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**LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**NAM THEUN 2 MULTIPURPOSE HYDRO  
PROJECT**

**INTERNATIONAL ENVIRONMENTAL AND  
SOCIAL PANEL OF EXPERTS**

**TWENTY-SIXTH REPORT**

**PART B: THE WATERSHED  
MANAGEMENT AND PROTECTION  
AUTHORITY**

**July 2017**

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## **PART B: THE WATERSHED MANAGEMENT AND PROTECTION AUTHORITY**

### **RESTRUCTURING OF THE WMPA**

The Nam Theun 2 watershed, subsequently also designated the Nakai Nam Theun National Protected Area (NPA) contains some of the world's most outstanding biological and cultural diversity. In 2001 in an effort to ensure sustainability of the area's biological and cultural riches, the Watershed Management and Protection Authority (WMPA) was created. In connection with the NT2 Project, the NTPC committed to provide funds in the amount of one million U.S. dollars a year, indexed for inflation, to the WMPA for the duration (to 2035) of the NT2 Concession.

To provide it a special status intended to best manage the protected area, the WMPA was designed as a special unit, not a regular GoL agency. It was one of the best funded protected areas in the world and there were high hopes for its success. Unfortunately, it soon became evident that the WMPA was not achieving its conservation, cultural or developmental objectives. In 2007 in POE Report 11 we recommended a restructuring of WMPA in the hopes that this would improve its ability to carry out its duties. By 2013 the situation had become so bad that the POE assessed that "the WMPA has been totally ineffective in protecting the watershed's biodiversity." Subsequent independent reviews documented that the situation had become critical. So in 2014 the GoL created a Task Force to restructure and reorient the WMPA.

By mid 2016 there had been no real results. In POE's Report 25B we detailed many of the steps needed to restructure and reorient the WMPA. Then, the POE and other stakeholders held a workshop in Nakai in November to seek to achieve a strategy to rehabilitate and reorient the WMPA. The workshop endorsed an Action Plan with six actions basically as laid out POE Report 25B: (1) Revising the decree that established the WMPA; (2) Removing and then Rebuilding the WMPA staff; (3) Developing a fiduciary capability; (4) Establishing a partnership with the Wildlife Conservation Society (WCS); (5) Developing a transitional threat response (i.e., patrolling capability); and (6) Mobilizing financing for a five year plan.

The POE and other participants in the workshop unanimously agreed and strongly recommended that WMPA needed to form a partnership with an international NGO, experienced in conservation and protected area management, and with significant experience in Laos. Staff of the NGO would work with the Lao director of the WMPA secretariat, and with other key Lao staff as necessary, to help them achieve expertise and effectiveness in managing the NPA and carrying out the WMPA's mandate. The NGO staff would be full partners with the WMPA staff, not serving as Technical Assistants because this arrangement had failed in the early development of the WMPA. The international NGO staff would stay on only as long as needed to achieve effective management of the WMPA by Lao staff.

The participants at the November workshop unanimously agreed that the WCS was the best choice for a partner for WMPA. WCS has worked with GoL in Laos for many years and has some form of partner arrangement with several Lao protected areas. It has an outstanding record of accomplishment working with protected areas in many countries.

The decree has been drafted and has now been signed by the Prime Minister. One of the significant changes it makes is to designate the Minister of Agriculture and Forestry as

chairman of the WMPA Board of Directors. This follows the transfer by GoL of all forest activities, production and protection, to that Ministry.

The Action Plan was agreed upon and endorsed by the stakeholders and chairman of the WMPA Board of Directors. However, except for the decree and some planning, there has been no obvious progress on the rest of the Plan. Unfortunately, there has been back-tracking on at least part of it.

The present mission found that there were widespread serious misconceptions and misinformation about the WCS and its proposed relationship with WMPA which has led to reconsideration of the possible role of WCS. Instead, the Task Force has accepted an option proposed by the Secretariat of the Task Force to build a partnership with a technical expert team composed of national and short-term national or international experts led by the Wildlife Conservation Association (a Lao NGO organized by Chanthavy Vongkhamheng) and working in collaboration with Project Anoulak (a French NGO organized by Camille Coudrat), Creative Literacy Laos (an Australian NGO organized Karlee Taylor), and Agrisud (a French NGO with extensive experience working in Laos), together forming a consortium.

## **THE WAY FORWARD**

The POE continues to believe that some collaboration with WCS would provide an important relationship between WMPA and an organization that is truly international in its protected area experience and expertise, and which could provide guidance and help WMPA become a truly effective protected area management institution. However, since the WMPA is proceeding with the partnership with a technical expert team composed of national and short-term national or international experts led by the Wildlife Conservation Association working in collaboration with Project Anoulak, Creative Literacy Laos and Agrisud, the Panel will be pleased to work with that option.

As noted above, there has been very little accomplished by WMPA in the past several years, including the period since the workshop last November. By now the staff should have been removed and replaced and other improvements accomplished, but this has not been achieved. As noted in POE Report 25B, while there have been minor reductions in staff, many of the original staff remain, often with different jobs. Funding has been reduced somewhat (although in 2016 the WMPA still received over U.S.\$600,000, i.e., an amount at least equal to full operating funding). The intention was that the grossly expensive leadership and administration costs would be reduced while maintaining the assistance to villagers and the essential anti-poaching patrols. However, funds were reportedly removed from the village and patrol accounts to maintain what the World Bank called an inflated administration. As a result the effectiveness of WMPA assistance to villagers and the patrols was heavily reduced. The POE was informed that there had been no patrols undertaken in many months prior to its visit, other than those organized by Anoulak in the area of its research. Even the most recent version of the WMPA Action Plan received by the POE specifies nine more months before the staff turnover is completed. This is not acceptable.

The reasons for the delays may include stalling on the part of the WMPA secretariat, desire on the part of its key members to maximize their income from WMPA, inefficiency in GoL follow up, or be due to other factors. For example, the Task Force members all have other full time jobs so, understandably enough, can spend little time on the WMPA. But the result has been unacceptable delays in anti-poaching efforts, reportedly leading to accelerated losses of the NPA biodiversity and creating funding problems for development in the enclave villages. Limited funds have been provided for two months of anti-poaching patrols, just completed with reportedly very successful results. The WMPA should receive no further

funds, other than closely audited ones for patrolling and village assistance, the interim director, and the Task Force, until the staff removal and replacement and the reorganization is accomplished.

The POE looks forward to receiving new or revised documents relating to the WMPA reform, particularly the 5-Year Plan, SEMFOP III, Consortium MOU, and WMPA-Consortium TOR.

### **MAF LEADERSHIP**

The POE trusts that the transfer of BOD leadership to MAF will lead to rapid action. The Panel held productive discussions with MAF Vice Minister Thongphath Vongmany and senior officials, urging MAF to act quickly on WMPA issues when the new decree is signed, including rapid establishment of a truly functional Board of Directors, the leadership and future of the Task Force, and rapid reorganization and reorientation of the WMPA. The outcome of the meeting was encouraging and now that BOD leadership is with MAF, the POE hopes that by our November visit there will have been early and positive developments with the WMPA.