



Reforming Water Governance in Asia

Lao PDR Country Presentation

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Country background

- Land area: 236800km²
- Population: 5 million
- Water available per capita: 55000m³/person
- GDP: US\$ 800 (2007)
- 35% of water available in Mekong flows from Laos
- Generally, water quality is good
- Major tributaries of Mekong (Loas): 12 rivers
- Amount of water used: about 2%
- Forest cover: more than 40%
- Country bordered with China, Myanmar in the North, Thailand (West), Vietnam (East), Cambodia (South)
- Lao PDR is a member of Mekong River Commission

How comprehensive are water policies in Laos?



- Current policies are defined by various Laws and regulations
- This legislation covers water & water resources, environment, hydropower, irrigation, water supply & coordination between water sectors
- There is no single document which brings all the policies together



How comprehensive are water policies in Laos?

- A current project is preparing a comprehensive & integrated water policy
- The objectives of draft water policy are:
 - Ensure sustainable development & management of water resources (surface, groundwater - quality & quantity - & aquatic environment)
 - Consistently guide & regulate all agencies in the water sector in development & use of water resources
 - Reserve water to meet basic human needs, protect the stream environment
 - Equitably share the available water resources
 - Strategically redistribute benefits from major water resource development to increase equity in water resource use. Funds from the resource use will be used for rural development reducing poverty / environmental degradation, thereby protecting water resources

How comprehensive are water policies in Laos?



- In scope the water policy will:
 - Guide continuing re-structure & institutional development of the water sector to separate water resource standard setting & regulatory roles from activity for water development & use; & to strengthen water resource management.
 - Define areas of cooperative work among the water sector agencies which will result in more equitable outcomes from water resource development
 - Identify key areas for action to improve and protection water resources from adverse impacts of human activity.
 - Prepare a knowledge base & processes for water management decisions
 - Establish stable funding for water resource management



How updated are water laws

- Water & Water Resources Law 1996
- Subsidiary legislation 1999
- Proposed project to review & update the water law will start in late 2009 or 2010
- Existing law is framework & has not been effectively implemented
- Implementing decree implied bulk water allocation by river basin to each water-using sector
- Few assessments of water availability have been completed and no systematical allocations have been made
- Coordination mechanism established

Are there cross-sector coordination mechanisms?



- A Water Resources Coordination Committee (WRCC) was set up in 1998
- It drafted a water policy in 1999
- It completed an implementing decree for Water Law in 2000 but lacked capacity & support to disseminate it
- The WRCC responsibilities somewhat overlapped with the international coordination mechanism of Lao National Mekong Committee (LNMC).
- In March 2009, Lao Government upgraded LNMC & expanded its responsibilities to create a national water apex body
- LNMC will review draft water policy & guide its implementation
- LNMC is likely to be an effective coordination given its high level membership from all water sectors



Are water policies based on water sector assessments

- Yes, but currently each law/regulation is based on sub-sector assessment
- Draft water policy is based on whole sector analysis – National Water Profile (2007-08) and later analysis



Are there water legislation/policies for the following issues

Issue	Currently	Draft policy (in preparation)
Water rights	No	Yes
Quality standards	Yes	Yes - strengthened
Groundwater use	No	Yes
Demand management	No	Yes
Resource conservation	Partly	Yes
Private sector participation	No – only project	Hydropower forum
• Civil society participation	ESIA only	Yes
• Institutional responsibilities	Yes	Yes



How comprehensive are water resource assessments

- Comprehensive assessments have been completed for 3 river basins out of about 12, or 30% of country
- Plans for further river basin assessments are being prepared

Are there river basin organizations



- River basin organization has been under consideration to set-up (Nam Ngum River Basin)
- Draft water policy includes river basin planning & river basin committees
- Mechanisms for resourcing & funding RBCs are being determined
- Hydropower developers are required to establish national/provincial committees for resettlement & environmental management of project area

Participatory approach in water allocation



- To the extent that water entitlements exist, they rely on planning processes at the national and provincial level which establish (i) concession agreements (CA) for private developers & (ii) approvals to implement Government projects



How autonomous & accountable are water service providers

- Rural water supply
 - Local independent community water supply systems encouraged
 - Technical assistance provided for establishment & operations planning
- Urban water supply
 - Now set up as state-owned enterprises
 - National objective setting & reporting being implemented
- Irrigation service
 - Water in irrigation systems managed by water user groups
 - Irrigation water supply taken directly from rivers
- Reporting on performance
 - Reporting to government agencies concerned



Extent of water user participation

- Rural water supply
 - Most rural water supply systems community based
- Urban water supply
 - Very limited user participation
- Irrigation services
 - Majority of irrigation systems now managed by water user groups



Responsibilities turned over to water user associations

- Irrigation systems
 - Policy has been for irrigation management transfer
 - Many transfers have had problems because of limited support & low level of commercial activity
- Rural water supply
 - Most rural w/s systems community based

Application of cost recovery tariffs



- Hydropower
 - No water tariff
 - Policy of 1% of export income to be used for rural development
- Rural water supply
 - Tariffs generally cover O&M
- Urban water supply
 - Policy is for full cost recovery
 - Tariffs sometimes cover O&M
- Irrigation
 - Charges are determined by water user groups
 - Tariffs aim to cover O&M
 - Power tariffs are subsidized for irrigation pumping

Tariff structured for conservation?



- The urban water supply tariff structures are recommended to state-owned water suppliers to encourage conservation
- High irrigation tariffs (to cover O&M) are limiting use of irrigation schemes despite power subsidy
- Electricity subsidy for irrigation pumping
- No water tariff arrangements for:
 - Hydropower
 - Mining
 - Industry



Explicit participation by poor

- The great majority of rural people in Lao PDR can be classified as poor
- Some water projects are implemented using a 'participatory' approach
- 'Participation' means lower levels of government participate in project design while community assists in implementation

Effectiveness of water regulatory agencies



- Limited staff capacity
- Dependant on technical assistance
- Low level of public knowledge of the law
- Low levels of enforcement



Industry education programs

- Few concerning water use
- Few concerning pollution
- Public awareness program on water resources
 - in schools and
 - on radio & TV



Thank you