

PUBLIC PARTICIPATION IN DEVELOPMENT PROJECTS IN LAO PDR

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1. Introduction

Lao PDR, situated in the center of the Southeast Asian Peninsula, has an area of 236,800 km², extending some 1,000 km from north to south, 500 km from east to west at its widest point, and 120 km east to west at its narrowest point. It is a landlocked country, and government policy is formulated based on corresponding expectations. Lao PDR is mainly situated in the lower watershed of the Mekong River, which traverses the country from north to south. Almost 80 percent of the land surface is hilly and mountainous terrain. Rising between 200 m and 3,000 m above the Mekong alluvial plain, the mountainous terrain renders internal and external communication difficult and costly. This restricts the amount of land suitable for intensive agricultural production. Yet, in combination with the numerous narrow river valleys, it also provides the country with significant hydropower potential.

The Mekong River and its tributaries have played and continue to play an important role for the people who live in Lao PDR. More than 85 percent of the total landmass of the country drains into the Mekong River. Furthermore, roughly 1,865 km of the Mekong River flows along the border. Similarly, the watershed represented by Lao PDR is of great significance to the Mekong River and the other riparian countries. Lao PDR contributes 35 percent of the total flow of the entire river, the largest contribution of any of the riparian countries.

The climate is tropical and dominated by the southwest monsoon, which brings high rainfall, high humidity, and high temperature between mid-April and mid-October. While over 70 percent of the rainfall occurs during the wet season, the climate is characterized by high inter-annual variability, with relatively frequent flooding and drought. Average temperatures range from around 20° C in mountainous areas and highland plateaus to 25° C to 27° C in the plains.

Several key social indicators point to notable improvements over the past decade, especially in urban areas. They include:

- Life expectancy has increased from 48 to 51 years;
- The population growth rate has decreased from 2.5 percent to 2.4 percent;
- Unemployment has remained low at 3 percent;
- Urban access to safe water has nearly doubled from 28 percent to 54 percent;
- Urban access to sanitation is up from 28 percent to 97 percent;
- Urban daily calorie intake is up from 97 percent to 111 percent of required levels;
- Health (1 percent) and education (2.2 percent) expenditures as a percentage of GDP have doubled.

However, the economy remains undiversified and is heavily dependent on the country's natural resource base. Poverty levels in Lao PDR are a cause for concern. Recent consumption and expenditure analyses have shown that 65 percent of the population are considered to be living in conditions of poverty, and two-thirds of this is families. Other social indicators point to alarmingly low health and education levels, which inhibit the country's social well being, human resource development, and long-term economic growth.

The Lao government is undertaking an adjustment program aimed at hastening the transformation to a market-oriented economy, while establishing a stable economic framework and improving the social conditions of the people. The government's objectives include improvement of returns from public sector investment for infrastructure such as health, education, and social services.

The ultimate aim of the Lao government is to undertake sustainable development, which must be done for people and by people. Obviously, if people do not see the inter-relationship between sustainable development and environmental protection, they will not be able to lead development in the right direction. Building up people's environmental awareness will enable them to contribute to environmental protection. Similarly, public participation in development projects in Lao PDR will increase people's environment awareness, and will contribute to the realization of the Lao government's development policy that sustainable development must be done for people and by people.

2. Objective

The main objectives of this paper are to undertake collaborative research with other institutions in the Mekong region, and to share experiences on public participation in development projects in Lao PDR with other research partners. At the same time this will allow public participation and consultation in Lao PDR to be implemented in an effective manner, both for the well being of the people and for sustainable development.

3. Status of the Public Participation Process

Lao PDR has a long tradition in participation and consultation. Participants are all people in a society involved in political, economic, and social activities. The government is aware of the need to solicit proposals and suggestions from local communities about policies, the Constitution, and development strategies to encourage communities to express their views and increase their sense of ownership and responsibility in the future of the country.

3.1 *What is Public Involvement?*

3.1.1 *Basic principles*

Involvement of the public is not a new concept in Southeast Asia. In Lao PDR, for example, achieving broad consensus is an integral part of decision making about matters of national interest, such as the drafting of laws, or the development of the national Constitution. The preamble to this document states: *"...This constitution is the product of the process of discussion by the people throughout the country..."*

However, the public involvement approach evolves from existing consensus approaches because it is systematic—touching each decision-making point during the course of a project. The principal aim of public involvement is to create openness and dialogue from the outset of a project.

At the same time, the public involvement approach recognizes that there are no prescriptive methods for involving the public in decision-making. While the underlying principles of public involvement may be applicable to all countries (and most types of projects), the precise form that it takes (in terms of mechanism and the degree to which the public is permitted to participate) will vary considerably from one society to another (according to socio-political and cultural context) and from one project to another.

3.1.2 *Defining Public Involvement*

Public involvement can be defined as a process through which the views of all interested parties (stakeholders) are integrated into project decision-making. The best examples of public involvement are those where it becomes part of the developer's "state of mind", rather than simply following a set of guidelines or procedures.

Public consultation and participation has played a key role in the continued planning of development projects. As the sections below will describe, public participation and consultation has had five primary roles and benefits, namely:

- Project design has been improved to reduce negative and enhance positive impacts of projects;

- Project enhancements have reduced risks;
- Detailed planning has been facilitated and implementation will also benefit;
- Project sustainability has been achieved through increased public understanding and support of projects and the ability for other projects to be conceived and implemented in a complementary fashion; and
- Participation and involvement of directly affected stakeholders in project planning and implementation.

In Lao PDR, there are four levels of public participation:

- 1) **Information gathering:** involving a systematic analysis of existing social, cultural, and economic conditions about directly affected groups of stakeholders (such as farmers or indigenous minorities);
- 2) **Information dissemination:** referring to the provision of information about a project to all interested parties (stakeholders). Stakeholders cannot genuinely be consulted or participated if they are not fully informed about the objectives of a project;
- 3) **Consultation:** where decision-makers listen to the views of other stakeholders in order to improve project design prior to implementation, or to make necessary changes during implementation. Consultation should involve government, affected parties, donor agencies, mass awareness organizations, and NGOs (local and/or international); and
- 4) **Participation:** is an extension of consultation where directly affected groups become joint partners in the design and implementation of projects. They participate in “making” the decisions.

3.2 Policies of the Lao Government

The Lao government has placed strong emphasis on public participation issues. Government policies and directions related to public participation have been shown through a number of articles provided in the Constitution, laws, decrees, notices, guidelines, etc.

The Constitution of the Lao People’s Democratic Republic states clearly the policy of the Lao government on public participation issues. The Constitution takes into account the right and obligation of Lao citizens through a number of articles. Article 2 stipulates that: “The Lao People’s Democratic Republic is the People’s Democratic State. All power is of the people, by the people, and for the interests of the multi-ethnic people of all strata in society with workers, farmers, and intellectuals as the core.” Article 28 states that “Lao citizens have the right to lodge complaints and to propose ideas to relevant state organizations in connection with issues pertaining to the rights and interests of collectives or of their individuals. Complaints, petitions and ideas of citizens must be considered for solutions as prescribed by law.” Article 31 also stipulates that “Lao citizens have freedom of speech, press, and assembly, of associations and of demonstrations, which are not contrary to the law”.

Based on the Constitution, public participation issues have been provided within a number of laws, decrees, notices, guidelines, etc. regarding sector-based specific requirements. In Lao PDR, all key legislation relating to land (1996), water (1996), mining (1997), electricity (1997) and forestry (1997) takes account of the need to minimize adverse social and environmental impacts. The Mining Law also addresses the need to avoid economic hardship for project-affected people. In addition, in 1999, the Lao government approved an Environmental Protection Law that made provisions for the need to consult with project affected people during the environmental assessment process. The Lao government has also developed a draft resettlement policy (1997) which provides that “the population participates in the consultation, planning, and design process of their new settlement and production areas” (Article 1.2).

Below are some of the specific public participation issues related to each sector:

- The protection of the environment in Lao PDR is anchored in the constitution of the country as being the “obligation of all citizens.” The Environmental Protection Law stipulates that all persons and organizations residing in the Lao PDR have an obligation to protect the environment. The provision of relevant data and information, raising public awareness, and educating citizens to see the importance of the environment are encouraged. Within the framework of institutional arrangements,

the environmental management and monitoring process includes all organizations, from local grassroots organizations to high-ranking central levels. These are composed of village administrations, Environment Management and Monitoring Units at the district level, Environment Management and Monitoring Units at the provincial, municipal or special zone level, Environment Management and Monitoring Units at the ministerial level, and the Science Technology and Environment Agency as a whole. The Environment Protection Law, Article 5, section 8 affirms that environmental impact assessments (EIAs) shall include the participation of local administrations, mass organizations, and people likely to be affected by the respective development projects or activities.

- In addition, Article 6 of the Final Draft of Environmental Impact Assessment Guideline of the Lao PDR specifically mentions the environmental commitments and obligations of different partners, such as project developers, affected people and other stakeholders. Participatory principles, approaches, and methodologies to implement this guideline are also provided.
- The Water and Water Resources Law stipulates that water and water resources are the property of the people of Lao PDR. Water and water resources developers must contribute funds for water sources and water resources. If water sources development requires human resettlement, the developers or projects must make adequate arrangements and provide funding for such resettlement.
- In addition, under the Water Resources Coordination Committee, which plays an advisory role to the government on water and water resources-related issues, some key documents have been drafted:
 - (i) A Draft Decree to implement the Water and Water Resources Law and to establish the responsibilities of different ministries, agencies, and local authorities with regard to the management, exploitation, development, and use of water and water resources;
 - (ii) A Draft Policy on Water and Water Resources to ensure that management, exploitation, use, and development of water and water resources is sustainable, equitable, and supports the goals of socio-economic development and environmental protection of the Lao PDR; and
 - (iii) Policy planning for the creation of public awareness in the development, management, and use of water resources. The main goals in raising public awareness are:
 - To increase understanding among Lao people of the importance of water and water resources and the vulnerability of these resources, and the sense of right and wrong concerning the development, management, use, and preservation of water.
 - To allow public involvement to be implemented in an effective manner, for the well-being of the people and for the sustainable use of water resources. In the drafting process of these documents, a number of discussion meetings with different line agencies were organized at all levels throughout the country, providing an opportunity for relevant agencies to contribute their views and raise their concerns.
 - To gather comments, suggestions, data, and information, which were raised at these meetings, in order to ensure that the documents are consistent with the country's current situation.
- The articles of the Forestry Law state that "... the government promotes individual and organizational involvement in the forestry conservation, rehabilitation, reforestation, and extension processes by providing policies, regulations, and measures, in order to ensure the abundance, values, and sustainability of the forestry resource"; "... After the forestry allocation and classification processes identify forest areas and forest lands, the government will transfer authority to local governments; the provincial and municipal authorities will transfer authority to district authorities, and then responsibility for forest resources will be passed to village administrations. The provincial authorities, municipality authorities, and district or village administrations that share borders will be involved in this process."
- The Electricity Law stipulates that, in electric power plant construction, the EIA process must take into account impacts to the communities living within the project areas.

Lao PDR is party to several international conventions, such as the Convention on Biodiversity, the Climate Change Convention, the Convention on Desertification, the Vienna Convention, and the Montreal Protocol. Several of the challenges related at global meetings are in many instances already

reflected in government policies, notably in the Environmental Action Plan and the Tropical Forest Action Plan. This is in cooperation with the rest of the world, as well as in the enlightened interest of the Lao government.

Most of funds for public infrastructure in Lao PDR come from bilateral and multilateral agencies. The exception is the hydropower sub-sector, which also obtains funding from the multi-national private sector. Hydropower development is vital for the country's economy, as Lao PDR does not have many sustainable development options (hydropower, forestry, tourism, etc.) Most existing dam construction projects were identified before 1975, without much consideration for potential impacts. However, the Lao government recognizes the tremendous amount of valuable work performed by the World Commission on Dams (WCD) during the two years of its existence. The WCD report provides highly useful global feedback from existing dams, and guidelines for the present and future development of new projects. The government shares the five core values of equity, efficiency, participatory decision-making, sustainability, and accountability outlined by the WCD Report, as well as the proposed "right and risks" approach. The Lao government is eager to reassess its hydropower and irrigation resources in the new manner described in the WCD report. The government can however only do so when funding from the international financial institutions becomes available on a grant basis. An important criterion for the Lao government is that delays in project implementation must be avoided.

In the case of the Nam Theun 2 Hydropower Project (NT2), NT2 has become a model project, which had already complied with many recommendations of the WCD before the Commission's report became available. The government and the Nam Theun 2 Electricity Consortium (NTEC) are currently evaluating to what extent NT2 can be compliant with other WCD guidelines.

3.3 Legal and Institutional Framework

Before the earth summit, there was no organization responsible for general, macro-environment matters. In 1993, one year after Rio, the Science Technology and Environment Agency (STEA) was founded by Prime Minister decree to serve as the center for the coordination of science, technology, and environment-related activities. Specifically, STEA is the national focal point for public participation in the process of EIA review of development projects in Lao PDR, and formulates public participation guidelines at the national level.

Inter-ministerial cooperation on environment is promoted by the existing Inter-Ministerial Working Group on Environment (IMWG). Medium-level cadres from ten ministries (Ministry of Agriculture and Forestry, Ministry of Industry and Handicraft, Ministry of Communication Transport Post and Construction, Ministry of Public Health, Ministry of Education, Ministry of Commerce, Ministry of Justice, Ministry of Interior, Ministry of National Defense, and the State Planning Committee) and STEA have created a forum for discussion, meetings, and training on environment related matters. This forum is a collective advisory board drawn by STEA from the most important line ministries. Its main functions are to be a channel for policy dialogue at a technical level between STEA and the ministries, and to serve as a forum for an exchange of views and experiences. IMWG is still working on an ad-hoc basis, members being invited specifically to each meeting by STEA. In view of the importance of the IMWG, the possibility of granting it a permanent and established mandate is currently being considered within STEA and related legislation is underway.

Mass Organizations, such as the Lao Women Union, the Lao Front for National Construction, and the Lao Youth Union are also in charge of public participation in development projects.

Based on national policy, the line ministries in consultation with the provincial authorities prepare sector policy, strategy, and action plans. The State Planning Committee (SPC), in close coordination with various ministries, is responsible for the formulation of the five-year plan, cross-sector programs, the public investment program, and long-term strategic planning.

Recently, there have been different projects and programs supported by bilateral and multilateral agencies. In 1997, the predominance of bilateral assistance support was from Japan, Germany, Sweden, Australia, France, USA, Thailand, Switzerland, Norway, and the Netherlands, amounting to more than US\$165

million. The three main multilateral donors in Lao PDR continue to be the Asian Development Bank (ADB), the World Bank, and the United Nations (UN) agencies. The ADB was the largest multilateral contributor with loans and modest technical assistance grants amounting to US\$87.9 million. World Bank disbursements were registered at US\$73.9 million. The UN agencies (FAO, IFAD, ILO, UNDCP, UNDP, UNFPA, UNHCR, UNICEF, WFP, and WHO), the largest multilateral grant provider, contributed a total of US\$33.9 million. Within the UN agencies, the United Nations Development Program (UNDP) and the World Food Programme (WFP) were the two largest contributors. The principal NGO donors in Lao PDR were World Vision Lao and Cooperation Assistance for Relief Everywhere (CARE) International, contributing or implementing a combined amount of US\$2.7 million.

This assistance can be separated into 16 different sectors: economic management, development administration, natural resources, human resources development, agriculture (including forestry and fisheries), area development, industry, energy, international trade, domestic trade in goods and services, transport, communications, social development, health, disaster preparedness, and humanitarian aid and relief.

The recent entry of Lao PDR as a full member of the Association of Southeast Asian Nations (ASEAN) highlights a continuing process of economic integration in the wider region. The real implications of this will take some time to materialize.

4. Lessons Learned

The lessons and experiences acquired by each sector in terms of awareness-raising and the implementation of public participation policies are different. However, and generally speaking, these activities are new and have not been given priority, as each sector has been obliged to concentrate on project implementation with the aim of meeting urgent social demands.

Constraints

- Capacity and experience of staff in charge of public involvement are still limited;
- Lack of regulations on public involvement;
- Lack of data and information related to public involvement; and
- Financial constraints.

Opportunities

- Lao PDR has a long tradition of public consultation for mobilizing the public to participate in socio-economic projects;
- The goal of Lao government to expand public participation;
- Good coordination and involvement of concerned agencies, including local and central administrative units, as well as developers and concerned parties both from inside and outside the country, in the implementation of public involvement; and
- Assistance from international donors.

5. Suggestions

There are a number of plans for the further development of public involvement in development projects. These include:

- The formulation of guidelines on public involvement and a national policy for public involvement, such as the National Plan of Action and the Strategy for Public Involvement;
- The establishment of public involvement teams in the provinces;
- The establishment of a system of information and monitoring for public involvement;
- Provision of facilities and conditions for public involvement at the central and provincial levels including necessary equipment and transportation; and

- Human resource development for public involvement, in the form of training, workshops, and seminars.

Project officers responsible for managing and monitoring the public involvement process should ensure the following:

- That the project decision-making process is clearly understood by public involvement planners from the outset, and that public involvement is fully integrated into this process;
- That a sufficiently detailed (but flexible) public involvement plan is produced;
- That all interested parties are involved at all stages of the decision-making process;
- That all interested parties are provided with adequate information prior to consultation;
- That selected communication techniques are pre-tested on a representative sample of the target audience;
- That multiple communication and consultation techniques are used according to difference target audiences;
- That all interested parties have a fair opportunity for their views to be heard; and
- That the planned level of effort in public involvement matches the available financial resources.

6. Conclusion

Public involvement is necessary for the efficient implementation of development projects in Lao PDR. Public involvement is not only required for development projects affecting the environment, but is also necessary for identifying the impact projects will have on communities. In the past, small projects, and not only large- and medium-scale projects, have been problematic. For this reason, even small-scale projects will be required to include public involvement so that they deliver real benefits to communities. How public involvement will be included in these projects will depend on the project site. The ultimate goal is to make projects sustainable.

Public involvement in participatory process requires sufficient logistics, expertise, and appropriate data and information. As Lao PDR is among the Least Developed Countries (LDC), it will need to receive technical and financial international assistance in this area.

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