

Ethnic Groups Development Framework

September 2020

Lao: Water Supply Sector Project

Prepared by the Department of Water Supply, Ministry of Public Works and Transport for the Asian Development Bank.

CURRENCY EQUIVALENTS

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Currency unit	–	Kip (KN)
KN1.00	=	\$ 0.00011
\$1.00	=	KN 9,224

ABBREVIATIONS

ADB	-	Asian Development Bank
DPWT	-	Department of Public Works and Transport
DRC	-	district resettlement committee
DWS	-	Department of Water Supply
EA	-	executing agency
IA	-	implementing agency
LACF	-	land acquisition and compensation framework
O&M	-	operation and maintenance
PCU	-	project coordination unit
PMC	-	project management consultant
PIU	-	project implementation unit
PNP	-	provincial <i>nam papa</i> (water utility)
SPS	-	safeguards policy statement
WSSP	-	Water Supply Sector Project

NOTE

In this report, "\$" refers to United States dollars.

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I. INTRODUCTION

1. This document comprises the Ethnic Groups Development Framework (EGDF) to establish the policies and procedures for those subprojects in the proposed Water Supply Sector Project (WSSP) that impact on minority ethnic groups. Asian Development Bank's (ADB) Safeguard Requirements 3 outlines the requirements that borrowers/clients are required to meet in delivering Indigenous Peoples safeguards to projects supported by ADB. It discusses the objectives and scope of application, and underscores the requirements pertaining to (i) undertaking the social impact assessment and planning process; (ii) preparing social impact assessment reports and planning documents; (iii) disclosing information and undertaking consultation, including ascertaining consent of affected Indigenous Peoples community to selected project activities; (iv) establishing a grievance mechanism; and (v) monitoring and reporting. This set of policy requirements will safeguard Indigenous Peoples' rights to maintain, sustain, and preserve their cultural identities, practices, and habitats and to ensure that projects affecting them will take the necessary measures to protect these rights.

A. Water Supply Sector Project

2. The Water Supply Sector Project (WSSP) aims to work with the Department of Water Supply (DWS) to increase water supply service coverage in participating towns. The project will focus on improving the financial performance of PNPs and on providing investments to identified provinces through the construction of new water supply system in district towns, and expansion and rehabilitation of the existing water supply system in the same province.

3. **Access to water supply.** While the Lao People's Democratic Republic (Lao PDR) is essentially a rural country, the population in urban centers have experienced an average growth of 4.4% per year since 1998 and now represents 36% of the nation's current population estimated¹ to be approximately 7.2 million. Developing the district and provincial towns as key administrative and economic centers is becoming increasingly important to the nation's economic development, employment growth, poverty reduction and diversity.

4. Increasing access to safe, piped urban water supply and enhancing the performance and service delivery of the provincial water utilities, known as provincial nam papas (PNP) will play a vital role in supporting economic development, reducing poverty and improving the health profiles of urban residents. Additional investment in urban piped water supply is needed as coverage is behind the Government of the Lao PDR's piped water supply targets as prescribed in the Strategy of the Urban Water Supply and Sanitation Sector (2013–2030)².

5. **Strategic alignment.** The Project is in line with the government's approved Urban Water Supply and Sanitation Strategy, the Water Supply Investment Plan 2020–2030 (WSIP) and the national socioeconomic development plan. It will contribute towards achieving the government's target of 90% piped water supply coverage by 2030. The project will build on the government's policy of developing small district towns as economic centers and as economic links between rural, national and international markets. The implementation of the strategy and its accompanying WSIP is overseen by the Department of Water Supply (DWS) under the MPWT.

¹ United Nations, Department of Economic and Social Affairs. 2018. *World Urbanization Prospects: The 2018 Revision*. New York.

² Government of the Lao PDR, Ministry of Public Works and Transport. 2013. *Strategy of the Urban water Supply and Sanitation Sector (2013–2030)*. Vientiane.

6. **The rationale** for this approach is that if the provincial water utility or *nam papa* (PNP) is to operate on a sustainable basis, its largest system must first operate sustainably. This approach provides the opportunity for tariff cross subsidies between the provincial capital and poorer district towns in the province, economies of scale, more efficient and decentralized implementation, and lower costs for construction works and capacity building. The WSSP will be implemented through a sector loan and grant from the Asian Development Bank (ADB).

7. **The impact** of the proposed Project will be increased service coverage and provision of safe, reliable, and affordable water supply for the urban population in the Lao PDR. The outcome will be improved access to safe piped water supply services in participating towns.

B. Project Outputs

8. The project will focus on three outputs: Output 1: Regulatory Environment Improved; Output 2: Urban Infrastructure Improved; and Output 3: Institutional Effectiveness Improved.

9. **Output 1 – Regulatory Environment Improved.** To strengthen the long-term planning and operations of the water sector, the project will: (i) develop a sector performance benchmarking program to monitor the performance of the water systems and networks across the country and identify opportunities for further improvement; (ii) develop corporate governance and operational guidelines to facilitate service providers' understanding of their roles and responsibilities and to standardize asset management, demand management, O&M, and financial management approaches, including water quality monitoring and testing to minimize public health risk; and (iii) support the DWS in carrying out a review of the Water Supply Law (2009) and propose revisions including approaches to financial reporting and tariff setting.

10. **Output 2 – Urban Infrastructure Improved.** The project will improve access to safe piped water supply in participating towns through (i) rehabilitation and improvement of the existing water supply schemes, including nonrevenue water (NRW) reduction; and (ii) construction of new water supply schemes. The project will continue with the free connection policy, which was initiated under earlier ADB funded projects. The free connection policy would apply only to households that have sanitation facilities in place. For poor and low-income households that do not have access to a sanitation facility, the project will cover the cost to provide improved sanitation facilities (pour-flush latrines) so that they are able to access the free water supply connections.

11. **Output 3 – Institutional Effectiveness Improved.** The project will: (i) develop and implement a corporate business plan for participating PNPS to strengthen their capacity in corporate governance, O&M, financial management, and service delivery; and (ii) develop and deliver a comprehensive capacity development program covering corporate planning and governance, tariff reviews and adjustments, billings and tariff collections, asset management, NRW reduction, project planning and service delivery, and disaster risk management and contingency planning. By implementing the corporate business plan, the overall financial management of the PNPs will improve and will focus on water usage and sanitation, gender mainstreaming and outreach activities that encourage and increase women's participation in planning, design and O&M. The project will promote women's participation in the sector through the financing of scholarships and engagement in technical roles within the project coordination unit (PCU) and the project implementation units (PIU). The project will also promote opportunities to increase DWS capacity in the areas of performance reporting through a twinning arrangement.

12. The proposed investment project is to be implemented using a sector modality. Under this arrangement, subprojects will be prioritized using the Water Supply Investment Plan 2020–2030

(WSIP) and the national socioeconomic development plan, screened as to their impact on minority ethnic groups, environmental impacts, and land acquisition impacts. ,

13. Four representative sample subprojects have been appraised before project approval. Feasibility study reports have been prepared for these subprojects in Xaisomboun and Vientiane provinces. No impacts or disruption is expected in the subprojects with respect to (i) customary rights of use and access to land and natural resources; (ii) socioeconomic status; (culture or traditions, or impact on access to cultural sites or attachment to land were found. Field assessment, consultations and focus group discussions with ethnic groups in the subproject areas are confirmed they are well integrated in the local communities. Draft due diligence reports were prepared, approved by the government, cleared by ADB and disclosed on ADB website.

14. This Ethnic Group Development Framework (EGDF) is prepared to provide guidance on subproject selection, screening and categorization, information disclosure and consultation, assessment, planning, institutional arrangement, and processes to be followed in the formulation and implementation of subprojects that will be prepared during project implementation in accordance with the ADB Safeguard Policy Statement (SPS).

II. OBJECTIVES AND POLICY FRAMEWORK

A. ADB IP Safeguards Policy

15. The objective of ADB's IP safeguard policy is to design and implement projects in a way that fosters full respect for IPs' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by IPs themselves to protect them from the adverse impact of development; to ensure that they receive culturally appropriate social and economic benefits from development projects and programs; and that they can participate actively in projects that affect them.

16. As per the ADB SPS, the Indigenous Peoples safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as an ancestral domain or asset. The term Indigenous Peoples is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. In considering these characteristics, national legislation, customary law, and any international conventions to which the country is a party will be taken into account. A group that has lost collective attachment to geographically distinct habitats or ancestral territories in the project area because of forced severance remains eligible for coverage under this policy.

17. The following are the ADB Indigenous Peoples Safeguards policy principles:

- (i) Screen early on to determine (a) whether indigenous peoples are present in, or have collective attachment to, the project area; and (b) whether project impacts on indigenous peoples are likely;

- (ii) Undertake a culturally appropriate and gender -sensitive [assessment of social impacts] or use similar methods to assess potential project impacts, both positive and adverse, on indigenous peoples;
- (iii) Undertake meaningful consultations with affected indigenous peoples communities and concerned indigenous peoples organizations to solicit their participation (a) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (b) in tailoring project benefits for affected Indigenous Peoples communities in a culturally appropriate manner;
- (iv) Ascertain the consent of affected Indigenous Peoples communities to the following project activities: (a) commercial development of the cultural resources and knowledge of Indigenous Peoples; (b) physical displacement from traditional or customary lands; and (c) commercial development of natural resources within customary lands under use;
- (v) Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected indigenous peoples communities participate in the design, implementation, and monitoring and evaluation of management for such areas and natural resources and that their benefits are equitably shared;
- (vi) Prepare an Indigenous Peoples Plan (IPP) that is based on the [assessment of social impacts] with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected Indigenous Peoples communities. The IPP includes a framework for continued consultation with the affected indigenous peoples communities during project implementation; specifies measures to ensure that indigenous peoples receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time -bound actions for implementing the planned measures;
- (vii) Disclose a draft IPP, including documentation of the consultation process and the results of the [assessment of social impacts] in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected Indigenous Peoples communities and other stakeholders;
- (viii) Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (a) activities that are contingent on establishing legally recognized rights to lands and territories that indigenous peoples have traditionally owned or customarily used or occupied, or (b) involuntary acquisition of such lands;
- (ix) Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports.

18. The Project will follow ADB Indigenous peoples safeguards policy principles.

B. Relevant Legal Framework

19. All ethnic groups in the Lao PDR are subject to the same legal and institutional framework. The 1991 Constitution of the Lao PDR and current Constitution of 2015 state that “the State

pursues the policy of promoting unity and equality among all ethnic groups” and forbids any act of division and discrimination. The 1992 Ethnic Minority Policy, or Resolution of the Party Central Organization Concerning Ethnic Minority Affairs in the New Era, was intended to gradually improve ethnic groups’ access to services and eradicate discrimination.

20. The Guideline on Ethnic Group (as updated in 2020) calls for the engagement of all ethnic groups in any relevant development projects and activities, both in regard to the potential benefits, as well as positive and negative impacts on their livelihood and environment. It requires the provision of opportunities for ethnic groups to discuss their concerns.

21. The Decree on the Implementation of the Law on Land 101/PM, dated 20 April 2005, in combination with the Law on Land no.04/NA dated 21 October, 2003 are the principal legislation by which the State exercises its constitutional responsibility for the management, preservation and use of land. Various articles of this law are relevant to issues of land acquisition and resettlement. However, while the law recognizes permanent and temporary land-use rights for individuals, it does not define or recognize communally held rights. Under communal land use, communities often manage common property, including upland areas, grazing land, and village-use forests. Some ethnic communities also have traditionally recognized certain forest areas as sacred forest sites, or spirit forests, which have meaningful cultural and spiritual significance. All community members are entitled to use communal land, and village authorities may grant similar use rights to those from surrounding villages. Although communal land use is an important part of the cultural, political, social and economic frameworks of many ethnic communities, there is no clear government process for registering communal land.

22. In August 2018, the government released a Law on Resettlement and Occupation, which permits “general resettlement” of communities living in “remote and underdeveloped areas”, which include areas pursuing shifting cultivation and “small scattered villages”. Under this law, compensation for resettlement is available for people with both formal and customary land tenure, although those with no papers may not receive compensation for their land.

23. The 8th National Socioeconomic Development Plan (8th NESDP) (2016–2020) focuses on a number of goals related to the Lao PDR’s development. Relevant to ethnic groups, it promotes (1) improving infrastructure in remote areas, especially those inhabited by ethnic groups; (2) social welfare policy and poverty reduction to meet specific needs and capabilities of ethnic people; and (3) promoting diverse heritage and cultural values of different ethnicities, to enhance equality and unity among multi-ethnic people.

24. Besides the national legal frameworks, the government of the Lao PDR has also ratified a number of international instruments to protect the rights of the Lao people, which includes all ethnic groups. This includes:

- (i) International Covenant on Civil and Political Rights;
- (ii) Convention on the Rights of Persons with Disabilities;
- (iii) International Covenant on Economic, Social and Cultural Rights; and
- (iv) International Convention on the Elimination of All Forms of Racial Discrimination.

C. Reconciliation of Government and ADB Policies

25. In general, the main principles of the government policies on ethnic minorities reflect those reflected in ADB’s SPS (2009). In dealing with externally financed projects, the government has adopted a project-by-project basis to respond to the resettlement policies of donors. Projects

supported by external agencies are governed by the resettlement policies of donors and relevant laws and government regulations not consistent with donor policies are waived. The table below summarizes the comparison of applicable national laws and regulations and the safeguards policy statement, and filling measures adopted for the Project.

Table 1: Policy Gap Analysis

Ref.	ADB SPS	National Policies and Regulations	Gap filling measures
1	Screen early on to determine (i) whether IPs are present in, or have collective attachment to, the project area; and (ii) whether project impacts on IPs are likely.	<p>There is no specific legal requirement on this item.</p> <p>Lao law does not distinguish between ethnic groups with regard to screening, survey and assessments.</p> <p>Article 9 of Decree on Ethnic Groups No. 207, dated 20 March 2020, had mansion on special to support or policy under 12 policy areas:</p> <ol style="list-style-type: none"> 1. Policy on financial and economics 2. Policy on investment and using the potentials of Ethnic groups 3. Policy on Education and Sport 4. Policy on health 5. Policy on culture and tourism 6. Policy on protection national resource and Environment 7. Policy on National defense and security 8. Policy on media information 9. Policy on an access to law and judicial process 10. Policy on promotion to be government staff 11. Policy on labor Social welfare 12. Policy on senior persons (elderly) <p>Affected peoples include any ethnic groups.</p>	All the subprojects prepared under the project will be screened during the feasibility study to identify presence of IPs ³ , their collective attachment to the subproject area, and subproject's likely impact on EGs.
2	<p>Undertake a culturally appropriate and gender-sensitive social impact assessment or use similar methods to assess potential project impacts, both positive and adverse, on IPs.</p> <p>Give full consideration to options the affected IPs prefer in relation to the provision of project benefits and the design of mitigation measures. Identify social and economic benefits for affected IPs that are culturally appropriate and gender and intergenerationally inclusive and develop measures to avoid,</p>	<p>Law on Resettlement and Occupation No. 204, Article 31 provides for priorities for occupation to the following APs under the development project:</p> <ol style="list-style-type: none"> 1. Household with disability; elderly household to be at risk 2. Household or persons who are poor and without stable occupation 3. Household or persons who have conditions to be involved in model farming; handicraft; commercial and service <p>Surveys for assessments respect local cultures, religions, beliefs and</p>	<p>The project will undertake culturally appropriate and gender-sensitive social impact assessment to assess project's potential impacts</p> <p>EGs will be closely consulted with, and their concerns, recommendations related to subprojects design as well as its benefits. Where women from the ethnic groups such as Hmong women require separate consultations, the same will be carried out in a culturally appropriate and gender sensitive manner, using understandable language, visual aids and translator as required.</p>

³ In the context of Laos, indigenous peoples are referred to as ethnic groups.

Ref.	ADB SPS	National Policies and Regulations	Gap filling measures
	minimize, and/or mitigate adverse impacts on IPs.	traditions of affected people based on their customary practices.	Adverse impact on EGs will be avoided or at least minimized. If impact is not avoidable, EGDP, LACP or a combined planning document will be prepared in accordance with the EGDF, LACF, SPS and government laws and regulations
3	Undertake meaningful consultations with affected IP communities and concerned organizations to solicit their participation (i) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (ii) in tailoring project benefits for affected IP communities in a culturally appropriate manner. To enhance IPs' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of IPs' concerns.	<p>Law on Resettlement and Occupation, Article 32 covers similar aspect.</p> <p>Decree 84, Chapter 1, Art. 5. Ensure coordination, consultation and participation between the project owner, affected people, state agencies and other relevant stakeholders.</p> <p>Decree 84, Chapter 2, Art. 9. Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the value for compensation for land, constructed facilities, crop products, livestock and potential incomes and organize consultations with affected people by selecting the right and appropriate options based on prices applied by the state, market prices or average prices applicable for period of compensation and based on the types of properties and locations.</p> <p>Decree 84, Chapter 5, Art. 18. Attend consultations at different levels, make comments to the plan of compensation, resettlement, and rehabilitation of their livelihood.</p> <p>Decree 84, Chapter 5, Art. 18. Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the value for compensation for land, constructed facilities, crop products, livestock and potential incomes and organize consultations with affected people.</p> <p>Actively participate in the implementation of the plan of compensation, resettlement, and rehabilitation of livelihoods.</p> <p>This means no distinction made between ethnic backgrounds with regard to consultation and participation.</p>	<p>The project will undertake meaningful consultation with affected EG communities, including those that are considered vulnerable within these communities and ensure their participation in the subproject design, implementation, and monitoring. Project benefits will extend to ethnic groups in the subproject areas and enable their access to safe potable water as well as improved sanitation provision to vulnerable.</p> <p>Grievance process through traditional village arbitration, district then provincial resettlement committees will be used. Transparent process, documented, fee free in consultation with the EGs to ensure culturally appropriate and gender inclusive grievance redress mechanism for each subproject area.</p>

Ref.	ADB SPS	National Policies and Regulations	Gap filling measures
		Note that the decree does not use the term "ethnic".	
4	Ascertain the consent of affected IP communities to the following project activities: (i) commercial development of the cultural resources and knowledge of IPs; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of IPs. For the purposes of policy application, the consent of affected IP communities refers to a collective expression by the affected IP communities, through individuals and/or their recognized representatives, of broad community support for such project activities. Broad community support may exist even if some individuals or groups object to the project activities.	<p>Decree on Ethnic groups in general includes similar concerns.</p> <p>Decree 348, Guideline, I. Objective. Five-year plans must primarily be consistent with the uniqueness and the social and economic development pace of each districts, villages and ethnic group families.</p> <p>This means the political context incorporates social inclusion and equal treatment of residents of communities independent from the ethnic background.</p>	The project activities will not require: (i) commercial development of the cultural resources and knowledge of EGs; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of EGs. Therefore, broad community support will not be required for the project.
5	Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected IP communities participate in the design, implementation, and monitoring and evaluation of management arrangements for such areas and natural resources and that their benefits are equitably shared.	Decree 84, Chapter 2. In case the affected person possesses the traditional land use right, the project owner has to compensate for, provided that the affected person has possessed the land use rights for a long period of time and he/she has protected, developed and used the land peacefully without invasion into protected forest areas or restricted areas with land use certificate issued by local authorities and relevant state agencies.	Adverse impact on EGs will be avoided or at least minimized. If impact is not avoidable, EGDP, LACP or a combined planning document will be prepared in accordance with the EGDF, LACF, SPS and government laws and regulations. Qualified experienced experts will be involved as required. Participation of the EGs throughout the project cycle will be ensured through close consultations in a culturally appropriate and gender sensitive manner.
6	Prepare an IPP that is based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected IPs. The IPP includes a framework for continued consultation with the affected IP communities during project implementation; specifies measures to ensure that IPs receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and	<p>Decree 84, Chapter 1 and 3. Respect local cultures, religions, beliefs and traditions of affected people based on their customary practices.</p> <p>Decree No 207 on Ethnic Groups dated 20.03.2020. Equal participation in communities the protection of their rights and legitimate interests as an ethnic group.</p> <p>Decree 84. Preparation of resettlement plans, compensation plans, livelihood plans all including environmental and social impacts and mitigation measures.</p>	<p>Meaningful consultations and full ongoing disclosure (prepared information for presentation and distribution) throughout the project cycle as appropriate. Respect local cultures, religions, beliefs and traditions of affected people based on their customary practices will be given.</p> <p>Attention to gender concerns: female headed households; gender-inclusive consultation,</p>

Ref.	ADB SPS	National Policies and Regulations	Gap filling measures
	includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.	But no separate IPP is required to be prepared, because affected peoples are included in such plans independent from their ethnicity. Specific ethnic features have to be taken into consideration by such plans.	information disclosure and grievances.
7	Disclose a draft IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected IP communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected IP communities and other stakeholders.	No specific provision in this regard	Draft and final EGDPs will be disclosed to EGs in an understandable language during consultations. Copies of the documents will be retained for display at the village and commune offices.
8	Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (i) activities that are contingent on establishing legally recognized rights to lands and territories that IPs have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.	Regulated by Land law.	The project will not require acquisition of EGs lands, territories or ancestral domains.
9	Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports	Decree 84, Chapter 8. The project owner is responsible for the implementation, monitoring and reporting of activities. No distinction made between ethnic groups.	PIUs will conduct internal monitoring with the help of project implementation support consultants and in close consultation with the EGs. Semiannual monitoring reports will be submitted to ADB and disclosed on its website.

ADB = Asian Development Bank, EG = ethnic group, EGDF = ethnic group development framework, EGDP = ethnic group development plan, IP = indigenous peoples, IPP = indigenous peoples plan, LACF = land acquisition and compensation framework, LACP = land acquisition and compensation plan, PIU = project implementation unit, SPS = Safeguard Policy Statement.

III. IDENTIFICATION OF AFFECTED INDIGENOUS PEOPLES

A. Identification

26. In the ADB's SPS, the term Indigenous Peoples (IP) (*ethnic group (EG) or peoples* in the Lao PDR context) is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to

geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region. These definitions apply directly to some of the populations classified in the Lao PDR as minority ethnic groups.⁴

27. The Lao PDR is one of Southeast Asia's most ethnically diverse countries with relatively small size and population of around 7 million. The numerous ethnic groups are officially distinguished into 50 categories by the government and then further grouped under the four main ethno-linguistic families to which they belong: Lao-Tai, Mon-Khmer, Hmong-lu Mien and Tibet-Chine. These 50 ethnic groups are geographically dispersed and were historically referenced in terms of three topographic locations: the Lao Loum (lowlands), Lao Theung (mid-lands), and Lao Soung (uplands). These categorizations also implied traditional agricultural production systems, with lowland peoples generally cultivating paddy rice, and midland and upland peoples pursuing shifting cultivation practices.⁵

28. As of the 1981 Conference on Ethnic Minorities, the Lao government officially retired these three geographic categorizations previously applied to ethnic groups, in favor of a system dividing Lao people into the four ethno-linguistic families previously mentioned (Lao-Tai, Mon-Khmer, Hmong-lu Mien, and Chine-Tibetan).⁶ This step was made due to changing agricultural practices and geographies among ethnic groups that made the classifications somewhat inaccurate. Still, despite this change, the terms Lao Loum, Lao Theung, and Lao Soung are often used colloquially in present-day conversation.

29. The Lao-Tai ethnic-linguistic family is composed of eight individual ethnic groups, and generally inhabits lowland areas. The Mon-Khmer family includes 33 individual ethnic groups. There are two ethnic groups belonging to the Hmong-lu Mien ethno-linguistic family, and seven groups belonging to the Chine-Tibetan family. Both Hmong-lu Mien and Chine-Tibetan peoples have traditionally inhabited the uplands of Laos. Buddhism is the most common religion in Lao-Tai groups, while animism is prevalent in non-Lao-Tai groups.⁷

30. **Lao-Tai** family (about 62.4%) is the largest group in the Lao PDR and consists of people from these tribes—Lao, Phutai, Phouane, Tai Nyo, Tai Deng, Lue, Thai Khao, Thai Dam. Their origins go back several centuries to the conflicts with the Mongols, the Hans and other Chinese groups. They come from the North (Yunnan Province of China), arriving around the 11th century.

31. Tribal Lao-Tai live in the higher valleys and on the middle slopes of the mountains in northern Laos (and in adjacent areas of south-west China, north Thailand and north-west Vietnam). Largely self-sufficient, they cultivate rice on irrigated terraces as well as corn, wheat and beans, and also engage in swidden agriculture. They are mainly animist and speak a number of interrelated Tai-Kadai languages, which means they can communicate with lowland Lao and Thai peoples. Shrines are dedicated to spirits (*phi*) important in day-to-day affairs. The animistic beliefs tend to be strongest among those peoples farthest from the traditional centres of Tai Buddhism. The Buddhists Lao-Tai follow the Theravāda school. In the villages of many Tai groups

⁴ The term "ethnic peoples" or "ethnic group" is more acceptable and understandable in the Lao PDR than "indigenous peoples" and will be used to refer to Lao ethnic communities in the project area. The term "indigenous peoples" is only referred to in connection with ADB's SPS 2009.

⁵ Ministry of Health. 2015. "Lao PDR: Health Sector Governance Program."

⁶ Yokoyama S. 2001. "The Situation of Ethnic Minorities in Laos." *Ministry of Health and JICA Study Team (eds.) "Lao Health Master Planning Study, Progress Report I"* Vientiane: Ministry of Health, A6.1-A6.8.

⁷ Minority Rights Group. 2018. "World Directory of Minorities and Indigenous Peoples: Laos."

the wat (temple compound or monastery) is both the social and the religious centre. Most young men spend a period as monks.

32. Some Tai have an alphabet based on the same Sanskrit alphabet as the Lao and Thai, but their literacy rates are low. Tai tribes are usually categorized according to their traditional costumes: Tai Dam (Black Tai), Tai Khao (White Tai), Tai Deng (Red Tai). Other Tai tribes such as Tai Neua, Tai Phong, Phu Tai/Phouthay, Lue Tai, Yuan and Phuan, have been characterized by location or other characteristics, such as speaking distinct languages which are nevertheless closely related. Tai are regarded as inferior by lowland Lao, and Tai, in turn, look down on lowland Lao for having failed to maintain Tai tradition and culture. The Tai Dam is the largest of these minorities and traditionally had a caste system involving a nobility, commoners and priests.⁸

33. The usual Tai household consists of a husband, wife (or wives), and unmarried children. The status of women is high. None of the Tai peoples has a caste system. Though they live in political entities varying from independent nations (Thai and Lao) to chiefdoms (in non-Tai states), the basic structure of their semi-autonomous villages is similar. Communal leadership is provided by an elected village headman, together with the Buddhist monks and elders.

34. **Mon–Khmer** family, (about 23.7%) is made up of 47 tribes with the language taken from Mon & Khmer. The group consists of people from these tribes—Khmu (Ou, Lu, Rok & Me), Lawen, Taoy, Katang. The Mon-Khmer group is recognized as the oldest inhabitants of the area and came to the Lao PDR from the south over 10 centuries ago. Largely animist, only a few of these groups have adopted Buddhism. The largest Lao Theung group is the Khmou in northern Laos at 11 per cent of the population. Other main ethnic groups include Sasseng, Loven, So and Bru (Brao) in southern Laos and Alak, Ataouat, Cao, Cheng, Halang, Halang Doan, Katang, Langya, Monom, Ngeh, Ngung Bo, Nha Heun, Noar, Pacoh, P’u Noi, Sapuan, Sayan, Sork, Sou, Thap, The and Ven. Most today live in southern Laos near the Bolovens plateau or in the north near China and Vietnam. The use of metal remains taboo for some of these groups.

35. The traditional culture evolved around mobile villages which would be located in an elevated clearing. Several families would construct and share long, rectangular stilt homes of wood and bamboo. Fields would be cleared by burning, and then planted with rice, corn and other crops for a few years. The whole village would then move, and the process repeated after the soil had lost its fertility over several years.

36. **Hmong–lu Mien** group (about 9.7%) came from China to the north of the Lao PDR between 1815 and 1900. It consists of people from these tribes—Hmong, Yao Mien, Lao Huay (Lenten), Pana. Hmong originate from the high steppes of Tibet. They are largely independent people. The Hmong are themselves subdivided into four main groups based on the dominating colours of some of their clothing: the White Hmong, Striped Hmong, Red Hmong and Black Hmong). Hmong and Yao are more recent immigrants mainly from southern China who migrated to Laos in the nineteenth century. The Yao live mainly in Luang Nam Tha, Luang Prabang and Bokeo. Most are animists and continue to practise Chinese ancestor worship, though some are followers of Taoism, Buddhism and Christianity. Living mainly at altitudes above about 1,000 metres, the Hmong and Yao practise shifting cultivation of dry rice and corn, as well as opium. They also raise a variety of farm animals and conduct a largely barter economy.⁹

⁸ <https://minorityrights.org/minorities/tai-and-other-hill-peoples/>

⁹ <https://minorityrights.org/minorities/lao-sung/>

37. Hmong society is organized through a number of patrilineal clans with Chinese surnames such as Li, Wang, and Yang. Smaller descent groups within these clans comprise people united through a known common ancestor and shared ancestral rituals. Surname exogamy, or out-marriage, is still strictly observed. An ideology of brotherhood unites the men of a particular clan. The role of women in traditional clan culture is more ambiguous; their spirits were cared for in the afterlife, but their social status was low. At marriage the bride joins her husband's household. A certain amount of bridewealth, traditionally in silver, must be paid by the family of the groom to the family of the bride. Female suicides, often by swallowing opium, were quite common. A man may have more than one wife; co-wives live together in the same house and treat their children equally.

38. In cases of serious sickness or misfortune, Hmong may invite a shaman to visit the otherworld and locate the missing soul of the patient, as they believe that every person has a number of souls who may wander away from the body or be trapped by evil spirits, causing illness, and it is the shaman's job to diagnose this and to retrieve the soul. There is no specific Hmong political institution above the level of the village or local descent group, and a shaman may act as a leader at times. There is no traditional form of writing for Hmong.¹⁰

39. **Tibet–Chine** linguistic group (about 3%) is formed from the Tibeto–Burman language. This is the least developed group living only in certain parts of the country and consists of people from these tribes—Akha, Lahu, Phounoy. The Akha came from Yunnan and Tibet at the beginning of the 19th century. The Phounoy were the first tribe to move into the Lao PDR; coming from Burma in the 16th century. The Ho people, originally from China were the last to arrive in the Lao PDR. This group is characterized by houses built from wooden and bamboo on the ground; no writing; complex animist religion based on spirits and souls; burn land to cultivate rice and poppies; hunting-gathering. The Akha have several sets of rules governing matters on life, death, marriage, and birth. Akha traditionally marry in their teens or early twenties. Polygamy is permitted. Marriages may be village endogamous or exogamous. Matrimonial systems and reciprocity principles are central to the society.

40. Several government agencies and mass organizations have responsibility specifically on ethnic affairs. The Ethnic Minorities Committee under the National Assembly is responsible for drafting and evaluating proposed legislation related to ethnic groups. Under the Ministry of Information, Culture and Tourism, the Institute for Cultural Research is responsible for research related to ethnic groups. And the mass organization the Lao Front for National Construction has an Ethnic Affairs Department which is considered to be the leading force for ethnic groups. The Department's mission includes “mobilizing, protecting and promoting the benefits of all ethnic groups” and “relaying the requirements, frustrations and real desires of all Lao people to the higher officials.”¹¹

Table 2: Ethnic groups in the project target provinces

Province	Total	Lao/tai	Mon Khmer	Tibet-chine	Hmong/ lu-Mien	Other	not stated	misclassified
Luangnamt	175,753	5,026	43,262	44,760	12,728	45	2,251	0
Bokeo	179,243	23,457	45,153	2,917	27,964	27	5,946	67
Luangprab	431,889	122,763	202,341	25	76,590	65	4,830	3

¹⁰ Adapted from various sources

¹¹ Lao Front for National Construction. 2015. [Ethnic Affairs Department](#).

Province	Total	Lao/tai	Mon Khmer	Tibet-chine	Hmong/ lu-Mien	Other	not stated	misclassified
Huaphanh	289,393	68,380	32,926	2	86,996	44	2,975	3
Xayaboury	381,376	224,334	41,330	99	35,254	35	6,584	5
Xienkuan	244,684	101,241	20,841	5	102,962	78	2,812	3
Vientiane	419,090	247,099	70,298	41	71,220	122	6,209	5
Khammuane	392,052	260,707	319	12	501	389	8,530	39
Saravane	396,942	235,627	116	2	8	187	6,548	47
Champasac	694,023	588,118	699	4	66	455	12,962	18
Attapeu	139,628	52,158	105	2	9	42	3,115	10
Xaysomboun	85,168	19,671	12,128	13	45,718	9	1,387	0
Total	3,829,241	1,948,581	469,518	47,882	460,016	1,498	64,149	200

Source: Census 2015.

B. Potential Impacts on Indigenous Peoples

41. The Project will have significant positive social and economic impacts on beneficiaries including ethnic minorities, by improving and providing safe and reliable piped water supplies and improved sanitation. Reliable piped water supply will increase availability of water, particularly during the dry season when current sources are scarce. Benefits include a reduction in the time spent, mainly by women, in obtaining water during and more productive use of this time; health benefits from use of safe drinking water; water available for handwashing; use of safe sanitation and reduction in open defecation. The Project design incorporates actions that promote equal access for all, including indigenous peoples/ethnic groups, to Project outputs, benefits and additional support if they are found to be vulnerable.

42. The Project adopts free water connections to eliminate connection fee barriers for the poor, especially ethnic groups; targeted subsidies for hygiene latrine construction, provincial utility-wide progressive water tariff structure with 3 consumption blocks, namely lifeline, middle and highest that allow the poor to regulate consumption to reduce water bills but still receive sufficient water. Benefits for the poor will be realized through time savings in water collection, improved health, reduced loss of income earning from ill health and reduced expenditure on health care, and increased access to income-earning opportunities.

43. Any poor, ethnic minority or vulnerable households identified during the resettlement impact screening and planning, experiencing significant resettlement effects will be supported through livelihood restoration measures and other measures to improve their living conditions from pre-project levels, as part of the resettlement and compensation planning and implementation.

IV. SOCIAL IMPACT ASSESSMENT AND EGD FOR SUBPROJECTS

A. Screening

44. Screening is the process of using criteria to (i) determine if the impacts on ethnic groups are significant; (ii) identify the level of assessment and institutional resources required to address IP safeguard issues; and (iii) determine information and consultation requirements. Subproject

screening will be done by the Project Implementation Unit (PIU) with assistance from the project implementation consultants and project coordination unit (PCU) at the Feasibility Study stage, and reconfirmed at the Detailed Engineering Design to ascertain the resource requirements to address potential impacts. The PIUs will consult relevant local authorities, including departments of statistics, and departments of ethnic groups affairs, the and hold meetings with social and ethnic group leaders and/or NGOs/community-based organizations (CBOs) representing the affected communities or households in the project or project component area in order to prepare a census of the affected population and the likely impacts of the project or project component on them. The following information will be collected to assist with screening (Refer to Annex 1 for the Screening Form):

- (i) Name(s) and numbers of ethnic groups in the subproject area;
- (ii) Attachment to habitats and territories;
- (iii) The autonomy and distinctness of the ethnic group; and
- (iv) Potential positive and negative impacts including on culture, livelihood and land.

45. The subprojects will be categorized according to the significance of impacts on Indigenous Peoples communities. The significance of project impacts can be determined by the type, location, scale, nature, and magnitude of potential impacts. The subprojects will be categorized an accordance with ADB SPS requirements, as detailed in ADB Operations Manual Section F1¹².

46. Only subprojects that have minimal to no impact on EGs, or those with purely positive impact will be up-taken for financing. Any the subproject entailing significant impact will be disqualified from financing.

47. When screening confirms likely impacts on Ethnic Groups by the proposed subproject, PIUs will conduct a field-based Social Impact Assessment either as part of feasibility study, detailed design or as a stand-alone activity.

B. Social Impact Assessment

48. The PIU will gather and analyze new and additional information including the identification of EG communities not covered in the initial poverty and social analysis identifies:

- (i) opportunities, constraints, and risks for all poor and marginalized groups related to the project, whether they are EGs or not;
- (ii) establishes a participatory process for the design of the project;
- (iii) prepares design measures to achieve social development outcomes and avoid or mitigate any social risks during implementation

49. The Social Impact Assessment (SIA) will provide a gender sensitive baseline information on the demographic, social cultural and political characteristics of the affected ethnic groups/communities and socioeconomic profile of the indigenous groups in the project area and project impact zone; assess their access to and opportunities to avail themselves of basic social and economic services; assess the short- and long-term, direct and indirect, and positive and negative impacts of the project on each group's social, cultural, and economic status; assess and validate which ethnic groups will trigger the policy principles; and assess the subsequent approaches and resource requirements for addressing the various concerns and issues of project.

¹² <https://www.adb.org/sites/default/files/institutional-document/31483/om-f1-20131001.pdf>.

50. Information will be gathered through meaningful consultation and meetings within the ethnic group, including leaders; separate groups of men and women, especially those who live in the zone of influence of the proposed subproject under the Project. Discussions will focus on the positive and negative impacts of the subproject as well as recommendations on the design of the subproject. The PIU, PCU and the project management consultant (PMC) team will be responsible for assessing the ethnic groups present in the proposed subproject town, and, based on that analysis, developing an action plan with minority ethnic groups. Basic elements of the SIA will include the following:

- (i) A review of the legal and institutional framework applicable to EG in the project context;
- (ii) Identification and confirmation of the presence of EG in the project area and project impact zone;
- (iii) Baseline socioeconomic profile of the ethnic groups in the project area and project impact zone;
- (iv) Assessment of their access to basic social, economic, and community services, including their land and resource use and land tenure system (as relevant);
- (v) Assessment of the short- and long-term, direct and indirect, and positive and negative impacts of the project on each group's social, cultural and economic status and differential impacts of the project on their livelihood systems, culture and socioeconomic status;
- (vi) Assessment and validation of ethnic groups vulnerability;
- (vii) Gender-sensitive assessment of the perceptions among affected EGs of project impacts on them;
- (viii) Report on meaningful consultation with affected EGs on the conduct of the SIA and recommendations for culturally appropriate consultation approaches during project implementation;
- (ix) Recommendations for culturally appropriate methods to proportionally include EGs in receiving project benefits;
- (x) Recommendations for culturally appropriate mitigations plans, if negative effects are unavoidable, including measures to avoid impacts on indigenous lands and natural resources in indigenous lands (as relevant);
- (xi) Recommendations for resource requirements and culturally appropriate institutional arrangements to address the various project-related concerns and issues; and
- (xii) Identification of culturally appropriate indicators for monitoring project activities.

51. If the screening and SIA indicate that the proposed project will have impacts, positive and/or negative, on Ethnic group, the PIU with support of PMC will prepare an EGDP in the context of the SIA and through meaningful consultation with the affected Ethnic group communities.

C. Ethnic Groups Development Plan

52. The EGDP will identify positive and negative impacts of the subproject and recommend measures to avoid and/or minimize and mitigate and compensate for potentially negative impacts. This might include modification of subproject design and development assistance. Where there is land acquisition in ethnic minority area, the Project will ensure that ethnic minority rights will not be violated and that EGs will be compensated for the use of any part of their land in a manner that is culturally acceptable to them. The compensation will be in keeping with Entitlement Matrix as provided in the Land Acquisition and Compensation Framework (LACF) of the Project.

53. If Ethnic groups are the sole or the overwhelming majority of direct project beneficiaries, and when only positive impacts are identified, the elements of an IPP (EGDP) will be included in the overall subproject design in lieu of preparing a separate EGDP. In such cases, the PIU in consultation with PCU and with the help of the Project Management Consultant (PMC) decide to prepare a “specific action” plan in a due diligence report summarizing about how the project/subproject complies with ADB’s Indigenous Peoples safeguards, and detailing required actions to address the ethnic groups issues without preparing a stand-alone EGDP. The action plan will also include a plan for continuing meaningful consultation with EGs, accrual of beneficial measures, and capacity building integrated into the project and subproject design.

54. Any EGDP or DDR prepared under this Project will be endorsed by the EA before sending to ADB for final clearance. The PIU will submit the draft EGDP or DDR to ADB for review and concurrence prior to subproject proceeding. The draft EGDP, if required, will be included as part of the feasibility studies and final EGDP or DDR as part of the detailed design report and bidding documents prepared for the subproject. Categorization will be confirmed as part of the subproject appraisal report for the subproject. The draft and final EGDP must comply with ADB’s Safeguard Policy Statement (2009), and to be eligible must not entail significant impacts. The outline for EGDP is attached in Annex 2¹³.

V. CONSULTATION AND PARTICIPATION

55. The Government of the Lao PDR (GOL) will ensure through PIU, village authorities and with support from PMC meaningful consultation of all ethnic groups in the proposed subproject areas and will facilitate their informed participation (i) in designing, implementing, and monitoring measures to avoid adverse impacts or, when avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (ii) in tailoring project benefits for affected Ethnic groups communities in a culturally appropriate manner. To enhance ethnic group’s active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the Ethnic group’ concerns.

56. To ensure full and open disclosure with ethnic groups, all communication concerning the Project will take place in a timely and appropriate manner - in the ethnic language of the ethnic groups and in a culturally appropriate way. Meaningful consultations will be arranged in villages, using participatory methodology and the ethnic minority language(s). Information will be posted in a central public location such as the village meetings venue or village head’s house. For illiterate people information will be explained in local and understandable language (i.e. without using technical terminology etc.) and ample time will be provided for feedback. Special attention will be paid to consulting ethnic minority women, to ensure they are meaningfully consulted, contribute to the project design, and have the opportunity to share their concerns and recommendation on the specific subprojects.

57. Information shared with the project-affected ethnic minority communities will provide enough project context and planning to enable them to understand the intent and scope of project activities and participate meaningfully in project consultations that will be conducted in the local language if the community prefers this. Such information will cover the following:

¹³ Annex 2 is an outline as provided in the SPS. When prepared for the subproject, the contents will be retained, but the title will be changed to EGDP

- (i) the nature, scope, and duration of any proposed subproject and the reason for the proposed subproject;
- (ii) preliminary assessment of the likely economic, social, cultural, and environmental impact and risks to the EGs and potential equitable benefit sharing;
- (iii) the specific sites and groups that will be affected;
- (iv) the choices or options available to the affected EGs;
- (v) personnel or parties likely to be involved in executing the project (including EGs, government employees, NGOs etc.);
- (vi) procedures that the project may entail for continuous consultations; and
- (vii) a GRM to be put in place.

58. Local people's opinions will be recorded through minutes from the meetings. Notes will also be taken from all regular meetings between PIU and ethnic leaders or village representatives chosen at village meetings. All the concerns and recommendations from involved people will be recorded and brought into the project planning process and used during implementation to adjust project activities. Any concerns, claims or grievances brought up in meetings or other consultations will be recorded in the same way.

59. The Consultation and Participation Plan document, Table 2: Consultation and Participation Plan, and Table 3: Stakeholder Communication Strategy provides for meaningful consultation including with ethnic minorities in the subproject areas throughout project cycle.

60. The project activities do not entail significant Ethnic group impacts, neither they require broad community support (BCS). Subprojects with significant EG impact will be screened out at the feasibility study and detailed design stages. Hence, no specific measures or plan is provided for in this document.

VI. DISCLOSURE

61. Project information will be made available to the affected ethnic groups in the form of leaflets or brochures translated into the local language. The draft EGDP translated into the local language will be disclosed at village level in a public meeting including all relevant stakeholders, with the final EGDP also disclosed at a public meeting. Women representing affected households must be present at the disclosure meetings. Copies of the EGDP and information from monitoring reports will be available at the village authority offices, District Authority and Office of Public Works and Transport (OPWT).

62. The draft and final EGDs and EGDF approved by the GOL and cleared by ADB will be made available on the ADB website, together with monitoring reports and corrective action plans, if any.

VII. GRIEVANCE AND REDRESS MECHANISM

63. The Prime Minister Decree No 84 (2016) known as the Decree on Compensation and Resettlement Management in Development Projects requires the subproject to establish an effective mechanism for grievance resolution. The government's legal requirements for this mechanism are further described in Part VI of the Decree's implementing regulations.

64. The loan covenants stipulate the GRM requirements of the ADB for the project. The mechanism to address any grievances on indigenous peoples safeguards compliance issues is the same as the one designed to address grievances related to land acquisition and compensation. The objective of the grievance redress mechanism is to resolve complaints as quickly as possible at the local level through a process of conciliation, and if that is not possible, to provide clear and transparent procedures for appeal. All affected persons will be made fully aware of their rights, and the detailed grievance redress procedures will be publicized through an effective public information campaign. An aggrieved affected person (AP) or affected household (AH) will be free from any fees in connection with the lodging and resolution of complaints, as the costs will be borne by the Executing Agency and the appointed contractors.

65. Villages consulted about grievance procedures have all identified the village level as the most appropriate and accessible level to resolve any minority ethnic groups conflicts and disputes. Any ethnic institutions and organizations, or mass organizations, in the affected area will also be consulted and/or involved in resolving any disputes involving minority ethnic groups/households that may arise, as needed.

A. Type of Grievances

66. Complainants are entitled to lodge complaints regarding any aspect of the project. Any affected person will be able to submit a grievance if they believe a practice is having a detrimental impact on the community, the environment, or on their quality of life. Eligible grievances or complaints include:

- a) Negative impacts on a person or a community (e.g. financial loss such as from loss of water, loss of roadside trees, health and safety issues, nuisances, etc.).
- b) Dangers to health and safety or pollution of the environment.
- c) Hazards due to construction activities (e.g. noise, dust, disruption of access, etc.)
- d) Impacts on social infrastructure.
- e) Failure to comply with standards or legal obligations.
- f) Improper conduct or unethical behavior of contractor leading to nuisance of affected person(s).
- g) Misuse of funds and other irregularities.
- h) Grievances due to land acquisition, resettlement, compensation, relocation and unaddressed losses.
- i) Complaints related to gender issues.

B. Grievance Resolution Process

67. Complaints can be made verbally or in written form. It is recognized that in many cases, complainants do not have the writing skills or ability to express their grievances verbally, however, complainants are encouraged to seek assistance from family members or village heads, to have their grievances recorded in writing and to ensure that where disputes do occur, and all the details have been recorded accurately enabling all parties to be treated fairly. In the case of verbal complaints, a written record of the complaint will be made during the first meeting with the complainant. Complainants who present their complaints within the prescribed procedures will be exempt from all administrative fees incurred. In addition, complainants who lodge complaints and appeals to district courts will be provided with free legal representation.

C. Arbitration Committees

68. The subproject's GRM will rely on the existing village arbitration units that have already been established in the villages. The village arbitration units generally consists of the village chief, deputy chief, village secretary, and village representative of the Lao Women's Union, Lao Front for National Construction, village elders, youth, and village land taxation unit. The arbitration unit is responsible for settling disputes between villagers through conciliation and negotiation. In the absence of these units, the members of the village committee (if formed) or the village leaders will act as grievance officers.

69. Project entry points to the GRM will also be identified and displayed. The contact details of the PIU, GRM Focal Contact Persons and Construction Manager will be prominently displayed in the respective construction areas for the reference of the affected communities/persons. Complaints and grievances can be directly filed, both written and verbal, to the concerned entities. This will provide alternative entry points to the village complaint system.

70. The affected households (AHs) may present their complaints to the concerned local administrative officials and resettlement committees. The complaint can be filed first at the village level and can be elevated to the highest or provincial level if the affected persons (APs) are not satisfied with the decisions made by the arbitration unit at village level.

71. At the district and provincial levels, the district and provincial resettlement committees will act on grievances or complaints that have not been resolved at the village level. The District Resettlement Committee (DRC) are composed of the Vice District Governor, Director of the DPWT, and representatives of the District Natural Resources and Environment Office, health office, police office, education office, Lao Women's Union, Lao Front for National Construction, and youth office. A representative of the PIU of the subproject is a member of the district resettlement committee.

72. The Provincial Resettlement Committee (PRC) is headed by the Vice Provincial Governor and is composed of representatives of provincial departments such as the DPWT, DONRE, health department, police department, and education department, Lao Women's Union, Lao Front for National Construction, and provincial youth department. The representatives of the PIU and the PNP are members of the PRC.

D. Grievance Redress Procedures

73. All complaints and resolutions will be properly documented by the concerned committee and be available for public review and for monitoring purposes. As a general policy, the PNP and PIU will work proactively toward preventing grievances through the implementation of impact mitigation measures and community liaison activities that anticipate and address potential issues before they become grievances. Nonetheless, during construction and operation it is possible that unanticipated impacts may occur if the mitigation measures are not properly implemented, or unforeseen issues occur. The procedures for the grievance resolution process are detailed in Table 3.

Table 3: Grievance Redress Procedures

NO.	STAGES
1	<ul style="list-style-type: none"> • Stage 1 (Village – Subproject Area). In the first instance, complainants will raise complaints or grievances to the village arbitration unit or other designated village grievance officers. The unit will organize a meeting with the complainants to resolve the issue using its traditional methods of conciliation and negotiation. The meeting will be held in a public place and will be open to other members of the community to ensure transparency. The meeting aims at clarifications and amicable solution with the complainant. This mediation aims at a village internal immediate solution agreed with the subproject. If the complaint cannot be solved at this stage, the next step will apply.
2	<ul style="list-style-type: none"> • Stage 2 (District Implementing Level). If within 5 days of lodging the complaint and no understanding or amicable solution can be reached or no response is received from the arbitration unit, the complainant can bring the complaint to the DRC or other district level arbitration unit. The arbitration unit will meet with the complainant to discuss the complaint and provide a decision within 10 days of receiving the appeal.
3	<ul style="list-style-type: none"> • Stage 3 (Provincial Implementing Level). If the complainant is not satisfied with the decision of the DRC/arbitration unit or in the absence of any response, the complainant can appeal to the PRC with contribution of authorities and village representative/s. The PRC will meet the complainant to clarify the complaint and will inform the complainant about its decision aiming to solve the complaint. The PPSC will provide a decision on the complaint within 10 days.
4	<ul style="list-style-type: none"> • Stage 4 (Ministerial Project Executive Level). If the AP is still not satisfied with the decision of the PRC, or in the absence of any response within the stipulated time, the complainant can submit his/her grievance to DWS. The DWS acting on behalf of the MPWT will render within 10 days of receiving the appeal.
5	<ul style="list-style-type: none"> • Stage 5 (Country Level). As a last resort, the complainant may submit his/her case to the Court of Law. The complaint will be lodged with the Court of Law. The Court will take note and register the case and will provide the final juristic decision. The DWS will be responsible for forwarding the complaint and ensuring its process in the courts.

AP = affected person, DRC = district resettlement committee, DWS = Department of Water Supply, MPWT = Ministry of Public Works and Transport, PPSC = provincial project steering committee, PRC = provincial resettlement committee.

74. At each stage of the grievance redress process, written records will be maintained. The IAs have the responsibility to ensure that the filing of complaints are prepared and forwarded to the DRC documenting the following: (i) complaints received; (ii) names and other pertinent information about complainants; (iii) dates of the original complaint, meetings and any other actions; and (iv) outcomes and/or resolution. The DRC, PRC, and DWS (or PCU acting for DWSP) will each maintain similar records for appeals that are submitted to them. The records of grievances per the subproject will be included in Project's semi-annual social safeguards monitoring reporting.

75. All legal and administrative costs incurred by APs and their representatives throughout this process are to be covered by the Project.

76. Information regarding the GRM will be posted in Lao language and at relevant entry points to the project including at contractors' camps and village offices. GRM related information will also be explained during community consultations, including FGDs with women and other vulnerable groups, and special arrangements will be made to explain GRM procedures and get feedback on the preferred way of filing complain from the illiterate affected persons.

77. If efforts to resolve complaints or disputes remain unresolved and unsatisfactory following the government GRM, the affected persons/households have the right to send their concerns or

problems directly to ADB's Operations Department, i.e., Urban and Water Division, Southeast Asia Department (SERD) or through ADB Lao PDR Resident Mission. If the AP is still not satisfied with the responses of SERD, he/she can directly contact the ADB's Office of the Special Project Facilitator (OSPF) as outlined in the "Information Guide to the Consultation Phase of the ADB Accountability Mechanism". The Information Guide can be downloaded through this link: <https://www.adb.org/documents/information-guide-consultation-phase-adb-accountability-mechanism>.

VIII. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

78. The Ministry of Public Works and Transport (MPWT) will be the Executing Agency (EA) for the WSSP, with delegated responsibility to the Department of Water Supply (DWS). The national project steering committee (PSC) chaired by the Vice Minister, MPWT, which was established for the Small Towns Development Project and the Northern and Central Regions Water Supply and Sanitation Sector Project will continue to provide policy guidance and direction for this Project.

79. A Project Coordination Unit (PCU) has been established within the DWS for the Water Supply and Sanitation Sector Project; the PCU has been expanded to enable it to also coordinate and facilitate the implementation of the WSSP. It will manage and coordinate the preparation, detailed design, procurement of goods and services and capacity building for all subprojects included in the WSSP, in consultation with provincial Project Implementation Units (PIUs) and with the assistance of the PMC. The PCU will also recruit and manage the PMC.

80. The provincial Department of Public Works and Transport (DPWT) and the PNPs will be the Implementing Agencies (IAs) in each Project province.

81. A Project Implementation Unit (PIU) will be established under the DPWT in each Project province/district. The PIU will be responsible for day-to-day coordination and supervision of subproject implementation in the Project province and district. The PIU will comprise staff from the Provincial Nam Papa (PNP) and provincial- and district-level agencies, with expertise in project management, construction coordination, contract administration, accounting, water supply systems, drainage and sanitary engineering, O&M, environmental management, community development/resettlement, and community health, awareness and participation.

82. Any ethnic institutions and organizations in the affected area will also be involved in implementing the EGDP. At provincial level, the PIU will be responsible for day-to-day implementation and management of subprojects. Each PIU will have a representative responsible for overseeing the screening and management of safeguard documents. The LNFD will be consulted and involved during the project cycle to ensure there is no conflict and ethnic minorities are fully involved.

IX. MONITORING AND REPORTING ARRANGEMENTS

83. The PIU will set up an internal monitoring system with the help of the Safeguards Consultants and Resettlement Specialists of PMC team to monitor the implementation of the EGDPs as required. Monitoring indicators will be established. Reporting / monitoring formats will be prepared for internal monitoring.

84. All subproject feasibility studies will include a social impact assessment and will provide information on whether an EGDP is required. In case an EGDP is required, it will be implemented by the PIU with support from the project management consultants. PIU will monitor the progress of EGDP and provide PCU information for regular reporting, as part of the project reports as impacts are expected to be limited. The internal monitoring will: (i) verify that the demographic baseline information of all affected ethnic groups is complete. (ii) track the engagement of ethnic groups in the various stages of the project cycle. Data to be collected should be consistent with indicators set up in the Project Design and Monitoring Framework (DMF); (iii) determine whether EGDF was carried out as planned (e.g., ethnic group's perception of effectiveness, the cultural appropriateness of project activities, inclusiveness of consultations, and the level of involvement of ethnic group representatives in the design and implementation of project components); (iv) ensure that the EGDP/EGDP is implemented as designed and approved; (v) record and report on all grievances and their resolution and ensure that complaints are dealt with in timely manner with special emphasis placed on traditional conflict resolution practices.

85. A semi-annual safeguard monitoring report will be prepared by PIU based on the status of the project implementation in the project provinces. The semi-annual safeguards report will be submitted to PMU for approval, which then submits to ADB for clearance and disclosure on its website. The monitoring reports will also be disclosed locally through commune notice boards.

X. BUDGET AND FINANCING

86. In case an EGDP for a subproject is required, the EA will have the primary responsibility for the preparation of the EGDP and as such will also prepare a detailed budget taking into account all the activities associated with the formulation and implementation of the EGDP. Each sub-project EGDP will have its own budget and will form an integral part of the overall sub-project budget. This will be included in the subproject feasibility study, if an EGDP is required.

87. If impacts are limited to land acquisition or resettlement, special mitigation and allowance measures may be included as part of the land acquisition and compensation plans. EGDP

88. Costs related to the implementation of the EGDP may include the costs of mitigation, potential land acquisition, resettlement and compensation costs, external monitoring and ethnic minority experts, capacity development, and participation costs.

Appendix 1: Ethnic Peoples Screening Form

Water Supply and Sanitation Sector Project

ETHNIC PEOPLES CATEGORIZATION

A. Introduction

Each subproject of the Water Supply and Sanitation Sector Project (WSSP) is assigned an ethnic peoples impact category depending on the *significance* of the probable ethnic impacts.

B. Information on WSSP Subproject

Subproject town / district	
Province	
Scope of subproject (description of the nature and scope of works)	
a) Water supply system	
b) Sanitation	
c) Other	

C. Ethnic Peoples Impact Screening Checklist

Screening for impact on Ethnic Peoples is to be conducted during preparation of the WSSP Feasibility Study for the subproject.

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
A. Ethnic Peoples Identification				
1. Are there socio-cultural groups present in or use the project area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), "minorities" (ethnic or national minorities), or "indigenous communities" in the project area?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				

KEY CONCERNS (Please provide elaborations on the Remarks column)	YES	NO	NOT KNOWN	Remarks
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?				
8. Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target Indigenous Peoples?				
10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)				
11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)				
12. Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?				
C. Identification of Special Requirements <i>Will the project activities include:</i>				
13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples ?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?				

D. Anticipated subproject impacts on Ethnic Peoples

Subproject Component/ Activity/Output	Anticipated Positive Effect	Anticipated Negative Effect
1.		
2.		
3.		
4.		
5.		

E. Ethnic Peoples Impact Category

[]	Category A , Significant impacts on Ethnic People: Both EPP and SIA are required.
[]	Category B , Limited impact on Ethnic People. Both EPP and SIA are required.
[]	Category C , Not expected to have any impact on Ethnic People. No special provisions required.

Prepared By: Signature: Name: Position: Date:	Verified by: Signature: Name: Position: Date:
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Appendix 2: Outline of an Indigenous Peoples/Ethnic Groups Development Plan

NOTE: The term Indigenous Peoples in the Outline and the plan itself will be replaced with country-specific equivalent term “ethnic groups”.

This outline is part of the Safeguard Requirements 3. An Indigenous Peoples plan (IPP) is required for all projects with impacts on Indigenous Peoples. Its level of detail and comprehensiveness is commensurate with the significance of potential impacts on Indigenous Peoples. The substantive aspects of this outline will guide the preparation of IPPs, although not necessarily in the order shown.

A. Executive Summary of the Indigenous Peoples Plan

1. This section concisely describes the critical facts, significant findings, and recommended actions.

B. Description of the Project

2. This section provides a general description of the project; discusses project components and activities that may bring impacts on Indigenous Peoples; and identify project area.

C. Social Impact Assessment

3. This section:

- (i) reviews the legal and institutional framework applicable to Indigenous Peoples in project context.
- (ii) provides baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
- (iii) identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with Indigenous Peoples at each stage of project preparation and implementation, taking the review and baseline information into account.
- (iv) assesses, based on meaningful consultation with the affected Indigenous Peoples communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected Indigenous Peoples communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
- (v) includes a gender-sensitive assessment of the affected Indigenous Peoples' perceptions about the project and its impact on their social, economic, and cultural status.
- (vi) identifies and recommends, based on meaningful consultation with the affected Indigenous Peoples communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project.

D. Information Disclosure, Consultation, and Participation

4. This section:

- (i) describes the information disclosure, consultation and participation process with the affected Indigenous Peoples communities that was carried out during project preparation;
- (ii) summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
- (iii) in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected Indigenous Peoples communities and any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
- (iv) describes consultation and participation mechanisms to be used during implementation to ensure Indigenous Peoples participation during implementation; and
- (v) confirms disclosure of the draft and final IPP to the affected Indigenous Peoples communities.

E. Beneficial Measures

5. This section specifies the measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

6. This section specifies the measures to avoid adverse impacts on Indigenous Peoples; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected Indigenous Peoples groups.

G. Capacity Building

7. This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the project area; and (b) Indigenous Peoples organizations in the project area to enable them to represent the affected Indigenous Peoples more effectively.

H. Grievance Redress Mechanism

8. This section describes the procedures to redress grievances by affected Indigenous Peoples communities. It also explains how the procedures are accessible to Indigenous Peoples and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

9. This section describes the mechanisms and benchmarks appropriate to the project for monitoring, and evaluating the implementation of the IPP. It also specifies arrangements for participation of affected Indigenous Peoples in the preparation and validation of monitoring, and evaluation reports.