

**Progress Report (2019) of
The Natural Resource and Environment Sector Working Group (NRE SWG)**

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Co-chairs:	<p>H.E. Jens Lutkenherm The Ambassador of Germany to the Lao PDR</p> <p>Contact Person: Luz Fernandez, <i>PhD</i> Programme Officer SWITCH-Asia Regional Policy Advocacy (SWITCH-Asia – the European Union funded programme) UN Environment, Asia Pacific Regional Office UN Building, Rajdamnern Nok Avenue, Bangkok, Thailand Tel. +66 (0)2 288 1877 Email: luz.fernandezgarcia@un.org</p> <hr/> <p>Mr. Nicola Pontara World Bank Country Manager for the Lao PDR E-mail: sdanyo@worldbank.org</p>
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Results of the 2019 NRE SWG Meeting,

6 November 2019, Conference Hall, MONRE

The 2019 Natural Resource and Environment Sub-sector Working Group (NRE SWG) Meeting was held at the Ministry of Natural Resources and Environment on 6th November 2019.

The meeting was chaired by H.E. Mr. Sommad Pholsena, Minister for Natural Resources and Environment of the Lao PDR, and co-chaired by H.E. Jens Lutkenherm, the Ambassador of Germany to the Lao PDR, and Mr. Nicola Pontara, World Bank Country Manager for the Lao PDR.

The meeting was attended by vice ministers for MONRE, representatives of relevant developments under MONRE and line ministries, representatives of development partners and embassies with a total number of 75 people.

The meeting was conducted under comprehensive presentations of outstanding achievements made by NRE SWG (see annex 1) together with the post2020 action plans for NRE SWG, followed by candid discussion and constructive comments.

The meeting finally came to an end with fruitful outcomes. Followings are some of key outcomes of the meeting:

- Unanimous agreement on the revised Term of References (ToR) of NRE SWG.

❖ Comments made by the Ambassador of Germany:

- The government of Laos takes environmental concerns serious and is cooperating with many development partners towards finding solutions for the problems faced by the country. However, we observe a **limited capacity of public institutions** which leads to insufficient scrutiny of the environmental impact of many infrastructure projects, and sometimes inadequate compensation and offset-mechanisms for the environmental damage.
- **Germany intends to continue to support** the Ministry of Natural Resources and Environment, as it is an important partner in our Development Cooperation with Lao PDR. Our common objective is to achieve more sustainable management of its natural resources, which can at the same time benefit poverty reduction, food security and green growth of the country.
- Germany will especially continue its **support in the land sector** through our three technical programmes (Land Management and Decentralized Planning (LMDP), Enhanced Land Tenure Security (ELTeS) and the Mekong Regional Land Governance Project (MRLG)), as well as an upcoming KfW land programme in close coordination with GIZ and the World Bank.
- We welcome that the new **Land Law** is expected to be finalized by the end of the year and we are looking forward to receiving the final version. We will be very happy to provide feedback and we encourage MoNRE to allow for enough time for meaningful feedback by all stakeholders. We expect the Land Law to provide clarification on some important issues, such as the claim on land compensation (in line with international standards), rights to agricultural land and continuous use, as well as grievance mechanisms to address land conflicts beyond village level.
- Lao PDR is receiving a lot of support for the land sector and we want to encourage the Department of Lands (DoL) to effectively **organize the coordination of the different donor activities**, as both funding as well as complexity are increasing. Germany is ready to strongly support DoL in its

coordination and secretariat function of the SSWG Land, which is chaired by DoL and co-chaired by GIZ and Helvetas. The support could include technical advice, secretariat support, meeting organization, knowledge management, reporting etc. We would especially encourage the GoL to obtain and share more information with all DPs. We should jointly discuss and coordinate activities with Korean and Chinese partners to ensure cost efficiency and effectiveness of all planned activities.

- We congratulate the GoL on the creation of the **Climate Change Funding Window** under the **Lao Environment Protection Fund (EPF)**, as stipulated in the Climate Change Decree; it is an important decision to bundle and concentrate Climate Finance into one robust fund.
- GoL has decided to choose the Lao Environment Protection Fund as the first Lao institution to be accredited to the Green Climate Fund (GCF) as Direct Access Entity (DAE) in order to enable Laos to access international climate finances. The EPF has applied for accreditation and has taken very important steps in this direction over the last 18 months. We encourage MoNRE and other GoL institutions as well as DPs to further support and strengthen the EPF to effectively and efficiently fulfill its tasks.
- We encourage the GoL to carefully scrutinize **investments** such as roads or dams inside and close by national protected areas for environmental impacts and transparently provide information on the Environmental Impact Studies to design the most appropriate environmental mitigation measures.
- We take note of the delays at the preparation of the **dam safety inspection reports**. We encourage GoL to start engaging actively with the developers on the negotiation and implementation of potential remedial work to reduce the dam safety risks in Laos. We encourage GoL to produce a synthesis report on the main outcomes of the emergency dam safety inspection, presenting the overall results at the national level, for the 55 large dams inspected. We recommend to continue with considerations on the strengthening of the dam safety institutional framework, starting with the establishment of a dam safety department in MEM and the development of a dam safety strategy and/or policy.

❖ Comments made by the Country manager shared World Bank Country Manager for Lao PDR:

- A number of initiatives are being undertaken by MONRE with Bank support to lower environmental and climate risks, including (i) operations on environmental management, water resources, and disaster risk management, and green growth and (ii) policy reforms such as the 2017 hydromet and water laws, the 2019 ministerial decision on Strategic Environmental Assessment, and new pollution monitoring regulations. In particular, the enactment earlier this year of the Prime Minister's Decree on Environmental and Social Impact Assessment (ESIA) was an important milestone. We look forward to implementation of a consistent, transparent ESIA process, including an operational ESIA information system that is disclosing consultations and compliance.
- The Bank is also starting assistance to MONRE to accelerate multi-sector implementation of Lao's Nationally Determined Contribution (NDC) to climate change.
- Impacts of disasters are amplified by increasing climate risks, resulting in large costs that require a reallocation of funds earmarked for development. To minimize economic losses and adapt to climate change, Lao PDR can benefit from investing

in improving early warning systems and climate and hydromet services. MONRE's Department of Meteorology and Hydrology (DMH) plays a critical role in the provision of these services and in tailoring them to different users.

- In particular, the Bank is supporting DMH in making a significant contribution towards integrating the fragmented equipment and systems, which don't "talk to each other", to achieve a synchronized, connected and state-of-the-art integrated hydromet observation and early warning system.
 - In addition to providing an update on environmental, water and land tenure issues, this Sector Working Group can be a helpful platform for policy dialogue. Discussions and outcomes from the working group can meaningfully inform the design and implementation of policies.
 - Today we will have the opportunity to hear about priorities for the upcoming 9th National Socio-Economic Development Plan and the draft Natural Resources and Environment Action Plan for 2021-2025, which provides a broad framework for addressing the challenges I've mentioned. I look forward to the discussion on the issues, measures and ways forward to help lower environmental risks, improve river basin management, and enhance land tenure security.
- ❖ Comments made by development partners:
- The development partners, in particular kfw, are concerned about coordination mechanisms among donors who are working with Department of Land (DoL). At present, there many donors from different sectors, namely World Bank, China, and Korea, are now supporting DoL. In this regard, the development would like to encourage MONRE to establish a platform for dialogue and knowledge exchange in order to avoid the overlapping and confusing working mechanisms.
- ❖ Minister's message:
- At the end, Minister emphasized that the implementation of NRE SWG plan of action will focus more waste management, in particular the plastic waste which are now becoming the prominent environmental concerns in many countries throughout the world.
 - Minister also requested development partners to continue supporting and strengthening the capacity building program.
 - Minister strongly encouraged the entire bodies involved in NRE SWG to continue improving the service system in accordance with the President's statement, "Work Well, Make it Quick, Do A Lot More, and Make It Legal".
 - Lastly, Minister reaffirmed MONRE's position to continue working actively and closely with development partners in order to achieve green growth and sustainable development through the sustainable management of natural resources and environmental protection.

Annex 1: Outstanding Performance of NEW SWG in 2019

Land Sub-sector Working Groups (Land SSWG)	Progress	Strengths (for 3 sub-sectors)	Obstacles and Challenges (for 3 sub-sectors)	Ways forward (for 3 sub-sectors)
<p>Chair: Mr. Vongdeuan Vongsihalath Director-General, Department of Land, MONRE Cell phone: +856 20 2220 9215 Email: vongdeuane.vongsihalath@gmail.com</p> <p>Co-Chairs: Dr. Thomas Taraschewski Program Director of GIZ Land Program Cell phone: +856 20 5236 5222 Email: thomas.taraschewski@giz.de</p> <p>Thibaut Hanquet Country Director, Havitas Email: Thibaut.Hanquet@oxfam.org</p>	<ul style="list-style-type: none"> ❖ Land Law and Policy: <ul style="list-style-type: none"> • New Land Law was endorsed by the National Assembly in June 2019. ❖ Sustainable Land-based Investment: <ul style="list-style-type: none"> • DOL and other sectors completed the inspection mission for 438 land lease/concession projects in 18 provinces. ❖ Land Use Planning and Registration: <ul style="list-style-type: none"> • The Prime Minister’s Decision on the implementation of National Land Allocation Master Plan was adopted in 2019. • DoL, MONRE, together with DALAM and GIZ-LMDP/ELTeS program has established workplan with 5 major topics and 35 activities. 	<ul style="list-style-type: none"> • Work Plan established • Coordination mechanism: TOR, chair, co-chair, members, and regular meetings • Strong leadership and commitment from Chair and Co-chair • Strong spirit of cooperation from members of the SSWG • Continue support from the development partners. • The implementation of work at the central and local levels is completed as planned. 	<ul style="list-style-type: none"> • Limited experiences, expertise, and resources • Multifunctional staffs • Limited accurate data and information on water resources in the country • The application of laws, legislation, decrees, agreements has not yet been enforced; • The coordination among sub-sector working groups is still reluctant in some cases. 	<ul style="list-style-type: none"> • Implement land titling and national land use allocation master plan • Develop river basin management plans in priority river basin • Continue hydromet network improvement • Improve the environmental and climate change education curriculum and apply the environmental planning tools, including the Strategic Environment Assessment (SEA) and Integrated Spatial Planning (ISP) • Build the national capacity to access to environment and climate finance
<p>Water Resource Sub-sector Working Group (WR SSWG)</p>	<p>Progress</p>			
<p>Chair: Dr. Inthavy Akkharath Director-General, Water Resource Department, MONRE Cell phone: +856 21 241 744 E-mail: inthavymrc@gmail.com</p> <p>Co-chair: DFAT, Australia</p>	<ul style="list-style-type: none"> ❖ Policies and legal framework <ul style="list-style-type: none"> ➢ Approved <ul style="list-style-type: none"> • The groundwater management agreement has been approved ➢ Under development process <ul style="list-style-type: none"> • National Water and Water Resources Management Strategy • Guidelines on water use permit • Decree on River Basin Management 			

	<ul style="list-style-type: none"> ❖ Strategies/Plans/Activities <ul style="list-style-type: none"> ▪ National Water and Water Resources Management Strategy is now being developed. ▪ River basin management plans were developed and finalized for : Nam Ou, Nam theun-Kading, Nam Xam, Nam Ngiep, Xekong, Xebungfai, and Xebunghieng. ▪ Groundwater use forms was developed and shared with PONRE (Provinces) for usage and conducting Groundwater data collection at Nam Xam, Nam Ngiep, Xebunghieng, and Sekong for groundwater management planning. ▪ Inspected and repaired 25 damaged meteorology and hydrology stations, and conducting a survey to install 26 more stations. ▪ Upgraded 48 hydrological stations supported by China, Japan, ADB, and World Bank. ❖ About dam/reservoir/human safety <ul style="list-style-type: none"> ▪ Assess water resource status in order to indicate minimum flow requirement and ❖ set up hydrological modelling for Nam Ngum and Ngiep river basins to model water quantity potential, as well as ❖ set up hydraulic modelling for the Vientiane Plain to model water movement, flood, and flood mapping. <ul style="list-style-type: none"> ▪ Monitored water management of hydropower dams, such as Nam Lik 1-2, Nam Ngum 1, and Nam Mung, ❖ regularly forecast the Mekong water level and water flow to the Nam Ngum 			
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	<p>reservoir,</p> <ul style="list-style-type: none"> ❖ Early warning regarding water level to Xechamphone, Kengkok, and Xebungfai rivers. 			
Climate Change and Environment Sub-sector Working Group (CCE SSWG)	Progress			
<p>Chair: Department of Climate Change Management, MONRE</p> <p>Co-chair: UNDP</p>	<ul style="list-style-type: none"> ❖ Policies and legal framework <ul style="list-style-type: none"> • The Decree on Climate Change was adopted by the Government in mid 2019 • Review and Update the NDC. • Reviewing the National Determined Contribution (NDC) is expected to be completed and submitted to and submit to UNFCCC by 2020. • The Decree on Environment Impact Assessment was updated and adopted by the Government on 30 January 2019. • Manual to strengthening the implementation Green Clean and Beautiful has been distributed to the local government of Luangprabang and Xayabuly. ❖ Strategies/Plans/Activities <ul style="list-style-type: none"> ➤ The NDC Partnership. <ul style="list-style-type: none"> • First mission of the partnership has been conducted in country to assess and fulfill the needs to implement the NDC after 2020. ➤ Completed a proposal of the NAP in order to be submitted for requesting a full funding of 3.5 million from GEF. ➤ Prepare for the implementation of the Capacity Building Initiative Transparency (CBIT) for 			

	<p>strengthening Lao PDR's institutional under Paris Agreement.</p> <ul style="list-style-type: none"> ➤ Continue preparing the TNC and BUR. ➤ Completed the 1st Draft of the 10-Year Strategic Plan (2020-2030), as well as Green Clean and Beautiful Laos Action Plan. ➤ The certificate have been reviewed and issued to 26 development projects. ➤ Notification No. 0244 / MOH, has been issued on 15 March 2019, pertaining to air pollution PM2.5 occurring in Vientiane and surrounding provinces in order to report and provide recommendation on health protection; ➤ The Integrated Spatial Planning (ISP) has been 90% completed for Bolikhamxay, Xiengkhouang and 30% completed for Huaphanh, Vientiane, Saravane, and Vientiane. ➤ Completed the 3rd draft on Environmental Quality and Improvement Strategy. ➤ Completed the National Environment Report of Lao PDR. ➤ We have undertaken the consultation with local administration on how to develop Clean and Green Building at the Nason School. 			
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