

Sustainable Development of Natural Resources in Lao PDR

Role of the World Bank Group

Nam Ngum 5 Workshop

August 1, 2008

The World Bank Group in Lao PDR

1. Sustaining economic growth – including through enhancing management of natural resources
2. Improving the delivery of public services and public financial management system
3. Strengthening capacity development and partnerships
4. Implementing Nam Theun 2 as a socially and environmental sustainable project

Sustainably developing natural resources

- The World Bank strategy has entry points to support the Lao Government on the sustainable management of natural resources, including hydropower.
- Current interventions include:
 - Nam Theun 2 – including MIGA guarantee
 - Lao Environment and Social Project (LENS) – including assistance on the National Hydropower Policy
 - Planned Technical Assistance on Hydropower and Mining
 - Greater Mekong Subregion project and strategy
 - Integrated Water Resources Management project (under preparation)

MIGA and the World Bank Group

- WBG:
 - International Bank for Reconstruction and Development (IBRD)
 - International Development Association (IDA)
 - International Finance Corporation (IFC)
 - International Center for Investment Dispute (ICID)
 - Multilateral Investment Guarantee Agency (MIGA)
- In Lao, current financing is under IDA (grants) and IFC also has an important presence. MIGA has one guarantee under NT2.
- Unlike under IDA projects, MIGA does not lend or grant money to governments, it provides financial guarantees to the private sector.

NG5 an opportunity for Laos to further National Hydropower Policy including building on NT2 experiences

- Importance of well implemented social and environmental mitigation programs
 - Resettlement in consultation with affected people
 - Sustainably restoring livelihoods
 - Appropriate compensation payments
 - Environmental protection programs
- Communications, transparency and disclosure
 - With affected people
 - With a range of stakeholders
- Ensuring benefits are shared among affected people and the country as a whole

For more information about the World Bank
in Lao PDR visit:

<http://www.worldbank.org/lao>