

Environmental and Social Data Sheet

Overview

Project Name:	LAO RESILIENT RURAL ROADS
Project Number:	2014-0548
Country:	Lao People's Democratic Republic
Project Description:	The project covers a 4-year rehabilitation programme of provincial and district roads in six provinces of Lao PDR and includes investments to increase climate resilience.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The civil works activities will focus on periodic road rehabilitation, including spot improvements in order to improve climate resilience and road safety of provincial and district road networks in the six selected provinces. Investment activities may include elevating flood-prone road sections, paving road sections with steep slopes and those sections passing through big communities, drainage improvement/construction, slope improvement/stabilisation etc.

It is envisaged that all activities would be carried out on the existing carriageway within the existing rights of way (RoW) and may involve minor realignments to improve road safety and/or strengthen road climate resilience. The potential impacts from these activities will be minor, site specific, localised, temporary, and can be mitigated. Potential impacts include dust dispersion, noise, traffic obstruction and access, construction and road safety etc. It is not anticipated that the project would generate any considerable risk of destroying important habitats, damaging forest stands, or affecting other ecosystems in any tangible and/or irreversible ways.

If the project were in the EU, this kind of activities would usually not require an EIA. The schemes would either be screened out, or fall completely outside the scope of the EIA directive as the environmental impacts are deemed not significant. Also under the Environmental Protection Law of Laos, this kind of activities normally

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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require no EIA, and only if schemes may have some environmental impacts, an Initial Environmental Examination (IEE) is required by the competent authority.

Nevertheless, to address potential impacts from the project, the Promoter has prepared and disclosed: (i) an Environmental and Social Management Framework (ESMF) that includes an Environmental and Social Management Plan (ESMP) guide and generic Environmental Code of Practice (ECOP). These documents are deemed satisfactory.

The project rehabilitates a large number of road sections, and designs and environmental due diligence for each section will be prepared before the works take place. The ESMF provides for screening and assessing environmental and social issues and for preparing required site-specific safeguard instruments for each scheme. If an IEE is required by the Provincial Office for Natural Resources and Environment (following the Environmental Protection Law of Laos), then the scope and content of the report will follow an agreement with the local authority. Nonetheless, if an IEE is not required, an ESMP will still be prepared identifying potential impacts during preconstruction, construction, and operation. The ESMF also stipulates that tender documents will oblige contractors to develop and implement an Environmental Health and Safety plan in accordance with lender standards.

The ESMF lists explicitly activities which will not be eligible for Project financing and this includes works likely to create i) adverse impacts on ethnic groups, ii) loss or damage to cultural property, iii) significant conversion or degradation of natural habitat.

The Promoter has a long history of working with international lenders and has as such developed its own social and environmental capacity. In addition, the project includes technical assistance support to implement the project in accordance with the standards and procedures agreed in the ESMF.

An analysis of greenhouse gas (GHG) emissions was undertaken based on fuel consumption rate at different speed under with- and without-project scenarios. Without project, the deteriorated condition of the roads limits vehicle speed and leads to higher fuel consumption per vehicle-km compared to the with-project scenario. With-project, the improved road condition leads to improved speed, and hence lower fuel consumption. The total emission of GHG under the project scenario is about 9.5 ktCO₂e per year and the estimated GHG saving is about 2.6 ktCO₂e per year.

Social Assessment

It is anticipated that there will be no permanent land acquisition related to the implementation of the Project. However, there is a possibility of minor re-alignments to improve road safety and/or strengthening road climate resilience. For this reason a Resettlement Policy Framework (RPF) has been agreed describing policies and procedures to avoid, minimise or mitigate negative impacts that may result from the Project investments. The RPF outlines the social due diligence required for each road scheme, and clarifies when an (abbreviated) Resettlement Action Plan (RAP) is

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required. The RPF is an integral part of the Environment and Social Management Framework (ESMF) and compliance with these documents is a condition before finance will be disbursed to a particular road rehabilitation scheme.

In addition, the promoter has prepared and disclosed an Ethnic Groups Policy Framework (EGPF) to address the requirements in case indigenous peoples may be affected. The six pilot provinces are located in remote areas and some of the proposed road sections to be rehabilitated are home to ethnic populations, such as Hmong, Khmu, Mien, Makong, Bru and others who are known in Lao PDR. Given that the Project aims to improve quality, stability, and safety of existing provincial and district roads, all local population, including ethnic communities, will collectively benefit from the Project. However minor impacts may also occur and need special mitigation measures. The agreed EGPF requires for screening of ethnic communities before any road work can start and if they are present as a group or community an Ethnic Group Development Plan (EGDP) will be prepared and applied. Free, prior, and informed consultation (FPIC) will be required during the planning and implementation to establish broad support for the project.

Public Consultation and Stakeholder Engagement

In 2016, consultations on the project and the ESMF were conducted in Vientiane to inform the public, key agencies and local civil society organisations about the objective and scope of the project as well as the ESMF, RPF, and EGPF (Safeguard Documentation). In addition, consultations were also made in some of the selected pilot provinces (Bolikhamxay, Xayabouly, Houaphan and Oudomxay) with local authorities and communities including ethnic peoples. Results suggested that most of the related agencies and people in the pilot provinces, as well as representatives of ethnic groups, fully support the project and consider that the proposed ESMF is appropriate and can be applied on the ground. Key issues raised were considered during the final completion of the Safeguard Documentation and have been included in the project design as relevant. During the preparation of each road rehabilitation, additional consultations will be carried out in close consultation with the local authorities and people likely to benefit and/or be affected by the subproject.

The project also has a grievance mechanism that helps record, assess, and resolve grievances and complaints during the implementation of a subproject. The Promoter will use computer software to record grievances and complaints in a central database, and then monitor the progress until eventual resolution. The database is managed by the Ministry of Public Works and Transport (MPWT) in cooperation with its provincial departments.

Conclusions and Recommendations

It is envisaged that all road rehabilitation works would be carried on the existing carriageway within the existing rights of way. It is not anticipated that the project would generate any considerable risk of destroying important habitats, damaging forest stands, or affecting other ecosystems in any tangible and/or irreversible ways.



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In case a road rehabilitation scheme may have either environmental or social effects, for instance due to minor realignments to improve road safety and/or strengthen road climate resilience, the Promoter has agreed and disclosed an ESMF, a RPF and an EGDP, which provide for site-specific screening and assessing environmental and social issues and for preparing required site-specific safeguard instruments.

The Promoter undertakes to implement the Project in accordance with the provisions of the Safeguard Documentation and not amend these documents unless the EIB agrees otherwise in writing. In case a scheme requires either an IEE, (A)RAP or a EGDP with documented evidence on FPIC process then such document(s) need to be submitted to the EIB for approval, prior to the disbursement request for such scheme. Furthermore, the Promoter shall provide to the Bank evidence that the provisions of the above mentioned Safeguard Documentation have been included in the work contracts that are proposed to be financed, to the satisfaction of the Bank.

Under the above conditions, the project is deemed acceptable from an environmental and social perspective.