

EAST ASIA AND PACIFIC REGION – LAO PDR

Second Lao Environment and Social Project (LENS II)

BACKGROUND

Under this project, Government departments or agencies, or local Non Profit Associations, are encouraged to formulate their own environmental ‘subprojects’ and apply for funding for them from the Environmental Protection Fund, a financially autonomous Lao organization which was established in 2005. Worldwide, over 50 similar environmental funds have been created in order to finance and support environmental initiatives. Continuing to build the capacity of the Environmental Protection Fund itself is an integral objective of the project.

The first LENS project, which ran between 2005 and 2013, funded more than 150 subprojects through the Environmental Protection Fund, producing tangible results at a local level and benefitting over 16,000 people.

PROJECT DEVELOPMENT OBJECTIVE

Help strengthen selected environmental protection management systems, specifically for protected areas conservation, enforcement of wildlife laws and environmental assessment management.

The project aims to:

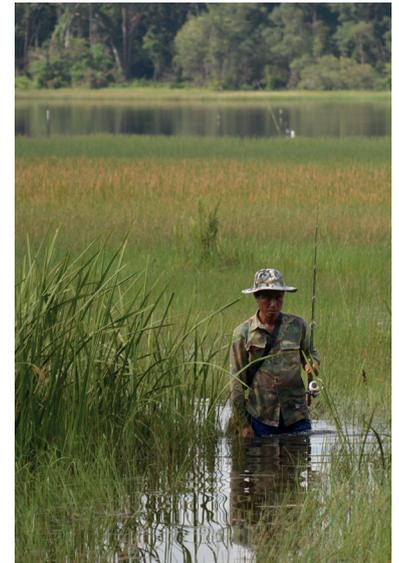
- provide support to forested upper-watersheds of rivers important to hydropower, agriculture irrigation and flood prevention
- create wildlife and Protected Area enforcement standards
- support capacity building for national, provincial and district institutions which implement environmental and social impact legislation
- build the capacity of the Environment Protection Fund.

ACTIVITIES

Component 1 (USD 14.4 million): *National institution development and capacity building* to improve the capacity and collaboration of national and provincial public institutions to design and monitor national and regional natural resources, environmental, and social policies.

Component 2 (USD 20.6 million): *Management of wildlife and protected areas*, to improve the capacity and collaboration of local public institutions, civil society and communities to manage protected areas and enforce wildlife laws.

Component 3 (USD 6.83 million): *Project administration and Environment Protection Fund (EPF) capacity building*. This component seeks (a) to deliver the Project’s outputs, and (b) to help EPF become a significant and recognized player in environment financing capable to deliver and monitor sub-projects throughout the country.



PROJECT BENEFICIARIES AND BENEFITS

Direct beneficiaries include:

- **150 villages** receiving training and livelihood support (directly benefiting around **15,000 people**, many being ethnic minorities living in and around the forested upper-watershed);
- At least **1,000 staff** from universities, Government departments, provinces and districts.

Indirect beneficiaries include:

- Investors and the tax payers of Lao PDR, whose investments in hydropower and mining will be more sustainable and subject to fewer liabilities, due to an improvement in environmental and social compliance. This improvement will in the long run lead to better forest and soil management in the upper-watershed, decreased river pollution, and increased fish production

Greenhouse gas accounting

- **0.27 million tons / year**
- Reduction in annual carbon emissions from project sites by 2021

The protected area affected totals about 1.6 million ha, which is about 70 % forested. It is expected that deforestation rates will be slowed by a third as a result of the project, leading to a reduction of annual carbon emission from project sites of about 0.27 million tons per year by project end.

FINANCING AND IMPLEMENTATION ARRANGEMENTS

World Bank / International Development Association (mix of grant and credit)	USD 32 million
Global Environment Facility (grant)	USD 6.83 million
Government of Lao PDR	USD 3 million
Total financing	USD 41.83 million

- Implementation period: July 2014 to June 2021 (7 years)
- Implementing agency: Environment Protection Fund (EPF)

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