

ACTION EAP-00

INFO	LOG-00	NP-00	AMAD-00	CIAE-00	INL-00	DEAE-00	DODE-00
	SRPP-00	DS-00	OIGO-00	FBIE-00	UTED-00	VC-00	H-00
	TEDE-00	INR-00	VCE-00	NSAE-00	PA-00	TFBI-00	IRM-00
	TEST-00	R-00	ECA-00	DSCC-00	PRM-00	DRL-00	G-00
	NEAT-00	SAS-00	/000W				

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R 130848Z NOV 03  
 FM AMEMBASSY VIENTIANE  
 TO SECSTATE WASHDC 6215  
 INFO AMEMBASSY BANGKOK  
 AMEMBASSY HANOI  
 AMEMBASSY PHNOM PENH  
 AMEMBASSY RANGOON  
 AMCONSUL CHIANG MAI  
 CDR USPACOM HONOLULU HI

RELEASED IN FULL

UNCLAS VIENTIANE 001275

SENSITIVE

STATE FOR EAP/BCLTV, DRL, INL/AAE  
 HANOI ALSO FOR HCMC  
 BANGKOK ALSO FOR DEA UDORN

E.O. 12958: N/A  
 TAGS: SNAR, PHUM, PREL, LA  
 SUBJECT: MIXED PICTURE ON RESETTLEMENT IN NORTHERN LAOS

REF: A) VIENTIANE 1195 B) VIENTIANE 976

## Summary

1. (SBU) The GoL resettlement program in northern Laos, aimed at ending opium growing and slash-and-burn by relocating upland minority groups to lowland paddy areas, has met with unrestrained criticism from some observers, but on the ground the issue is far from clear-cut (ref A). Resettlement in some opium-dependent areas of Luang Namtha province has indeed created humanitarian disasters locally (ref B), but NGO's are working closely with district and provincial offices to mitigate the worst problems. In other parts of the north, opium is less an economic mainstay and upland minority groups are not under pressure to move.

2. (SBU) Turning the picture on its head, officials in some parts of Bokeo province are anxious to keep upland minority groups where they are, since the province has exhausted

available lowland paddy land. The mixed picture from the north shows provincial and district authorities, determined to end poppy cultivation by the GoL's self-imposed 2005 deadline, are applying resettlement as a key tool for achieving that end, but in non-opium areas are more flexible about allowing highland villages to remain in place. End summary.

Resettlement: nothing new  
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3. (U) A week-long visit to Luang Namtha and Bokeo provinces in northern Laos, two minority-rich provinces that have been the frontline of the government's effort to end poppy cultivation by 2005 and slash-and-burn by 2010, showed how nuanced the resettlement issue is. Resettlement is nothing new in Laos -- highland villages have traditionally moved wholesale when they exhausted local resources, and at least since World War II the country has seen a musical chairs relocation of villages on a massive scale, caused by the disruptions of war and changes of government.

4. (U) The government's policy of "promoting" upland hill tribes to relocate to lowland areas to take up "sustainable" agriculture became national policy at the 7th Party Congress in 2001, when the Party resolved to end opium production by 2005 and swidden agriculture by 2010, both seen as necessary steps to remove Laos from the ranks of "least-developed countries." Although the central government has overseen the resettlement effort through the Prime Minister's Office and the relevant line ministries, implementation has by-and-large been conducted by provinces and localities, who have been left with the task of identifying and preparing resettlement areas and encouraging upland villages to relocate to those areas.

5. (U) The international community's interest in the effects of resettlement, muted at first, has become intense this year as resettlement "horror stories" made their way to Vientiane. NGO's and expats working in Luang Namtha have been front and center of the criticism of the government's resettlement program, especially as it affected minority hill tribes in Luang Namtha province. Action Contre la Faim (ACF)'s publication this past summer of its study of resettlement problems in Namtha's Muang Long district, probably the northern district most heavily affected by the resettlement push, has further galvanized NGO and bilateral donors to promote a "moratorium" on resettlement.

Muang Long: ground zero of resettlement  
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6. (U) Our talks with NGO's, local officials and villagers in Luang Namtha and neighboring Bokeo provinces revealed that generalizations about resettlement are hard to make. Muang Long stands out as the district that has suffered the brunt of problems with resettlement -- but Long's circumstances are unique in the north. The expat project director of Norwegian Church Aid's (NCA) integrated development project in Long told us that 80 percent of the district was ethnic Akha, a minority group known in the north as one of the poorest and most difficult to develop -- and one of most heavily dependent on opium.

7. (U) Like GTZ in neighboring Muang Sing district, NCA has taken the Akha under its wing as the focus of its assistance.

Unlike Sing, where most of the minority villages are already in low-lying areas and so are not subject to relocation, nearly half of Long's villages, almost exclusively Akha, have been identified by district authorities for resettlement. NCA said that that ACF's report outlining the problems that some of those resettled villages had experienced, including high rates of mortality and disease and increased poverty, was right on target. Fortunately, both NGO's told us, the district was becoming cognizant of these problems and was anxious to work with its resident NGO's -- ACF, NCA and the EU -- to mitigate the worst effects of resettlement and to help villages that didn't want to move to stay where they were.

8. (U) The formula for selecting which villages would move and which would stay was complex, but in essence came down to three factors: villages that did not have access to a road, consisted of less than 30 households, or did not have a school were in line for resettlement. To meet government criteria, NCA was taking a multi-prong approach. Food security for resettled villages met a basic need. Detoxification for opium addiction met another, with NCA explaining that conditions for the Akha could not improve until they cut their dependence on opium.

9. (U) But NCA had also gone into the road construction business, using its own equipment to build roads to isolated Akha villages, giving them access to the outside and making it possible for the district to provide facilities like schools and clinics. ACF was doing much the same type work as NCA, having expanded from their traditional work of supplying water systems. The results, so far, were encouraging. The two NGO's projects were reaching more than half of Long's 90-odd villages, and NCA and EU-constructed roads were connecting even the most isolated villages with

the district center.

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Phonesamphan: horror story turned success story  
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10. (U) That things were getting better for Akha and other minorities who had been earlier resettled became apparent on our visit to two resettlement villages, including one, Phonesamphan, that had been singled out by ACF as the most egregious example of bad resettlement planning. Phonesamphan is an ethnic Kouï village, a group widely regarded by other minorities (even the usually bottom-of-the-barrel Akha) as the most impoverished hill tribe in the area. According to ACF's project director in Long, the village was forcibly resettled in the mid-1990's, and in its first year in its new site had suffered horribly, suffering nearly a 30 percent mortality rate due to starvation and disease.

11. (U) Today Phonesamphan is getting on its feet. ACF has thrown resources at the village, providing farming tools and equipment, a new water system and training to villagers on lowland paddy and garden cultivation. The results, according to ACF staff, were that the village was far better off than it was only three years ago. Villagers were still poor, but starvation was no longer a threat, and their new road location ensured they had access to food assistance, markets and school and hospitals.

No resettlement fever in other districts  
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12. (U) Outside of Muang Long district, resettlement is having a more modest impact. NGO's we met with in other districts of Namtha and Bokeo provinces related none of the resettlement tragedies seen in Long. The Adventist Development Relief Agency (ADRA) in Namtha district related to us that most resettled villages they worked with had come down several years ago, and the resettlement impetus in that district had by-and-large ended. In Muang Sing, GTZ pointed out that some resettlement was going on, especially with ethnic Akha, but on a much smaller scale than in Long, and GTZ's massive integrated rural development program (with considerable U.S. funding) was concentrating on weaning the Akha from their dependence on opium.

13. (U) The NGO's Concern, NCA and Enfants et Developpement (EED) in Bokeo reported that resettlement was not a priority of the government in that province, nor was poppy cultivation particularly popular among the hodge-podge of ethnic groups. Concern's project director said that only two villages in

Houasai district had been identified for resettlement, and

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opium production there was miniscule. In the isolated district of Muang Meung, local officials had actually sought the assistance of Concern to encourage villagers to stay where they were rather than move down to lowland areas, since the district had no available paddy land for resettlement.

14. (U) Like NCA in Namtha, Concern was financing road building to isolated villages, viewing that approach as the best way to bring government services to the people and promote development. In concert with provincial offices, Concern had financed roads that had opened up Muang Meung, a district that once was only reachable by a combination boat trip and day-long walk. The province had also set up an informal "focal zone" in the Nam Yue valley between Muang Meung and Houasai -- a valley that during the Vietnam war era was the base of the ethnic Mien "secret army" advised by the legendary Tony Poe -- to provide a concentration of government services and paddy land to ethnic minorities who had moved down from the highlands.

15. (U) For all the NGO's working in these two provinces, the biggest single challenge was finding alternatives for ethnic groups that had once depended on opium but now needed new ways to make a living. The success of the government's anti-opium campaign ultimately was dependent on the ability of these former opium growers to find a viable replacement. To date, what had been done was on the order of experimentation -- NCA's project director in Long district, for example, said she had encouraged Akha in several villages to grow soybeans instead of poppy. The Akha planted the soybeans, but planted their poppy as well, and in the end the soybean crops were left to rot as the Akha spent their energy harvesting opium. ADRA was promoting silk production in Namtha, and others were promoting corn and livestock raising. But all agreed that there was no single "magic product" that would take the place of opium as a profitable cash crop.

Comment

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16. (SBU) The message that came through in numerous meetings with NGO's in Bokeo and Namtha is that resettlement has been an ongoing concern in Muang Long, but in other areas has had less impact. The resettlement drive in Muang Long has been tied to the government's plan to eliminate opium production by 2005. Resettlement of the Akha, probably the biggest single opium producing ethnic group in the region, was seen as crucial to the province's success in achieving its goal of becoming opium-free by the target date. The result has been an "excess of zeal" in resettlement in Long, especially in 2000-2002, but since then NGO's and local government offices

have been more in step on coordinating assistance to resettled villages.

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17. (SBU) Although it is hard to generalize about resettlement, in Bokeo and Namtha the drive seems to have more to do with eliminating opium than with GoL efforts to promote rural development or to end slash-and-burn. As a result, areas with relatively little opium production are not facing resettlement pressures, and the quickening pace of road construction and electrification in the region may eventually make resettlement as a means of delivering government services unnecessary. That said, the government is determined to end poppy cultivation, and in the shrinking areas where poppy is still a major crop, resettlement is a principal tool to achieve that end. End comment.

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