impacts, and safeguard the rights of ethnic groups are provided in Chapter 4.1.

### Land use and local livelihoods

Approximately two-thirds of the population live in rural areas<sup>19</sup> and therefore, agricultural sector is the primary source of livelihoods for the majority of people in Lao PDR<sup>20</sup> including the ethnic groups in the project areas. This subsistence agriculture is seen as one of the primary sources of deforestation and forest degradation. Each year large areas of land are being cleared and used by the communities for upland rice. As mentioned in the earlier section, subsistence farming system is characterized by low yields and often associated with low soil quality, limited irrigation, and insecure land tenure<sup>21</sup>. In the project areas, extension services are of limited quality and have limited reach due to low human and financial resources. Agricultural value chains are highly fragmented, with limited farmers' organizations and cooperatives and weak linkages between value chain actors. As the ethnic groups depend heavily on natural resources and forests, the forest and land conditions determine their economic status and/or income earning and exacerbates their vulnerability to climate change.

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<sup>18</sup> E.g. NAFRI et al. 2005; Kenney-Lazar 2013.

<sup>19</sup> Onphanhdala et al. 2016.

<sup>20</sup> World Bank 2018.

<sup>21</sup> World Bank 2018.

In the past few years, there is a noticeable change in the use of land and natural resources by the ethnic groups. The driving factors include the improvement of local infrastructure like Chinese-Lao train that connect agricultural investors to farmers. Ethnic groups farmers who used to collect NTFP and other forest products for family/household consumption, now found themselves searching for these products for commercial purposes. In addition, more ethnic groups have engaged themselves with a more stable agriculture and cultivate more cash crop production such as casava, corns/maize, vegetables (e.g. cucumber, eggplant, pumpkins, squash, chili peppers and ginger, among others), as well as other fruit and commercial tree plantations. Stable agriculture practices, especially rain-fed paddy field is promoted by the government; however, since the project areas are mostly comprised of mountains, there is limited suitable land for such paddy field, and although more ethnic groups people cultivate cash crops, they still use upland field on slope of the mountains.

### Climate Change

Laos has witnessed more frequent seasonal changes throughout the country and this is confirmed by the consulted ethnic groups community during the assessment. The changes include but not limited rapid runoff, flood, drought, landslides, extreme cold especially in Sayabouri, Houaphan and other northern part of the country and extreme hot in the summer period. The draft Lao Climate Change Strategy (forthcoming) states that in the period from 2021 to 2050, average maximum air temperatures are expected to increase by 1.03°C–1.29°C and that droughts and floods, among other climate related hazards, are expected to cause losses and damages to agricultural production. The ethnic groups may be vulnerable to climate change, in part, due to their geographical and livelihood situations.

Approximately 25% of rural households in the region are food poor, which makes them particularly vulnerable to climate change related shocks and changes. A major limitation for ensuring food security is the region's mountainous terrain, and limited valley space for growing rice paddy. Non Lao Thai ethnic groups are often located in upland areas. Local households cultivate upland rice for subsistence; however, yields are low, cultivation requires challenging physical labour, and unsustainable practices can further exacerbate climate change vulnerability (e.g. creating conditions for landslides, mass erosion events, sedimentation, and riverbank cutting downstream etc.). At the same time, climate change poses a risk for future yields of upland rice in some provinces, such as Houaphan. Moreover, the majority of farmers in the region are dependent on rainfed agriculture, and changes in precipitation patterns could have devastating impacts on food security and agricultural livelihoods in Northern Lao PDR, especially where key crops such as maze are posed to be negatively impacted by climate change. Investments are urgently needed to strengthen the resilience of agroecosystems and smallholder farming households, including from diverse ethnic groups, while also reducing greenhouse gas emissions and strengthening broader ecosystem resilience (given the current role of agriculture as a main driver of deforestation and forest degradation and which include forest ecosystems, agroecosystems, among others) and the livelihoods that depend on them.

### Forest use for local people

It is important to understand that the forest is used for shifting cultivation by the ethnic groups for many generations and the ethnic groups' household/family/community recognise/accept that rights can be held privately or communally through their social arrangement and labour inputs and as the original forest clearers and first cultivators of the land (i.e. pioneer shifting cultivation). They also see that the "pioneer shifting cultivation households" have complete rights over particular land plots, including inheritance of the land plots by family members. Shifting cultivation means that forest are left untouched for up to 10

years and those forest are used for other livelihoods purposes, including the provision of timber and non-timber forest resources, cultural services, among others. Villagers use timber from the forest for personal use and local construction, collect fuelwood (the main source of energy for cooking and heating in rural areas), and collect various other NTFPs (e.g. rattan, palm fruit, bamboo and bamboo shoots, Yang Bong (*palaquium annamensis*), and broom grass (*khaem*), among others).<sup>22</sup> Forests also support recreation in the area, ecotourism, and have strong cultural significance for many ethnic groups in Northern Lao PDR. Since the programme covers six Northern provinces<sup>23</sup> in which the people are highly reliant on forests, agricultural, and other natural resources for both their income and subsistence. Economic activities vary from the cultivation of mostly lowland rice paddies and extensive commercial cropping to predominantly upland, swidden farming. While the programme is likely to generate substantial positive impacts for programme beneficiaries, some adverse risks may arise – however identified potential risks are not unprecedented in the programme area, they are limited to the programme’s footprint, they are neither irreversible nor cumulative, and can be addressed by the use of good environmental and social management practices – where the application of similar avoidance and mitigation measures has been demonstrated in other projects and programmes in Lao PDR (e.g. ICBF, SUFORD, LACP, among others).

Deforestation and forest degradation also impact the hydrological cycle, and limit water recharge and storage affecting both water quality and quantity for both local and downstream communities.<sup>24</sup> This not only exacerbates the risk and vulnerability to flooding, but also droughts and forest fires. Deforestation and forest degradation increase the exposure of soils to mass erosion events and landslides, given the mountainous terrain in most of the northern provinces.<sup>25</sup> Erosion contributes to sedimentation and river bank rise, which contribute to reduced water quality (for human consumption, aquatic life), and an increased risk of flooding downstream where sediments are deposited.<sup>26 27</sup> Healthy forests would otherwise help reduce flood peaks due to increased vegetative cover that can slow down flooding, increase soil infiltration and water detention, and reduce erosion and sedimentation), but also droughts (trees would otherwise contribute to microclimate buffering, increased water recharge, reduced soil evaporation, and improved water retention, among other benefits).<sup>28</sup> Forests serve as safety nets for men and women, especially from non-Lao-loum ethnic groups, and deforestation and forest degradation reduces access to vital resources from the forest including food, medicine, fuelwood, fodder, and other key services, which ultimately reducing their capacity to cope with natural hazards and climate shocks.

### 2.3 Representation of Ethnic Groups in Lao PDR

**The Lao Front for National Construction.** It is the main organization overseeing issues related to ethnic groups. However, it receives limited recognition from national and international organizations and therefore receives limited resources. Despite thorough research, the assessment was unable to identify any activity by the Lao Front for National Construction in the development sector. In addition, the Government Decree on Ethnic Groups No. 207/GoL (20 March 2020) has allocated roles and responsibility of all ethnic groups to the Ministry of Home Affairs.

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<sup>22</sup> Somsoulivong (2002)

<sup>23</sup> Borkeo, Houaphan, Luang Namtha, Luang Prabang Oudomxay and Sayabouri.

<sup>24</sup> World Bank. 2020. Lao PDR Forest Note: Toward Sustainable Forest Landscapes for Green Growth, Jobs and Resilience.

<sup>25</sup> Thomas, I. L. 2015. Drivers of Deforestation in the Greater Mekong Subregion - Lao PDR Country Report.

<sup>26</sup> World Bank. 2020. Lao PDR Forest Note: Toward Sustainable Forest Landscapes for Green Growth, Jobs and Resilience.

<sup>27</sup> Government of Lao PDR 2020. National Report on Land Degradation Neutrality Target Setting Programme, October 2020.

<sup>28</sup> World Bank. 2020. Lao PDR Forest Note.

**Ministry of Home Affairs.** The department of Ethnic and Religion has the responsibility to oversee all activities including the development of regulatory frameworks and social economic action plan to promote and preserve ethnic groups diversity, traditional culture, and religion throughout Lao PDR. Some of their main tasks include but not limited to policy development, research on ethnic groups' culture, promote culture diversity, monitor ethnic groups and coordinate with other line agencies related to ethnic groups.

**National Assembly Ethnic Groups Committee.** Part of the NA Standing Committee representing ethnic groups, its role is to oversee regulations related to ethnic and poor and vulnerable groups, by providing recommendations related to the rights and benefits of all ethnic women, and monitoring the enforcement of laws and policies related to ethnic groups. It is charged with drafting and evaluating proposed legislation concerning ethnic groups and lobbying for its implementation, as well as the implementation of socioeconomic development plans. Ethnic group research is the responsibility of the Institute for Cultural Research under the Ministry of Information and Culture. The lead institution for ethnic affairs is the mass political organization, the Lao National Front for Construction, which has an Ethnic Affairs Department.

### 3 Key findings and analysis of impacts, risks, and opportunities

As stated above, the programme covers six Northern provinces in which the people are highly reliant on forests, agricultural, and other natural resources for both their income and subsistence. Economic activities vary from the cultivation of mostly lowland rice paddies and extensive commercial cropping to predominantly upland, swidden farming. While the programme is likely to generate substantial positive impacts for programme beneficiaries, some adverse risks may arise – however identified potential risks are not unprecedented in the programme area, they are limited to the programme's footprint, they are neither irreversible nor cumulative, and can be addressed by the use of good environmental and social management practices – where the application of similar avoidance and mitigation measures has been demonstrated in Project 1 and other projects and programmes in Lao PDR (e.g. ICBF, SUFORD, among others). The following sub-sections highlight the anticipated positive impacts generated by the project on ethnic groups, and potential adverse impacts on ethnic groups.

#### 3.1 Potential Positive Impacts

The assessment/consultation found that the project will bring benefits to the communities, including ethnic groups in the targeted districts in six provinces. This includes (for more detail refer to the FP in Chapter D.3, or Chapter 9 of the FS in Annex 2a):

- Strengthened awareness of climate risk and vulnerability, as well as best practices to strengthen resilience
- Strengthened adaptive capacities of local villagers through improved integration of climate-information in decision making and planning processes (e.g., land use planning, PSAP investment plans and VFMPs), and through the implementation of deforestation-free and climate-resilient sustainable land management activities.
- Land use planning will contribute to strengthened land use rights (see also Chapter 9)

- Improved food security and nutrition
- Health benefits, such as improved respiratory health due to improved forest fire prevention and management
- Enhanced biodiversity conservation, including supporting forest landscape restoration and sustainable more resilient forest management through NPA management plans and village forest conservation agreements
- Strengthened resilience of agri- and forest ecosystems contributing to the enhanced provision of ecosystem services, including carbon storage, water regulation, climate regulation, habitat provision, flood regulation, and the provision of food, fibre and fuel, among others
- Enhanced incomes from village forestry, due to increased opportunities for local communities to benefit from the sustainable management of village forests (in line with the revised Forestry Law No. 64), including NTFPs which are often collected by ethnic women.
- Promoted investments will further aim to enhance productivity, increase farmers' integration into agricultural value chains, and improve access to finance and private sector participation in more resilient and sustainable agricultural practices and related value chains.
- Inclusive and participatory practices will be promoted to identify lands, forests, and watershed with the purpose to preserve, protect and sustainably manage natural resources for the community to be utilised by themselves.
- Strengthened knowledge management, capacities and tools will further enable continued application of good practices and long-term sustainability (see also FS in Annex 2a). All project staff and implementing partners will be trained on gender equality and social inclusion (GESI), and additional measures to strengthen GESI have been mainstreamed across all project activities.
- Revised guidelines related to land use planning, forest management and sustainable agricultural production will mainstream climate change adaptation and create an enabling environment for climate-resilient and deforestation-free sustainable land management that will reinforce forests and land related law enforcement and strengthening tenure security.
- Improved forest monitoring will improve transparency and accountability and will reduce encroachment.

As the project is located in an ethnically diverse part of the country, the project is expected to generate the aforementioned impacts for diverse ethnic groups. So far under project 1, diverse ethnic groups have been trained on agriculture, sustainable forest management and NTFP productions and marketing. Therefore, many rural ethnic groups have been engaged and have positively benefited from Project 1 and will continue to be engaged and benefit from Project 2. Under project 2, it is expected that many ethnic groups villages will strengthen their livelihoods through the implementation of climate-resilient and deforestation-free agriculture, and the sustainable management of forests. The strengthened focus on climate-resilience under Project 2 is expected to positively benefit ethnic men and women and vulnerable groups, as they are often disproportionately vulnerable to climate change.

### 3.2 Unintended/ Potential Negative Impacts

The project does not involve or interfere with the ethnic groups' way of using their indigenous knowledge and there is no physical relocation<sup>29</sup> or any impacts associated form of removal or non-removal of assets and will not directly cause any adverse impact on their identity, social, culture, or spiritual importance or interfere with their socio-cultural beliefs. However, the project does involve interfering with the way the ethnic group communities use their land and forest resources, especially though the promotion of forest/natural resources management and the introduction of new agricultural technologies, deforestation free agriculture, mentioned above, may impose minor risks on traditional practices of the ethnic groups.

The ESIA has identified a number of potential risks and has classified these into Unintended Negative Impacts (UNI), which are a potential direct result of the project's activities, and external risks that are caused by factors outside of the project's control or influence. A list of the ESIA's identified risks has been inserted into the ESMP and will not be repeated here.

Some of the **external risks** could be a driving factor to trigger project risks if they are not carefully analysed and planned for. These external risks could surface at the time when the project is engaging the ethnic groups in the forest management and agricultural practices. Ethnic people rely heavily on the use of land and forests, and they still lack secure land and forest tenure (e.g. and could be negatively impacts if unanticipated investment programmes [e.g. mining, or large hydropower dams] are initiated). Lao PDR's legal framework on customary uses of land and forest is currently incomplete and does not accord secure rights and tenure.

The Department of Land of MoNRE is in the process of developing sub-legislations and management systems to oversee the issues. Meanwhile the government promotes stable agriculture and places restrictions on the cutting down of forests for upland rice cultivation<sup>30</sup>. Furthermore, although the updated Forest Law includes clauses to oversee the customary use of forests, at this time there are no policies that give special recognition to the needs of different ethnic people for forests, forest land and for different forest products, including NTFPs. Therefore, activities to promote forest protection and management may increase the pressure on ethnic groups, especially in relation to their access to and use of land and forest products, if special attention is not paid to maintain customary uses and practices (including shifting cultivation, among others). This EGDP therefore affirms that in order to manage the aforementioned risks, special measures on the customary use of land and forests are incorporated in the process of free, prior, informed consents (FPIC), participatory land use planning (PLUP), social inclusion strategies, village forest management plan (VFMP) and other safeguards measures specified in the ESMP. The project will ensure that the ethnic groups are not further alienated from their traditional forest lands and can engage in and be a part of the design, implementation, and monitoring of project activities.

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<sup>29</sup> Village consolidation and relocation will not be supported by the project. It is an external risk that the project could occur in an area that has undergone this process. When village consolidation has physically taken place, it often disadvantages the "new" group, as the best land will have already been "reserved" or is already under use by the existing villagers. In many observed instances, village consolidation and/or relocation has resulted in farming households moving their homes but returning to their former land for the agricultural season. Thus, the project screens participating villages to ensure that the project's activities will be sustainable and will not conflict with IPP and respective ESS standards in the context of these villages. Two villages that had undergone consolidation/ relocation were screened during the Project 1 project development process, however they were not selected for inclusion in the project. Continued screening for relocated and consolidated villages will be continuing to be conducted under Project 2 to ensure equitable benefit sharing and that ESS and IPP standards are respected. More detailed information is provided in the ESIA (Annex 6a) under Chapter 5.3.7.

<sup>30</sup> Instruction of the Ministry of Forestry and Agriculture No. 0022/MAP 5Feb 2010 on stop slash and burn.

Another noticeable **external impact** that may trigger the project's impacts is the government's consolidation and relocation policy which targets people living in smaller villages to merge with others to form bigger villages that are located near public facilities.<sup>31</sup> While there are positive regional development imperatives behind the wish to consolidate and relocate village communities in order to be closer to transportation infrastructure, markets and services, there have been notable negative effects on the social solidarity of the affected groups. Traditional structures may no longer be applicable in situations where there are several ethnic groups residing together, as very often the government appoints members of the Lao-Tai ethnic group to oversee the official administration of these new villages. The reason for appointing the Lao ethnic is mostly due to the fact that members of the non-Lao ethnic groups often have received limited education, are unfamiliar with official administrative procedures and also have difficulties or lack confidence in dealing with official matters. The state-sponsored structures such as appointing the Lao-Tai ethnic groups in leading the village management units (VMUs) may not always be a suitable replacement for the traditional means of land and forest management and dispute resolution. Decision-making related to forest and land use also loses its importance with the demise of the self-determined swidden systems, and this also disempowers traditional leadership. This, in turn, may have serious social repercussions in villages with fewer, effective social controls and could lead breakdown of traditional culture of different ethnic groups.<sup>32</sup> Moreover, the combination of resettlement, with the demise of traditional swidden and the advent of commercial agriculture has also led to the demise of labour exchange practices, with there being a shift to the hiring of labour instead.

Additional to the above-mentioned risks, the assessment conducted during the formulation of the ESMP highlighted some key issues, raised by the consulted villagers, which are confirmed by the risks identified by the ESIA, and these require special attention and need to be addressed in the EGDP. These include:

**Access to Land and forests:** Mostly an external factor, but can be project internal factor, if not managed

- The availability and accessibility of land are becoming the leading issues in the project areas. Villagers can secure their land if they chose to practice rice paddy cultivation whereas pioneering shifting cultivation practices and the collection of NFTP's is restricted by the government's policies. While this is an external risk as more land may be acquired for national development purposes like mining, hydropower development and cash-crops production, and lack of secured tenure, it could be further triggering by the project through insufficient consultation and allocation of arable land and forest.
- Measure for this risk include, but not limited to FPIC, PLUP, VFMP, village capacity building and law enforcement.

**Language Barriers:** External factor

- Although many members of ethnic groups understand and speak Lao, the ESMP consultations in three villages within three provinces did require the use of interpreters for the village meetings. The language barrier may limit their understanding and continue to hamper their active engagement in the project's activities. They also have received little exposure and have a limited

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<sup>31</sup> See also ESMP Action 5 (in FP Annex 6b) and Chapter 5.3.7 of the ESIA (FP Annex 6a).

<sup>32</sup> ESIA of SUFORD-SU (2012: Chapters 5.3 – 5.5 on ethnic groups, no page numbers given).

awareness of their rights and options, and therefore an ethnic groups engagement strategy is needed in order to allow them to understand the government's and project's policy and implementation practices.

- This is an external factor and project will address through proving/engaging ethnic interpreters and verbal translation of all project information that are intended for the ethnic groups' communities.

**Women in Livelihood Development:** External factor

- It is importance to understand gender roles and ethnic groups' social characteristics. Some ethnic groups are predominantly patrilineal while others follow a matrilineal structure and the family decision-making is somewhat complex. For instance, Khmu women often lead in making household decisions, which includes their children's education, their son's selection of wife, as well as the saving and spending of all household income. The Khmu women let their husbands partake in the decision making regarding larger assets and the passing of inheritance onto the children. The selection of land and forest and the choice of location of residency remains the men's responsibility. The Hmong ethnic groups strictly follow a patrilineal structure in relation to social and household decision making. Therefore, for Hmong women the decisions are made by their father in-law and husband or otherwise their own father and brother. Once the women gain independence from their parents-in-law through the ownership of their own homes are sometimes able to consult their husband on domestic issues.
- Measure for this risk is addressed in gender action plan, benefit sharing plan, and specific measures including social inclusion-engagement of women, vulnerable people, etc.

**Health and Safety Issues:** External factor

- In all of the consulted villages respondents reported that they are using herbicides and insecticides for weed control and to kill insects. Some of the villagers said that it was a condition in their farming contracts with the Chinese investors which stipulates that they have agreed to use chemicals to control the quality of crops. Also, herbicides and pesticides can easily be bought in small shops and most of the ethnic groups are unable to read the instructions and may misused the chemical products.
- Measure for this risk is addressed through capacity building and training grammes, especially on agriculture activities whether it is related to food security, livelihoods development and/or agrobusinesses, forest/natural resources protection guidelines, and law enforcement.

## 4 Measures to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities

Note: Project 2's Environmental and Social Management Plan (ESMP) includes mitigation measures for all potential impacts, both potential internal and external factors (See ESMP Section 4.1.3 in FP Annex 6b; Table 2). This EGDP does not repeat specific measures, actions and indicators specified under each ESMP

mitigation action, but aims at engagement ethnic groups in a culture-sensitive and respectful in accordance with GCF’s Indigenous People Policy. The EDGP provide guidelines on how to inform, consult, engage, and empower the ethnic group community in the project areas.

*Table 2. Overview of actions within Project 2’s Environmental and Social Management Plan (ESMP)*

<b>Action #</b>	<b>Title</b>	<b>Classification</b>
Action 1	ESMP Monitoring and Implementation	Systemic Actions
Action 2	ESMP-related Capacity Building	
Action 3	Free, Prior and Informed Consent (FPIC)	Technical Actions
Action 4	Social inclusion	
Action 5	Land Use Issues, Land acquisition and Involuntary Resettlement	
Action 6	Biodiversity	
Action 7	Health and Safety	
Action 8	Adaptation to risk-related to Climate Change Impacts	
Action 9	Grievance Redress Mechanism (GRM)	“Reaction”

*Source: ESMP (available in FP Annex 6b)*

#### 4.1 Overview of measures to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities

Although the ESMP has included Action 2 specifically for ethnic groups, the safeguarding of ethnic groups rights is a cross-cutting issue. Therefore, ensuring their rights and effective engagement and empowerment of the ethnic groups in a cultural sensitive manner is applied to all ESMP actions listed above. The activities actions and instructions in Table 3 below are designed to guide the project safeguards team to effectively inform, consult, engage, and empower the ethnic groups to be implemented throughout the project period.

This EGDP is in compliance with both the Lao PDR’s national policy and ethnic groups such as the Decree on Ethnic Groups No. 207/GoL, the National Assembly’s Agreement No. 213 that ensure the equal rights of all 50 different ethnic groups in Lao PDR, and the GCF’s Indigenous People Policy that sets out the approach to incorporating the circumstances of ethnic groups, and the most economically marginalised and vulnerable segments of the population, into decision-making while working towards climate change mitigation and adaptation. The instructions-implementation consideration- explain how the project safeguards should work with the ethnic groups to ensure their rights are safeguarded, they receive the projects’ benefits in a culturally appropriate manner and that they are meaningfully and inclusively consulted and are actively engaged throughout the lifecycle of the project.

Table 3. Measures toward ethnic groups with the aim to avoid, minimize and mitigate negative impacts and enhance positive impacts and opportunities

ID	EGDP measures	Description of measures	Indicators	Timeline	Budget (EUR)	Responsibility
1	<p>Project capacity to implement EGDP - Hiring of staff to implement EGDP, including:</p> <ol style="list-style-type: none"> <li>1. Ethnic Groups Specialist</li> <li>2. Short-term Ethnic Groups or M&amp;E Expert to assist in developing target indicators and monitoring of ethnic engagement</li> <li>3. Ethnic Interpreters</li> </ol>	<p>Hiring of safeguard staff to support project implementation. Ethnic groups/social safeguards specialist and expert are required to good have local knowledge, especially in the context of ethnic culture diversity in Lao PDR and have a balanced knowledge between economic development, social/culture integrity, and land forest/national resources preservation.</p> <p>Ethnic Groups Interpreters will be hired to address language barriers and support capacity building and facilitate knowledge dissemination in local languages. Wherever language skills of the villagers are low, Hmong and Khmu, and other languages where suitable, to be used in consultation and communication with ethnic groups villages regardless of where the village is located to ensure that all villagers understand information provided by the project.</p>	<p>Social safeguards specialists recruited upon Project start and assist in Project 2 implementation.</p>	<p>Y1:4</p>	<p>EUR 80,000 (estimate for share of Safeguards Team for EGDP relevant issues)</p>	<p>Programme Management; Safeguards Team</p>
2	<p>Ensure ethnic groups representation in the following:</p> <ol style="list-style-type: none"> <li>1. Guideline revision and development</li> </ol>	<ul style="list-style-type: none"> <li>▪ For all guidelines developed and revised, special attention will be paid to social inclusion and safeguarding the rights of ethnic minorities. Ethnic group specialists should revise newly revised guidelines to ensure they are sensitive and responsive to ethnic groups.</li> </ul>	<p>a) Ethnic group specialists revise all revised guidelines to ensure ethnic-group related consideration are mainstreamed.</p>	<p>Y:1</p>	<p>Integrated into Safeguard's Team's tasks EUR 219,000</p>	<p>Safeguards Team</p>

	<p>2. Deforestation free agriculture activities (PSAP/ VFAG)</p> <p>3. VFAG Committees</p> <p>4. Village Forest Management Committees (FMC)</p> <p>5. Private Sector Investment Activities (i.e. Agri-MSME support)</p>	<ul style="list-style-type: none"> <li>▪ Representatives of ethnic groups in deforestation free and climate resilient agriculture activities to safeguard respect and recognize traditional knowledge, livelihood systems and use of land and forests including ways of ownership and knowledge transmission.</li> <li>▪ The project will further ensure groups members are included in the Land-use, VFAG and Forest Management Committees</li> <li>▪ Ensure that representatives of the ethnic groups are included and consulted with regarding potential private sector investments in community-based agroforestry enable all villagers equally to partake in the investment decisions.</li> </ul>	<p>b) Number of ethnic men and women, and number of ethnic groups who take part in (i) PSAP.</p> <p>c) Number of ethnic men and women, and number of ethnic groups who access the agri-MSME matching grants.</p> <p>d) Number of ethnic men and women, and number of ethnic groups in VFAG committee</p> <p>e) Number of ethnic groups, and number of ethnic men and women in VFMC</p> <p>f) Number of ethnic groups, and ethnic men and women in forest patrolling system</p>			
3	<p>Ensure meaningful consultation and quality of engagement at all levels during FPIC, PLUP process and other project</p>	<ul style="list-style-type: none"> <li>▪ Conduct meaningful consultation and ensure transparent processes throughout project implementation.</li> <li>▪ Provide adequate information as well as engage with and seek the support of those who could be affected by land classification and zoning through PLUP, PSAP, VFM and NPA planning, prior to decisions being taken, and response to their contributions; taking into</li> </ul>	<p>a) Evidence of consultation with ethnic groups (women and men) demonstrating their support prior to project activities</p>	Y:1-4	Integrated into FPIC and PLUP budget	FPIC Teams, PLUP Teams, Safeguards Team

	activities.	<p>consideration existing different traditional land-use by the different villagers and ensuring active, free, effective, meaningful, and informed participation of individuals and groups throughout these processes, with due consideration to gender equality, social inclusion and safeguarding the rights of ethnic groups.</p> <ul style="list-style-type: none"> <li>▪ Ensure equal rights for all different ethnic groups, women, and men, while acknowledging differences between women and men and taking specific measures aimed at accelerating equality when necessary.</li> </ul>	<p>b) Records of ethnic groups concerns and how the project addressed the issues</p>			
4	Ensure effective engagement of ethnic groups in land use planning, dissemination and monitoring process, and technical capacity building.	<ul style="list-style-type: none"> <li>▪ IPP expert (s) to develop ethnic groups engagement field guide (guidebook) that incorporate the concept of ethnic groups sensitivity (cultural responsiveness), inclusive consultation/social inclusion.</li> <li>▪ Provide training to key government and project staff on the above mentioned guidebook (at least 1 training per district)</li> <li>▪ The project will pay special attention ethnic and gender sensitivity, take into account ethnic groups and gender perspectives in the policy development process by engaging ethnic groups and men and women view points in the policy review.</li> <li>▪ Active engagement of ethnic men and women in capacity building, the development of land use plans and the implementation of the land use plan and other project supported measures (PSAP, VFM, NPA management, ViFoCA)</li> </ul>	<p>a) Ethnic group engagement guidebook developed</p> <p>b) Evidence of best practice on social inclusion incorporated in the community engagement field guide</p> <p>c) Evidence shows, that ethnic groups have not been systematically excluded from the introduction of the GRM mechanism</p> <p>d) Evidence of training conducted</p> <p>e) Evidence of ethnic groups engaged in (i) policy review process, (ii) capacity building, and (iii) forest</p>	Y:1:4	<p>Integrated into Safeguards Team's, VFM, PSAP, ViFoCA and NPA management Budget,</p> <p>EUR 20,000 (trainings)</p>	<p>FPIC Teams, PLUP Teams, Forestry Teams, Safeguards Team</p>

			management.			
5	Ensure access and rights to agricultural and forest land in a culturally respectful manner, ensuring land use planning, PSAP, VFM, and NPA management do not have adverse impacts on ethnic men and women.	<ul style="list-style-type: none"> <li>▪ Where forest land and other natural resources, which are currently used by the villagers, are proposed to include for restoration and/or protection, the project will make sure alternative access and livelihoods options are discussed and provided for and that forest areas and land are identified for livelihoods of the poorer and landless households to have access to and rely on. The project's will use participatory practices, and project staff will be trained on gender equality and social inclusion.</li> <li>▪ Ensure that land acquisition from an individual farmer/household will not occur or cause by the project and that the villagers can continue to have access to their land and livelihoods.</li> <li>▪ Ensure the project grievance mechanism is communicated in a culturally appropriate manner (including local languages), and is accessible to project beneficiaries (see also Chapter 10)</li> </ul>	<ul style="list-style-type: none"> <li>a) Evidence of continued access to land and forest</li> <li>b) Evidence of no land acquisition occurred/caused by the project</li> <li>c) Evidence of alternative land, forest and livelihoods options provided where there is a proposal for restoration and/or protection</li> </ul>	Y:1-4	Integrated into NPA, PSAP, VFM and M&E Budget EUR 986,000	Safeguards and M&E Team, Programme Management and technical advisors
6	Respect customary use of lands and forests, territories and resources and rights related to cultural and spiritual heritage and values, traditional knowledge, resource management systems and practices, occupations and livelihoods, and ethnic groups' institutions.	<ul style="list-style-type: none"> <li>▪ Customary forest and land use is included during the FPIC and PLUP processes address the importance of stakeholder engagement and promote sustainable land-use and forest management.</li> <li>▪ Respect and sensitive to village spiritual/holy forest and land during VFMP and all other land and forest planning.</li> <li>▪ Make sure that forest and/or land is adequately allocated for cemeteries and other spiritual sites</li> <li>▪ Ensure PSAP includes rotational shifting agriculture, to ensure the traditional practices of ethnic communities are respected.</li> <li>▪ Respect customary land tenure right holders and their rights prepare measures to identify and record all forest land, including access rights to different forests</li> </ul>	<ul style="list-style-type: none"> <li>a) Evidence of customary land and forest identified and recorded</li> <li>b) Evidence of spiritual important site and cemetery</li> </ul>	Y: 1-4	Integrated into Safeguards Team's, VFM, PSAP, Budget EUR 219,000	FPIC Teams, PLUP Teams, Forestry Teams , Agriculture Teams, Safeguards Team

		during the implementation of land and forest mapping (categorization, zoning, and boundary demarcation).				
7	<p>Ethnic groups <b>representatives'</b> empowerment:</p> <ol style="list-style-type: none"> <li>1. Ensure they actively act as a voice for their groups</li> <li>2. Engage them in project activities, and</li> <li>3. Engage in the implementation of forest protection management.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Select key members of ethnic groups, including women, in the targeted villages to grow with the Project. They can be a point of contact and communication (project coordination at the village level). They can also be the same persons that hold a position within the established Land-use and Forest Management Committee (LFMC).</li> <li>▪ Provide adequate guidance, training, opportunity, and knowledge to the selected ethnic groups' members.</li> <li>▪ Ensure and increase public awareness of the ethnic groups in order to promote a wider understanding of relevant laws and regulations.</li> <li>▪ Related to other capacity building programmes, the ethnic group experts are to assist in designing training of trainers (ToT) course and other training courses to ensure that the material reflect ethnic culture sensitive and responsive. Also assist in developing visualise media material that focus on real situation of the targeted villages and easier for the ethnic groups villagers to understand. Ethnic group specialists to support with such processes.</li> </ul>	<ol style="list-style-type: none"> <li>a) Record a profile of ethnic groups representatives</li> <li>b) # of workshop and # ethnic men and women who participated in various trainings /workshops.</li> <li>c) Evidence of ethnic groups cultural appropriateness included in training material.</li> </ol>	Y: 1-4	Integrated into Safeguards Team's, VFM, Budget EUR 219,000	FPIC Teams, PLUP Teams, Forestry Teams , Safeguards Team
8	<p>Benefits sharing: knowledge and technical assistance. Benefits from</p> <ul style="list-style-type: none"> <li>▪ Capacity building on climate risk and vulnerability and best practices to strengthen resilience through sustainable land management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure ethnic groups villagers have equitable access to and benefit from the promotion of new agricultural practices and value chains</li> <li>▪ Ensure fair distribution of legal knowledge and improve inclusion.</li> <li>▪ Incorporate special measure towards poorer and vulnerable into the implementation plan to make sure equal access to project benefits.</li> <li>▪ Ensure fair representation of ethnic groups, women, men, in the processes of promoting deforestation-free agricultural practices and technologies.</li> <li>▪ In regarding chain actors/SMEs, the IPP expert is to create special measure for poorer/landless HH to</li> </ul>	<ol style="list-style-type: none"> <li>a) # of workshop and # ethnic men and women participated in various trainings /workshops.</li> <li>b) Evidence of ethnic groups engaged in (i) PLUP, (ii) PSAP (i) capacity building, (iii) forest management</li> </ol>	Y: 1-4	Integrated into Safeguards Team's, VFM, PSAP, Budget EUR 219,000	FPIC Teams, PLUP Teams, Forestry Teams , Agriculture Teams, Safeguards Team

	<ul style="list-style-type: none"> <li>▪ PLUP</li> <li>▪ Deforestation-free agriculture (e.g. PSAP and VFAG) and related value chains and access to markets</li> <li>▪ VFM</li> <li>▪ Village forest conservation agreements (ViFoCA)</li> </ul>	<p>access to business information and programme, including off-and-on farm activities and provide long-term business development vision through capacity development and pro-poor strategies and it should be tailored-made for poorer, poor, medium, high-income SMEs/farmers groups.</p> <ul style="list-style-type: none"> <li>▪ Provide knowledge on health safety and risks associated promotion of commercial agriculture production.</li> </ul>	(VFM and ViFoCA).			
9	Ensure ethnic groups have access to project grievance redress mechanism (GRM) and their concerns are addressed properly.	<ul style="list-style-type: none"> <li>▪ The GRM focal point under the PMU must receive training on GRM</li> <li>▪ GRM will be communicated to all relevant stakeholders, including the ethnic groups as part of project engagement.</li> <li>▪ Ensure GRM considers culturally appropriate ways of handling the concerns of the ethnic group in the project areas.</li> <li>▪ Use ethnic groups interpreter for all ethnic groups communities with low Lao language skills.</li> <li>▪ Processing of complaints and documentation must include specific timeframe and commitments to resolve issues.</li> <li>▪ All complaint must be recorded (letter, email, record of conversation) and stored together, electronically or in hard copy.</li> <li>▪ The safeguards team is also responsible for oversight of the GRM and provide regular reporting of the grievance status in regular project reports.</li> </ul>	a) Evidence shows, that ethnic groups have not been systematically excluded from the introduction of the GRM mechanism	Y: 1-4	Integrated into Safeguards Team's budget  EUR 219,000	Safeguards Team

## 4.2 Free, prior, and informed consent (FPIC)

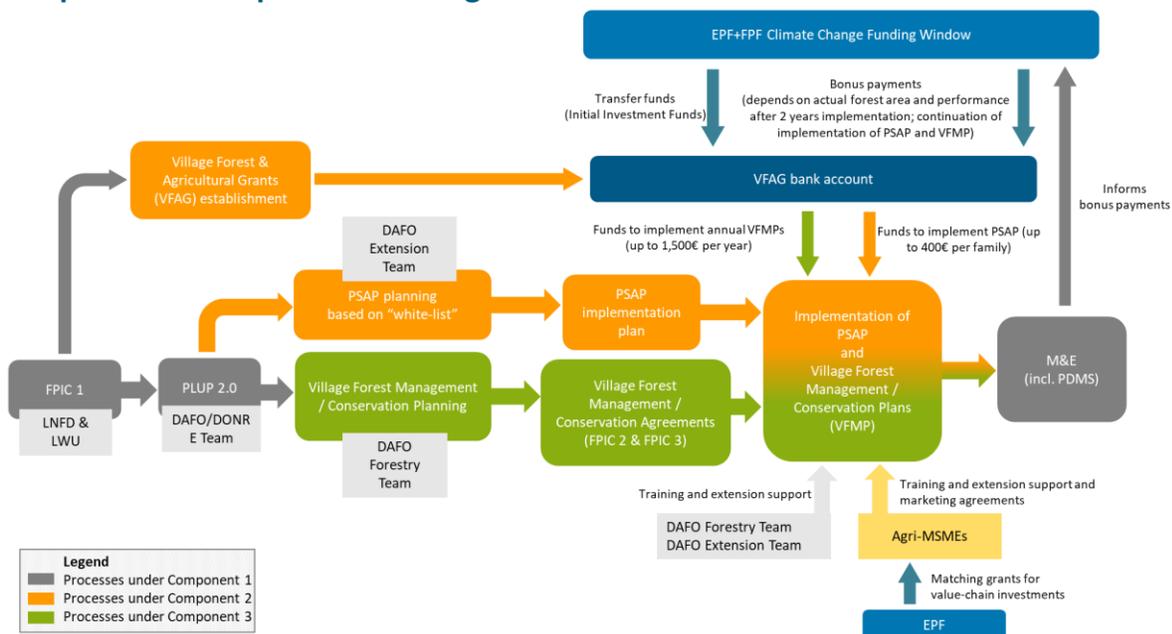
The implementation of FPIC is one of the core elements of the project. FPIC is not only a mandatory requirement prior to and during project implementation, but also to ensure that FPIC being is being with full inclusion of ethnic groups in the project targeted villages. ESMP has include specific measure to address ethnic groups in its Action 2: Ethnic Groups and Action 3 FPIC Process (and GRM). The FPIC process is implemented in three separated stages, which are referred to as FPIC1, FPIC 2 and FPIC 3 (see Figure below):

- **FPIC1 Consultation** – the process whereby the project starts to communicates and engages ethnic groups communities freely -without intimidation, so that the communities have access to project information and express their feedback, concerns and interests. After this first consultation the villages are given time to absorb the information for 2 weeks.
- **FPIC 2 Engagement and Decision-making** -After 2 weeks, the project FPIC team returns to consult with key representatives of the ethnic groups on their decisions, and assessing the willingness to work with the project. If the community is willing to work with the project, planning together on the next steps of community engagement, consultation and awareness raising programme are also discussed at this stage.
- **FPIC 3 Working together** -FPIC 3 happened after the villages are freely and willingly agree to work with the project. This involves agreeing to engage in consultation and awareness raising programme and then a “formal signing ceremony” or an official agreement to work with the project is signed. This step also allows the communities/villages reassess and have to rights to opt-out of the programme or to request changes on specific documents/agreements.

These processes have proven to be an effective way to consultant and engage with the ethnic groups under Project 1. Project 2 will, thus, continue to implement FPIC in the same order.

Figure 4. Project implementation process at village level

### Implementation process at village level



The project applied the following FPIC principles and these principles will also follow by the project 2:

- FPIC is prerequisite for starting any activity. Without the consent of the beneficiaries, the programme does not even begin in the concerned villages.
- The beneficiaries must receive adequate, transparent, clear, and comprehensive information about potential risks and benefits of participating in the programme. This information must include both benefits and risks to beneficiaries in terms of access to land, forests, NTFPs, and other livelihood options, as well as income possibilities.
- Programme communication must be in languages that participants understand. Community's level of Lao language is assessed during the FPIC as well as the languages used during the community meetings. Moreover an "understanding of discussed topics micro survey" is realized after every meeting.
- Records are kept of all FPIC processes and results and maintained in a database for continued tracking throughout the programme life. The process flexibility helps build trust and mutual understanding among all stakeholders involved. Database of records created to record and monitor ongoing consent amongst all participants at a community level, with care given to ensure participation by ethnic peoples, women, and other socially disadvantaged people (Action 3). Consultations took place during the design phase, however, the only real FPIC process documented as such, where the formal consent is given, is the one done in each village, when the villages decide to join the project or not.
- Consulted communities must be given sufficient time to absorb information and discuss amongst themselves free from intervention by GoL and/or programme staff and allowed to come to their own decision on whether to participate. Villagers are asked to give a first opinion right during the "FPIC 1" in the village, however, regardless of the outcome of this "informative vote", the decision to join or not the project is communicated by village representatives (through the phone) 2 weeks later, without a second visit.
- If the community is hesitant, or feels that the information is insufficient, the programme can go through 'good-faith' negotiation to provide further documentation to allow them to make a fully informed decision.
- A grievance mechanism structure is introduced not later than the start of implementation of key activities (excluding FPIC 1)
- Although consent is given after FPIC process is finalized, the opportunity is left available for the villagers to opt-out of the programme at any time.

The Free, Prior and Informed Consent (FPIC1) consultation meetings were implemented from March to June 2021 and were completed in all 170 new target villages. FPIC teams in the 13 districts, consisting of District staff, the Lao Front for National Development (LFND) and the Lao Women's Union (LWU), were trained on the implementation process of FPIC.

During the FPIC1 implementation a total of 16,328 votes from participants were cast, 16,292 Yes, 23 No-votes, and 13 abstentions. Initially, all 170 villages agreed to join, however, one village withdrew later due to villagers' internal disputes on their village forest areas.

The implementation of PSAP is based on the results of the Participatory Land Use Planning 2.0 (PLUP 2.0) to be conducted in each target village. Trainings on PSAP approach for provincial and district PSAP team were conducted in the 3 Provinces with a total of 63 participants (19% women).

## 5 Community-based natural resource management

### 5.1 Overview

Village-based natural resource management is commonly applied in Lao PDR. The country has long-standing experience developing participatory land use plans, outlining village land use. Village forestry is also embedded in legislation related to land use and forest management and was formally established in the early 1990s. The government, the Department of Forestry, constantly develop guidelines to meet the currently need of the people and recently has approve the DOF Guidelines No. 1476: Village Forestry Management Plan (VRMP) Writing and Guidelines No. 1477: Manual on Village Forestry Management Planning in July 2016. These guidelines include instruction on Village Forest Management Planning and Conservation Contracts (VFMCC) and Customary Tenure (CT). The instruction later has been included in the 2019 Forestry Law (Art.39) as a community level management approach. The VFMP specify the rights and roles of villagers in village forest management during the Participatory Land Use Planning and Land Allocation (PLUPLA) as well as include the management of forest and forestland within the management area of the village, which is operated both within and outside Protection, Conservation and Production Forest areas (see Forestry Law, Article. 120 for more detail). The VFMP/VFMCC detail the agreement between a village and government regarding the government's formal recognition of villages' rights related to forest use (timber and NTFPs) and responsibilities. The VFMCC are governed by the Lao Civil Code and any customary forest tenure rights included in the contract mean legal recognition. It is very important to note that VFMP/VFMCC do not capture customary forest tenure systems in a culturally appropriate manner for several reasons. VFMP do not include how many customary tenure systems are classified by the ethnic groups/farmers nor how farmers view their surroundings.

In this regard, the project pays special attention during FPIC/community consultation to apply numerous technical to understand forest types used by the locals (village forests/use of forest: general protection for general use by the village, watershed protection, riparian protections, conservation, restoration, sacred /spiritual forests/land, and areas related to controlled use and fully prohibited zones for villages, etc.). The project assists the government to update and implement the PLUP Handbook and Toolbox in line with the VFMP, PSAP Action Plan, and ViFoCA, while ensuring the mainstreaming of climate change adaptation. The project strengthens the management of land and forest-based resources by ensuring clear and uncontested village boundaries, promote sustainable and site-adapted agriculture and land management practices, enabling future capacity building. The project also provides information on the socio-economic situation, as well as land use practices and natural resource management systems – addressing key information gaps at the local level, and providing insight into social and environmental dynamics of various ethnic groups.

Based on the updated PLUP Handbook and Toolbox, the project helps targeted villages to establish village forests and develop PSAP Action Plans, Village Forest Conservation Agreements (ViFoCA) or Village Forest Management Plans (VFMPs). PLUP, ViFoCA and VFMPs involve the development of detailed village forest maps, village regulations, and signed village forest management agreements.

## 5.2 Impressions from Project 1 and lessons learnt for Project 2

The approaches under Project 1 were found to be largely suitable, and will be replicated and scaled-up under Project 2. Additional technical assistance has been included under Component 2, reflecting feedback from Project 1 that additional extension support is required to facilitate the adoption of PSAP. Feedback on forest-related activities found the approaches are suitable and should be continued. For more information, refer to Chapter 6 of the Feasibility Study in Annex 2a that provides activity-level details on lessons learnt from Project 2.

## 6 Results of consultations and future engagement plans

### 6.1 Consultation of ethnic groups in PRAP and ER programme development

Concerning consultations in the context of designing Provincial REDD+ Action Plans (PRAPS) and the ER Programme, a broader consultation process has taken place, in which men and women from at least 23 different ethnic groups participated (see Figure below).

Figure 5. Composition of Ethnic Groups in the ER Programme Area

No	Ethnic Groups	Six Northern Provinces (ER Program Area)					
		HP	LPB	XAY	LNT	BK	ODX
Lao-Tai Ethno-Linguistic Family							
1	Lao	✓	✓	✓	✓	✓	✓
2	Tai	✓	✓	✓	✓	✓	✓
3	Lue		✓	✓	X		
4	Nyouan (Luman, Yuan)		✓	✓	✓	✓	
5	Nyang (Ngang)				✓		✓
6	Tai Nue				✓		
Mon-Khmer Ethno-Linguistic Family							
7	Khmu	✓	✓	✓	✓	✓	✓
8	Pong (Phong)	✓					
9	Xing Moon	✓					
10	Moy	✓					
11	Thene		✓				
12	Bidh				✓		
13	Lamet				✓	✓	✓
14	Sam Tao				✓	✓	
15	Akha				✓	✓	✓
16	Prai			X			
Hmong-Mien Ethno-Linguistic Family							
17	Hmong	✓	✓	✓	✓	✓	✓
18	Emien	✓	✓	✓	✓	✓	✓
Sino-Tibetan Ethno-Linguistic Family							
19	Phou Noy		✓		✓	✓	✓
20	Ho		✓		✓	✓	✓
21	Sila				✓		
22	Lahu					✓	
23	Lanten				X		
<b>Total: total in LFNC figures (total with PRAP additions)</b>		<b>8</b>	<b>11</b>	<b>7 (or 8)</b>	<b>16 (or 18)</b>	<b>12</b>	<b>10</b>

X: Additional groups noted in the PRAP work. In Xayaboury were also Luman and Yuan, but they are in the same ethnic groups as Nyouan.

█: Ethnic groups being consulted during the PRAP *kumban* consultations.

Source: ER Programme Document Annex 1, ESIA for Project 1

## 6.2 Consultation of ethnic groups in the development and implementation of Project 1

### 6.2.1 Project 1 development

In developing the proposed GCF programme and project 1, information has been gathered from a series of consultations with the different ethnic groups in the programme areas (i.e. 6 northern provinces) to

inform the development of the feasibility study, social and environmental impact assessment stages, as well as the development of a gender action plan, and an environmental and social management plan (ESMP) for FP117. This included consultations provincial and district authorities, including representatives of the Lao Women's Union and LFNC, as well as consultations with local villages. Villages consulted included men and women from the Lao-loum, Khmu, and Hmong ethnic groups, which comprise the largest ethnic groups in the region. At the village level, consultations of 1-2 hours were held, using semi-structured interviews, with men and women in the village. Translation into local languages was supported by project staff, government officials and meeting participants. The consultations were conducted in a culturally sensitive and gender-sensitive manner. Information was effectively communicated, and feedback provided by communities and ethnic groups in their own languages.

Consulted villagers expressed interest in the programme. They confirmed that they understood the programme's intentions, and fully support the intention for village forest protection and sustainable management. The consulted villagers proposed many agriculture activities with the assessment team during the discussion on deforestation free agriculture, and they expressed their willingness to explore options regarding stable agriculture and cash crops productions. The programme enables ongoing stakeholder consultations, based on the principles of FPIC, understanding that the importance of developing ownership over the programme and its activities, and to provide continuous two-way communication and information dissemination. It further provides an approach that enables communities to jointly design interventions, which are based on their local context, priorities and needs (e.g. through participatory land use planning, and participatory management planning processes).

In addition, the risks mentioned in the previous sub-section, the stakeholders consulted discussed additional concerns that require special attention within Ethnic Group Development Plans and ESMP, including:

- **Access to Land and forests:** The availability and accessibility of land are becoming the leading issues in the programme's areas. Villagers can secure their land if they chose to practice rice paddy cultivation whereas shifting cultivation practices and the collection of NFTP's is restricted by the government's policies. It is important that the programme supports local people to safeguard their land use.
- **Language Barriers:** Although many members of ethnic groups understand and speak Lao, the ESMP consultations in three villages within three provinces did require the use of interpreters for the village meetings. The language barrier may limit their understanding and continue to hamper their active engagement in the programme's activities. They also have received little exposure and have a limited awareness of their rights and options, and therefore targeted efforts were highlighted as essential to allow them to understand the government's policy, and the programme's activities, policies and frameworks (including the programme's grievance redress mechanism).
- **Women in Livelihood Development:** Programme's activities could result in changes in agricultural practices, which could alter the roles of men and women. Participants noted that while most ethnic groups have a break after the rice harvest from December to April, women have increasingly become engaged in other "off-season" activities, including weed clearing for rubber and cardamom plantations,

preparation and planting of maize, collection of soybeans and broom grass,<sup>33</sup> and cultivating their routine of dry season vegetables along river banks and in home gardens. Meanwhile the men have only engaged themselves with weed clearing, and the preparation of land. The programme's gender action plan ensures that gender is a cross-cutting element in the programme, and further outlines the monitoring of the gender action plan and gender-specific impacts of the programme, enabling gender-sensitive and adaptive programme management.

- **Health and Safety Issues:** In most of the consulted villages respondents reported that they are using herbicides and insecticides for weed control and to kill insects. Some of the villagers said that it was a condition in their farming contracts with the Chinese investors which stipulates that they have agreed to use chemicals to control the quality of crops. Also, herbicides and pesticides can easily be bought in small shops. There is relatively limited awareness about the potential negative health and environmental impacts from inappropriate agrochemical use, and often agrochemicals are applied without suitable safety precautions applied (as described in the ESIA). While many villagers did not note negative environmental or health impacts as the result of agrochemical use (with the exception of banana plantations, where several villages had heard stories of people working in banana plantations having health problems), it was discussed that this is a growing issue in the programme area.

#### 6.2.2 Project 1 implementation

Under project 1, FPIC1 consultation meetings were implemented from March to June 2021 and were completed in 170 villages. FPIC teams were established in the 13 districts, consisting of District staff, the Lao Front for National Development and Lao Women Union. All members of the FPIC teams received training on the implementation process of the FPIC as well as mechanisms redress mechanism.

The implementation of FPIC1 at villages level focuses on providing accurate information and allows the ethnic group communities to absorb and think about the project, address on explaining and discussing the consequences of climate change, the importance of forest and, most important on the implications of being part of the programme information. Planning of FPIC and community meetings and other village-based activities is done by reaching out to the Village's Lao Women Union's representative and other village representatives on suitable dates and timings.

As described in Chapter 4.2, there are 3 FPIC processes implemented throughout project implementation. Project 1 successfully implemented FPIC1 in 170 villages in Sayaboury, Luang Prabang and Houaphan provinces and able to engage on average of 54% of female participation (59% in Sayaboury, 55% in Luang Prabang and 49% in Houaphan). Of the total participants, 56% belong to non Lao-Loum ethnic groups (29% Khmu, 11% other Mon-Khmer groups, not the Khmu, 6% the Tai, and 10% others, not specified).

Initially, all 170 villages agreed to join the project, however, one village in Phonethong district (Luang Prabang) withdrew their engagement due to villagers' internal dispute on their village forest areas. The District Project Management Unit (DPMU) subsequently included an additional new village, where FPIC is ongoing. The total number of the villages is therefore still 170.

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<sup>33</sup> The broom grass is collected by villagers to manufacture brooms and local mattresses. This grass is in high demand in the marketplace as almost every household in Lao PDR uses brooms made from this particular grass.

Lesson learned from project 1 suggested that misunderstandings can occur during FPIC 2 & 3. The misunderstandings are often related to village VFM contracts especially, regarding the bonus payments and cash for work. This requires the project to pay more attention on providing accurate information, engaging ethnic groups interpreters, keep explaining and clarifying project intentions. The project has updated consultation methodology and information dissemination procedures, accordingly within both Project 1 and Project 2.

### 6.3. Results of consultations of ethnic groups in the development of Project 2

Additional consultations were held to support the development of Project 2, Consultations were held with the stakeholders at the national, province, district, and village level. Diverse consultation formats were applied during the elaboration of the funding proposal including one-on-one meetings, workshops, local village meetings and focus group discussions (see Stakeholder Engagement Plan in Annex 7a more a detailed overview). Attention was paid to ensure the participation of men and women from diverse ethnic groups throughout consultations at all levels, from the national to local level.

A total of 582 participants attended (30% women; Table 4).<sup>34</sup> Out of the total participants, 300 were Lao-Loum ethnic group, 173 were from non-Lao Loum Ethnic groups (including Khmu, Hmong and others), and 17 were foreign nationals. Representatives from LFND were invited to all provincial workshops and consulted in at the provincial level and in some districts within Bokeo, Houaphan and Sayabouri Provinces.

Consultations for project 2, especially focusing on the ESGP, gender and safeguards, included consultations with government authorities at all levels, as well as CSOs, and villagers (see below).

#### CSOs

Consultations were conducted with 9 civil society organizations (CSOs) working on social inclusion (e.g., Gender Development Association, Community Development and Environment Association, Social Development Alliance, Maeying HoumJai Phattana, and others).<sup>35</sup> CSOs highlighted the importance of ensuring sufficient technical assistance for communities, and long-term capacity building systems. The project's increased focus on climate change adaptation and participatory approaches were well received, as communities should be at the centre of these efforts include supporting them to develop more sustainable and resilient livelihoods. Local and traditional knowledge should be mapped, shared, and scaled up based on proper location They further highlighted the importance of providing trainings and information in local languages, and shared best practices from their own experiences (see FP Annex 7a).

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<sup>34</sup> This figure is not indicative of the total number of people who participated, as some participants may have participated in more than one consultation or workshop.

<sup>35</sup> For more information, refer to the Project's Stakeholder Engagement Plan in FP Annex 7.

Table 4. Overview of stakeholder consultations to support the preparation of the GCF proposal

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants			Ethnicity		
			Total	Male	Female	Lao-Loum	Non-Lao Loum	Foreign national
1. National Kick Off Meeting for GCF Feasibility Study and proposal development	22.2.2022	DOF; MoNRE; NAFRI; Forestry Survey Unit; Forest training Center; Ethnic department; GIZ; CliPAD; DDF; EPF; ICBF; Wildlife division; Civitas; WWF; Fund office	40	31	9	29	2 <sup>36</sup>	9
2. Provincial Kick Off Meeting Bokeo	16.3.2022	PAFO (forestry section, POFI), Department of Planning and Investment, PoNRE, Provincial LWU, Provincial LFND, DAFO (Huayxai, Paktha, Phaoudom and Meuang districts), District cabinet office (Vice district governor of Huayxai, Paktha, Phaoudom and Meuang districts), district LWU ( Huayxai, Paktha, Phaoudom and Meuang districts), DoNRE (Huayxai, Paktha, Phaoudom and Meuang districts), LFND (Huayxai, Paktha, Phaoudom and Meuang districts), DoF, GIZ, CliPAD, MHP	45	33	12	37	7 <sup>37</sup>	1
3. Provincial Kick Off Meeting Luang Namtha	18.3.2022	PAFO (forestry section, Land management section, irrigation section, POFI), Department of Planning and Investment, PoNRE, Provincial LWU, DAFO (Long, Luang Namtha and Viengphoukha districts), District cabinet office (Vice district governor of Long, Luang Namtha and Viengphoukha districts), district LWU (Long, Luang Namtha and Viengphoukha districts), DoNRE (Long, Luang Namtha and Viengphoukha districts), LFDN (Long, Luang Namtha and Viengphoukha districts), DoF, GIZ, CliPAD, VFMP, FCPF	49	38	11	42	6 <sup>38</sup>	1

<sup>36</sup> Hmong (2).

<sup>37</sup> Is Khmou, Lamed and Phounoy.

<sup>38</sup> Is Khmou, Phounoy and Akha.

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants			Ethnicity		
			Total	Male	Female	Lao-Loum	Non-Lao Loum	Foreign national
4. Provincial Kick Off Meeting Oudomxay	14.3.2022	PAFO (forestry section, agriculture section, irrigation section, POFI), Department of Planning and Investment, PoNRE, Provincial LWU, DAFO (Xay, Namor, Beng, and Nga districts), District cabinet office (Vice district governor of Beng and Namor districts), district LWU ( Xay, Namor, Beng, and Nga districts), DoNRE (Xay, Namor, Beng, and Nga districts), LFDN (Xay, Namor, Beng, and Nga districts), DoF, GIZ, CliPAD, VFMP	55	45	10	36	8 <sup>39</sup>	1
5. Provincial Kick Off Meeting Luang Prabang	11.3.2022	PAFO (forestry section, irrigation section, POFI), Department of Planning and Investment, PoNRE, , DAFO (Phonthong, Xiengngern and Nan districts), District cabinet office (district governor of Phonexay district), district LWU (Phonthong, Viengkham and Nan district), DoNRE (Phonthong, Viengkham and Nan district), DoF, GIZ, CliPAD, VFMP, FCPF	31	26	5	27	2 <sup>40</sup>	1
6. Provincial Kick Off Meeting Houaphan	25.3.2022	PAFO, Department of Planning and Investment, PoNRE, provincial defence, provincial public security, Provincial LWU, Industry and Commerce department, LFND, Information and culture, DoF, GIZ, CliPAD, I-GFLL	25	21	4	N/A	N/A	2
7. Provincial Kick Off Meeting Sayabouri	21.3.2022	PAFO (forestry section, agriculture section, livestock section, protected area), Department of Planning and Investment, PoNRE, Provincial LWU, LFND, District cabinet office (vice district governor of Xayabouri, Paklai, Phieng, Thongmixay, Hongsa districts), DAFO	60	48	12	N/A	N/A	2

<sup>39</sup> Is Khmou, Hmong, and Phounoy.

<sup>40</sup> Is Hmong.

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants			Ethnicity		
			Total	Male	Female	Lao-Loum	Non-Lao Loum	Foreign national
		(Xayabouri, Paklai, Phieng, Thongmixay, Hongsa districts), LWU (Paklai and Thongmixay districts) District LFDN (Paklai, Hongsa, and Thongmixay districts), DoF, GIZ, CliPAD, I-GFLL, EPF						
8. Stakeholder consultations to inform Feasibility Study and proposal preparation (Private Sector, Agribusiness)	20.02-06.03.2022	Vanghong Trading Company, Singta Agriculture Extension Company, PAFO Oudomxay (ODX), Forestry Section Lao Huayu Trading Sole Co Ltd, Pattana Kasikorn Sole Co Ltd, Vegetable Production Group Huay Oun village, DAFO Beng district Oudomxay province, Hyjoun Lao-China Agriculture Development Sole Co. Ltd, DAFO Namor District 10 MSME Owners, DAFO Nalae District, 8 District NTFPs and Agriculture Products Collectors, DAFO Viengphoukha District, ODOP Viengphoukha District, Kanthavong Production and Processing Promotion Co. Ltd, PAFO Forestry section, Handicraft Namyuan village, Namjuam village NTFPs and agriculture products collector group, Laophoxay - Broom producer group, Palm seed processing factory	78	54	24	26	52 <sup>41</sup>	0
9. Stakeholder consultations to inform Feasibility Study and proposal preparation (Civil Society)	10. - 18.03.2022	Wildlife Conservation Association (WCA), Social Development Alliance (SODA), Sustainable Agriculture and Environment Development Association (SEADA), Maeying HoumJai Phattana, Lao Biodiversity Association (LBA), Gender Development Association (GDA), Green Community Development Association (GCDA), Community Development and Environment	9	5	4	9	0	0

<sup>41</sup> Khmu (36), Lao-Lou (9), Phounoy (3), Chinese (4)

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants			Ethnicity		
			Total	Male	Female	Lao-Loum	Non-Lao Loum	Foreign national
		Association (CDEA), Association for Development of Women and Legal Education (ADWLE)						
10. Provincial stakeholder consultations to inform safeguard documents (ESIA, ESMP, GA, GAP)	14.03. – 26.03.2022	DAFO, DLFND and DLWU (Thongmixay, Sayabouri, Nan, Viengkham, Xay, and Nga districts), villages in Luang Prabang, Sayabouri and Oudomxay province (Kan, Houaysangaem, Keomany, Pha Yuak, Viengkham, Done Khoun, Mokok, Houay Kham, Thin)	190	108	82	94	96 <sup>42</sup>	0
Total No. of Participants in Stakeholder Consultations <sup>43</sup>			582	409	173	300	173	17

<sup>42</sup> Khmu (59), Hmong (33), other (4).

<sup>43</sup> Note: there is overlap of participants in different meetings.

### Provincial, district and village level consultations on project 2 with a focus on EGDP, ESIA/ESMP, GA and GAP

The provincial, district and community consultations conducted to inform the EGDP and project 2 design have integrated and considered culture and gender sensitivity as well as had been effectively communicated and learned from the community and ethnic groups, in their own languages. Consultations were conducted in three provinces (two included under Project 1 and 2, and 1 province to be added under Project 2), where two districts were selected for each province: Nan and Viengkham districts in Luang Prabang; Thongmixay and Sayabouri districts in Sayabouri province; and Xay and Nga districts in Oudomxay province.

Eight villages were consulted (five villages in project 1 area and three villages in project 2 area), where consultations were held with villagers using a semi-structured interview guideline to inform them of the project and receive feedback on the project context, proposed activities, as well as topics related to gender equality and social inclusion within the context of the project. The selection of villages from project 1 and project 2 was intentional and strategic to receive feedback on what has worked well and where potential adjustments were needed. Seven out of eight visited villages consisted of men and women from different ethnic groups, including mostly Hmong and Khmu. Due to Covid-19, only small groups within communities were consulted at a time. Focus groups discussions, separating women and men, were conducted. In total, 44 consultations were held, including 18 at district level and 26 at village level. At the village level, 56% of the participants of the consultations were women. Ethnic proportion was 43% Khmu, 24% Hmong, 28% Lao Loum, and 5% with other ethnic backgrounds.

The interviewed local authorities and consulted ethnic men and women confirmed that they understood the projects intentions and fully support the project's proposed activities and interventions. Many of them expressed their desire to engage with the project, especially in the areas of forest management. The informants report that they have noted changes in their areas, especially climate change, such as frequent drought, flood, landslides, and temperature increases as years pass. Most of the consulted villagers proposed some agriculture/cash crops activities with the assessment team during the discussion on deforestation free agriculture and they expressed their willingness to explore options regarding stable agriculture, sustainable agricultural practices, and cash crop production. The consultation reports have captured and recorded the presence and the percentage of the ethnic groups' composition, their social and economic information, livelihood activities, gender engagement and these are presented in the ESMP.

#### 6.4 Future engagement plans

As project and overarching programme operate in areas with numerous diverse ethnic groups, it will engage numerous ethnic groups and ethnic men and women at various levels of project implementation and in all project activities as key beneficiaries. A stakeholder engagement plan is included in FP Annex 7 that outlines the project's stakeholder engagement process for project implementation. As previously mentioned in Chapter 4.2, FPIC is at the core of the approach and FPIC agreements will be made with all participating villages prior to the implementation of interventions. PPMUs will mobilize specialized capacity, targeting the district and *kumban* levels, regarding training on FPIC principles and practices, and ensuring FPIC principles are appropriately applied for the project's consultations. They will further be trained on gender and social inclusion, to promote the participation of diverse stakeholders, including women and members of different ethnic groups.

LFNC is a key project partner, who already is involved in the implementation of Project 1 and will continue to be involved with the implementation of project 2. They are involved in the project's steering committees, and are one of the main actors implementing the FPIC process (which has been developed to have various stages throughout the project, with the FPIC 1, 2 and 3 processes – see Annex 4). Given the high proportion of ethnic groups, and the existence of consolidated villages comprised of more than one ethnic group, the project has mainstreamed ethnic group considerations and social inclusion across the entire project.

A communication and information dissemination plan will be elaborated within the project's inception phase. Annual implementation plans will include information on planned stakeholder engagement.

#### 6.4.1 Consultation, trainings and workshops within Project 2 activities

Consultations will inform stakeholders, including ethnic men and women, of the project's progress, encourage feedback, support capacity building and implementation, raise awareness and validate findings. They will serve as an important tool to foster ongoing two-way communication throughout the project from its inception until completion. The following considerations will be followed when designing consultations:

- Consultations will be conducted in a manner that is accessible and culturally appropriate, paying due attention to the specific needs of beneficiaries and others who may be affected by project implementation (including gender, literacy, language or accessibility of technical information).
- The objective and the anticipated results of the consultation will be clearly stated.
- Consultation design will take into account the specific stakeholders targeted, and their context (interests, capacities, cultural background).
- Information provided in consultations will be transparent, easy to understand, promote inclusiveness and gender sensitivity.
- Suitable trainers and facilitators will conduct the consultations, including trainers who are trained in social inclusion and gender equality. Translation services will be provided for non-Lao speaking ethnic groups (when necessary).
- Transparent, accurate and consistent documentation and reporting will be required from all consultations. Attendance sheets should be collected from each meeting, along with meeting summaries and photos. A record of all consultations conducted within the framework of the project should be managed by the project management units, with reporting conducted by the NPMU.

Within each Activity, there are various actions and action inputs planned that include stakeholder engagement and consultations, with detailed actions described in Chapter 6 of the Feasibility Study, information on inputs provided within the Log Frame of the Feasibility Study, and detailed budgeting for stakeholder engagement within the project's budget.

#### 6.4.2 Reporting on stakeholder engagement

GIZ and MAF/DoF will provide regular updates on project implementation, through various media sources (online, print, workshops, among others). Online communications and information-sharing will be promoted, including through a bilingual national REDD+ website hosting data, communication and educational materials regarding REDD+ (including the ER Programme). When appropriate, information will be presented in other local languages to reach diverse ethnic groups (see the Knowledge Management Plan in the Feasibility Study within FP Annex 2a for further information).

Annual reporting will further provide an overview of consultations and workshops conducted, information on progress implementing the project, including its EGDP, GAP and ESMP, and will provide insight into

upcoming events for the following year. In order to ensure the widest dissemination and disclosure of project information, including any details related to applicable environmental and social safeguards, local and accessible disclosure tools including audiovisual materials such as flyers, brochures, videos and community radio broadcasts in local languages will be utilized in addition to other communication modes. Furthermore, particular attention will be paid to women, ethnic groups, illiterate or technologically illiterate people, and people with hearing or visual disabilities, people with limited or no access to internet and other groups with special needs. The dissemination of information among these groups will be carried out with the project counterparts and local actors such as village and *kumban* leaders, producer associations, CSOs, LWU, LFNC, ethnic community representatives among other key actors.

## 7 Gender assessment and action plan

Gender equality is additionally influenced by ethnic background in Lao PDR. Many traditional norms within Lao-Tai cultures are favorable with regard to gender equality: women are often financial decision-makers, inherit land and property more often, and have gained equal access to education. The other three ethno-linguistic groups mostly have stronger patriarchal traditions and norms, where women's access to decision-making, property and education may be limited – although it varies among ethnic groups.<sup>44</sup> For instance, Khmu women often lead in making household decisions, which includes their children's education, their son's selection of wife, as well as the saving and spending of all household income. The Khmu women let their husbands partake in the decision making regarding larger assets and the passing of inheritance onto the children. The selection of land and forest and the choice of location of residency remains the men's responsibility. The Hmong ethnic groups strictly follow a patrilineal structure in relation to social and household decision making. Therefore, for Hmong women the decisions are made by their father in-law and husband or otherwise their own father and brother. Once the women gain independence from their parents in-law through the ownership of their own homes are sometimes able to consult their husband on domestic issues. Thus, to actively engage ethnic groups' men and women in programme activities, it is important to understand their roles.

A Gender Action Plan has been developed (FP Annex 8b), based on a detailed gender assessment (FP Annex 8a), to mainstream gender-related measures into the project, ensuring that gender-related risks are avoided or mitigated, and to maximize climate and development co-benefits for both men and women from diverse ethnic groups. It pays special attention to women, considering that women are not a homogenous group, and the additional challenges that women from different ethnic groups may face. The plan includes:

- Gender-responsive measures for project activities, as well as cross-cutting measures that address and strengthen the voice and agency of women in climate action within the context of the proposed project. Timelines and responsibilities are also indicated within the gender action plan.
- Gender-responsive result indicators and sex-disaggregated targets.

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<sup>44</sup> King & van de Walle, 2007.

## 8 Benefit sharing plans

The GCF project will work together with the ER-Programme to apply a benefit sharing approach (for both monetary and non-monetary benefits) that aims to empower local villagers, including women and members of different ethnic groups, by strengthening their capacities on climate-resilient and deforestation-free agriculture and sustainable land use management, and supports them not only in planning but also in the implementation, monitoring and enforcement of activities.

The project will undertake proactive measures to ensure inclusion of the priorities of all village members and equitable sharing of ensuing programme benefits. It aims to build on experience from Project 1 and ER Programme implementation, while providing targeted support and close monitoring to ensure that all men and women can equitably benefit from the programme (ensuring engagement and benefits to men and women from diverse ethnic groups).<sup>45</sup>

The project will further support the implementation of the Benefit Sharing Plan (BSP) for Lao PDR's ER Programme (Activities 2.1.4 and 3.1.2), which emphasizes that the programme and BSP will ensure special attention is paid to ensure women, ethnic groups and other vulnerable groups are fully engaged and benefit from the strengthened enabling environment and implemented measures. The BSP (included in FP Annex 23) has been developed based on broad stakeholder consultation, including targeted consultations with men and women from diverse ethnic groups and other key stakeholders. The BSP notes there are three main beneficiary categories: government agencies (at all levels), rural forest-dependent communities, and actors in pilot initiatives, which includes the private sector, non-profit associations, and research and education institutions. They particularly note "*communities will benefit the greatest, as they are the people who contribute the most for the emission reductions to be achieved*".<sup>46</sup> This will be further strengthened under Project 2 where resilience building takes a stronger role, and further aims to raise awareness of climate risk and vulnerability as well as best practices for resilience building, strengthen adaptive capacities through the implementation of climate-informed land use planning and through the implementation of more resilient and sustainable agriculture and forest management activities.

A large share of the ER-programme and project's funds are channelled to beneficiaries, especially communities. Within the ER-programme, 69.3% of funds are expected to be allocated to communities.<sup>47</sup> Special attention will be paid to ensure equitable benefit sharing for women, ethnic groups and other vulnerable groups, including supporting communities to build or strengthen cooperative structures (e.g. VFAG and VF committees) to enhance the negotiation ability of these groups, and improve access to rural finance, knowledge and best practices. FPIC is at the core of the programme and GCF projects, as further described in Chapter 4.2, and will further ensure the full participation and consultation of beneficiaries. Further information on benefit sharing is provided within the BSP in FP Annex 23.

Again, participation in the project is voluntary and based on the FPIC principles. FPIC agreements will be established with all participating communities. If there are concerns with benefit sharing during project implementation, beneficiaries and affected people may submit complaints or file a grievance (see Chapter 10 for more detailed information).

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<sup>45</sup> The Benefit Sharing Plan is included as FP Annex 23.

<sup>46</sup> BSP 2021 - (FP Annex 23), p. vii.

<sup>47</sup> 77% will be allocated as performance-based allocations to communities, sub-national government agencies, and pilot initiatives. Within this 77%, 90% of funds will be allocated to communities (see BSP 2021 in FP Annex 23, page viii).

## 9 Tenure arrangements

### 9.1 Overview of tenure arrangements

Tenure arrangement for the ethnic groups in Lao PDR is somehow complicated. Most of the ethnic groups people are practicing shifting cultivation on upland, sloping land, hilly land (mostly the Mon-Khmer and Hmong-mien groups) and they see their surroundings differently than those farming on lower/flatter lands (mostly the Lao Lum). When cultivation occurred, whether it is on a sloping or flat land, or on a young fallow, mature fallow or secondary forest, the holders of land are often recognised by other members of the community to have the right to access, extract/utilise, management and pass the land on to other family members. The customary lands are also used for livestock grazing, NTFP collection for other purposes and also recognised by other members of the ethnic groups. It is important to note that different ethnic groups have different tenure systems. For instance, the Lao Lum or Lao-Tai, traditionally follow bilateral inheritance practices; meaning both sons and daughters can inherit land. The Hmong-mien and Sino-Tibetan hold a patrilineal customary law that provides men with a higher status over women and gives men greater power in political and family leadership and makes them the holder of land rights. The Mon-Khmer has a complex tenure system. They are also the most ethnically diverse in Lao PDR and the Khmu are the largest group which is also the largest ethnic groups in the project areas. Their customary tenure is also complex because within the Mon-Khmer there are bi-lineal and patrilineal customary tenure patters. The leader of the clans also can be both men or women.

In terms of regulation on tenure arrangement, the Constitution describes Lao PDR as a multi-ethnic country and provides all ethnic groups with right to protect, preserve and promote their customs and cultures (Article 8). Customary rights received high level attention in the Party Central Committee Resolution No. 026/CC, 3/8/2017 on The Enhancement of Land Management and Development in the New Period. The resolution recognizes the importance of land as shelter and source of livelihoods and thus the state must continue to recognize and protect land use rights held by individuals, entities, collectives, and customary land rights. the Constitution article 17 and Land Law article 3 prescribe that land and natural resources to belong to the national community and are managed by the State and the State can grant long-term and secure land use rights to Lao citizens. The Land Law contains the basic regulation on acquisition of these rights. The acquisition of customary land use rights is based on article 130 of the Land Law. The article enables the issuance of individual land titles for customary based land use lasted over twenty years without documents certifying the acquisition. It also requires the State to protect the land use rights while waiting for the land registration but provides no regulation on how this should be done. While majority of the ethnic groups use land individually and communally, the Land Law does not recognize collective land titles. It neither contains provisions on customary rights in collective land areas, community forests or any other forms of customary land. Collective land use rights can however be recognized through article 81, which granting land use rights to the communal areas such as cemeteries, sacred forest, common ponds, temples, schools, health centres, village administrative office and village markets. The communal/collective land right does not include main communal land uses - such as shifting cultivation, rotational agriculture, grazing, and forestry. Land Law article 44 enables recognition of land rights in three categories of State Forestland recognizes the use of land by people who have been living and making their living in forest land before the area is classified as forest land.

The Forestry Law 2019 has few references to customary utilization of forest, timber and NTFPs, but contains no regulation on recognition or protection of customary use rights. The forest management regulation however provides additional options for securing customary tenure especially through VFMPs and Conservation Contracts prescribed in articles 39 and 120 of the Law as mentioned in the community-based forest management section.

## 9.2 Strengthening land use rights and tenure security within Project 2

The project aims to help to strengthen land tenure security. Specifically, it will support communal and collective land planning and strengthening of communal and collective forest and land-use rights to provide tenure security for sustainable climate-resilient and deforestation-free (see Info Box 1) land management (see Chapter on community-based natural resource management). The project works at the sub-national level to implement PLUP and VFM, which facilitates communal and collective planning that clarifies land boundaries and strengthens tenure security and improves land use planning. Plans developed by the project (PLUP, VFMP, NPA management plans, VilFoCA, PSAP investment plans) can also help villages to officially register and obtain official land use rights.

Nonetheless, as previously mentioned, participation in the project's activities is voluntary, and FPIC agreements will be established with participating communities based on nationally appropriate best practices. If anyone believes their land tenure has been compromised by the project, they are able to file an official complaint or grievance.

## 10 Grievance Redress Mechanism

### 10.1 Overview of the project's grievance redress mechanism

The project has established a grievance redress mechanism (GRM) to provide space for discussion, obtain feedback and recommendations from its stakeholders (described in the Project's ESIA and ESMP in FP Annexes 6a and 6b).

At the village level, ethnic groups community often share similar processes that if any issue arises, regardless of this subproject, they will firstly consider amongst themselves whether the issue can be resolved internally. This first stage of mediation is preferred by all of them so as not to bring up issues unnecessarily and avoid complications. If the issue cannot be dealt with internally, they will then bring it up verbally with the village authorities. The village authorities often seek the advice of the villager elders and call for a meeting which includes the complainants and the elders as mediators. If the issue cannot be resolved, then the next formal step involves the village authority to either assist in drafting a written complaint or the complainant will be asked to draft by the complaint by themselves. It then will go through the village authorities for comments and a referral letter will then be sent to the district authorities. The district authorities will then take up the case, investigate and mediate with the complainants and village authorities. If the issue still cannot be solved, then the same steps are taken at the provincial level. If the provincial authorities cannot solve the issue, then they will be referred to the provincial courts. All of the consulted villages share the same view on both informal and formal grievance procedures.

The Neo Hom, the village elderly with official titles is established in each village by the government, will represent a particular ethnic group together with village authority and the village mediation committee during a complaints and mediation process at the village, district, and provincial levels.

In addition to following the Government of Lao GRM system, the project's beneficiaries also have the option to issue grievances directly to the Project Safeguards Team through the implementers or the hotline. More details on the Grievance Redress Mechanism are provided in Chapter 7.5 of the ESIA and under Action 9 of the ESMP.

## 10.2 Experience under Project 1 and adjustments for project 2

Under project 1, the project's GRM has been communicated during the FPIC. The safeguard's team has since its initiation continuously checked incoming 'grievances' through the hotline and implementors but none of the filed cases has fulfilled the criteria of a grievance yet. Project 2 will continue to commit to communicate, provide accurate information and provide training to not only FPIC teams, but also the villagers. Stakeholder feedback will be used to improve the mechanism, and if necessary, take further steps to improve accessibility to ethnic minorities.

# 11 Costs, budget, timetable, and organizational responsibilities

## 11.1 Costs, budgets, timetables, organizational responsibilities

The budget and implementation of the EGDP will be reflected in the ESMP's Budget and implementation. The whole project will be implemented in disadvantaged districts of the targeted six provinces, particularly those located in remote rural areas. All of the project's components are focused on the scaling up of sustainable, climate-resilient and deforestation free land management practices that will improve natural resources management where most of ethnic groups reside. Therefore, it has been estimated that much of the project's budget will directly benefit the rural ethnic groups in northern of Lao PDR.

The programme management approach by is highly integrated in the sense, that information collected for the M&E System, for safeguards aspects, gender and also those EGDP relevant aspects are channelled through the same tools and mechanisms. Therefore, EGDP budgets, timelines and responsibilities are summarized under the Gender Action Plan (GAP) and the Environmental and Social Management Plan (ESMP).

## 11.2 Monitoring, Evaluation and Reporting

Indicators as mentioned in this EGDP are to be included into the overall information management system of the project and will be collected in conjunction of other data to be collected for the purposes of M&E, Safeguards, and gender mainstreaming. All data is recorded in the Cloud Database. Main reporting mechanism is the Annual Progress Report to the GCF, which will also report on EGDP indicators (ESMP Action 2). The report is shared with all relevant stakeholders (including the LWU and the LFND) and key points are presented in the Steering Committee Meeting.

## 11.3 Implementation Arrangements

The project has established a National Steering Committee (NSC) to ensure inter-agency cooperation at the national level. The NSC will meet annually or as required to review overall implementation progress, including the implementation of the GEDP.

The National Project Management Unit (NPMU) will provide secretariat services to NSC as well as oversee and coordinate with the Provincial Project Management Unit (PPMU) and District Project Management Unit (DPMU). NPMU, PPMUs and DPMUs are to be informed by the Safeguards Team about any major safeguards- (including EGD-relevant) issues in order to trigger mitigation measures. Feedback on technical details on safeguards issues is to be provided by the Safeguards Team directly to project EEs and GIZ advisors.

In addition, provincial and district focal persons will be assigned within PAFO and PONRE to assist in coordinating and ensuring the benefits of ethnic groups as well as overseeing other social safeguards.

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