

## Executive Summary

The 4,385 km<sup>2</sup> watershed catchment area of NT2 hydropower project comprises the Nakai Nam Theun National Protected Area and its two corridors connecting Phou Hin Poun NPA to the north and Hin Nam Nor NPA to the south. The watershed is home to a wide variety of fauna and flora, and many of those are critically endangered and of global conservation concern. At least 92 species of mammals, 403 species of bird, 29 species of reptiles, 69 species of fish, 25 species of amphibians, and 917 species of NTFPs. Of most significant features that make the NT2 watershed a unique place in the world, the area contains the world's new species, such as Saola (*Pseudoryx ngetinhrnsis*), Large-antlered Muntjac (*Muntiacus Vugangensis*), Striped Rabbit (*Nesolagus timminsi*), and those are endemic to the Annamite – species are not found elsewhere in the world.

The biodiversity of the watershed is equally rivaled by cultural diversity. It is also home to approximately 7,000 indigenous people of four main ethno-linguistic groupings of Vietic, Brou, Tai-Kadai and backgrounds. Each of these groups speaks their own dialect and has unique cultures and traditions, and their livelihood depends largely on biological resources for daily subsistence, both for food and income, including NTFPs collection, hunting of wildlife, and fishing.

Management of Nam Theun 2 Watershed is under administration of the Nam Theun 2 Watershed Management and Protection Authority (NT2 WMPA), a unique management unit established by the Prime Ministerial Decree No. 25/PM on 26<sup>th</sup> February 2001 updated by PM39 in 2005 and subsequently by PM471 in November 2011. The management mandate given by the government to WMPA is to work with local people and other stakeholders to ensure sustainability of both biological diversity and living condition and welfare of watershed inhabitants. The overall goal of management for the watershed is to restore, maintain and enhance the biodiversity, habitats and conservation values as well as the cultural values of the NPA to guarantee sufficient volume of water with low sediment load, flowing into or from the Nam Theun 2 Reservoir.

In the purpose to achieving toward the above goal, the PM's decree 471 recently emphasizes that most of management activities is to implemented by concerned implementing agencies (at both district and provincial levels) whereas the WMPA plays as a focal point for coordinating in the implementation of all other sector activities, providing overall guidance, monitoring, evaluation, and technical assistance to support and assist concerned sectors to implement effective activities. The decree requires the WMPA to transfer most responsibilities as well as staff members to concerned implementing agencies, and also make re-orientation of the WMPA' staff by either maintaining and recruiting staff who are highly qualified and have different capabilities to fully and effectively function its duties as defined in the PM471.

To fulfill its above mandate, the WMPA has developed the Social and Environmental Framework and Operational Plan (SEMFOP) to provide overall guidance for the watershed management, which concentrates its efforts to achieve these eight main objectives, which are summarized as;

1. Protection and Rehabilitation of Forest Areas
2. Implementation of GLIP
3. Adherence to the NT2 Concession Agreement
4. Conservation of Bio-diversity
5. Institutional Capacity Building
6. Participatory Development and Livelihood Improvement
7. Customary Rights Use, Residency and Access
8. Effective Management of Funds

The Participatory Integrated Conservation and Development (PICAD) approach has been applied as key management tool to tackle all emerging threats that the watershed is currently experiencing, and also to ensure reconciliation between conservation and human needs. The approach supports the link between these three main components;

- i. Land-use planning/allocation (LUP/LA)
- ii. Biodiversity survey, monitoring, research, and protection, and
- iii. Village livelihood and social development.

In addition to above three components, the WMPA also take seriously the conservation outreach and conservation awareness to build better understanding for local people, and gain local support for the watershed protection.

This SEMFOP II document follows on from the SEMFOP I adhering to the same principles and guidelines and describes the current setting, institutional arrangements, management planning, program activities and budget framework for the next 5 years (2011-2016). Most notably, the SEMFOP II is developed through a series of consultation workshops among concerned stakeholders, which identify the shared long-term vision, specific goals, objectives and activities to be achieved within the next five years. This is in accordance with the requirements of CA Vol 2A Sch No.4 Part 3 cl 2.3 (b) (ii) “to consult and plan with the Informed Participation of Stakeholders to prepare, implement, modify or amend Management Plans and Operational Plans.” All those activities identified in the SEMFOP II are in line with national legislations and government directives (e.g., PM’ decree no. 471), aims to effectively address major threats emerged recently from increased incursion by outsiders (both domestic and international) in searching for highly valued forest products and wildlife in the watershed. If current trends of those threats continue, it is likely envisioned that several key species of fauna and flora will disappear from the NPA within the next decade, which in turn will create large impacts on livelihood of local residents as well as the sustainability of hydropower project, which cause greater impact on national economy.

In SEMFOP II, the WMPA will achieve the following goals:

- i. Maintain/increase forest cover over the NT2 watershed area, with a particular focus on rehabilitation and management of riparian vegetation and sustainable use of riparian ecosystem
- ii. Maintain and increase biodiversity and its habitat with particular reference to populations of rare and endangered wildlife species.
- iii. Improve livelihood of local people living inside and around the watershed through community driven development approach.
- iv. Strengthen capacity and ownership of both local people and other government stakeholders, including the Implementing Agencies, in sustainable management of natural resources. The mandate given by the government to WMPA is to work with local people and other stakeholders to ensure sustainability of both biological diversity and living condition and welfare of watershed inhabitants. The WMPA believe that the watershed will ultimately have to be managed by the local people themselves in perpetuity. Therefore, the focus is on building local capacity, both at the institutional and individual levels, to meet the conservation and development aspiration of the people. In SEMFOP II, most management activities need to be transferred to Implementing Agencies whereas the WMPA will take its role as a planner, funder, supervisor and monitor of tasks undertaken by those Implementing Agencies.

The SEMFOP II addresses that in order to make sure where we are meeting the goal, all management activities outlined this second operational plan need to be effectively measured or assessed through a rigid monitoring system by focusing both on; (i) monitoring to evaluate the implementation of management actions, and (ii) monitoring to determine the effectiveness of management actions. In this regard, the internationally standardized monitoring system, e.g., MIST program, will be used to track progress of law enforcement in both levels of efforts and trend of threats. For evaluation of impacts of management

interventions (including law enforcement, land-use planning, livelihood development and outreach) on the watershed goals, the key indicators of success will be measured in forest cover and its change, and the level of threats (i.e., declining) to assess whether they improve when our interventions are implemented successfully.