

Ethnic Groups Development Framework

Lao PDR: Sustainable Tourism Development Project

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LAO PDR: ETHNIC GROUPS DEVELOPMENT FRAMEWORK

1. An ethnic groups development framework (EGDF) is prepared for the regional Sustainable Tourism Development Project (the Project) in the Lao People's Democratic Republic (Lao PDR). The Project will contribute to the implementation of the GMS Tourism Sector Strategy and the provision of livelihood opportunities for GMS citizens. The Project will result in the development of a sustainable, culturally and environmentally sound pro-poor tourism approach for the GMS.
2. The purpose of the EGDF is to (i) guide the assessment of potential impacts on ethnic groups during the feasibility study for each subproject; (ii) assist in preparing specific actions or an ethnic groups development plan to address these impacts; and (iii) help improve the distribution of tourism benefits among different groups of beneficiaries, especially the smaller ethnic groups. The EGDF is based on (i) reconnaissance surveys and district-level information data sheets; (ii) two sample models for sustainable tourism development projects that aim to protect the natural and urban heritage sites of importance to tourism (Siphondone Wetland in Champassak province, and urban environmental improvements in Vang Vieng town); (iii) consultations with ethnic groups, government officials, local mass organizations and other key stakeholders; and (iv) the previous *Gender Equity and Ethnic Diversity Action Plan* for the GMS Mekong Tourism Development Project. The EGDF is in accordance with current Lao PDR regulations and complies with the Asian Development Bank's (ADB) indigenous peoples policy (1998).

A. Ethnic Groups and Tourism in the Lao PDR and Project Area

3. The Lao PDR has a total population of about 5.6 million people, with 49 officially recognized ethnic groups comprising of more than 200 ethnic subgroups. Ethnic groups can be grouped into four broad ethno-linguistic categories—Lao-Tai, Mon Khmer, Hmong-lu Mien and Chine-Tibet. Most of the smaller ethnic groups live mainly in the northern uplands of Lao PDR near the borders with Thailand, Myanmar, People's Republic of China, and Viet Nam.
4. Although the smaller ethnic groups make up only one-third of the population, they constitute more than half of the country's poor. Currently, about 32% of the total population lives below the poverty line, with 52.5% poverty incidence in the Northern Region, a 34.9% incidence in the Central Region and a 38.4% incidence in the Southern Region. Ethnic groups from the ethno-linguistic categories of Hmong-lu Mien and Chine-Tibet tend to be poorer than the other groups due to (i) geographical remoteness; (ii) lack of farming knowledge and skills; (iii) traditional cultivation practices (i.e., shifting cultivation); (iv) limited access to cash and credit; (iv) environmental problems; and (iv) poor physical and social infrastructure. Those conditions also limit the development of ethnic women: (i) they have higher levels of illiteracy, (ii) they lack access to training for improved agricultural techniques, (iii) they participate less in non-agricultural work, and (iv) their mobility and interactions with others are limited. The Hmong and Yao people tend to be the poorest of all ethnic groups, followed by the Khmou and the Tai people
5. Table SAM.1 shows an overview of the socioeconomic conditions by ethnic categorization in the Lao PDR. **Table A8.2** gives the distribution of ethnic groups in proposed project provinces and towns against provincial and district poverty data.

SAM.1: Select Socioeconomic Characteristics of Ethnic Groups in Lao PDR

Ethnic Categorization	Main Ethnic Groups	Ethnic Population (%)	Poverty Headcount (%)	Under-weight children (Under5)	Net primary enrollment rates (%)	Rural Areas	
						Value of agricultural assets (kip/capita)	Percentage of ethnic inhabitants
Lao Tai (formerly Lao Loum)	Lao, Tai, Lue and Phou Tay	66.7%	25%	34%	76%	4.5 million	96%
Mon-Khmer (formerly Lao Theun)	Khmou, Larnet, Katang, Makong, Brao, Ta Oy and Katu	20.6%	54%	43%	49%	Less than 2 million	89%
Hmong-lu Mien (formerly Lao Soum)	Hmong, Yao and Huoay	8.4%	46%	37%	47%	3.8 million	88%
Chine-Tibet (formerly Lao Soum)	Akha, Lahu and Sila	3.3%	40%	41%	35%	Slightly over 2 million	96%
Other	n/a	1.0%	n/a	n/a	n/a	n/a	n/a

n/a=not available

Source: TA 4879-REG Consultant Team Estimates; World Bank. 2006. *Lao PDR: Poverty Assessment Report. From Valleys to Hilltops—15 Years of Poverty Reduction*; Gender Resource Information and Development Center. 2005. *Lao PDR Gender Profile*.

Table SAM.2: Project Profile of Proposed Provinces and Towns

No.	Proposed Project Province	Proposed District	Proposed Project Town	Poverty	Provincial Data ^b		Ethnic Groups ^a
					Total Population	Percent Female (%)	
1.	Champassak	Khong	Nakasang Village, Don Det Island, and Don Kone Island	75.0% (Wetland) ^a 35.6% (provincial) ^d	607,370	50.5%	92% Lao-Tai
2.	Vientiane province	Vang Vieng	Vang Vieng Town	32.0% (district) 24.3% (provincial) ^d	388,895	49.2%	90% Lao-Tai
3.	Bokeo	Huoiyay	TBD	37.4% (provincial) ^d	145,263	50.4%	About 80% Lao-Tai
4.	Houaphanh	TBD	TBD	74.6% (provincial) ^d	280,938	49.6%	About 90% Lao-Tai
5.	Saravanh	TBD	TBD	39.6% (provincial) ^d	324,327	51.0%	Between 60-90% Lao Tai
6.	Oudomxay	TBD	TBD	73.2% (provincial) ^d	265,179	50.2%	Majority Mon-Khmer
7.	Xayaboury	TBD	TBD	21.2 (provincial) ^d	338,669	49.5%	Majority Lao-Tai
8.	Luang Namtha ^c	Namtha	Chalensouk Village	57.5% (provincial) ^d	407,039	45.0%	Majority Khmu community,

No.	Proposed Project Province	Proposed District	Proposed Project Town	Poverty	Provincial Data ^b		Ethnic Groups ^a
					Total Population	Percent Female (%)	
		Vieng Phoukha	TBD	95.7% (district) ^e			including Khmu Kraen, Khmu Samtao and Khmu Youn groups.
9.	Savannakhet	Phine	TBD	75.9% (district) ^e	825,902	50.7%	Majority Lao-Tai and Mon-Khmer.
		Xepone	TBD	37.1% (provincial) ^d			
		Champone	TBD	n/a			

^a Based on PPTA 4879-REG socioeconomic survey with a sample of 138 respondents (unless indicated otherwise). The national poverty average is 38.6% as per NGPES.

^b Results from the Population and Housing Census, 2005.

^c Namtha and Vieng Phoukha Districts in Luang Namtha province have been suggested for GMS sustainable tourism corridors. Vieng Phoukha is host to the Nam Eng Cave, Vat Mahaphot and Associated Ancient Historic Sites, Bor Kung Nature Park and Nam Phae Village.

^d Lao PDR. 2001. I-PRSP. Data for 1997-98.

^e NGPES. 2003. Percentages correspond to percentage of poor villages

Source: ADB estimates.

6. While tourism potential is often the greatest in areas where smaller ethnic groups reside, it also has the potential to impact local cultures and norms negatively and positively. Ethnic groups often face constraints that prevent them from ceasing the opportunities brought about by tourism growth such as remote locations of their villages, limited mobility and market access, low education levels, and less familiarity with Lao language. While tourism growth among ethnic communities provides an important opportunity for poverty alleviation, it can also increase one's workload such as in the case of homestays. Table SAM.3 provides a summary of common opportunities and risks for ethnic groups in tourism development.

7. Women from ethnic groups face additional risks—direct and indirect—due to tourism development. For instance, tourism development might bring new opportunities but at the cost of girls dropping out school to engage in the sector. Ethnic women are also more vulnerable to engaging in unsafe migration practices and have an increased risk to HIV and AIDS due to low education and literacy and limited information on prevention.

Table SAM.3: Opportunities and Risks of Tourism Development for Ethnic Groups

OPPORTUNITIES	
<i>DIRECT</i>	<i>INDIRECT</i>
Income generation/poverty alleviation ^a	Better transport/communication ^a
Local-led planning and development	Education and health improvements ^a
Revitalize cultural industry/practices	Better communication with authorities
RISKS	
<i>DIRECT</i>	<i>INDIRECT</i>
Objectification of minorities as exotic or backwards people	Further exclusion from public planning
	Dilution of culture from outside contact ^a

^a Indicates issues specifically identified by gender awareness workshop participants.

Source: Lao National Tourism Authority. *Gender Equity and Ethnic Diversity Action Plan for the GMS Mekong Tourism Development Project*. Vientiane.

B. Legal Framework and Principles

8. The EGDF for the Project is based on Lao PDR laws and ADB's indigenous peoples policy (footnote 2). ADB's policy aims to protect ethnic groups from the adverse impacts of development, and to ensure that all ethnic groups benefit from development projects and programs. ADB's *Operations Manual* F3/BP (2004) and *Operational Procedures* F3/OP (2004) outline ADB procedures and operational guidelines.

9. The overarching goal of Government policies is to reduce poverty and to "free" Lao PDR from the status of least-developed country by 2020. The Government has used the approach to mainstream ethnicity into the Constitution and key policies. Recent laws and decisions reflect the Government's increasing awareness of the need to incorporate ethnic issues in the development process in all sectors: (i) the 6th *National Socio-Economic Development Plan 2006-2010* confirms the commitment of the Government to poverty eradication within a framework of rapid and sustainable economic growth. Gender equality and equity for all ethnic groups are underlying principles of this Plan; (ii) the *Lao PDR Constitution 2001* (amended 2003) highlights the right of ethnic groups to protect, preserve, and promote their customs and heritage; and prohibits acts of division and discrimination (Article 8). *Decree No. 192/PM and Regulations No. 2432/STEA on Compensation and Resettlement (2005)* also recognizes the rights of ethnic groups with regard to involuntary resettlement (Article 10).

10. The *Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era* (1992) mandates that all government agencies create a targeted plan for the development of rural, mountainous areas. It focuses on gradually improving the economic development opportunities and living conditions of ethnic groups, while promoting their distinct identities and cultural heritages. The Department of Ethnic and Social Affairs of the Lao Front for National Construction (LFNC) is responsible for coordinating ethnic issues and developing and implementing policies for ethnic groups in mountainous regions.

C. Anticipated impacts on Ethnic Groups and Proposed Actions for Ethnic Groups

11. The EGDF ensures that all ethnic groups share proportionately in the project benefits and experience limited adverse effects from the Project. During project implementation, the preparation of demonstration subprojects will review the socioeconomic and demographic profiles of the target communities with respect to ethnicity. Using ADB's checklist on indigenous peoples, the potential effects of the Project on all ethnic groups for each demonstration subproject will be assessed. Potential impacts (significant or not significant) will be identified and measures to mitigate these impacts will be incorporated into the design of each subproject. A separate budget item has been assigned under each Output to support the implementation of specific actions for mitigating impacts or enhancing benefits for ethnic groups. This will be required for each subproject in accordance to Lao Government regulations, ADB's indigenous peoples policy, OM F3/BP, and OP F3/OP. Ethnic groups who are affected by land acquisition and resettlement are eligible for the same entitlements and levels of compensation, regardless of ethnicity. General entitlements and specific measures for vulnerable groups are included in the Project's land acquisition and compensation framework for Lao PDR and the short land acquisition and compensation plan for the Siphodone Wetland in Champassack.

12. It is anticipated that ethnic groups in the proposed provinces and areas will benefit from the development and implementation of demonstration projects aimed at developing a sustainable, culturally and environmentally sound pro-poor tourism approach in the GMS. Table SAM.4 summarizes the anticipated impacts and proposed actions for ethnic groups under the Project. While subprojects under Output 1 and Output 4 have been identified, a sectoral

approach has been adopted for Outputs 2 and 3. The selection of subproject sites will be done in accordance to selection criteria (Appendix 9) during project implementation. This approach is reflected in the actions proposed in Table SAM.4.

Table SAM.4: Anticipated Impacts and Proposed Actions on Ethnic Groups

Project Output	Anticipated positive effect	Anticipated negative effect	Proposed actions to mitigate impacts
Output 1: Sustainable Natural, Cultural and Urban Heritage Sites			
<ul style="list-style-type: none"> Biodiversity at the Siphandone Wetland is conserved and protected through tourism development 	<ul style="list-style-type: none"> Minor/none: Few minority ethnic groups in the community. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> Ethnic groups will be included in community planning for income generation and asset management through tourism. Separate budget lines are included for (i) screening of the potential impacts on ethnic groups, mitigating impacts, managing risks, and developing enhancement measures; (ii) a public awareness program, and (iii) M&E activities disaggregated by sex, ethnicity and income. Consult with ethnic communities during subproject preparation, and again, before subproject start. The new visitor information and interpretation facilities in Nakasang village shall feature cultural and livelihood information on the ethnic groups from the Wetlands. Capacity development and livelihood support programs will cater to the needs of the local ethnic groups (e.g., handicrafts). Include a section on potential impacts on ethnic groups in the GMS manual.
<ul style="list-style-type: none"> Urban environmental conditions in Vang Vieng town are improved 	<ul style="list-style-type: none"> Minor/none: Few minority ethnic groups live in the town. 	<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> Ethnic groups will be included in community planning for income generation and asset management through tourism. A separate budget is included for (i) a public awareness program, and (ii) M&E activities. Consult with ethnic communities during subproject preparation, and again, before subproject start. Use different communication strategies for awareness-raising in proper waste management practices, HIV and AIDS, and other tourism-related awareness activities (e.g., text, pictures or media). Capacity strengthen of the UDAA should also include temporary workers (e.g., solid waste collectors) Include a section on potential impacts on ethnic groups in the GMS manual.
Output 2: Demonstration subprojects for pro-poor, community-based and supply-chain tourism are developed			
<ul style="list-style-type: none"> Demonstration subprojects for pro-poor tourism developed 	<ul style="list-style-type: none"> Significant: Selection of subprojects will be in poor villages within the proposed provinces. Ethnic groups make up more than 50% of Lao's poor population. 	<ul style="list-style-type: none"> Minor: Monitor integration within the community in favor of pro-poor tourism development. Minor: Risk of becoming a "human zoo" by tourists and tour companies. 	<ul style="list-style-type: none"> Ethnic groups will be included in community planning for income generation and asset management through tourism. Separate budget lines are included for (i) screening of the potential impacts on ethnic groups, mitigating impacts, managing risks, and developing enhancement measures; (ii) a public awareness program, and (iii) M&E activities. Incorporate ADB's IP checklist as part of the overall subproject preparation procedures Consult with ethnic communities during subproject preparation, and again, before subproject start.

Project Output	Anticipated positive effect	Anticipated negative effect	Proposed actions to mitigate impacts
			<ul style="list-style-type: none"> • Associated skills trainings and workshops will be open to all ethnic groups, and participation records will be disaggregated by sex, ethnicity and other appropriate information. The percent of participants that are from small ethnic groups should be proportional to the ethnicity of the local population. • Assist villagers from minority ethnic groups enter into equitable supply agreements before they engage in tourism-related supply chain opportunities. • Grant local management contracts to local ethnic minority communities for the management of the site. • Identity specific actions that will enable ethnic groups, especially ethnic women, to participate in capacity development for tourism-related local micro-enterprises during subproject design and implementation. • Ensure small-scale tourism infrastructure reflects the cultural aesthetics and traditional architectural design of different ethnic groups. • Include a section on potential impacts on ethnic groups in the GMS manual.
Output 3: Tourism development along the Economic Corridors are facilitated			
<ul style="list-style-type: none"> • Tourism development along the Economic Corridors are facilitated 	<ul style="list-style-type: none"> • Significant: Selection of subprojects will be along the North-South and East-West Economic Corridors. A majority of villages are composed of minority ethnic groups. 	<ul style="list-style-type: none"> • Minor: Monitor integration within the community in favor of pro-poor tourism development. • Minor: Fear of being treated as a “human zoo” by tourists and tour companies. management 	<ul style="list-style-type: none"> • Ethnic groups will be included in community planning for income generation and asset management through tourism. • Separate budget lines are included for (i) screening of the potential impacts on ethnic groups, mitigating impacts, managing risks, and developing enhancement measures; (ii) a public awareness program, and (iii) M&E activities. • Incorporate ADB’s IP checklist as part of the overall subproject preparation procedures • Produce a “Do’s and Don’ts” type of publication for tourism management • Consult with ethnic communities during subproject preparation, and again, before subproject start. • Associated skills trainings and workshops will be open to all ethnic groups, and participation records will be disaggregated by sex, ethnicity and other appropriate information. The percent of participants that are from small ethnic groups should be proportional to the ethnicity of the local population. • Identity specific actions that will enable ethnic groups, especially ethnic women, to participate in capacity development for tourism-related local micro-enterprises during subproject design and implementation. • Ensure small-scale tourism infrastructure reflects the cultural aesthetics and traditional architectural design of different ethnic groups. • Development of scenic views shall respect the privacy of ethnic villages. • Include a section on potential impacts on ethnic groups in the GMS manual.
Output 4: Human resources in the tourism sector are developed			

Project Output	Anticipated positive effect	Anticipated negative effect	Proposed actions to mitigate impacts
<ul style="list-style-type: none"> • A pool of master trainers in small-scale tourism and hospitality is created 	<ul style="list-style-type: none"> • Significant: Opportunities to receive 30% of scholarships to participate in master training courses, attend TOT courses, and receive the training at the site level. 	<ul style="list-style-type: none"> • Minor: Individuals from the smaller ethnic groups do not meet the requirements. 	<ul style="list-style-type: none"> • TNA will focus on the specific needs of tourism officials from provinces with disproportionately higher percentage of minority ethnic groups. • Preference shall be given to qualified individuals from the smaller ethnic groups for the award of the 50 scholarship for Master Trainers. • Teaching materials will be gender and ethnically sensitive and inclusive. • A separate budget is included for M&E of activities. Data shall be disaggregated by sex, ethnicity and income where appropriate. • At least 30% of the training of trainers will come from provinces with high percentages of minority ethnic groups, especially those participating in demonstration subprojects under Outputs 2 and 3.
<ul style="list-style-type: none"> • A pool of master trainers for the training of public sector tourism officials is created 	<ul style="list-style-type: none"> • Significant: Opportunities to receive 30% of scholarships to participate in master training courses, attend TOT courses, and receive the training at the site level. 	<ul style="list-style-type: none"> • Minor: Individuals from the smaller ethnic groups do not meet the requirements to participate. 	<ul style="list-style-type: none"> • TNA will focus on the specific needs of tourism officials from provinces with disproportionately higher percentage of minority ethnic groups. • Teaching materials will be gender and ethnically sensitive and inclusive. • A separate budget is included for M&E of activities. Data shall be disaggregated by sex, ethnicity and income where appropriate. • Preference shall be given to qualified individuals from the smaller ethnic groups for the award of the 15 scholarship for Master Trainers. • 30% of training of trainers will be recruited from provinces with high percentages of minority ethnic groups, especially those participating in subprojects under Outputs 2 and 3.
Output 5: Efficient project implementation services are operational			
<ul style="list-style-type: none"> • Efficient project implementation services are operational 	<ul style="list-style-type: none"> • Significant: PIUs, with ethnic representation, will be established. • Significant: Capacity development of the PCU and PIUs. • Significant: Better information on tourism benefits and risks for ethnic groups. 	<ul style="list-style-type: none"> • None. 	<ul style="list-style-type: none"> • A social/gender focal person and an M&E focal person will be members of the PCU and PIU. • An international and a national social and gender development specialist (4 person-months and 18 person-months, respectively) will support the government in project implementation. • A resettlement specialist (2 person-months) will assist the EA protect the land/user rights of ethnic groups during land acquisition and resettlement. • Ethnic representation of the PIUs will be proportional to the local provincial population. • Representative(s) from the Ministry of Information and Culture, the Lao Front for National Reconstruction or Lao Women's Union in Lao PDR will be invited, as needed to attend/ participate in the subregional steering committee, the project steering committee and the provincial project steering committee (as required). • Disaggregate data by sex, ethnicity and income. • All progress reports, internal or external, shall include a section which reports on the impact the project is having on ethnic groups—positive and/or negative.

Source: ADB estimates

D. Institutional Arrangements

13. Implementation arrangements and estimated costs of the EGDF are integrated into the overall arrangements and total budget of the Project. Representatives from the LFNC and the Lao Women's Union will play a critical role in facilitating participation by all ethnic groups in project activities and will be invited to participate in steering committee meetings, as required. An international social and gender development specialist (4 person-months), and a national social and gender development specialist (18 person-months) will support the EA to implement the EGDF. The specialists will work closely with other specialists. The EGDF will be monitored as part of the overall system for the Project, and socioeconomic data will be disaggregated by sex and by ethnicity. Progress reports will provide periodic updates on the effect of project components on ethnic groups. The midterm review mission will consider past updates and make adjustments, as required.