

# Funding Proposal

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## **FP282: Lao People's Democratic Republic: REDD+ Results-based Payments for results period [2015 – 2018] – “Governance, Forest Landscapes and Livelihoods – Southern Laos Project (GFLL-SL)”**

Lao People's Democratic Republic (the) | Japan International Cooperation Agency (JICA) | Decision  
B.43/03

18 November 2025



## Note on ongoing government restructuring

The Lao People's Democratic Republic has recently undergone institutional restructuring involving two key ministerial mergers. These changes were issued in form of Lao People's Revolutionary Party's Resolution on 12 March 2025<sup>1</sup>, and approved by the National Assembly on 20 March 2025.

Key changes include:

### 1. Ministry-level mergers at the Central Level

The Ministry of Agriculture and Forestry (MAF) and the Ministry of Natural Resources and Environment (MONRE) merged to form Ministry of Agriculture and Environment (MAE) on 13 June 2025<sup>2</sup>. The Department of Forestry (DOF) retains sole and clearly defined legal responsibility for forest management under the MAE. Meanwhile, the Department of Forest Inspection (DOFI) merged to form the new Department of Natural Resources and Environment Inspection (DNREI) also under the MAE. The newly established MAE continues to serve as the focal point for REDD+ matters. Lao's legal framework provides the foundation for the mandate of the MAE to receive, manage and administer payments for emission reductions.

The Ministry of Planning and Investment (MPI) and the Ministry of Finance (MOF) merged to form Ministry of Finance (referred to here as MOF 2) on 18 June 2025<sup>3</sup>. Institutional responsibilities were consolidated but the existing legal requirement for all official development assistance (ODA) to be channelled through the National Treasury via the Bank of Lao Special Account remains in place.

### 2. Subnational-level restructuring

The Provincial Agriculture and Forestry Office (PAFO) and the Provincial Office of Natural Resources and Environment (PONRE) are merged to form the new Provincial Agriculture and Environment Office (PAEO). The Forestry Section under the PAEO will retain sole and clearly defined responsibility for forest management<sup>4</sup>.

The District Agriculture and Forestry Office (DAFO) and the District Office of Natural Resources and Environment (DONRE) are merged to form the new District Agriculture and Environment Office (DAEO). The Environment and Forest Unit under the DAEO will retain sole and clearly defined responsibility for forest management<sup>5</sup>.

## Naming Convention for this REDD+RbP funding proposal:

In this REDD+RbP funding proposal, former ministry names are used for activities or events that occurred before the restructuring, while new names are applied to all activities after the merger and for future implementation with the Use of Proceeds.

Former name	New name
Ministry of Agriculture and Forestry (MAF) Ministry of Natural Resources and Environment (MONRE)	Ministry of Agriculture and Environment (MAE)
Department of Forest Inspection (DOFI)	Department of Natural Resources and Environment Inspection (DNREI)

<sup>1</sup> Lao People's Revolutionary Party's Resolution on the Improvement of Organizational Structure, No. 03/CPC, March 12, 2025.

<sup>2</sup> Party's Central Committee Organization Board Notice on Approval of MAE's structure, No. 221/PCCOB, 13 June 2025.

<sup>3</sup> Through the announcement of the Central Party's Committee, followed by the Prime Minister's Decree on the Organization and Operation of MOF, No. 538/PO, 21 August 2025.

<sup>4</sup> MAE Notice on Determination of the Organizational Structure of the Agriculture and Environment Offices at the Provincial and District Levels No. 0014/MAE, 4 July 2025,

<sup>5</sup> Ditto

Ministry of Finance (MOF) Ministry of Planning and Investment (MPI)	(the new) Ministry of Finance (MOF 2)
Provincial Agriculture and Forestry Office (PAFO) Provincial Office of Natural Resources and Environment (PONRE)	Provincial Agriculture and Environment Office (PAEO)
District Agriculture and Forestry Office (DAFO) District Office of Natural Resources and Environment (DONRE)	District Agriculture and Environment Office (DAEO)

## A. Proposed and projected REDD-plus results

Please provide the following information:

Total volume of REDD-plus results achieved in the results period as reported in the country's BUR technical annex (tCO <sub>2</sub> eq):	14,678,554 tCO <sub>2</sub> eq achieved over the results period from 1 January 2015 to 31 December 2018 (4 years).
A= Achieved volume of REDD-plus results offered to the pilot programme in this proposal (tCO <sub>2</sub> eq):	14,678,554 tCO <sub>2</sub> eq - 286,657 tCO <sub>2</sub> eq (for preventing double-payment, see Section B.2.2. viii) = 14,391,897 tCO <sub>2</sub> eq.
B= Expected volume of REDD-plus results to be achieved in the following years of the eligibility period (tCO <sub>2</sub> eq):	n.a.
A+B =Total volume expected to be submitted to the pilot programme (tCO <sub>2</sub> eq):	14,391,897 tCO <sub>2</sub> eq.

## B. Carbon elements

### B.1. Forest Reference Emission Level / Forest Reference Level (FREL/FRL)

Please provide link to the FREL/FRL submission:

<https://redd.unfccc.int/submissions.html?country=lao>

Please provide link to the UNFCCC Technical Assessment Report:

<https://redd.unfccc.int/submissions.html?country=lao>

#### B.1.1. UNFCCC Technical Assessment and Analysis process

(i) Consistency of the FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the consistency of the FREL/FRL with the GHG Inventory, including the definition of forest used. If the report identifies inconsistencies, explain these inconsistencies between the GHG inventory and FREL/FRL, and describe how they will be resolved in the next GHG inventory or FREL/FRL.*

When the FREL/FRL was prepared in 2018, Lao PDR had so far submitted two National Communications (NC) to the UNFCCC:

- The 1st National Communications (2000), based on the 1990 GHG Inventory; and
- The 2nd National Communications (2013), based on the 2000 GHG Inventory.

The dates of these two GHG Inventories did not overlap with the period of the FREL/FRL (2005-2014), and thus the issue of consistency was not assessed in the Technical Assessment Report. The Department of Forestry (DOF) under the Ministry of Agriculture and Forestry (MAF) is responsible for REDD+ and the Department of Climate Change (DCC) under the Ministry of Natural Resources and Environment (MONRE) is responsible for coordinating the compilation of the GHG Inventory and who also acts as the national focal point to the UNFCCC. Both are strongly aware of the importance of consistency between the FREL/FRL and the future GHG Inventories (and the future REDD+ MRVs).

The same definition of forest (see Table 1) was used for the FREL/FRL and the past two National Communications on Climate Change. It will be used for the future national Greenhouse Gas (GHG) inventories.

The 1<sup>st</sup> Biennial Update Report (BUR) with the 2014 GHG Inventory used DOF data, which are the data used for the construction of national FREL/FRL. They were the best available data that meets the standard of IPCC 2006 AFOLU.

(ii.a) Data source of the FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the data used for to the construction of the FREL/FRL, specifying whether the FREL/FRL is based on historical data and is equal to or below the average annual historical emissions during the reference period.*

The FREL/FRL for the historical reference period (2005–2014) is the annual average of the CO<sub>2</sub> emissions and removals associated with deforestation, forest degradation and enhancement of forest carbon stocks. The historical emissions and removals are estimated separately for each of the four sources and sinks, i.e. emissions from deforestation and forest degradation, and removals from forest restoration and reforestation.

Regarding the activity data (AD) and emission/removal factors (E/R factors):

- The AD is generated spatially using satellite-based analysis of land and forest cover for the two periods: 2005-2010 and 2010-2015. National-scale Forest Type Maps are used as the basis for estimating the AD. Changed areas are detected by the change detection method, and then applied reference sampling for generating statistically reliable estimates.
- E/R factors are generated using national-scale biomass data from the 2nd National Forest Inventory combined with country-specific allometric equations, and an independent biomass measurement data for RV class. IPCC default data and data from neighbouring Vietnam are used for some land/forest classes where no country-specific data are available.

Apart from the above, Lao PDR estimates emissions from forest degradation by selective logging through a proxy approach. This approach uses the tree stump records measured through the 2nd NFI to assess the impact of selective logging, which was considered as under-represented. The approach also complements quantifying forest degradation in stable forest classes where forest biomass data is limited.

(ii.b) If a country is considered HFLD: *Please provide the basis/justification for this classification.*

Lao PDR is not considered as a HFLD country.

(ii.c) FREL/FRL adjustments for a HFLD country: *If adjustments made, please provide information that the adjustment does not exceed 0.1% of the carbon stock over the eligibility period in the relevant area and/or exceed 10% of the FREL/FRL to reflect quantified, documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the eligibility period*

Lao PDR is not considered as a HFLD country, and no adjustments are made to the FREL/FRL.

(iii) FREL/FRL in accordance with 12/CP.17: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the quantified estimate of the FREL/FRL. Include whether the FREL/FRL was constructed in accordance with the guidelines in Decision 12/CP.17; specifically on the modalities for FREL/FRL and whether the raised issues were material or not material to the quantified estimate of the FEEL/FRL.*

The UNFCCC Technical Assessment concluded that “The information used by the Lao People’s Democratic Republic in constructing its FREL/FRL is transparent and complete and in overall accordance with the guidelines for submissions of information on FRELS/FRLs (as contained in the annex to decision 12/CP.17).” Table 1 below summarizes the modalities of the Lao PDR’s FREL/FRL.

Table 1: Summary of the modalities of the FREL/FRL

Scope	Summary
<b>Forest definition</b>	<p>“Current Forest” with Stand diameter at breast height (DBH): minimum of 10cm Crown density: minimum of 20% Minimum area of 0.5ha. and “Potential Forest” defined as lands previously forested, but presently not meeting the definition of “Current Forest” due to various disturbances, and expected to be restored to “Current Forest” status if continuously left undisturbed.</p>
<b>Land and forest classification system</b>	<p>National land and forest classification system with two levels of classification: Level 1 consisting of seven classes including “Current Forest” and “Potential Forest”; and Level 2 which further classifies “Current Forest” class under Level 1 into six natural and plantation forest classes.</p>
<b>Stratification</b>	For the purpose of the REDD+, the national land and forest classification explained above are condensed into five land/forest strata.
<b>Activities included</b>	<p>Deforestation Forest degradation Enhancement of forest carbon stocks (forest restoration and reforestation) * Emissions and Removals from conservation of carbon stock and sustainable management of forests are not included due to lack of national definitions.</p>
<b>Carbon Pools</b>	<p>Included: Above Ground Biomass (AGB), Below Ground Biomass (BGB) Not included: Deadwood, Litter and Soil – lack of data, insignificant.</p>
<b>Gases</b>	<p>Only carbon dioxide (CO<sub>2</sub>) included. (Non-CO<sub>2</sub> gases from field burning approx. 2.9% of all forest-related CO<sub>2</sub>).</p>
<b>Scale</b>	National
<b>Reference period and proposed validity</b>	<p>2005-2014 (10 years) The validity of FREL/FRL is for the period 2015–2025 (11 years)</p>
<b>Emission Factor</b>	<p>Data source: 2nd National Forest Inventory (NFI); country-specific allometric equation; Intergovernmental Panel on Climate Change (IPCC) default values; data of Vietnam. Then, stratified into five strata. Calculation: Amount of changes in carbon stock of among the five strata.</p>
<b>Activity Data</b>	<p>Data source: National-scale Forest Type Maps for year 2005, 2010 and 2015. Then, stratified into five strata. Calculation: Amount of changes in areas among the five strata. Estimated through reference sampling (‘Design-Based Area Estimation’)</p>
<b>Model applied</b>	Historical average
<b>Adjustment</b>	No.

Lao PDR itself has identified, and also been advised by other parties (e.g. UNFCCC Technical Assessment and other technical partners), of several areas for future technical improvements. It intends to improve the data and methods step-wise over time (as explained in the following sections).

(iv) FREL/FRL transparency: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the transparency of the FREL/FRL and whether significant issues were raised and resolved. If applicable, provide a plan on how to address and overcome issues that were not material to the transparency of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions.*

The FREL/FRL and its background documents were disclosed on the DOF website in parallel to the submission to the UNFCCC. During the Technical Assessment, supplementary data (e.g. calculation spreadsheets) were provided to the Technical Assessment team upon their request, which allowed them to reconstruct the FREL/FRL. No significant issues were raised in terms of transparency by the UNFCCC Technical Assessment.

- The UNFCCC Technical Assessment concluded that "...the transparency and completeness of information was improved significantly in the modified FREL/FRL submission and commends the Lao People's Democratic Republic for the efforts made... the modified submission as well as the information shared by the Party during the TA (e.g. spreadsheets and additional technical documents) increased the transparency and reproducibility of the FREL/FRL calculations" (paragraph 41).
- Meanwhile, the UNFCCC Technical Assessment also suggested that "...the Party may wish to enhance the description of the application of the method in the main text of the report so as to make it self-explanatory, in order to increase the transparency of future FREL/FRL submissions" (paragraph 43, (g)).
- Lao PDR appreciates this suggestion and intends to further enhance the transparency in the future FREL/FRL submission to support easier reconstruction of the estimates.
- As one measure to ensure data transparency, Lao PDR has developed the National Forest Monitoring System (NFMS) web-portal and database <<https://nfms.dof.maf.gov.la>> that enable transparent access to the data used for the construction of the FREL/FRL.

(v) FREL/FRL completeness: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the understanding of the FREL/FRL and whether significant issues were raised and resolved. If applicable, provide a plan on how to address and overcome issues that were not material to the completeness of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions. Include information that allows for the reconstruction of the FREL/FRL.*

As described in sections (iii) and (iv) above, the Technical Assessment concluded that the information used by the Lao PDR in constructing its FREL/FRL is complete, and that it includes the most significant activities and pools in terms of emissions from forests.

The Technical Assessment also acknowledges and welcomes the intention expressed by the Lao PDR to improve the future FREL/FRL when improved data methodologies become available, noting the importance of adequate and predictable support as referenced by decision 1/CP.16, paragraph 71. Such areas for improvement include:

- Continuous capacity building of remote sensing and GIS capacity to improve the accuracy of land and forest classifications and the resulting activity data;
- Continuous improvement of the accuracy of biomass data and resulting emission and removal factors through collection of national data (to reduce reliance on default values or regionally derived parameters and equations);
- Inclusion of carbon pools (e.g., deadwood) and gases (non-CO<sub>2</sub> gases from shifting cultivation and biomass burning);
- Improvement of the methods for estimating emissions from forest degradation, including emissions from selective logging, by considering remote sensing techniques; and
- Ensuring that double counting of emissions and removals with existing GHG initiatives will be avoided.

(vi) FREL/FRL consistency: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the consistency of the methodology used over the time series used for the construction of the FREL/FRL, and whether significant issues were raised in the report and resolved. If applicable, provide a plan to address and overcome issues that were not material to the consistency of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions.*



The Technical Assessment does not raise any issues of consistency of the methodology used over the time series used for the construction of the FREL/FRL.

- The activity data used for the construction of FREL/FRL are methodologically consistent over time. The same forest definition, land and forest classifications, and the forest mapping methodologies were applied for generating the activity data. The same team from the Forestry Inventory and Planning Division of DOF developed the forest type maps used for generating the activity data. A three-fold quality control process was applied to ensure consistency and accuracy.
- For the emission/removal factors, a single dataset from the 2<sup>nd</sup> NFI is used. The 1st NFI conducted in 1991-1999 applied a different methodology from the 2nd NFI. Some of the results do not meet REDD+ requirements (e.g. the data is not representative, since the 1st NFI selected the survey plots only from easily accessible areas). Also, with a gap of nearly 20 years between the 1st NFI and the 2nd NFI in 2015 - 2017, the Lao PDR forests have experienced significant changes during this period. For these reasons, Lao PDR considered that the 1st NFI shall not be used for the construction of the national FREL/FRL.
- The Japanese Government and JICA continuously provided major technical support for the construction of the FREL/FRL and its elements (e.g. forest mapping, biomass survey, allometric equation development, selection of estimation approaches, NFMS web-portal and database), which significantly contributed to maintaining the consistency of the methodologies applied.
- To further enhance consistency, transparency and accuracy of the estimation, Lao PDR has developed a set of standard operation procedures for:
  - Forest Type Map development;
  - National Forest Inventory;
  - Estimation of emissions/removals, REDD+ results and uncertainty; and
  - NFMS database and web-portal (user manual, data installation manual).

(vii) FREL/FRL accuracy: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the accuracy of the FREL/FRL and whether significant issues were raised and resolved. This should include information on whether the data and methodologies used neither over- nor under-estimate emissions and/or removals during the reference period. If applicable, provide a plan to address and overcome issues raised in TA Report that were not material to the accuracy of the FREL/FRL and that couldn't be resolved due to time and data restrictions.*

The Technical Assessment raised some issues of accuracy. Some issues will be addressed in future improvements, or already have been addressed in the current NFMS, while others were relatively insignificant in potential impacts to over-or under-estimation of the emissions and removals. Thus, the Technical Assessment team recommended to either include these issues in the estimations or else to make a clearer justification of their exclusion. (Note that Lao PDR has done initial assessments for most of them to justify their exclusion, such as for the pools and gases as presented in Section ix and x below). Further details raised in relation to the accuracy are summarized in Section xii below.

(viii) Sources of emissions: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to whether all activities listed in paragraph 70 of UNFCCC decision 1/CP.16 ('REDD-plus activities') that are a significant source of emissions were included. If they were not, justify whether activities that are significant sources of emissions were not included due to lack of data and/or whether the omission overestimates emissions or underestimates removals. Provide also a plan to include all data on all REDD-plus activities that are significant sources of emissions in future FREL/FRL submissions.*

The FREL/FRL covers the three of the five REDD+ activities -- "reducing emissions from deforestation," "reducing emissions from degradation" and "enhancement of forest carbon stocks." Meanwhile, "conservation of forest carbon stocks" and "sustainable management of forests" are



not included due to lack of national definitions; however, emissions and removals from the latter could be potentially included in the current carbon accounting. Justification and/or explanation of the inclusion or non-inclusion of each activity is described below.

Table 2: REDD+ activities included in the FREL/FRL

Activities	Included?	Lao PDR National Definition and/or Explanation
Emissions from deforestation	Yes	A deforestation event is a change of a forest land stratum to a non-forest land stratum. Deforestation can be caused by activities such as conversion of forests to agricultural land, infrastructure, urbanization, etc. The total emissions from deforestation account for approximately 34% of all forest-related emissions in the reference period (2005-2014).
Emissions from forest degradation	Yes	A degradation event is a change within the forest land strata from a higher biomass stratum to lower biomass stratum, and also measurement of tree stumps as a proxy indicator of logging activities. Degradation can be caused by activities such as selective logging. The event of a conversion of natural forest to forest plantation is also by definition, a degradation event. Short-term changes between certain stages of rotational agriculture may also be recorded as degradation events. The total emissions from forest degradation account for approximately 66% of all forest-related emissions in the reference period (2005-2014).
Removals from forest enhancement (Restoration)	Yes	A restoration event is a change within forest land stratum from a lower biomass stratum to a higher biomass stratum (in IPCC terms, "forest land remaining forest land"). Restoration often results from regrowth of the Regenerating Vegetation to other natural forest classes.
Removals from forest enhancement (Reforestation)	Yes	A reforestation event is a change of non-forest stratum to forest land strata. Reforestation often results from a non-forest land being converted into the Plantation class, or regenerating into the Regenerating Vegetation class.
Emissions and Removals from conservation of carbon stocks	No	There is no national definition for this REDD+ activity.
Emissions and Removals from sustainable management of forests	No	There is no national definition for this REDD+ activity.

(ix) Significant pools: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the inclusion of the most significant pools. If applicable, justify whether significant pools were not included due to lack of data and/or the omission does not overestimate emissions or underestimate removals. In addition, provide a plan to include all significant pools in future FREL/FRL submissions.*

The Technical Assessment acknowledges that the Lao PDR included in the FREL/FRL the most significant activities and pools in terms of emissions from forests. The TA report identified omitted pools as areas for future technical improvement.

- The FREL/FRL includes above-ground and below-ground biomass. Deadwood and litter are not included based on their insignificance and the lack of data. Soil organic carbon is not included due to lack of data.

- Exclusion of deadwood, litter and soil organic carbon pools is considered conservative, i.e., avoids overestimation of emissions reduction, based on the assumption that future improvements in forest management will be successful.

Table 3: Carbon pools accounted for in the FREL/FRL

Carbon Pools	Selected?	Justification or Explanation
Above Ground Biomass (AGB)	Yes	AGB comprises most of the forest biomass in Lao PDR, and thus is considered as a significant carbon pool.
Below Ground Biomass (BGB)	Yes	On average, BGB constitutes 37.6% of the AGB per ha. Thus, BGB is considered as a significant carbon pool. Due to the lack of country-specific data, the IPCC default values were used for the estimation.
Dead Wood (DW)	No	The 2 <sup>nd</sup> NFI involved measurement of DW. The results showed that emissions from DW through deforestation account for only 2.3% of the sum of the AGB, BGB and DW. Therefore, DW is considered insignificant. Lao PDR currently lacks complete data to account for DW in the FREL/FRL. It plans to improve this issue in the measurement of the future NFI.
Litter	No	The carbon stock of litter was assumed to be small, given that Lao PDR has a moist tropical climate (2.1 tC/ha for Lao PDR according to the IPCC 2006 Guideline Volume 4, Chapter 2, Table 2.2). Therefore, it was agreed that the 2 <sup>nd</sup> NFI would not measure litter. The emissions from litter can be assumed to be smaller than that of the DW. Inclusion of litter in the measurement will be considered in the future as part of step-wise improvements.
Soil	No	No reliable country-specific data for soil organic carbon exists. Inclusion of soil organic carbon in the measurement will be considered for the future step-wise improvements.

In the 3<sup>rd</sup> NFI (2019), deadwood for the Regenerating Vegetation class was measured. This change enables inclusion of deadwood carbon pool in the future FREL/FRL.

(x) Emissions from gases: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the inclusion of all gases that are significant sources of emissions. If not all of the gases were included, justify whether gases that are significant sources of emissions were not included due to lack of data and/or whether the omission overestimates emissions or underestimates removals. Provide also a plan to include all significant pools in future FREL/FRL submissions.*

Only carbon dioxide (CO<sub>2</sub>) is included.

- Non-CO<sub>2</sub> gases are not included. Biomass burning associated mainly with shifting cultivation is considered as the major source of non-CO<sub>2</sub> gases. It was not included, however, owing to the relatively low contribution of emissions of non-CO<sub>2</sub> emissions to the total forest-related emissions as well as the methodological challenges associated with their estimation.
- Exclusion of non-CO<sub>2</sub> gases, i.e., methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), is conservative i.e., avoids overestimation of emissions reduction, based on the assumption that future improvements in forest management will be successful.

Table 4: Gases accounted for in the FREL/FRL

Greenhouse gases	Selected?	Justification / Explanation
CO <sub>2</sub>	Yes	The FREL/FRL accounts for CO <sub>2</sub> emissions and removals.

Non-CO2 (CH4 and N2O)	No	<p>Shifting cultivation is important nationally, as nearly 170,000ha/year of forest lands are affected by slash-and-burn practices. CH4 and N2O are the gases emitted from biomass burning.</p> <p>The estimated emissions from non-CO2 gases caused by shifting cultivation account for 2.9% of all forest-related CO2 emissions in the reference period (2005-2014) based on IPCC 2006, Volume 4, Chapter 2, Section 2.4 (Equation 2.27).</p> <p>No country-specific biomass combustion factor exists that can be applied for slash-and-burn activities.</p> <p>Forest fires, which in Lao PDR mostly result from uncontrolled spreading of fire from slash-and-burn activities, are another source of emissions of CH4 and N2O. Lao PDR currently does not have a national system to accurately monitor forest fires and its affected areas. It is also a challenge to distinguish whether fires are anthropogenic or naturally caused.</p> <p>For these reasons, non-CO2 gases (CH4 and N2O) are excluded from the FREL/FRL.</p>	
<p>■ Inclusion of non-CO2 gases (CH4 and N2O) from shifting cultivation and biomass burning is considered as areas for future improvement. Currently, Lao PDR is collaborating with the support from Japan and the U.S. to assess the feasibility of developing country specific biomass burning data.</p>			
<p>(xi) IPCC guidance for FREL/FRL: <i>Please indicate if the whether the construction of the FREL/FRL (data, methodologies and estimates) was guided by 2003 GPGs or 2006 GLs.</i></p> <p>The IPCC 2006 Guidelines were applied for the construction of the FREL/FRL.</p>			
<p>(xii) Issues related to applying IPCC guidance: <i>Please mention any significant issues related to the application of IPCC GLs/GPGs as raised in the TA report. Include any significant issues that are material to the alignment with the methodologies of the IPCC GLs/GPGs that were raised in the TA report and whether significant issues were raised and resolved. If applicable, provide a plan to address and overcome issues raised in TA Report that were not material to the application of IPCC guidance and that couldn't be resolved due to time and data restrictions.</i></p> <p>The Technical Assessment raised some issues related to the application of IPCC Guidelines and Good Practice Guidance. Lao PDR believes that the issues raised were, in general, minor or subject to future improvement. Moreover, Lao PDR believes that these issues do not significantly undermine the credibility of Lao PDR's FREL/FRL, and thus should not hinder access to REDD+ results-based payments. A summary of the Technical Assessment Report's major points and some actions taken and/or plans considered by Lao PDR follows:</p> <ul style="list-style-type: none"> <li>■ Lao PDR used a simplified approach for land representation in which all non-forest land classes (cropland, grassland, wetlands, settlements, other land) were grouped into one non-forest class. The purpose was to reduce the uncertainty associated with the land representation, even though despite national data were available to apply "approach 3" for land representation provided in the 2006 IPCC Guidelines. The Technical Assessment noted that this approach is not consistent with the approaches for land representation provided in the 2006 IPCC Guidelines (vol. 4, chapter 3): in particular, this simplification affects the estimation of emissions and removals from forest land converted to other land-use categories (deforestation). To increase the transparency, accuracy and the overall adherence to the IPCC guidelines of the FREL/FRL and to facilitate achieving consistency with the national GHG inventory, Lao PDR will consider future technical improvements in this approach;</li> <li>■ The Technical Assessment recommended that the terminology and references to the equations and parameters from the 2006 IPCC Guidelines be used consistently throughout the submission. Also, the Technical Assessment recommended some areas where descriptions can be enhanced for clarity. Lao PDR will aim to enhance these issues in future submissions;</li> </ul>			

- Another recommendation is to include all the emissions and removals from the 'forest land remaining forest land' areas by applying the default method provided in the 2006 IPCC Guidelines together with above-ground biomass increment factors appropriate to its national circumstances from local or regional scientific research. The concern of Lao PDR was that due to the national circumstances where forests are subject to constant use and disturbance by the local communities, applying the IPCC default values may overestimate the actual growth of forests. Lao PDR, however, agreed to consider the use of local or regional scientific research together with the default method provided in the 2006 IPCC Guidelines to increase the accuracy of the future FREL/FRL;
- Although the amount was considered as insignificant, consider including the deadwood pool, for which the data partly exist, to enhance comprehensive measurement. Taking this advice, full measurement of deadwood in all forestland classes has been already institutionalized in the future NFI (i.e. 3<sup>rd</sup> NFI conducted in 2019);
- For the litter pool, soil organic carbon and non-CO<sub>2</sub> emissions from biomass burning (including those from shifting cultivation), the Lao PDR explained its initial assessment that those sources are considered insignificant or difficult to accurately estimate due to lack of suitable data. The Technical Assessment Team and Lao PDR agreed, however, to consider inclusion of this pool, or to provide more information to justify its omission, in future submissions; and
- The Technical Assessment recommended to consider increasing the sample size used for the NFI (420 survey plots), as it could be small relative to the large variability in biomass carbon stocks and the sampled forest area (over 13.5 million ha), and thus may lead to a high uncertainty in the FREL/FRL estimates. Lao PDR re-visited the sampling design, including the sample size at the 3<sup>rd</sup> NFI (2019): the current design is considered as adequate for ensuring statistical soundness of the results.

Considering possible future REDD+ results-based payment options (e.g. FCPF Carbon Fund and GCF REDD+ results-based payments), Lao PDR dared not include emissions/removals sources that where the lack of data and/or insignificance may potentially over-estimate or impact the uncertainty of estimations. The Technical Assessment differed on this issue, noting that the 2006 IPCC Guidelines consider it good practice to develop accurate -- and not conservative -- estimates.

#### B.1.2. Additional criteria related to FREL/FRL

(xiii) Reference period for the FREL/FRL: *Please indicate the reference period (number of years) applied for the construction of the FREL/FRL.*

The reference period for the FREL/FRL is 2005–2014 (10 years).

(xiv) If previous reference level submitted: *Please indicate whether a previous reference level applying to the same area was submitted. If so, describe the difference between the emissions and removals used for the previous one and the current one. Describe any adjustments made to the current FREL/FRL compared to the previous one, if applicable.*

No FREL/FRL was submitted to the UNFCCC prior to the one presented here.

(xv) Uncertainties: *Please indicate whether the country has provided information on aggregated uncertainties of the emissions or removals estimate, taking into account national capabilities and circumstances, and if so, indicate the percentage of aggregate uncertainties and provide information on assumptions and sources. If applicable, indicate the process implemented to minimize systematic and random errors.*

The estimated overall (aggregated) uncertainty of the FREL/FRL is 16.0% for emissions and 19.3% for removals. The full details are explained in the FREL/FRL submission and assessed in the Technical Assessment Report (TAR).

- Uncertainty associated with AD and E/R factors is quantified by providing accuracy, confidence interval, distribution error and propagation of error estimates following the 2006 IPCC Guidelines for National GHG Inventory (Chapter 3). The quantification method applied is simple error propagation equations, since errors in data and methods are not considered large as defined in the IPCC Guideline.
- The sources of uncertainty of AD are the errors from the procedures for interpretation of land/forest classes. This uncertainty is commonly associated with the quality of satellite data, interoperability of the different sensors, image processing, cartography and thematic standards, location and co-registration, the interpretation procedure itself and post-processing. Such errors are calculated following the good practices for assessing accuracy assessment of land change as recommended in Olofsson et al (2014).
- Uncertainty of E/R factors was assessed following the IPCC GL 2006 for National Greenhouse Gas Inventories (Volume 1, Chapter 3), which lists eight causes of uncertainties: lack of completeness; model; lack of data; lack of representativeness of data; statistical random sampling error; measurement error; misreporting or misclassification; and missing data.
- The uncertainty associated with selective logging also was assessed.
- Various measures were taken to minimize systematic and random errors to the extent possible. Lao PDR recognizes the importance of reducing uncertainties in the future estimates, taking into account its national capabilities and circumstances, and has identified areas for improvement.

*(xvi) Please indicate whether different FREL/FRLs have been used for different funding sources or other purposes, and if so, list and describe them.*

Currently, Lao PDR has five ongoing or planned GHG mitigation projects initiatives, with different funding sources and purposes. The following four projects overlap, or may overlap, in their REDD+ results accounting areas and periods with the REDD+ results proposed to the GCF. The first three of these projects used methodologies that differ from the FREL/FRL. The JCM-REDD+ allows an option to use the methodologies and data of the FREL/FRL subject to pre-approval.

- [VCS Project ID 1684](#) “Mitigation of GHG: Rubber based agro-forestry system for sustainable development and poverty reduction in Pakkading, Bolikhamsay Province,” a project to develop rubber plantation in Bolikhamsay Province. The project plans to sequesterate approximately 1,107,495 tCO<sub>2</sub>e during its 30-year project period from their rubber plantation of 661 ha in Pakkading District, Bolikhamsay Province;
- [VCS Project ID 1398](#) “Reducing Emissions from Deforestation and Carbon Enhancement in Xe Pian National Protected Area,” a project to provide sustainable long-term finance for an effective management of the Xe Pian National Protected Area (NPA) in Champasack Province, to avoid deforestation and enhance carbon stocks. The Project Area covers the 141,963 ha of the Xe Pian NPA, however, it excludes the core parts of the NPA equivalent to 51,892 ha;
- [VCS Project ID 2367](#) “Afforestation in Eucalyptus and Acacia plantations for Burapha Agroforestry Co., Ltd.,” a project to promote and implement afforestation of Eucalyptus and Acacia agroforestry plantations on degraded areas. The project plans to generate GHG removals through tree and soil carbon sequestration over 3,536ha of plantations established in the Prefecture of Vientiane and the Provinces of Vientiane, Xayabouly, and Saysomboun; and
- A [Joint Crediting Mechanism \(JCM\) project](#), “Reducing GHG emissions from deforestation and forest degradation through controlling shifting cultivation in Phonxay District, Luang Prabang Province of Lao PDR.” As of August 2024, the project has requested registration.

In December 2020, the Government of Laos (GoL) and the World Bank (as the trustee of the FCPF Carbon Fund) have signed the [Emission Reduction Payment Agreement \(ERPA\)](#) for an Emission Reduction Program (also referred to as the “GFLL Project”). The proposed program aims to reduce emissions and increase removals from 6 northern provinces during the Emission Reduction Program period of 2019 - 2024 against the FREL/FRL constructed for the historical



period of 2005-2014. This FREL/FRL, in principle, uses the same methodologies and dataset with the national FREL/FRL: therefore, the two are highly consistent.

## B.2. REDD-plus Results reporting

Please provide link to the BUR technical annex containing REDD+ results:  
<https://unfccc.int/documents/274307>

Please provide link to the UNFCCC Technical Analysis Report:  
[https://unfccc.int/sites/default/files/resource/tatr2020\\_LAO.pdf](https://unfccc.int/sites/default/files/resource/tatr2020_LAO.pdf)

### B.2.1. UNFCCC Technical Analysis

(i) Consistency of results with FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the consistency of the reported results in the technical annex to the BUR with the FREL/FRL (including the inclusion of same pools, activities and gases).*

The Technical Analysis concluded that data and information provided by Lao PDR in the BUR technical annex is in accordance with the guidelines, transparent and fully consistent with the assessed FREL/FRL.

(ii) Transparency of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the transparency of the data and information provided in the technical annex (i.e. whether information has been provided to provide an understanding of how UNFCCC guidance on results reporting has been addressed). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the transparency of the data on results and that could not be resolved due to time and data restrictions.*

The BUR technical annex provides a summary of the information required. It contains links and references to the supplementary information in the first national REDD+ results report that fully describes the approach, information and data that derived the REDD+ results. The Technical Analysis concluded that Lao PDR provided the necessary information to allow for the reconstruction of the REDD+ results.

The intention of producing the first national REDD+ results report as a separate document from the BUR technical annex was to keep the BUR technical annex concise. The Technical Analysis noted that transparency could be enhanced by including this first national REDD+ results report as part of the BUR technical annex. The Technical Analysis confirmed the transparency of Lao PDR's reporting, and the issue above is considered not material to the transparency requirement,

After the completion of the Technical Analysis, Lao PDR have made all data publicly available through the [NFMS web-portal](http://nfms.gov.la), enabling stakeholders to reconstruct the emission and removal estimates. The standard operating procedures (SOPs) listed below are also prepared and publicly available in the Lao REDD+ website <<http://dof.maf.gov.la/redd/en/nfms/>>:

- Standard Operation Procedures (SOP) for Forest Type Map development
- Standard Operating Procedures (SOP) for the Terrestrial Carbon Measurement
- Standard Operation Procedures (SOP) for the Lao PDR's REDD+ MRV - based on the methodologies applied for the 1st FREL/FRL and the 1st National REDD+ Results, and its Annex for calculation
- Standard Operation Procedures (SOP) for the National Forest Monitoring System Servers and Network
- National Forest Monitoring System User Manual
- National Forest Monitoring System Data Installation Manual



(iii) Completeness of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the completeness of the data and information provided in the technical annex (i.e. whether information has been provided that allows for the reconstruction of the results). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the completeness of the data on results and that could not be resolved due to time and data restrictions.*

The Technical Analysis consider the data and information provided in the BUR technical annex to be as complete and accurate as possible.

The Technical Analysis concluded that the Lao PDR provided the necessary information to allow for the reconstruction of the REDD+ results, and no significant or material issues were raised. As already explained in B.2.1. (ii) Transparency of the data above, the Technical Analysis considered more appropriate to include this first national REDD+ results report as part of the BUR technical annex.

(iv) Consistency of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the consistency of the data and information provided in the technical annex (i.e. data and methodologies were applied consistently over the results time series). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the consistency of the data on results and that could not be resolved due to time and data restrictions.*

The Technical Analysis concluded that the data and information provided by the Lao People's Democratic Republic in the technical annex are fully consistent with the assessed FREL/FRL.

(v) Accuracy of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the accuracy of the data and information provided in the technical annex (i.e. whether it neither over- nor under-estimates emissions and/or removals). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the accuracy of the data on results and that could not be resolved due to time and data restrictions.*

The Technical Analysis concluded that on the basis of the BUR technical annex including the first national REDD+ results report and clarification provided, the results are as accurate as possible.

Accuracy assessments were carried out for the activity data and the emission factors, applying the good practices recommended by such organizations as the IPCC and GFOI. By using the accuracy assessment results, uncertainty of the activity data, emission factors, and the overall uncertainty of the REDD+ results are transparently quantified (more details are presented in Section B.2.2. (vii) Uncertainties).

(vi) Indicate the number of years that took place between the last year of the FREL/FRL period, and the year corresponding to the results being proposed for payments:

No gap exists between the last year of the FREL/FRL period and the year corresponding to the results being proposed for payments, since:

- The FREL/FRL reference period is 10 years, from 1 January 2005 through 31 December 2014.
- The results period proposed for payments is from 1 January 2015 to 31 December 2018 (4 years), estimated consistently against the FREL/FRL.

### B.2.2. Additional criteria related to the achieved results

(vii) **Uncertainties:** *Explain whether the country has provided information on aggregate uncertainties of the results, taking into account national capabilities and circumstances. Include the percentage of aggregate uncertainties and provide information on assumptions and sources. If applicable, indicate the process implemented to minimize systematic and random errors.*

#### Overview of the uncertainty assessment

Lao PDR provided the information on accuracy and uncertainties of the results in its Technical Annex, which is summarized below.

The uncertainty associated with activity data and emission/removal factors is quantified by providing accuracy, confidence interval, distribution error and propagation of error following the 2006 IPCC Guidelines for National GHG Inventory (Chapter 3). The quantification method applied is simple error propagation equations, since errors in data and methods are not considered large as defined in the IPCC Guideline.

The subject of uncertainty assessment is the sources and sinks of emission and removals, namely Deforestation, Forest Degradation, Reforestation, and Forest Restoration.

#### Uncertainty of activity data

The sources of uncertainty of AD are the errors from procedures for interpretation of land/forest classes. These errors are commonly associated with the quality of satellite data, interoperability of the different sensors, image processing, cartography and thematic standards, location and co-registration, the interpretation procedure itself and post-processing.

Errors are calculated following the good practices for assessing accuracy assessment of land change as recommended in Olofsson et al (2014)<sup>6</sup>. To employ this approach, the land use change classes were validated using Collect Earth<sup>7</sup>. The results are shown in the table below:

Table 5: Map accuracy and uncertainty of Activity Data 2015 - 2019

Class	DF	DG	RF	RS	SF	SNF
AD uncertainty	30.9%	38.5%	44.7%	26.6%	1.6%	9.4%
User accuracy	86.7%	80.0%	76.7%	76.7%	97.4%	82.8%
Producer accuracy	83.9%	72.7%	79.3%	88.5%	97.0%	84.2%
Overall accuracy	93.2%					

#### Uncertainty of emission/removal factors

With reference to the IPCC GL 2006 for National Greenhouse Gas Inventories (Volume 1, Chapter 3), for Lao PDR, the main parameters that cause uncertainty of E/R factors are as follows:

1. Uncertainty of AGB originating from sampling error, (3rd NFI data);
2. Uncertainty of AGB originating from biomass equation;
3. Uncertainty of Root-to-Shoot ratios due to the use of IPCC default values (IPCC GL 2006);
4. Uncertainty of Carbon Fraction factor due to the use of IPCC default values (IPCC GL 2006); and
5. Uncertainty of AGB originating from measurement error (QC of 3rd NFI).

After the uncertainty of each parameter is assessed, the uncertainty levels for each source or sink are calculated following the 'propagation of error approach' and by using the generic equations

<sup>6</sup> Olofsson et al. (2014) Good practices for estimating area and assessing accuracy of land change. Remote Sensing of Environment 148, 42-57.

<sup>7</sup> Details at: <http://www.openforis.org/tools/collect-earth.html>

given in the IPCC Guidelines 2006 (Equation 3.1 and 3.2. The results are shown in the table below:

Table 6: Uncertainty of E/R factors per sources and sinks

Uncertainty (%)	
Deforestation	10.1%
Forest Degradation	6.5%
Reforestation	10.1%
Restoration	6.5%

### Estimation of the overall uncertainty of the results

After the overall uncertainty of the emissions and removals for the 1st National REDD+ Results period are assessed as presented in Section 5.4.3 above, the overall uncertainty of the 1st National REDD+ Results was calculated also through 'propagation of error approach'.

The overall uncertainty of the proposed 1st National REDD+ Results is considered as 16.5% for emissions and 15.7% for removals for the 2015-2016 period, and 12.7% for emissions and 15.7% for removals for the 2017-2018 period (see Tables 7 and 8 below).

Table 7: Overall uncertainty of the proposed 1st National REDD+ Results (2015-2016)

Source/Sink	2015-2016		
	Amount tCO <sub>2</sub> e/year	Uncertainty range tCO <sub>2</sub> e/year	Uncertainty %
Emission	2,680,944	442,697	16.5%
Removal	468,325	73,592	15.7%

Table 8: Overall uncertainty of the proposed 1st National REDD+ Results (2017-2018)

Source/Sink	2017-2018		
	Amount tCO <sub>2</sub> e/year	Uncertainty range tCO <sub>2</sub> e/year	Uncertainty %
Emission	3,721,683	470,809	12.7%
Removal	468,325	73,592	15.7%

### (viii) Preventing double payments:

- *Provide information on payments that have been, or are expected to be received from other sources of funding for results recognized by the country for the same area for the same period, for which the country is applying for payments from the GCF.*
- *Include relevant information regarding the payments paid or expected to be paid, including the year(s), results volume in tCO<sub>2</sub>e, quantities for which payments were received/are expected to be received, and entity/entities paying for the results as well as any type of agreement involved.*

As already described in Section B1.2 (xvi), four REDD+ projects do or may overlap in their accounting areas and results periods as summarized below:

- [VCS Project ID 1684](#) "Mitigation of GHG: Rubber based agro-forestry system for sustainable development and poverty reduction in Pakkading, Bolikhamsay Province;"
- [VCS Project ID 1398](#) "Reducing Emissions from Deforestation and Carbon Enhancement in Xe Pian National Protected Area;"
- [VCS Project ID 2367](#) "Afforestation in Eucalyptus and Acacia plantations for Burapha Agroforestry Co., Ltd.;" and
- [A Joint Crediting Mechanism \(JCM\) project](#), "Reducing GHG emissions from deforestation and forest degradation through controlling shifting cultivation in Phonxay District, Luang Prabang Province of Lao PDR."

Table 9: Other REDD+ projects that require prevention of double payments

Project	VCS 1684	VCS 1398	VCS 2367	JCM REDD+
Status	Registered	Registered	Registered	Registration requested
Crediting period	08/07/2008 – 07/07/2037 (30 years)	01/09/2014 – 31/08/2043 (30 years)	22/04/2016 – 22/04/2035 (20 years)	2015-2018 (4 years)
Results monitoring status	Validation and Verification completed for 08/07/2008 - 07/07/2015; and 08/07/2015 - 07/07/2019	Validation and Verification completed for 01/9/2014 - 31/08/2017	1 <sup>st</sup> monitoring report submitted for 22/04/2016 -13/02/2020	Validation completed for 2015-2018 (4 years)
Results volume for 2015-2018 (tCO <sub>2</sub> e)	55,467	145,380 for 01/09/2014 - 31/08/2017	47,422 for 01/01/2017 – 31/12/2018	38,388
Credits issued for 2015-2018 (tCO <sub>2</sub> e)	55,467 issued	n.a.	47,422 issued	to be issued after the completion of project registration
Payment entity(s)	Unknown	n.a.	Private entities	Japanese government and others
Project owner	Lao Thai Hua Rubber Co. Ltd	Provincial Office of Agriculture and Forestry (PAFO), of Champasack province	Burapha Agroforestry Co. Ltd	PAFO of Luang Prabang province, District Agriculture and Forestry Office (DAFO) of Phonxay District, Waseda University and Marubeni Corporation
Project owner type	Private business	Sub-national government	Private business	Sub-national government and Japanese private sector partners

Accordingly, the credits issued during 2015-2018 from VCS Project ID 1398, VCS Project ID 1684, VCS Project ID 2367, and JCM-REDD+, totalling 286,657 tCO<sub>2</sub>e, will be deducted from the results proposed to the GCF.

The results period of the [Emission Reduction Program for the FCPF Carbon Fund payment \(2019 – 2024\)](#) does not overlap with that of the GCF.

- *Provide sufficient assurances that the results that have been paid, or are expected to be paid for by other sources (or are under any type of analogous agreement) been excluded from the volume offered to the GCF.*

At the time of this funding proposal, VCS ID 1684 and VCS ID 2367 are the only projects that could compete with the REDD+ credit results to be offered to the GCF. To prevent double payments, the full amount of their credits (55,467 tCO<sub>2</sub>e for VCS ID 1684, and 47,422 for VCS ID 2367 respectively) will be deducted in the case that the final volume offered to the GCF includes those credits (since it is not certain yet how much the final volume will be at this point).

Additionally, the potential results from JCM-REDD+ (38,388 tCO<sub>2</sub>e credits that have not been issued yet) will be also discounted and set aside from the volume offered to the GCF as a precaution to avoid any type of current or future double counting.

For the VCS ID 1398, the DOF (on behalf of the Lao Government) and PAFO of Champasack Province already confirmed that they will not issue credits for 2015-2018.

- *Provide a description of measures to ensure that the results paid by the GCF will not be transferred, offered for future payment or otherwise used (for example for offsets) and information on how the results proposed for payment by the GCF will be treated or used.*

As presented in Section B.2.2. (ix) and Section F, the legislative framework of Lao PDR and specific regulations related to Lao REDD+ management, development, and implementation, unequivocally grants full authority to MAE to administer the results paid by the GCF. The MAE will ensure the results paid by the GCF will not be transferred, offered for future payment, or otherwise used, except for the use for its Nationally Determined Contribution (NDC).

The full amount of the GCF results payments will be invested for implementing the Governance, Forest Landscapes and Livelihoods – Southern Laos Project (GFLL-SL) presented in Section C.2.

- *Provide information on how different financing contributed to the achieved results.*

During the 2015-2018 results period, Lao PDR was implementing its national Forest Strategy 2020 (FS 2020) and actively working on further developing its national REDD+ program. As the government's capacity to finance the FS 2020 was still limited, various donors provided financial as well as technical support to pilot REDD+, sustainable forest management, and related land management approaches. They included:

- The FCPF REDD+ Readiness Project;
- The Sustainable Forestry for Rural Development – Scaling Up (SUFORD-SU) Project (World Bank, FIP, and Finland);
- The Biodiversity Conservation Corridors (BCC) Project (ADB, FIP);
- The Smallholder Agroforestry Project, also called the Agroforestry Advisory Services (IFC, FIP)
- The Forestry and REDD+ Project (F-REDD), including the PAREDD and FSCAP Projects (JICA);
- The Climate Protection through Avoided Deforestation Project (CliPAD), with Technical Cooperation Module (GIZ) and the Financial Cooperation Module (KfW);
- The Agro-biodiversity Initiative (TABI) (Swiss Development Cooperation);
- The Dry Dipotocarp Project (UNDP); and
- Integrated Conservation of Biodiversity and Forests (KfW).

(ix) Tracking emissions reductions: *Indicate whether the achieved results are included in a registry or similar system that tracks emissions reductions and corresponding payments, and ensures that there is no past or future double payment or use of such results, including information to identify the area where the results were achieved, the entity eligible to receive payment, year(s) generated, source(s) of payments received, and identifying code, where possible. Provide the link or information where to find the registry or similar system*

Lao PDR is in the process of developing its capacity to track emissions reductions and removals under the REDD+ program. While a comprehensive carbon transaction registry is not yet in place, significant progress has been made through the development of the National Forest Monitoring System (NFMS) Web-Portal and a demonstration version of the Registry Data Management System (DMS).

- **NFMS Web-Portal:** The [NFMS Web-Portal](#) provides basic information on forest cover, deforestation rates, and REDD+ project data. This platform supports data accessibility and transparency for both national and international stakeholders, aligning with international standards for data transparency.



- **The Data Management System (DMS):** an initial version of the DMS ([DMS English Version](#), [DMS Lao Version](#)) is in place to facilitate project registration and basic data management. This system currently supports the tracking of emissions reductions from REDD+ projects:

## Screenshot of DMS with Project List

### Laos Carbon Project/Program Registry Data Management System (Demo)

#### Project Level

The following table summarizes the VCS project overview in Lao PDR.

#### Project List

ID	Name	State / Province	Proponent	Project Type	AFOLU Activities	Methodology	Status	Hectares	Estimated Annual Emission Reductions	Project Registration Date	Crediting Period Start Date	Crediting Period End Date	Validator	Issuance	Buffer Pool
1398	<a href="#">Reducing Emissions from Deforestation and Carbon Enhancement in Xe Pian National Protected Area</a>	Champasak Province	Provincial Office of Agriculture and Forestry (PAFO) (India)	Agriculture Forestry and Other Land Use	REDD	VM0015	Late to verify	260,000	64,981	2017-11-16	2014-09-01	2044-08-31	TUV SUD South Asia Private Limited		
1684	<a href="#">Mitigation of GHG: Rubber based agro forestry system for sustainable development and poverty reduction in Pakkading, Bolikhamxay Province, Lao PDR</a>	Bolikhamxay Province	Lao Thai Hua Rubber Co. Ltd (Thailand)	Agriculture Forestry and Other Land Use	ARR	AR-ACM0003	Verification approval requested	661	42,497	2017-05-16	2008-07-08	2036-07-07	RINA S.p.A (RINA)	<a href="#">View Issuance Records</a>	<a href="#">View VCS Buffer Pool Records</a>
2367	<a href="#">Afforestation in Eucalyptus and Acacia plantations for Burapha Agroforestry Co., Ltd.</a>	Vientiane	Burapha Agroforestry Co. Ltd (Lao)	Agriculture Forestry and Other Land Use	ARR	AR-ACM0003	Verification approval requested	3,536	44,946	2023-03-08	2016-05-31	2036-05-30	Tuev Nord Cert GmbH (Tuev Nord)	<a href="#">View Issuance Records</a>	<a href="#">View VCS Buffer Pool Records</a>
2521	<a href="#">Installation of high efficiency wood burning cookstoves in Laos</a>	Lao countrywide	C-Quest Capital SGT Asia Stoves Private Limited (Singapore)	Energy demand, Energy industries (renewable/non-renewable sources)		VMR0006	On Hold - see notification letter		373,095	2022-07-11	2022-05-04	2032-05-03	Carbon Check (India) Private Ltd.	<a href="#">View Issuance Records</a>	

While comprehensive registry is still to be developed, the DMS allows for basic data management and project registration. For cross-verification, the information disclosed in the DMS can be compared with the registries of issuing entities such as the Verra registry for VCS projects, the JCM registry for JCM REDD+ projects, and the World Bank's Carbon Assets Tracking System (CATS) for the FCPF Carbon Fund credits. The results reported to the UNFCCC, including those offered to the GCF, will also be recorded in this file system and can be cross-checked with the information disclosed in the UNFCCC REDD+ Web-platform.

Lao PDR plans to use part of the proceeds received from GCF to develop a more comprehensive carbon transaction registry.

## C. Non-carbon elements

Please provide link to the summary on information on safeguards:

<https://redd.unfccc.int/submissions.html?country=lao>

### C.1. Cancun safeguards

**C.1.1. Compliance with Cancun safeguards.** *Please provide any additional information that supplements the information included in the "summary of information on safeguards" that allows understanding how each of the safeguards below was addressed and respected in the full period during which results were generated in a way that ensures transparency, consistency, comprehensiveness and effectiveness:*

The first "Summary of Information" (SOI) report and the Environmental and Social Assessment (ESA) report attached to this Funding Proposal provide detailed information of how the Cancun safeguards and GCF's Environmental and Social Safeguards (ESS) standards were followed during the REDD+ results period from 2015-2018.

As part of the design of the National REDD+ Program, the Lao National Safeguard Information System (LNSIS) has been under development, with a technical design document approved by the Government in 2021. More recently an operationalization plan has been finalized and is awaiting Government approval. Thus, the LNSIS does not have data on compliance with the Cancun safeguards for the results period 2015-2018, but plans to compile such data going forward.



This section summarizes the policies, laws and regulations (PLRs) pertaining to each of the Cancun safeguard items.

- (i) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.

**The actions that contributed to the results have been consistent with the national forest programme objectives**, as expressed in the Forestry Strategy 2020 (FS 2020), which has been the guiding document for the development of forestry sector of Lao PDR since 2005. Its overarching objective is “Poverty Eradication,” in line with the National Poverty Eradication Strategy. Furthermore, FS 2020 spells out four targets, as well as nine programs and 146 proposed activities to achieve the objectives and targets. All the forestry development projects supported by the Government and its development partners have sought to align with the FS2020 and its programs and actions.

When the FS 2020 was endorsed in 2005, the FS 2020 did not explicitly address climate change issues nor REDD+. Important policy actions, however, have been undertaken based on the FS 2020, as summarized below.

- Revision of the [Forestry Law in 2007](#); clearer and stricter rules on logging, establishment of the three forest categories, acknowledgement of village forests and their customary use, promotion of forest carbon activities and trade, type of forest and criteria for permitting land concessions for tree plantations, establishment of the Forest and Forest Resource Development Fund as the single national funding mechanism and institution for the forestry sector, etc. (major improvements have been further made in the revised [Forestry Law 2019](#));
- Promulgation of the **Wildlife and Aquatic Law in 2007**; The first law on conservation of wildlife of Lao PDR. (It was revised as the Law on Wild Animals in 2023.)
- Establishment of the **Department of Forest Inspection (DOFI) in 2008**; Since its establishment, DOFI has been gradually strengthening its institutional and staff capacity at all levels (national, provincial and district), which have been playing central roles in implementing the Prime Minister Order No. 15 in 2016 and controlling illegal wildlife harvest and trade.
- Development of **Participatory Land Use Planning (PLUP) manual endorsed by MAF in 2010**; This manual was jointly developed by 4 government agencies (i.e. National Agriculture and Forestry Research Institute, DOF and Department of Agriculture and Forestry Extension both under MAF, and National Land Management Authority (current Department of Land under MONRE)<sup>8</sup>. The PLUP replaced the former Land Use Planning/Land Allocation (LUP/LA) Manual (Guidelines on Land and Forest Allocation for Management and Use, No. 822/MAF) issued in 1996.

**The key Policies and Measures (PAMs) that reduced forest carbon emissions in 2015-2018 were all aligned with the Forest Strategy 2020 and eventually with the NRS approved in 2021** (further details provided in the ESA report). During the results period of 2015-2018, considerable work was ongoing to develop the National REDD+ Program, comprised of 1) the National REDD+ Strategy to 2025 and Vision to 2030 (NRS); 2) a National Forest Monitoring System (NFMS); 3) Forest Reference Emissions Level (FREL); and 4) the Lao National Safeguards Information System (LNSIS).

The Forest Strategy 2035, adopted in October 2024, reviewed the achievements and shortcomings of the implementation of FS2020. This review states that, building on the FS2020, the management of three types of forests – production, protection, and conservation – have been improved, through demarcation and development of sustainable management plans. Considerable efforts have been undertaken to better manage and protect biodiversity. Work is ongoing with respect to tree plantations, forest regeneration, and establishment of nature tourism sites. Land use planning and village forest management planning have been improved. Industrial wood processing has been restructured, with many sub-standard, small-scale operations close.

<sup>8</sup> All four entities are under the newly formed MAE after the government restructuring in 2025.

A Timber Legality Assurance System (TLAS) has been under development, in line with Lao PDR's work on Forest Law Enforcement, Governance and Trade (FLEGT), and the Regulation on Deforestation-free Products (EUDR) of the EU.

Apart from the FS2020, [the National Climate Change Strategy \(NCCS\)](#) of Lao PDR was approved by the Prime Minister in March 2010. The forest and land use sectors are highlighted as the largest emitter as well as source of sequestration. Priority climate mitigation actions included: reducing emissions from "slash and burn" agriculture and enhancing carbon sink through climate-smart agriculture and livelihoods; preventing and reducing the impacts of forest fires; effective zoning of forests under protection status to enable medium and long term sustainability; and pursuing carbon market opportunities particularly REDD+. The NCCS clearly recognizes the large mitigation potential of the forestry sector and its non-carbon benefits, including biodiversity conservation, watershed protection and livelihood improvement, through forest conservation, afforestation and reforestation.

Lao PDR has respected international commitments and agreements that were relevant to the national forestry programme. Lao PDR is a signatory to numerous relevant international agreements including, among others: the United Nations 1992 Rio Conventions (the United Nations Framework Convention on Climate Change, UNFCCC; the Convention on Biological Diversity, CBD; the United Nations Convention to Combat Desertification, UNCCD), Agreements of the UNFCCC at various Conference of the Parties (COP) meetings, including Cancun, Warsaw, and Paris, the United National International Labour Organization Convention No. 169 on Indigenous and Tribal Peoples (ILO 169), the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and the 2012 FAO Voluntary Guidelines on Land Tenure.

To respect these international obligations, development actions in the forestry sector have been taken. For example, to comply with CEDAW, the Government established the National Commission on the Advancement of Women (NCAW) and then Ministries established their own sub-CAWs. The MAF established Sub-CAWs at national, provincial, and district levels, and it developed a Gender Strategy and set specific gender targets for its activities. A unit within MAF has developed policy guidance and training materials related to gender, conducted training for staff at lower levels, and worked with various projects in the sector to improve their gender-responsiveness. Following the government restructuring in 2025, the NCAW has merged with the National Commission on Mothers and Children and is now called the National Commission on the Advancement of Women, Mothers and Children (NCAWMC).

- (ii) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.

**The key actions and projects that contributed to generating the results for 2015-2018 were all focused on working with stakeholders at both national levels, especially on policy issues, as well as with stakeholders at community levels.** They sought to improve forest governance and transparency.

One prominent example is the launching of the Forest Carbon Partnership Facility (FCPF) Readiness Project in 2014, and the subsequent drafting of the **Strategic Environmental and Social Assessment (SESA)**, which informed the formulation of the National REDD+ Strategy (NRS). This work involved extensive meetings with the six REDD+ TWGs, as well as other government officials at the national and provincial levels. Meetings had been held in 99 villages in six northern provinces, in preparation of six provincial REDD+ action plans, as well as 66 villages in central and southern other provinces.

Another example is the **Community Engagement approach** that ensures that project interventions, such as land-use planning, the forest and land management and alternative livelihood interventions, are in full compliance with safeguards pertaining to ethnic groups, involuntary resettlement and process restrictions regarding access to resources, as well as gender

policies. This approach was applied in a World Bank project (called SUFORD-SU) and since then, have been used in other World Bank and GCF projects. The Use of Proceeds of this funding proposal also intend to build on these experiences. It should be noted, however, that other donor projects also paid due attention in ensuring transparent stakeholder engagements in similar fashion. Further details are presented in the ESA and ESMF.

The stakeholders related to forest and forest land management, and especially REDD+ actions, in Lao PDR have included DOF, DOFI and Department of Agriculture Land Management (DaLAM) under MAF, Ministry of Finance (e.g. for timber revenue, customs), MONRE (e.g. for land management, land use planning and land tenure), Ministry of Public Works (e.g. for roads), Ministry of Energy and Minerals (e.g. for hydro-power and mining) and their line agencies in provinces and districts. Private sector entities (e.g. wood processing, tree plantations, crop production, and livestock), village communities and individuals (e.g. wood and NTFP use, forest land use), national NGOs and CSOs and development partners are also key stakeholders. The National Assembly and Provincial Assemblies play important roles of law making and oversight of forest and forest land management as part of the annual and 5-year National Socio-economic Development Plans (NSEDPs), as well as granting large-size concessions and approval for forest land conversion to other uses. The mass organizations, the Lao Front for National Development (LFND) and the Lao Women's Union, have also been important stakeholders.

The FS 2020 and the National REDD+ Strategy to 2025 and Vision to 2030 (NRS) have been formulated through many consultations from central to local levels with the **inter-Ministerial committee for FS 2020** and the **National REDD+ Task Force (NRTF)** for the NRS playing the central roles at the national level. Strategies and plans for all sectors are compiled into 5-year and annual NSEDPs with some modifications under the guidance of umbrella national strategies, such as the Green Growth Strategy and Poverty Reduction Strategy.

Lao PDR's permanent platform for policy dialogue between the government and development partners, the **Round Table Meeting Process**, culminates in an annual Round Table Meeting (RTM). The RTM is supported by 10 Sector Working Groups (SWGs). **The Forestry Sub-Sector Working Group (FSSWG)** under the SWG of Agriculture and Rural Development, is chaired by the DOF Director General and co-chaired by the Senior Representative of JICA Laos Office. Its open membership includes government organizations, development partners, private sector, international NGOs, national CSOs and so on. The FSSWG usually meets twice per year: REDD+ progress has been a key agenda item.

Based on FSSWG input, for example, the RTMs expressed concern regarding how rapid increase of land concessions for commercial tree plantations and mining was taking lands and forests away from local communities, and concern about rampant illegal logging and skyrocketing wood exports. This RTM dialogue partly contributed to the issuance of both the PMO NO. 13 in 2012 and PMO No. 15 in 2016. The FSSWG also provided an official forum to discuss the revision of Forestry Laws in 2007 and 2019, including associated technical sessions.

In 2014, a forest governance analysis was undertaken by consultants and stakeholders using the PROFOR Forest Governance Assessment methodology. Another participatory assessment of forest governance was undertaken by an international NGO, RECOFTC, in collaboration with WWF, in 2017-2018. These assessments identified both achievements and remaining challenges in Lao PDR. Overall, stakeholders assessed that Lao PDR has a good foundation, in terms of policies, laws, and institutions. Areas needing improvement are improving information dissemination and transparency, stakeholder participation, and actual legal enforcement and compliance<sup>9</sup>.

<sup>9</sup> Later in 2022 the European Forestry Institute (EFI) assessed forest governance in Lao PDR, with particular focus on the FLEGT process. It rated five areas of governance and rated Stakeholder participation, Legislative and institutional clarity, Transparency, and Compliance promotion and enforcement in the forest sector as all improving compared to 2015, while Accountability and oversight unchanged. <<https://fgi.efi.int/countries/>>

- (iii) Respect for the knowledge and rights of indigenous peoples and members of local communities, by considering relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Lao PDR is one of the most ethnically diverse countries in Southeast Asia. The country's population of approximately 6.8 million people (Census 2015) can be categorized into four broad ethno-linguistic families: The Lao-Tai (67%), the Mon-Khmer (21%), the Hmong-lew Mien (8%), and the Sino-Tibetan (3%). These groups encompass 50 distinct ethnicities and over 200 ethnic sub-groups<sup>10</sup>.

Although GoL has endorsed the International Labour Organization Convention on Indigenous and Tribal Peoples (ILO 169, 1989) and United National Declaration of Indigenous People's Rights (UNDRIP, 2007), it does not recognize any of its own citizens as "Indigenous Peoples." The GoL does, however, officially recognize "ethnic groups" in its policies and official documents. Moreover, it has agreed with international development partners that in development projects, safeguard policies for the Indigenous Peoples (IPs) will also apply to non-Lao-Tai ethnic groups in Lao PDR.

Some of the fundamental policies pertaining to this safeguard item are summarized as follows.

- **Constitution of Lao PDR** (063/NA dated 8 Dec 2015); The Constitution defines Lao PDR as a multi-ethnic State, with equality among all ethnic groups. Article 8 states that the State pursues the policy of promoting unity and equality among all ethnic groups. All ethnic groups have the right to protect, preserve and promote the customs and cultures of their own tribes and of the nation. All acts of creating division and discrimination among ethnic groups are forbidden. The State implements every measure to gradually develop and upgrade the economic and social level of all ethnic groups. Article 35 guarantees that Lao citizens are all equal before the law irrespective of their gender, social status, education, beliefs and ethnic group.
- **The Lao National Front for Construction, LNFC (now re-named into Lao National Front for Development, LNFD)** Decision No. 50 on Ethnic Group Consultation Guideline dated 30 May 2013; This national guideline on consultation with ethnic groups launched by the LNFC in 2012, was largely in line with the World Bank policy on Indigenous People (OP/BP 4.10).
- The **Ethnic Groups Committee** under the National Assembly is charged with the responsibility to draft and evaluate proposed legislation concerning ethnic groups, and promote its implementation. Ethnic groups research is the responsibility of the Institute for Cultural Research under the Ministry of Information, Culture and Tourism (MoICT). The Ministry of Home Affairs had a Department of Ethnic and Religious Affairs. The lead institution for ethnic affairs is the LNFD, which has an Ethnic Affairs Department.
- **The Forestry Law (2007, updated in 2019)** defines rights and knowledge of local community concerning the use of forest and forest resources in two key articles: Article 42. Customary utilization of forests; and Article 82. Forest and forestland areas preserved and developed by villages.
- DOF Decision No. 1476 on Guidelines on Village Forest Planning and No. 1477 on Manual for Village Forest Planning, both issued in July 2016, provide field level guidelines and manual for implementation of Articles 42 and 82 of Forestry Law.

To respect this safeguard, forestry projects have worked to improve outreach to non-Lao-Tai ethnic groups, through use of the Lao Front for National Development (LFND) and others to ensure extension activities were conducted in local ethnic languages and engagement designed to be culturally appropriate. Work was beginning during this period to ensure that ethnic groups and local

<sup>10</sup> Throughout this Funding Proposal and its annexes, non-Lao-Tai ethnic groups is used instead of "ethnic minority groups" or "small ethnic groups."



communities had the right to meaningful consultations in their own languages and the right to “free, prior and informed consent” to development activities that would affect their lives.

**Of the key PAMs during the results period, the activities of participatory land use planning, village forest management planning, and participatory sustainable forest management planning for production forests had the most direct impacts on non-Lao-Tai ethnic groups, improving their land tenure security, and reducing conflicts with neighbouring villages and private sector concessions. The field activities were adapted to the local needs, uses of the forest and forest resources, and interests, taking ethnic differences into consideration.** Meanwhile, some livelihoods were also impacted by the Prime Ministerial orders halting expansion of concessions and controlling timber. These issues, however, were not well documented.

Future respect for this safeguard – for the knowledge and rights of the non-Lao-Tai ethnic groups - will rely upon continued efforts to engage staff and collaborators with ethnic language and cultural sensitivity skills to work with these groups and involve them in more meaningful levels of collaboration and decision making

More information on how the GoL and its development partners worked with different ethnic groups during the results period is provided in the ESA Report and Section E.5 of this document.

- (iv) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of 1/CP.16.

As already discussed for Safeguard b), Lao PDR acknowledges that a wide range of parties are stakeholders in forest and forest land management, and especially REDD+ actions. **The GoL includes non-Lao-Tai ethnic groups, local communities and villages in various development activities including REDD+ activities.** The main relevant PLRs include the following:

- **Public Involvement Guidelines, Ministerial Instruction No. 707/MONRE (2013)** requires Environmental and Social Impact Assessment by every investment project and activity of a public and private both domestic and foreign enterprise operating in Lao PDR that causes or is likely to cause environmental and social impacts. The instruction outlines four public involvement processes, i.e., information gathering, information dissemination, consultation, and participation, to ensure project activities are designed to minimise adverse social and environmental impacts and to maximise positive impacts in the long term.
- **Prime Minister Decree No. 84 (2016) on Compensation and Resettlement for People Affected by Development Projects** allows people affected by development projects to receive compensation for the loss of their assets and opportunities.
- **Lao Women’s Union Law, No. 31/NA (2013)**, in its Article 4, promotes the development, protection, and advancement of women, and supports their participation, inclusion in decision-making, and equitable benefit-sharing in all development activities.
- **Ethnic Group Consultation Guidelines (2013)**, in line with **Public Involvement Guidelines**, aim to ensure that all ethnic groups who benefit from or are adversely affected by a development project are fully engaged in a meaningful consultation process at all stages from preparation into implementation. The guidelines specific the need to obtain **free, prior and informed consent (FPIC)** of all ethnic groups affected by development.
- **PLUP Manual (2010)** encourages stakeholders, especially villagers, to fully and effectively participate in planning and implementation of forest and land management activities.

In terms of respecting this safeguard, **the forestry projects operating in 2015-2018 all sought to promote stakeholder participation at various levels, and among different stakeholder groups** – government staff in different sectors, ranging from national to local levels, local communities including non-Lao-Tai ethnic groups, women, and other vulnerable community members, private sector, civil society, academic and research organizations. Generally the DOF collaborated with the LNFD on reaching non-Lao-Tai ethnic groups and the Lao Women’s Union

for outreach to women at the village level. Different projects monitored community level participation in activities by sex (gender) and ethnicity.

During the results period, efforts were ongoing to develop the National REDD+ Programme and National REDD+ strategy. These efforts included preparation of a draft SESA report in March 2018, which documents the outputs of 110 consultations and meetings to assess the situation in the forest sector, including drivers of deforestation and forest degradation, and to assess possible strategies for improvement. In 2018 another assessment was undertaken that focused on gender issues with respect to the forest sector and REDD+.

**Of the 5 key PAMs that were in place during 2015-2018, the stakeholder involvement was most significant in the activities related to planning use of agricultural and forest land, i.e., PLUP (PAM 3), Village Forest Management Plans (VFMP) (PAM 4), and Participatory Sustainable Forest Management (PSFM) (PAM 5).**

Nationally, participatory agriculture and forest land use planning was support in more than 1800 upland villages and forest management planning in 1400 villages or village clusters. As part of this ESA preparation, the key projects were sent a questionnaire in August 2020, asking about their activities as they related to the PLUP and VFMPs. Around 800 villages participated in PLUP and 460 in VFMPs through these projects, and the activities have been conducted with the participation of local communities; FPIC process was undertaken with special attention on Ethnic Groups and women (although commonly more men than women participated).

**Overall, Lao PDR's efforts to ensure full and effective participation of relevant stakeholders, in particular non-Lao-Tai ethnic groups and local communities have been improving over the years and respected during the results period.** More support to field operations and extension outreach would improve future activities.

- (v) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70. of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.

**The FS 2020 emphasizes the protection of existing forest to reach the 70% forest cover target and also importance of biodiversity conservation, watershed protection, prevention of soil erosion, and for livelihood improvements.**

**During the results period, the most important national safeguard was the Forestry Law (2007)**, which defined the regulations on logging and forest conversion as well as areas for tree plantations including concessions. Article 18 limits commercial logging (in natural forest) to Production Forest Areas (PdFAs) with detailed management plans, and infrastructure development project areas approved by the GoL and listed in annual NSEDPs. Since the issuance of PMO No. 13 on Temporary Ban on Logging in Production Forest in 2012, logging has been allowed only in infrastructure development projects and mining areas. The latter are to be rehabilitated after the completion of mining activities. Provisions for forest conversion are elaborated in Article 70 of the Forestry Law (2007), and Articles 33 and 74 provide specifications for tree plantations and lease or concession of forest land.

**All of the PAMs that contributed to the positive REDD+ results have also contributed to conservation of natural forests and biological diversity, enhancement of forest ecosystem services and other social and environmental benefits.** Ample evidence exists that the logging ban resulted in significant declines in illegal logging and decreased log exports. In conjunction with the other PAMs, such as those related to forest and land planning, forest conditions in many areas of Lao PDR are improving. The FS2020 review documents the progress in management of three forest categories (conservation, protection and production forests), effort in meeting the requirements of the CITES. Lao PDR is also a signatory of the Convention on Biological Diversity



and has developed national biodiversity conservation plans, including for the Asian elephant and for tigers. An initial 110,000 hectares of production forests was certified by the Forest Stewardship Council (FSC). In the zoning of three forest categories, areas of critical importance for biodiversity conservation were set aside as Totally Protected Zone, basically disallowing activities that impact the forests and ecosystem.

In addition, Lao PDR has improved its enforcement of forestry and wildlife laws. In addition to the establishment of the Department of Forest Inspection, training and deployment of forest law enforcement officers at national, provincial, and district levels. Efforts have been made to enhance coordination among different law enforcement agencies, such as through the Lao Wildlife Enforcement Network (Lao-WEN), and cooperation with neighboring countries on these issues. Moreover, Lao PDR has been working on FLEGT, TLAS and EU Deforestation Regulation (EUDR), which have further contributing to conservation of its forests and biodiversity.

**During the results period, Lao PDR made considerable advances in its conservation of natural forests and biological diversity, thereby respecting this safeguard.** Continuing efforts are needed in the future, to ensure the sustainability of the achievements already made.

(vi) Actions to address the risks of reversals.

**Further implementation of the PLRs**

**To ensure the emission reductions and increased removals for 2014-2018 are sustainable and free from reversals, Lao PDR has been improving its PLRs.** In addition to the PAMs presented earlier, there have been continuous development of the PLRs, including the Forestry Law 2019, the NRS (2021), Forestry Strategy 2035 (2024), the three Prime Minister Decrees for the three forest categories, among others. Various types of development partner support for post-2018 period, either on-going or already completed have contributed to improved forest management and thereby addressing the risks of reversals. **All of them, in principle, commonly use the country approach of PLUP (PAM3) and VFMP (PAM4).**

Institutionally, the National REDD+ Task Force is a multi-sector body, which aims to coordinate national development efforts and prevent risks of reversals. In its Updated Nationally Determined Contribution (NDC) (2021), forestry sector is highlighted as a crucial and priority sector in meeting its climate change mitigation target.

The international environment, such as the EU Deforestation Regulation (EUDR), is tightening up commodities produced at the cost of deforestation, and Lao PDR is in a formal dialogue with the EU in its application. The Timber Legality Assurance System (TLAS) is under development with support from Germany, parallels this EU policy.

**Strengthening of forest monitoring**

Even though improved PLRs are in place and institutional capacity has been strengthened, deforestation and forest degradation still are ongoing and likely to continue to some extent.

Since the 2010's, Lao PDR has been investing significant effort to build a transparent and robust NFMS in a step-wise manner. The NFMS is a national-scale system that can quantify reversals. It also provides crucial support for monitoring the drivers of deforestation and forest degradation and the effectiveness of interventions. Lao PDR endorsed the Lao NFMS Roadmap in January 2021, which is available on the [UNFCCC REDD+ Web-platform](#). The Roadmap has three main technical components e.g. MRV, Forest Monitoring and Data Management.

In accordance with the Roadmap, two near-real time forest monitoring systems, presented below, are being developed and field-piloted to monitor the implementation of PAMs, law enforcement and so on. Further piloting, improvements and possible combination of these systems, and nationwide deployment will ensure no or minimum reversals take place.

**Near Real Time Provincial Deforestation Monitoring System (PDMS)**

The F-REDD project supported by JICA has developed a system to monitor deforestation caused by agricultural practices and strengthen law enforcement. The system was tested first in Luang Prabang Province in 2019 and has been deployed in Oudomxay Province since 2020. This system was rolled out to the three out of six provinces of the Forest Carbon Partnership Facility's Emission Reductions Program (FCPF ER Program) in collaboration with the GIZ/GCF Project (I-GFLL, FP117). In 2022, this project was extended to the three remaining provinces with additional GCF support under FP 200. Subsequently more provinces have been trained and begun using the system, which DOF has officially approved for use nationwide<sup>11</sup>.

### **Operational Logging and Degradation Monitoring (OLDM) System**

With the support of ProFEB (GIZ), ICBF (KfW) and BCC (ADB) projects, the OLDM System has been developed and implemented in six provinces (Luang Namtha, Bokeo, Khammouane, Champassak, Sekong and Attapeu) since 2018. This system provides a comprehensive and integrated set of tools that lead users from identification of potential disturbance through assessment, targeting, mission planning, inspection/survey/interdiction and reporting.

**With the PDMS, OLDM and a forest crime tracking system being prepared, improvement of institutional capacity and inter-agency coordination in forest conservation, and collaboration with village communities and development partners, Lao PDR is committed to ongoing efforts to reduce the risk of reversals.**

#### **(vii) Actions to reduce displacement of emissions.**

Displacement of emissions means the increase of greenhouse gas emissions from deforestation and forest degradation in other location(s) as a consequence of emission reduction in the areas where REDD+ PAMs are implemented. The mitigation of the risks of displacement is, in general, similar to that of the efforts to mitigate risks of reversals (discussed above). **The GoL and its forestry sector partners have been developing a comprehensive set of PLRs and institutional capacity has been gradually strengthened, however, displacement risks still exist.** Several measures are being undertaken or planned to reduce displacement risks:

- First and foremost, Lao PDR is pursuing national-scale approach in REDD+, with sub-national-scale as an interim measure, and this approach is critical for mitigating the risks of displacement.
- Preparation and dissemination of the PLRs and associated manuals, etc., to all PAFOs and DAFOs, village communities, development partners and CSOs to raise their awareness, and ensure effective and unified implementation across the country (PAM3 and PAM4).
- Strategic deployment of forestry projects to cover as much of the entire country as possible, especially by targeting deforestation and forest degradation hotspots and natural forests facing higher threats, partially realized as follows. These large programs and projects support several key PLRs to address the underlying causes of deforestation and forest degradation and to enhance forest carbon stock. Close to a total of 2000 upland villages and most of the National Conservation Areas will be covered accordingly;
  - Six northern provinces supported by SU-IGFLM Project (GCF/GiZ Funding Proposal 117 and FP200 combined) and GFLL Project (FCPF Carbon Fund Emission Reduction Program);
  - Seven central provinces (plus more) supported by LLL Project (World Bank/GEF/Canada); and
  - Five southern provinces to be supported through this funding proposal's UoP.
- With respect to transboundary displacement, nationwide monitoring systems (NFMS, PDMS, OLDM) help track forest conditions, but identifying the true extent of trans-boundary displacement could remain a challenge. The developing TLAS is also nationwide, starting with piloting, will also contribute to this effort. Lao PDR has collaborated with neighboring countries, on either a bilateral or regional basis, to improve forest law enforcement. Lao PDR

<sup>11</sup> As of July 2025, the PDMS has been introduced in 16 out of 18 provinces nationwide. The UoP will strengthen the use of PDMS through its Activity 2.5.

has established an interagency Lao Wildlife Enforcement Network (Lao-WEN) and a similar one has been established on a regional basis, ASEAN-WEN. Vietnam and Cambodia, as REDD+ countries with national REDD approaches, offer a clear advantage in tackling transboundary displacement.

### C.1.2. Stakeholder involvement.

*Please describe and provide evidence that the Cancun safeguards information was made transparently available to stakeholders.*

The Safeguards and Stakeholders Technical Working Group (SG-TWG) was first established in late 2015 together with five other REDD+ Technical Working Groups (TWGs) under the NRTF chaired by Vice-Minister of MONRE, and subsequently moved under MAF. The SG-TWG and relevant stakeholders (e.g. government agencies, development partners, CSOs and private sector) at first concentrated on capacity building on safeguards-related issues including the Cancun Safeguards, and promoting stakeholder engagement in all aspects of REDD+ Readiness and preparation of the national REDD+ program, including initial drafts of the National REDD+ Strategy. Between 2016 and 2018, this work involved extensive consultations on REDD+ and safeguards issues in selected provinces, districts, and villages, which was documented in detail in the draft national Strategic Environmental and Social Assessment report of March 2018. This draft national SESA was used as a basis for the formulation of the draft National REDD+ Strategy. After acceptance of Lao PDR into the FCPF ER Program pipeline in 2018, the SG-TWG has focused more on safeguard instruments and stakeholder consultation for the ER Program, focusing on six northern provinces. Additional consultations were done on gender issues in the ER-P provinces, with extensive field consultations with rural women and men of different ethnic groups<sup>12</sup>. Other forestry and REDD+ projects operating in Lao PDR also made Cancun safeguards information transparently available to stakeholders.

The 1<sup>st</sup> Summary of Information (Sol) report on the Cancun safeguard implementation was developed by the Safeguard Technical Working Group (SG-TWG) under the NRTF, in collaboration with international and national technical supports and through consultations at both central and local levels. Work began in early 2019. Ten stakeholder consultation workshops were held between July 2019 and May 2020. The final draft was submitted to DOF in June 2020 and endorsed in November 2020. More details can be found in the Sol Report. The Sol is available on the [UNFCCC REDD+ Web-platform](#). Stakeholder comments from the SOI are summarized in Annex 3 of the ESA report.

## C.2. Use of proceeds and non-carbon benefits

### C.2.1. General description:

*Provide a description on how the proceeds will be reinvested in activities consistent with the country's NDC, national REDD-plus strategy and/or low carbon development plans and policies. The description should also include how the proceeds will be used in a manner that contributes to the long-term sustainability of REDD-plus activities, including non-carbon benefits.*

#### C.2.1.1 Relevance to country objectives

##### a. National context

Lao PDR is a mountainous country, known in the past for its rich forests and biodiversity. In recent decades, however, deforestation and forest degradation have been at high levels. This issue has been of concern to the national government, and to the overall population. Many of Lao PDR's people live close to, and have historically depended upon, natural forests for their livelihoods.

The **importance of forest resources and their sustainable management is enshrined in the country's highest-level policies**, including the [9<sup>th</sup> NSEDP 2021-2025](#), the National Green Growth Strategy (2019), [National Strategy on Climate Change toward 2030 \(2023\)](#), [Nationally](#)

<sup>12</sup> Lao PDR Gender Integration Development Study, Draft Final Report, March 2019. ER Program.

[Determined Contribution \(NDC\) \(2015\) and its NDC update \(2021\)](#) as well as in the recent Forestry Strategy to 2035 and Vision to 2050.

### b. Regional context

Lao PDR with its territory stretching long from north to south, is usually divided into three regions i.e. the Northern Region (seven provinces), Central Region (five provinces + Vientiane Capital) and Southern Region (five provinces) according to the topography and climate. **The Southern Region has the highest rate of natural forest cover:** however, it has been experiencing the largest loss of natural forests in the recent years, which is one of the reasons the Use of Proceeds will be strategically invested into the southern provinces.

Table 10 Natural forest cover change and forest carbon stock by region

		Northern	Central	Southern	Remarks
Natural forest area (1000 ha)	2005	5,216 (53.91%)	4,208 (61.01%)	4,428 (68.30%)	The Southern Region experienced the largest loss of natural forest between 2015 and 2019 in terms of both area and forest cover rate.
Natural forest cover rate (% of regional land area)	2015	4,990 (51.58%)	3,987 (57.81%)	4,254 (65.62%)	
	2019	4,934 (51.01%)	3,936 (57.07%)	4,164 (64.23%)	
Forest carbon stock per ha of forest in 2019 (tCO <sub>2</sub> )		347	439	359	The Central Region has the largest Evergreen Forest area, which has highest carbon stock. The Southern Region has a large area of Dry Dipterocarp Forest with lower carbon stock.

To manage their forests, the GoL has designated 3 forest categories, i.e. Conservation Forest (4.7 million ha including non-forest area), Protection Forest (8.0 million ha) and Production Forest (3.1 million ha). An additional 3 million ha of forest are “uncategorized forest,” i.e., not under any of the three forest categories, mostly under village management, with a small area of tree plantations. **More than a half (12 out of 23) of the National Conservation [Forest] Areas (NCAs) are located in the Southern Region.** In contrast the mountainous Northern Region has more than a half of National Protection Forests Areas (NPtFAs), mostly designated for water and soil conservation purposes, as shown in Table 11 below.

Table 11 Distribution of national-level forest categories by region

		Northern	Central	Southern	National
National Conservation Area	Number of areas	7	4	12	23
	Total Area (1000 ha)	1,277	1,254	1,337	3,868
National Protection Forest Area	Number of areas	26	12	11	49
	Total area (1000 ha)	4,109	1,958	1,409	7,476
National Production Forest Area	Number of areas	20	14	17	51
	Total area (1000 ha)	1,207	1,010	854	3,072
Total	Number of areas	53	30	40	123
	Total area (1000 ha)	6,593	4,222	3,601	14,416

The annual average areas of natural forests converted to other land uses comparing the two periods, i.e. 2010-2014 and 2015-2019, are shown in Table 12 below. In the Southern Region, Forest Plantation, Permanent Agriculture and Water are the land uses that are more evident deforestation drivers as compared with the other two regions. Meanwhile, the land linked with the shifting cultivation cycle has decreased, i.e., Regenerating Vegetation has increased, and land used for Upland Crops has decreased.

Table 12: Conversion of natural forest to other land uses by region

(annual average; unit ha)

		Forest Plantation	Regenerating Vegetation	Upland Crop	Permanent Agriculture	Water	Other vegetated area	Other land	Total
National	2010-2015	5,669	68,412	12,241	18,014	717	38	1,535	106,626
	2015-2019	3,557	41,883	6,615	14,753	3,925	26	1,582	72,341
	Reduction of forest loss	2,112	26,529	5,626	3,261	-3208	12	-47	34,285
North	2010-2015	2	35,419	7,482	3,246	5	13	125	46,291
	2015-2019	1,850	16,844	3,448	1,646	290	4	253	24,335
	Reduction of forest loss	-1,848	18,575	4,034	1,600	-285	9	-128	21,956
Central	2010-2015	558	21,002	3,201	9,120	627	3	676	35,187
	2015-2019	646	11,638	1,715	5,014	740	0	454	20,206
	Reduction of forest loss	-88	9,364	1,485	4,106	-113	3	222	14,979
South	2010-2015	5,110	11,990	1,558	5,649	85	22	734	25,148
	2015-2019	1,061	13,401	1,452	8,093	2895	22	875	27,800
	Reduction of forest loss	4,049	-1,411	106	-2,444	-2,810	0	-141	-2,652

### c. Progress of Lao REDD+

Realizing REDD+ as an opportunity for balancing sustainable forest management and socio-economic development, Lao PDR has been showing strong commitment to the phased implementation of REDD+. Lao PDR was the one the first 14 countries to join FCPF in 2008. At the national level, the NRTF has been created and collaborates with various development partners. Six REDD+ TWGs have been established under the NRTF. DOF has been technically leading the REDD+ process in collaboration with other concerned ministries, departments and stakeholders.

Particularly in recent years, several important milestones have been achieved:

- Approval of the National REDD+ Strategy in April 2021;
- Submission of the National FRL/FREL submitted to the UNFCCC in Jan 2018, and completion of the Technical Assessment in January 2019;
- Establishment and step-wise development of the National Forest Monitoring System (NFMS), and approval of the Lao NFMS Roadmap in November 2020;
- Establishment of the Socio-Environmental Safeguards Unit (SESU) under DOF as the centre for the emerging Safeguards Information System (SIS) in Oct 2020;
- Approval of the Lao National SIS (LNSIS) Technical Document in September 2021;
- Submission of the SOI report on implementation of the Cancun Safeguards in Dec 2020;
- Submission of the REDD+ Technical Annex to the UNFCCC in July 2020 as an attachment to the 1<sup>st</sup> Biennial Update Report (BUR), and completion of the UNFCCC Technical Analysis in June 2021, confirming the total emissions reduction and increased removals of 14.7 million tCO<sub>2</sub>e for the period 2015—2018 (4 years);
- Acceptance of Lao ER-Program for the FCPF Carbon Fund ER-Program in June 2018, followed by conclusion of Emissions Reduction Payment Agreement (ERPA) in December 2020; and its first results payment for the 2019-2021 period (3 years) in July 2024; and
- Launching of GIZ/GCF Project, “I-GFLL Project 1” (GCF FP 117) in May 2020, and Project 2 (GCF FP 200) in April 2023.

Lao PDR is positioned to **move towards full implementation of REDD+ by receiving results-based payments and reinvesting them for further actions** to realize the country objectives.

### d. Geographical complementarity with the support by other development partners

Lao PDR's forestry sector has been supported through collaboration of development partners over the past years. Looking into the future, three large investment projects have recently commenced:

- FCPF Carbon Fund ER Program in the Northern Region, also as known as the Governance, Forest Landscapes and Livelihoods – Northern Lao PDR (GFLL), with the ERPA signed in December 2020 will potentially unlock results-based payment of USD 42



million from the emissions reduction generated from 6 northern provinces during the 2019-2024 period. The GoL has already received the 1<sup>st</sup> payment of USD 3.6 million for the emission reduction results for 2019-2022 period (3 years);

- Implementation of GFLL (I-GFLL) Project, supported by the Green Climate Fund (GCF) and GiZ, supports activities that will lead to the emissions reductions (results) needed for the ER Program. I-GFLL Project 1 has been implemented since May 2020, and the Project 2 since April 2024. The total investment (GCF financing + co-financing) of the two projects would reach an estimated USD 135 million by 2028; and
- Lao Landscapes and Livelihoods (LLL) Project of the World Bank, GEF, and Canada, focusing mostly on the Central Region, with the total investment of USD 57 million for protection of Conservation Forests and Protection Forests, promotion of nature-based tourism and other income-generating activities, and promotion of sustainable and responsible investment for commercial tree plantations in degraded lands of PdFAs. Implementation of the LLL Project began in 2021.

Considering geographical (and partly thematic) coverage of the above three projects, **the use of proceeds in this proposed project will strategically cover the important landscapes consisting of Conservation and Protection Forests in the Southern Region<sup>13</sup>.**

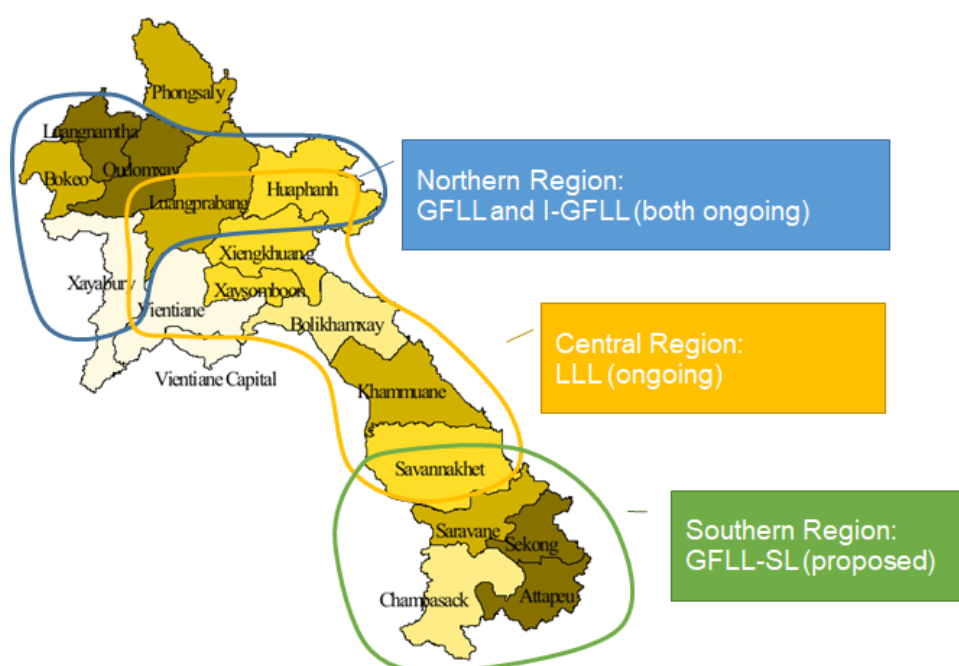


Figure 3: Geographical complementarity  
(Above figure created by JICA)

#### e. Drivers of deforestation and forest degradation

The NRS identified four drivers of deforestation and forest degradation, and five underlying causes. The table below presents how the key drivers will be addressed through the GFLL-SL.

Table 13: Drivers of deforestation/forest degradations and responding measures of GFLL-SL

Drivers		Measures to address
Agricultural expansion (including permanent agriculture and tree plantations)	Expansion	Forest land is being converted to cultivate commercial crops like coffee, maize, cassava, and sugarcane, often for regional and global markets through contract farming. Additionally, poorly managed industrial tree plantations (e.g., rubber, acacia, eucalyptus)—even when legally intended for degraded land—can lead

<sup>13</sup> Production Forests are not targeted. Village-level tree plantations, either within village forests or other village lands, however, could be project activities for livelihood development (see Appendix 6 in the ESMF). Near-real-time forest monitoring will allow prevention and early detection of leakage to production forests.



		<p>to the conversion of natural forest.</p> <p>Project activities under Output 2, particularly Activity 2.6 (Village-level institutions and land-use planning and land tenure) and Activity 2.7 (Village-level forest management and livelihoods improvement), include land use and village forest management planning, land tenure and alternative livelihoods measures to counter this driver.</p> <p>Alternative livelihood development will be supported to provide alternatives to exploitative use of forest and land resources. Support will include, for example, improved capacity building and provision of resources for improved agricultural practices, high-yield crops, access to markets, and value-chain development.</p>
Uncontrolled Cultivation	Shifting	<p>Shifting cultivation is a widely applied agricultural practice, particularly in the mountainous areas of Lao PDR. While Government accepts the traditional practice of “rotational agriculture,” it aims to reduce “pioneering shifting cultivation,” which contributes to deforestation. Effective engagement with local communities, which often comprise diverse ethnic groups, will be key to transitioning away from this unsustainable practice<sup>14</sup>. Participatory land use planning and provision of support to alternative livelihood activities have both been found to be effective strategies.</p> <p>The 2019 Land Law marks a significantly positive shift, particularly for local communities, by laying the groundwork for greater land tenure security. This law, alongside subsequent National Assembly Resolution No. 57 (September 2024), now enables residents, especially those in forest areas, to obtain formal land titles for their permanent agricultural and residential plots. This political commitment was further institutionalized through the Prime Minister's Order No. 20 (November 2024). It has been operationalized in the MAF Instructions 1821 (May 2025), which guides the implementation of the Prime Minister's Order No. 20. The GoL has prepared the Action Plan for the Recognition of Land Use Rights in Forestland in Lao PDR, and the project will support its implementation. This progress in land tenure is expected to bring positive impacts in reducing uncontrolled (“pioneering”) shifting cultivation.</p> <p>Similar to Agricultural Expansion, the project activities under Output 2, particularly Activity 2.6 and 2.7 will implement measures to counter this driver.</p>
Unauthorized and Unsustainable Harvesting (Logging)	Timber	<p>Despite stricter law enforcement, illegal logging remains widespread, often carried out by local villagers working for traders or by concession holders exceeding their authorized areas. Even legal logging can be unsustainable if not properly managed, leading to forest degradation. Harvesting timber from areas designated for conversion (e.g., for hydropower or plantations) can also be a driver if not strictly controlled.</p> <p>Output 2 includes Activity 2.5: Strengthened forest monitoring and law enforcement, Activity 2.7: Village-level forest management and livelihoods improvement, as the direct measures to tackle illegal logging and timber trade.</p> <p>The project will support formulation and implementation of key PLRs (Activity 1.2) to prevent or minimize illegal logging. It also will coordinate with efforts to promote forest legality through FLEGT (Section C.1.1, item vi and vii) and/or the EU deforestation regulation now under discussion (note that Laos is classified as a low-risk category country &lt; <a href="https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en">https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en</a>&gt;)</p> <p>Monitoring systems are currently being supported, including the near real-time Provincial Deforestation Monitoring System (PDMS) and the Operational Logging and Degradation Monitoring (OLDM) System. When potential illegal</p>

<sup>14</sup> In Lao PDR, ethnic groups are often intermingled within villages. Consequently, the Project's Community Engagement Approach at the village level has been effectively utilized in Laos as a method that can accurately cover non-Lao-Tai ethnic groups (see Section E.2.2., ESMF and IPPF for further details). This approach ensures engagement of all ethnic groups in project activities, while respecting the rights of the non-Lao-Tai ethnic groups.

	logging events are detected through these systems, DOF and the Department of Natural Resources and Environment Inspection (DNREI) <sup>15</sup> are notified for follow-up action. Then, DNREI has the lead role in forest law enforcement and works closely with its provincial and district offices, as well as with the police, customs, and other agencies.
Infrastructure Development	<p>Construction of dams and associated power lines leads to large-scale forest clearance and displacement of communities, which can then lead to further deforestation in new areas as people seek land for livelihoods. New roads open up previously inaccessible forest areas to other drivers like agricultural expansion and illegal logging. While the cleared area for mining sites might be smaller than for other activities, both large-scale and artisanal mining contribute to deforestation.</p> <p>Linking infrastructure development with forest protection is a proposed program under the NRS. For instance, the Water and Water Resources Law 2017 requires forest protection and/ or rehabilitation plans in watershed areas, and the Electricity Law 2017 requires ESIA for hydropower projects.</p> <p>The project aims for coherence with other sectors mainly through engagement in multi-sectoral bodies like the National REDD+ Task Force (NRTF), and the Landscape Coordination Committee (LCC) to be proposed for the landscape level. Engagement of other stakeholders, for instance the donor community and other development partners, through the Round Table process and its Working Groups is also expected to facilitate multi-sectoral coordination.</p> <p>Near-real-time forest monitoring being rolled-out nationwide will greatly support the monitoring of permitted and non-permitted forest clearing for hydropower.</p>

In Lao PDR, forest fires are frequently associated with the slash-and-burning of land and forests for shifting cultivation. The impact of shifting cultivation fires, in terms of tCO<sub>2</sub>e emissions, is significantly greater than that of wildfires. Measures to address slash-and-burn agriculture have been outlined previously in the table above.

In recent years, the GoL has showing growing interest in preventing and mitigating forest fires. This objective is reflected in recent policies (Prime Minister Order 11, Forest Strategy 2035, and also in the recent addition of forest fire related tasks officially on to the FIPD). and stepwise approach will be taken. For instance, strengthened forest monitoring activities (Activity 2.5), will enable early detection of fire. Meanwhile, the GoL is preparing a national forest fire management strategy with support from FAO that will identify the 5 Rs (Review and Analysis, Risk Reduction, Readiness, Response, Recovery). The proposed project will build on these efforts and roll out these activities in the targeted areas. Awareness-raising campaigns on fire prevention and suppression, particularly in key "hot spot" villages will be further strengthened.

Meanwhile, existing data has shown that wildfires are not a significant cause of deforestation and forest degradation in Laos. Global Forest Watch data from 2001 to 2024 indicates that Laos lost 9.56 kha of tree cover to fires, while 5.21 million ha were lost to all other drivers. The year with the highest tree cover loss attributed to fires during this period was 2016, with 865 ha lost, representing only 0.22% of all tree cover loss for that year<sup>16</sup>.

#### **C.2.1.2. Use of proceeds**

GoL will invest the REDD+ results-based payment for implementing the **Governance, Forest Landscapes and Livelihoods – Southern Laos Project (GFL-SL)**.

##### **a. Project objective (paradigm shift objective), outcomes and co-benefits**

The project objective of GFL-SL is to **promote sustainable management of Lao PDR's forests**

<sup>15</sup> Formerly known as DOFI before the government restructuring in 2025.

<sup>16</sup> <https://www.globalforestwatch.org/dashboards/country/LAO/>. Applying: FOREST TYPE 'All tree cover'; LAND CATEGORY 'All categories'; YEARS '2001 to 2024'; CANOPY DENSITY '20%).

**to enhance climate change mitigation and adaptation capacities, ecosystems conservation, and equitable and sustainable green growth of the rural communities.**

The project aims to contribute to the generation of three major outcomes:

- Outcome 1: Strengthened institutional and regulatory systems for low-emission planning and development
- Outcome 2: Improved management of land and forest areas contributing to emissions reductions
- Outcome 3: Enhanced value of forests for developing local socio-economy

Climate-resilient rural livelihood and food security, enhanced value of forests for developing the local socio-economy, and biodiversity conservation are the co-benefits to be progressively pursued throughout the project implementation.

## b. Project outputs

If the project conducts the proposed activities, it will achieve three major outputs:

- Output 1: National REDD+ coordination and implementation of Policies, Laws and Regulations (PLRs) strengthened.
- Output 2: Governance, forest landscape and livelihood in the Southern Region improved.
- Output 3: Government capacity for effective project management enhanced.

The project will also support three important co-benefits:

- Co-benefit A: Climate-resilient rural livelihoods and food security
- Co-Benefit B: Strengthened social capital and gender mainstreaming
- Co-Benefit C: Biodiversity conservation

The GFLL-SL's indicative Theory of Change and Results Framework (provided as a non-mandatory annex) will track the process towards achieving the objective and expected outputs of the project.

## c. Project site

Output 1 will be based in Vientiane capital to support the national REDD+ mechanisms and assist in the formulation and implementation of PLRs. Output 2 will invest in specific sites selected within the four target forest landscapes located in five provinces as summarized in the table and with the maps provided below. They are based on spatial analysis of forest cover, deforestation trends, potentials for reforestation and regeneration, etc. The screened results and suggestions were validated through stakeholder consultations:

Table 14: Overview of the Project target areas

NCA: National Conservation Forest NPtFA: National Protection Forest PCA: Provincial Conservation Forest

Landscape	Name	Forest category	Area (ha) <sup>*1</sup>	Natural forest area (ha) and forest cover rate <sup>*2</sup>	Average annual deforestation rate 2015-2019 <sup>*3</sup>	Ratio of continuous RV land class <sup>*4</sup>
Landscape 1	Phouxanghe	NCA	115,034	101,580 88.3%	0.15%	1.7%
	Xe Cham Phone	NPtFA	74,051	33,809 45.7%	0.46%	12.2%
	Xe Noi-Xe Bai	NPtFA	38,761	12,304 31.7%	3.54%	17.5%
	Dong Lao At	PCA	17,108	12,516 73.2%	0.28%	n.a.
Landscape 2	Xepian NCA <sup>*5</sup>	NCA	256,029	235,787 92.1%	0.06%	0.3%
Landscape 3	Dongampham	NCA	195,247	164,090 84.0%	0.3%	1.7%

	Xe Ka Man- Houay Van- Houay Vi	NPtFA	92,712	43,534 47.0%	0.81%	18.2%
Landscape 4	Phouxienthong	NCA	105,597	95,554 90.5%	0.13%	0.1%
	Xebangnouan	NCA	129,741	112,117 86.4%	0.02%	0.1%
Total			2,005,892	1,542,908		

\*1 estimated from GIS data of FIPD/DOF.

\*2 estimated from national Forest Type Map 2019 by FIPD/DOF.

\*3 estimated from Global Forest Watch data.

\*4 estimated from national Forest Type Map 2019 by FIPD/DOF. Regenerating Vegetation (RV) class is typically under shirting cultivation. Higher ratio of RV implies that such lands could be potentially targeted for forest restoration and reforestation under the Project.

\*5 Although it is still considered a NCA, Xe Pian was designated a National Park in 2021.

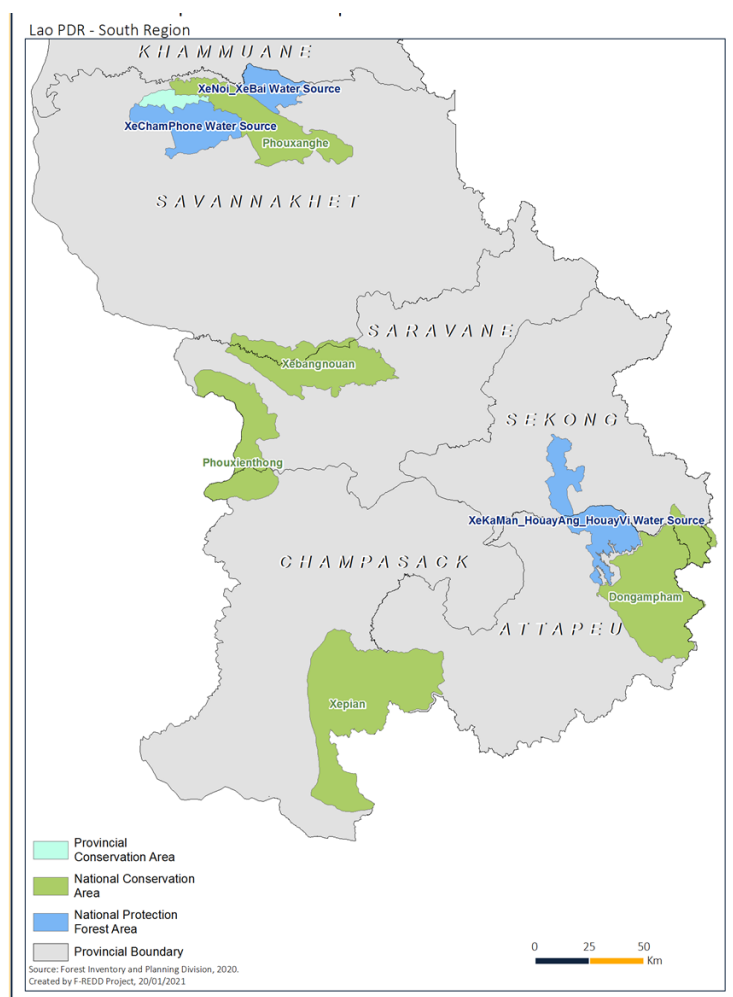


Figure 4: Proposed Landscapes for GFL-SL  
(Above map created by JICA using data from FIPD)

### c. Project activities

#### Output 1: National REDD+ coordination and implementation of PLRs strengthened

Output 1 will support coordination of the national REDD+ and implementation of the PLRs. As explained earlier, the Lao forestry sector and REDD+ have been supported by collaboration of various technical and financial partners including the World Bank, the Asian Development Bank, the UN agencies (e.g. FAO, UNDP), bilateral partners such as Japan, Germany, Korea, United States, international non-governmental organizations (INGOs), and domestic civil society

organizations (CSOs). Coordination with such development partners will be ensured through the Forest Sub-sector Working Group (FSSWG) and day-to-day operations.

Particularly regarding national REDD+, the FCPF Readiness Grant administered by the World Bank and implemented by the GoL played a central role in leading Lao PDR's national REDD+ coordination and implementation, such as preparation of the NRS and safeguards instruments, providing arena for extended capacity building and stakeholder engagement, and gap-filling support to PLRs. The FCPF Readiness Grant closed in June 2022, and the support has been partially passed on to the GFLL Project. Output 1 is designed to provide similar central support to the national-level and to further accelerate the implementation of REDD+ in Lao PDR.

#### **Activity 1.1 Coordination of national REDD+**

The national REDD+ management arrangements will require operation of activities at both the national and provincial levels. Implementation of the National REDD+ Strategy (NRS) and other forestry sector policies will need additional support to knowledge management and capacity building activities. Activity 1.1 will fund activities such as: National REDD+ Task Force (NRTF) meetings; six TWGs' meetings; national and regional REDD+ workshops with extended stakeholder engagement; related capacity building such as trainings and study tours; and communications and outreach.

#### **Activity 1.2 Development and implementation of Policies, Laws and Regulations (PLRs)**

Activity 1.2 will provide support to the legislation that has high importance and priority for the Lao forestry sector, and that will also facilitate the creation of an enabling legal framework for the implementation of Output 2. One option being considered is the introduction of Payment for Forest Environmental Service (PFES) as a sustainable green finance option, as Lao PDR has significant potential for PFES, particularly from the hydropower industry as the service user. The case of neighbouring Vietnam offers an ideal learning ground for Lao PDR. Clear land-use planning and land tenure (linked to Activity 2.6) will be a pre-requisite for the implementation of PFES.

#### **Activity 1.3 Priority REDD+ actions**

Under the NRS framework, priority REDD+ actions will be supported. Activity 1.3 will require broad coordination within the GOL as well as with other development partners and donor-funded projects that shares the same objectives of promoting Lao REDD+. The priority REDD+ actions indicatively include: NRS review and update; stepwise development and implementation of the national forest monitoring system (NFMS) based on the Lao NFMS Roadmap (e.g. FREL/FRL updating, MRVs, forest monitoring and enforcement, and data management); national safeguards including the LNSIS; and transaction registry. The support areas will be reviewed and adjusted in line with the future situation and needs. All the actions should receive substantial capacity building of the responsible entities in terms of both their institutions and their human resources.

#### **Activity 1.4 Communication and knowledge management**

This activity will further communicate and disseminate information related to the GFLL-SL implementation and key lessons by facilitating knowledge sharing among national stakeholders, landscapes, provinces, districts and other sectors. The activity will finance the activity in form of workshops, seminars, trainings, knowledge management materials and study tours. These efforts will support the project's information disclosure and transparency policies, in line with its Stakeholder Engagement Plan (SEP).

#### **Activity 1.5 Establish national-level project management institutions**

As described in detailed in Section C.2.5, the GFLL-SL will establish a project-specific management structure, the National Project Management Unit (NPMU), utilizing the existing mechanisms to the extent possible. The national-level project management institutions will be responsible for the entire implementation of GFLL-SL, and lead the technical activities under Output 1. They will also collaborate with the provincial-level management institutions (Activity 2.9) in implementing Output 2, including providing guidance related to technical and



administrative matters. The project will support a minimal amount of necessary equipment for project management at the REDD+ Division and other DOF technical divisions.

### Activity 1.6 Technical support for Output 1

Under the direction and coordination of the NPMU, the project consultant team will support the technical divisions of DOF and other implementing partners in the activities under Output 1. The support areas include forestry policy, REDD+, environmental and social safeguards and gender, feedback and grievance redress mechanisms, and design of the M&E system. The centralized system where the overall framework and guidelines (manuals) for safeguards and gender management will be prepared under Output 1 and then applied to the Output 2 in its respective landscapes.

## Output 2: Governance, forest landscape and livelihood in the Southern Region improved

Output 2 will support the improvement of forest governance, forest landscape and livelihoods in the Southern Region. As presented earlier, four landscapes in 5 provinces (i.e. Savannakhet, Salavan, Champasak, Attapeu and Sekong) and 23 districts will be targeted for the field-level interventions. Inside the boundaries of the four landscapes are located 137 villages, which have a direct stake in management of these landscapes. Over 400 villages outside of, but around or adjacent to, the landscapes also play important roles, depending on their proximity to the landscapes, pressure to the forests, level of dependency on forest and wildlife resources, and other socio-economic factors. The choice of target villages is based on screening criteria including the extent of forested areas and deforestation risks. The final selection of target villages will be done during the project inception phase using updated and in-depth analysis: it is foreseen that the project will work with a total of 250-300 villages. These communities will then confirm their interest to participate, based upon meaningful consultation and their agreement. Non-Lao-Tai ethnic groups must give their “free, prior and informed consent” (FPIC) to participate in the project.

The principle of capacity building is nested in all activities under Output 2, including Activity 2.2, 2.4, and 2.5, focused on building overall capacity needed for project execution at the provincial and district levels. Capacity building will cover planning, technical areas (forest management, livelihoods), safeguards, gender, equipment, etc. Village level capacity building is incorporated in Activity 2.6 to 2.8. Such capacity building will be coordinated by technical support provided through Activity 2.10.

Table 15: Provinces and number of districts and villages for the four landscapes

Landscape	Provinces	Districts	Villages inside the landscape
Landscape 1	Savannakhet	6	82
Landscape 2	Champasack, Attapeu	3	15
Landscape 3	Attapeu, Sekong	5	31
Landscape 4	Savannakhet, Saravane, Champasack	9	9
Total		23	137

### Activity 2.1 Institutional set-up and coordination for landscape management

The GFLL-SL aims to introduce a landscape approach that combines the management strategies of two different forest categories (Conservation Areas and Protection Forests project) under one umbrella management system. The landscape approach would also pilot management of areas across multiple provinces. The key idea is to break through narrowly defined forest categories and instead consider the connective extent of all forest categories as a single forest landscape. This approach will optimize management objectives and resources. This approach is unprecedented for Lao PDR, however a prototype landscape management plan has been

developed for the Landscape 1 (Savannakhet) with support from JICA, under the F-REDD2 Project, and awaiting GFLL-SL support for implementation. To realize this approach, three layers of management will be set-up:

- Landscape Coordination Committee (LCC), a multi-stakeholder coordination platform, will be established for each landscape to guide the landscape approach through integrated, inter-provincial (for relevant cases) and cross-sectoral management. Four LCCs (Landscape 1, 2, 3 and 4) will be established.
- Landscape Planning Taskforce (LPT), which will consist of members from PAEO staff, concerned DAEO staff, and other relevant personnel, including staff to represent gender and ethnic issues), will be established for each landscape. Four LMTs (Landscape 1, 2, 3 and 4) will be established. The project proposes to develop a landscape management plan (a consolidated management plan that covers the NCAs and NPtFAs in subject) for each landscape by the LPT. The plan will then be handed over to the respective Landscape Management Institution(s) (LMIs) (see below) for on-site management. The LPTs can automatically transform into respective LMIs after the completion of landscape management plan, or the LPTs can dissolve after the completion of landscape management plan and the respective LMIs can be formed separately, depending on the situation and decision of the provinces.
- Landscape Management Institution(s) will be responsible for the on-site management of each landscape. Intensive capacity building will be conducted to strengthen the capacity of the dedicated permanent management teams for each of the landscapes.

### **Activity 2.2 Activity planning and capacity building**

As an important underlying principle, the GFLL-SL intends to replicate the planning and implementation modality of the GFLL and I-GFLL to the extent possible. This similar approach will enable building on existing knowledge, capacity and system, and thereby reduce the costs for GoL agencies that implements the activities.

Annual work plans (AWPs) will be drafted by each implementing entity and submitted to the National Project Steering Committee for ultimate approval. Annual Performance Reports (APRs) will be drafted, submitted and approved following the same process. Semi-annual work plans (SWPs) will be developed in line with the AWP and submitted to the National Project Management Unit (NPMU) for endorsement. Semi-annual Monitoring Reports (SMPs) will also be drafted by the LPT and submitted to the NPMU for endorsement. A series of technical and management capacity building courses will be planned and executed to equip the implementing entities with the required capacity for implementing the Project.

### **Activity 2.3 Enabling environment for landscape management**

This activity will assist in examining the unique circumstances of each targeted landscape to identify the best intervention options. Some topics could be commonly analysed for the entire Southern Region. Two streams of inter-related actions will be developed: a) a situation analysis for the region and one for each landscape, e.g., detailed analysis of problems and countermeasures; socio-economic analysis of the target villages, including their ethnic composition and relevant ethnic and gender issues, biodiversity assessment, agricultural commodity production and supply-chain analysis, private sector engagement including nature-based tourism, sustainable financing options; and b) identification of relevant enabling policies. The results will inform the development of landscape management plan in Activity 2.4.

### **Activity 2.4 Landscape management planning and implementation**

As a foundation for management of the targeted landscapes and the forest categories (i.e. NCAs and NPtFAs) inside the landscapes, the project will support formulating the landscape management plans. A landscape management plan will have a unified goal, associated approaches and actions for the forest categories in the landscape, and perhaps also sub-management plans for each of the forest categories to respond to the requirements of the Forestry Law 2019. Particularly for the NCAs, the GFLL-SL may promote nature-based tourism in collaboration with private sector. The landscape management plans will be action-oriented, and include budgets and indicative funding sources, i.e., the Government, the GCF (GFLL-SL)

and other funding sources. The teams developing the landscape management plans will work with local ethnic groups, and women as well as men, to ensure that their land uses and local knowledge are fully respected and incorporated into the plans.

It is important for the GoL to maintain coherence on the approach and methods. Thus, preceding experiences for NCAs and NPtFAs will be studied, and their methods will be replicated with necessary adjustments in the GFL-SL. As mentioned earlier in Activity 2.1, experiences from the prototype landscape management plan for the Landscape 1 (Savannakhet) will be also utilized.

### **Activity 2.5 Strengthened forest monitoring and law enforcement**

Several donor-funded projects have supported improved law enforcement in Lao PDR at the field-level by strengthening the governance system and using advanced forest monitoring tools (e.g. remote-sensing and IT technologies). Further support is needed to ensure that the use of these forest monitoring tools becomes further operational under the circumstances and with the capacity of Lao PDR. The key actions will include: improvement of coordination among key government actors to improve Forestry Law enforcement by establishing clear communication procedures and clarification of roles and responsibilities; introduction of satellite-based near-real-time monitoring of lands and forests (e.g. PDMS<sup>17</sup>, OLDm); and strengthening the capacity of relevant local agencies in carrying out field activities using the abovementioned tools. Forest law enforcement will also include outreach to local communities, including in local schools and markets. Possibilities of establishing community-based forest patrols, already piloted elsewhere in Lao PDR, will also be explored.

### **Activities 2.6 to 2.8: Collaboration with Village Communities**

All work with project villages will be guided by the project's Community Engagement approach, which will support efforts to engage with all interested community members and take specific measures to ensure participation is socially diverse, inclusive and equitable. Efforts will be taken to encourage the participation of all ethnic groups. Separate consultations will be undertaken with non-Lao-Tai groups. The Community Engagement approach will enhance the participation of women in addition to men and will facilitate the engagement of the most vulnerable community members, such as the poorest households.

In collaboration with GFL-SL, village communities will prepare a simple Community Action Plan (CAP), which will outline their activities and support needs. Non-Lao-Tai ethnic groups will prepare non-Lao-Tai Ethnic Group Development Plans (NLT EGDs). The CAP (or NLT EGD) will cover the activities outlined under Activity 2.6, 2.7, and 2.8, below.

### **Activity 2.6: Village-level institutions, land-use planning and land tenure**

Village communities will play critical role in planning and managing the targeted landscapes in collaboration with the management authorities. Actions under this activity will include: strengthening or establishing Village Committees (VCs), Village Forest Committees (VFCs), and Village Development Funds (VDFs); participatory land-use planning (PLUP) applying the government guidelines and reflecting country-wide experiences and commitment<sup>18</sup>; and support to land tenure registration.

### **Activity 2.7 Village-level forest management and livelihoods improvement**

Building on the results from Activity 2.6 above, participating villages will be financially and

<sup>17</sup> The PDMS was developed and has been in operation since 2019 through support by JICA. It is currently in operation in 15 of the 18 provinces in Laos, with the cooperation of other donors such as the World Bank, Germany and NGOs. In May 2024, MAF has approved the PDMS as an official forest monitoring tool (MAF agreement letter No. 2761, 24 May 2024), and tasked the related agencies to apply the system nationwide.

<sup>18</sup> The government has been actively discussing options to enhance land security for forest communities, such as through the preparation of Action Plan for the Recognition of Land Use Rights in Forestland in Lao PDR and updating of the village forest management guiding documents. The proposed project will align its support with the development of such government efforts.

technically supported to implement their respective plans for village forest management and livelihoods improvement. Thorough emphasis will be given to the potentially marginalized groups, such as non-Lao-Tai ethnic groups, socially disadvantaged households and women, to ensure their benefits from the project will be promoted. Support will be divided into these main areas:

- **Village forest management:** development of Village Forest Management Plans (VFMPs) based on the PLUPs, conclusion of Village Forest Management Agreements (VFMAs) to implement sustainable management of village forests and as a pre-condition for support by the Project, implementation of the village forest management activities following the VFMPs, and periodic monitoring and evaluation.
- **Alternative livelihoods development:** with successful signing of the VFMA, each village will become eligible to receive project support to this sub-activity, for instance improved agricultural and agroforestry practices, to reduce agriculture expansion pressure into forests and forestlands. This livelihood support is also an important incentive for the villagers to actively participate in the project. Various types of capacity building and facilitative support will be provided.
- **Small-scale infrastructure:** with successful conclusion of the VFMA, each village will gain opportunities to benefit from development of small-scale infrastructure. Planning of such infrastructure will be led by DAEOs in coordination with their infrastructure development plans. As a principle, the infrastructure supported shall be small-scale (at village-level) and directly benefit the targeted villages in their forest management and/or alternative livelihoods activities (e.g. irrigation for the village agricultural fields, access roads to the village, agriculture and forest commodity processing facilities).
- **Transfer of support funds to the VDFs:** an initial cash payment will be transferred to each VDF to implement forest management and alternative livelihoods activities based on the agreed plan. Each village will have an opportunity to receive initial payments for two consecutive years to implement the planned activities. After the initial payments, performance-based payments will be disbursed during the third year based upon adherence to the VFMA. The villages shall first set-aside a part of the payments for the operational costs of the VFMA for the following years; then the remainder can be used not only for accelerating forestry and alternative livelihoods activities, but also for meeting basic communal needs, such as village infrastructure (e.g. road, water supply, sanitation), and microfinancing and lending.

With regards to the two payment modalities described above, some existing donor-funded projects and institutional structures may already have such payment and fund transfer modalities<sup>19</sup>. During the project inception phase, consultation is planned with the GoL and donor-funded projects on appropriate measures to avoid any conflicting mechanisms, to encourage collaboration, and to coordinate capacity building activities.

### **Activity 2.8 Village-level knowledge sharing: Study tours, workshops**

Knowledge management and sharing of successful experiences is key for replication. The GFLL-SL will support groups of villages in sequence, and disseminate lessons learned from the earlier villages to the latter ones. Village-to-village sharing can take forms such as exchange workshops and study tours. Low-cost multimedia information materials (e.g. leaflet, poster, video, and media) will be produced to disseminate information in ways that villagers can easily understand. Successful experiences and lessons learned will be documented and disseminated for further promotion and upscaling within the provinces and elsewhere in Lao PDR. Efforts will be made to ensure that women and NLT ethnic groups participate in these important activities.

### **2.9: Establish provincial-level project management institutions**

As described in detailed in Section C.2.5, and with the same principle as described under Activity 1-5, a project-specific management structure will be set-up for the provincial- and district-levels, i.e., Provincial Project Management Unit (PPMUs) and District Project Management Units (DPMUs). Four landscape project teams (one team per landscape), which will consist primarily

<sup>19</sup> Preceding examples from, such as I-GFLL and GFLL will be carefully studied to design an optimal performance-based payment mechanism. For example, I-GFLL monitors the village forest areas being protected and restored to decide the level of payment.

of provincial government staff, and district project teams will be established. The project will support a minimal amount of necessary equipment for project management at the provincial and district levels.

### 2.10: Technical support for Output 2

Under the direction and coordination of the NPMU, the project consultant team for Output 2 will support each LMI in implementing their activities. The target villages under the respective landscapes are the important partners (as well as the beneficiaries) for the village level activities abovementioned. The support areas include forest management, livelihoods management, spatial planning, safeguards and gender. The Safeguards and Gender Team will play an overarching role to ensure their respective objectives are sufficiently undertaken throughout the implementation, and work with the M&E staff to ensure adequate monitoring of these objectives.

## Output 3: Government capacity for effective Project management enhanced

Output 3 consists of activities and costs related to project management.

### Activity 3.1 Operational Management

Operational management includes activities and costs for the GoL project management personnel regular and ad-hoc field missions, to participate in project management trainings, conduct periodic monitoring and evaluations, and meet all reporting requirements.

### Activity 3.2 Financial management

Under the guidance of the JICA AE, the EEs will be responsible for the day-to-day financial management activities respectively. They will ensure the resulting financial management complies with all GCF requirements.

### Activity 3.3 Procurement management

Under the guidance of the JICA AE, the EEs will be responsible for the day-to-day procurement management activities respectively. They will ensure the resulting procurement management complies with GCF requirements.

### Activity 3.4 Project management support for Output 3

A team of consultants will support the NPMU, PPMUs and DPMUs in administrative aspects, such as in financial management, procurement management, monitoring and evaluation, reporting, and translation and interpretation.

## C.2.2. Expected outputs and outcomes:

The GFLL-SL will contribute largely to the GCF's mitigation result areas of **MRA4 Forestry and Land use**, and to the adaptation result areas of **ARA 4 Ecosystems and ecosystem services**. Such paradigm shift objectives will be underpinned by **support for the enabling conditions and environments**. Progress and results towards the paradigm shift objectives will be evaluated using the five GCF core indicators summarized in the table below.

Table 16: Delivery of GCF core indicators

<u>GCF core indicators</u>	<u>Narrative</u>	<u>Delivered through</u>
Estimated mitigation impact (IRMF Core Indicator 1)	Million tCO <sub>2</sub> eq over lifespan	Outcome 2
Direct and indirect beneficiaries reached (Core Indicator 2)	Direct beneficiaries and indirect beneficiaries, in the selected landscapes improved in food and livelihoods security.	Outcome 2 (Co-Benefit A)



	Beneficiaries will be disaggregated by gender and ethnicity.	
Scale of intervention area (Core Indicator 4)	Hectares of natural resource areas brought under improved low emission and/or climate-resilient management practices	Outcome 2
Institutional and regulatory framework (Core Indicator 5)	Degree to which GCF projects and/ or programmes contribute to strengthening institutional and regulatory frameworks for low-emission climate-resilient development pathways in a country-driven manner	Outcome 1 and Outcome 2
Knowledge generation and learning processes (Core Indicator 8)	Degree to which GCF projects and/or programmes contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	Outcome 1 (using experiences generated through Outcome 2)

It is aligned to GCF's mitigation outcomes (GCF fund-level outcomes) of M5.0. Strengthened institutional and regulatory systems for low-emission planning and development; and M9.0 Improved management of land or forest areas contributing to emission reductions. The GFL-SL is aligned as well with the GCF Gender Policy and safeguards pertaining to local communities and ethnic groups. It will promote project co-benefits for all local residents, including all ethnic groups, women, and men.

Table 17: Project objectives, outputs and outcomes

Project objectives	Outputs	Outcomes
Sustainable management of Lao PDR's forests for enhanced climate change mitigation, ecosystems conservation, and equitable and sustainable green growth of the rural communities.	Output 1: National REDD+ coordination and implementation of Policies, Laws and Regulations (PLRs) strengthened.  Output 2: Governance, forest landscape management and livelihood in the southern region improved.  Output 3: Government capacity for effective project management enhanced.	1. Strengthened institutional & regulatory systems for low-emission planning and development  2. Improved management of land and forest areas contributing to emissions reductions  3. Enhanced value of forests for developing local socio-economy

### C.2.3. Timeframe of implementation (for monitoring and reporting purposes):

The project lifespan is seven years, i.e., the activities will be implemented over a seven-year period.

Table 18: Project outputs and expected year to be achieved

Outputs	Expected year to be achieved
Output 1: National REDD+ coordination and implementation of Policies, Laws and Regulations (PLRs) strengthened.	Year 7
Output 2: Governance, forest landscape management and livelihood in the Southern Region improved.	Year 7
Output 3: Government capacity for effective project management enhanced.	Year 7

Table 19: A summary project implementation timeframe

		'26	'27	'28	'29	'30	'31	'32
Activity	Sub-activity	Y1	Y2	Y3	Y4	Y5	Y6	Y7

Output 1: National REDD+ coordination and implementation of PLRs strengthened							
1.1: Coordination of national REDD+							
1.2: Development and implementation of Policies, Laws and Regulations (PLRs)							
1.3: Priority REDD+ actions	1.3.1: NRS review and update						
	1.3.2: NFMS						
	1.3.3: National safeguards						
	1.3.4: Transaction registry						
1.4: Communication and knowledge management							
1.5: Establish national-level project management institutions							
1.6: Technical support for Output 1							
Output 2: Governance, forest landscape and livelihood in the Southern Region improved							
2.1: Institutional set-up and coordination for landscape management							
2.2: Activity planning and capacity building							
2.3: Enabling environment for landscape management	2.3.1: Situation analysis						
	2.3.2: Identification of enabling policies						
2.4: Landscape management planning and implementation							
2.5: Strengthened forest monitoring and law enforcement							
2.6: Village-level institutions, land-use planning and land tenure	2.6.1: Strengthen the role of Village Committee and other groups						
	2.6.2: Participatory Land Use Planning (PLUP)						
	2.6.3: Land tenure registration						
2.7: Village-level forest management and livelihoods improvement	2.7.1 Village Forest Management Plan and Village Forest Management Agreement						
	2.7.2 Alternative livelihoods development						
	2.7.3 Small-scale infrastructure						
	2.7.4 Transfer of support fund to the VDFs						
2.8: Village-level knowledge sharing: Study tours, workshops							
2.9: Establish provincial-level project management institutions							
2.10: Technical support for Output 2							
Output 3: Government capacity for effective Project management enhanced							
3.1-3.4: Project management activities							

Table 20 Key deliverables (assuming the project launching in mid-2026)

Activity	Key deliverables	Target year
Output 1: National REDD+ coordination and implementation of PLRs strengthened		
1.1: Coordination of national REDD+	National REDD+ Task Force (NRTF) meetings delivered	Years 1 - 7 (annual)
1.2: Development and implementation of Policies, Laws and Regulations (PLRs)	Key PLRs developed	Years 2, 4 and 6
1.3: Priority REDD+ actions	NRS updated	Year 5
1.4: Communication and knowledge management	Project dissemination workshop organized inviting broad stakeholders	Year 3, 5 and 7
1.5: Establish national-level project management institutions	Project management structure set up and operational at national level	1 year after project inception
1.6: Technical support for Output 1	APRs produced	Years 1 - 6 (annual)
Output 2: Governance, forest landscape and livelihood in the Southern Region improved		
2.1: Institutional set-up and coordination for landscape management	Institutional arrangement for landscape management established for all landscapes	Year 2

2.2: Activity planning and capacity building	Annual work plan for Output 2 prepared	Year 2 - 6 (annual)
2.3: Enabling environment for landscape management	Detailed situation analysis (socio-economic survey) conducted for the target landscapes	Year 2
2.4: Landscape management planning and implementation	Landscape management plans prepared for all landscapes	Year 3
2.5: Strengthened forest monitoring and law enforcement	Forest monitoring and law enforcement system operational in all landscapes	Year 3
2.6: Village-level institutions, land-use planning and land tenure	Village-level land-use plans prepared for all target villages	Years 3 - 5
2.7: Village-level forest management and livelihoods improvement	Village forest and livelihoods improvement activities implemented in all target villages	Years 3 – 7
2.8: Village-level knowledge sharing: Study tours, workshops	Knowledge sharing workshops organized	Years 3 – 7
2.9: Establish provincial-level project management institutions	Project management structure is set up and operational at provincial and district level	1 year after project inception
2.10: Technical support for Output 2	APRs produced	Years 1 - 6 (annual)
<b>Output 3: Government capacity for effective Project management enhanced</b>		
3.1-3.4: Project management activities	Project Operation Manual package endorsed. APRs produced	1 year after project inception Years 1 - 6 (annual)

#### C.2.4. Budget estimate (for monitoring and reporting purposes):

Following the procedures of the Terms of Reference for the REDD+ pilot programme for Results-Based payments, the Independent Technical Advisory Panel (iTAP) recommended that the Board consider the following:

1. Achieved volume of REDD+ results offered in this proposal: 14,391,897 tCO<sub>2</sub> eq
2. Total score achieved 40/48
3. GCF Volume of ERs: 11,993,248 tCO<sub>2</sub> eq
4. Additional 2.5 per cent for use of proceeds and non-carbon elements
5. Proposed REDD-plus results-based payments (USD 5/tCO<sub>2</sub>eq): USD 61,465,393

The GFLL-SL budget estimate is presented in Table 21 below.

Table 21: Outputs, activities and indicative budget

Output	Activity	Sub-total	Percentage	GoL		JICA	
<b>Output 1:</b>	<b>National REDD+ coordination and implementation of PLRs strengthened</b>	<b>11,641,251</b>	<b>18.9%</b>	<b>7,286,085</b>	<b>11.9%</b>	<b>4,355,166</b>	<b>7.1%</b>
	1.1: Coordination of national REDD+	1,342,804	2.2%	1,342,804	2.2%		
	1.2: Development and implementation of Policies, Laws and Regulations (PLRs)	442,617	0.7%	442,617	0.7%		
	1.3: Priority REDD+ actions	4,142,851	6.7%	4,142,851	6.7%		
	1.4: Communication and knowledge management	735,482	1.2%	735,482	1.2%		
	1.5: Establish national-level project management institutions	622,331	1.0%	622,331	1.0%		
	1.6: Technical support for Output 1	4,355,166	7.1%			4,355,166	6.1%
<b>Output 2:</b>	<b>Governance, forest landscape and livelihood in the southern region improved</b>	<b>45,304,881</b>	<b>73.7%</b>	<b>37,304,127</b>	<b>60.7%</b>	<b>8,000,754</b>	<b>13.0%</b>
	2.1: Institutional set-up and coordination for landscape management	1,853,600	3.0%	1,853,600	3.0%		
	2.2: Activity planning and capacity building	330,217	0.5%	330,217	0.5%		
	2.3: Enabling environment for landscape management	1,570,270	2.6%	1,570,270	2.6%		
	2.4: Landscape management planning and implementation	3,517,788	5.7%	3,517,788	5.7%		
	2.5: Strengthened forest monitoring and law enforcement	1,507,538	2.5%	1,507,538	2.5%		
	2.6: Village-level institutions, land-use planning and land tenure	5,329,888	8.7%	5,329,888	8.7%		
	2.7: Village-level forest management and livelihoods improvement	19,833,776	32.3%	19,833,776	32.3%		
	2.8: Village-level knowledge sharing: Study tours, workshops	230,921	0.4%	230,921	0.4%		
	2.9: Establish provincial-level project management institutions	3,130,130	5.1%	3,130,130	5.1%		
	2.10: Technical support for Output 2	8,000,754	13.0%			8,000,754	13.0%
<b>Output 3:</b>	<b>Government capacity for effective project management enhanced</b>	<b>4,519,261</b>	<b>7.4%</b>	<b>2,000,556</b>	<b>3.3%</b>	<b>2,518,705</b>	<b>4.1%</b>
<b>Grand Total</b>		<b>61,465,393</b>	<b>100.0%</b>	<b>46,590,768</b>	<b>75.8%</b>	<b>14,874,625</b>	<b>24.2%</b>

### C.2.5. Implementation arrangements:

*List and describe the institutions involved in the activities that will be funded with proceeds from this pilot programme, and explain their anticipated roles and interactions with one another, including the flow of funds.*

#### C.2.5.1. Accredited Entity and Executing Entity

##### Accredited Entity (AE)

The GoL has requested that JICA assist in designing and implementing this funding proposal based on JICA's comparative advantage in Lao forestry sector and its role as a GCF Accredited Entity (AE). As the AE, the Environmental Management and Climate Change Group of Global Environment Department in the JICA Headquarters (HQ) will undertake oversight responsibility for the implementation of the GFLL-SL as defined. JICA HQ will provide oversight, guidance, and quality assurance to ensure the project activities comply with GCF requirements.

##### Executing Entity (EE)

The GFLL-SL will be implemented through shared responsibilities between two Executing Entities (EEs): MAE EE and JICA Co-EE.

- The GoL represented by MAE will be the main EE and responsible for the successful implementation of the GFLL-SL activities. Specifically, the MAE EE will be responsible for Activities 1.1, 1.2, 1.3, 1.4, 1.5, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 3.1, 3.2, and 3.3. The MAE will be responsible for the use of the funds allocated to implement the Use of Proceeds (UoP) activities and will procure works, goods and services for the implementation. This

includes responsibilities for meeting the social and environmental safeguards and considerations for the project, to implement the activities in accordance with policies and guidelines of GCF and JICA. The DOF, under the instruction of MAE, will technically lead the project implementation.

- JICA will serve as both the AE and the Co-EE. JICA HQ will act through JICA Laos office as appropriate. That is possible because legally JICA HQ and JICA Laos Office belong to the same legal entity. More precisely, “JICA HQ” is the headquarters of JICA, while “JICA Laos Office” is the branch office in Lao PDR.

JICA Co-EE will collaborate and coordinate with MAE to implement the GFLL-SL project. Specifically, JICA Co-EE will be responsible for Activities 1.6, 2.10, and 3.4. For the implementation, JICA Laos Office will undertake local procurements of the goods and services necessary for the implementation of the GFLL-SL project. The Forest and Nature Conservation Group in Global Environment Department at the JICA HQs will be responsible for mobilizing the technical and project management support consultant team and providing technical and administrative back-stopping. More specifically, the Forest and Nature Conservation Group in Global Environment Department at the JICA HQ and the consultant team will provide technical support in planning and implementing UoP activities including social and environmental safeguards and considerations, as well as administrative support for reporting, procurement process, financial management and other arrangements. JICA’s own safeguards, Guidelines for Environmental and Social Considerations, are consistent with those of the World Bank, IFC, and GCF.

### **Subsidiary Agreement (SA)**

SA will be signed between the JICA AE and MAE EE following the signing of the Funded Activity Agreement between JICA and GCF. The SA will be legally binding and stipulate the roles, responsibilities, financial arrangements, and implementation rules for the project. It will also grant the AE the necessary rights to monitor and, if needed, enforce compliance through remedial actions or by setting funding conditions.

### **C.2.5.2. Institutional arrangements for implementation**

The GFLL-SL will be implemented through a collaboration of different Lao government institutions at central, provincial and district levels, and the villages to be targeted.

As an important underlying principle, the GFLL-SL intends to replicate the institutional arrangements of the GFLL and I-GFLL to the extent appropriate and in a way that conforms to the requirements of GCF and JICA. The project will have the same NPSC as the GFLL and I-GFLL. This arrangement will reduce the management and coordination costs of the GoL, enhance coordination among the three projects (GFLL, I-GFLL and GFLL-SL), and promote efficient and effective collaboration of the GoL agencies involved. The Project Operational Manual to be prepared before the project inception shall describe the full details of the institutional arrangement and the Terms of Reference (ToR) of each of the stakeholders.

#### **a. Project management structure**

##### **National Project Steering Committee (NPSC)**

The NPSC will provide administrative oversight of the project, ensuring coordination across ministries. The NPSC will provide strategic implementation guidance to the National Project Management Unit (NPMU) and LCCs, whilst ensuring alignment with the NDC, the National REDD+ Strategy and national socio-economic development objectives. The structure of the NPSC builds upon the existing institutional structure for REDD+ in Lao PDR. Thus, the National REDD+ Task Force (NRTF)<sup>20</sup>, as the responsible government entity for REDD+, will serve as the NPSC. JICA as the AE will maintain observer status on the NPSC to provide strategic guidance and ensure that GCF-related guidance and compliance is provided to the national actors.

<sup>20</sup> Decision Number: 2750/MAF, Vientiane capital, dated 23 May 2017. Vice Minister of MAF is the head of the NRTF and Director General of DOF is the vice-head. Other members include DDGs of DOF, DALaM-MAF, DCC-MONRE, DoL-MONRE, DCD-MOF, EGD-LNFD, and representatives from DIC-MPI, DEQP-MONRE, MoJ, MoME, NLWU, DOFI-MAF, NUoL and Chamber of Industry and Commerce. Such arrangements are expected to remain unchanged under the newly formed MAE following the government restructuring in 2025.



### National Project Management Unit (NPMU)

A National Project Management Unit (NPMU) will be established within the DOF. The NPMU will closely coordinate with the responsible government agencies at the national level (DOF and DNREI), sub-national levels (PAEOs and DAEOs) and technical partners on relevant activities. The NPMU also will provide technical and financial management support. Being assigned the task from the MAE as the EE, the NPMU will be responsible for the day-to-day operations of the GFLL-SL, and provide other technical and administrative guidance to the respective technical agencies and administration sections, and stakeholders.

### Provincial Project Steering Committee (PPSC)

A Provincial Project Steering Committee (PPSC) will be established, to be led by the provincial REDD+ Task Force in each province. At the provincial level, the PPSCs will review project implementation progress and provide support to address potential bottlenecks related to implementation from the central down to village levels.

### Provincial Project Management Unit (PPMU) and District Project Management Unit (DPMU)

Mirroring the role of the NPMU, the PPMUs and DPMs will be established. The PPMUs and DPMUs will closely coordinate with the responsible government agencies, provide support to the LPTs and LMIs, collaborate with related technical partners on relevant activities, and support project operations (e.g. financial management, procurement management) as necessary. Particularly the DPMUs will play a facilitative role for ensuring effective engagement of the target villages.

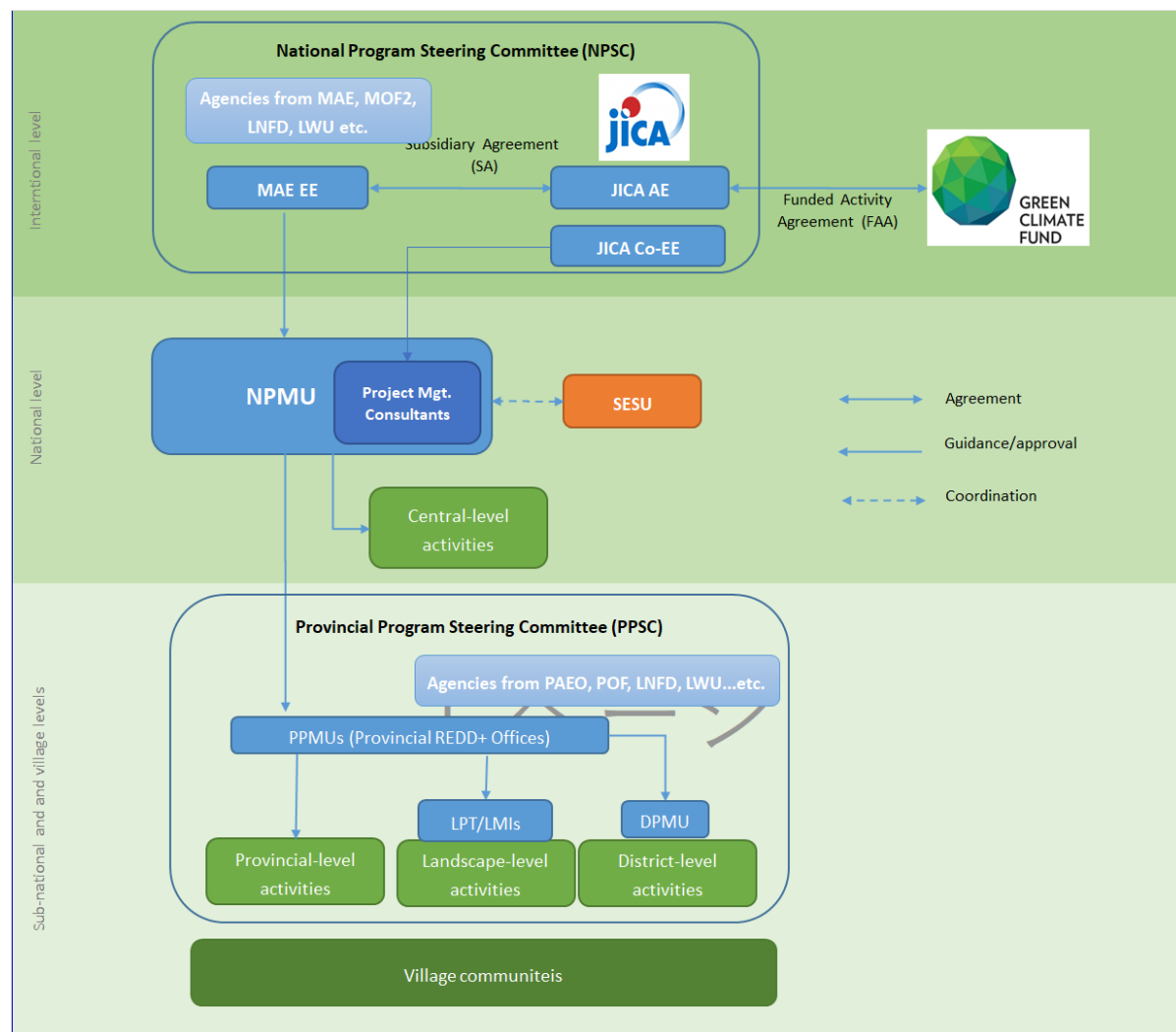


Figure 5: Project management structure

**b. Landscape management structure.**

**Landscape Coordination Committee (LCC)**

A Landscape Coordination Committee (LCC) will be established as a multi-stakeholder coordination platform for each landscape. For the landscapes located across two or more provinces will form a joint-LCC for joint-decision-making and implementation. The interests of non-Lao-Tai ethnic groups and women will be adequately represented by including adequate members to the LCCs. The LCCs will be chaired or co-chaired (in the case of multi-province landscapes) by the provincial governor(s) or vice-governor(s) who have responsibilities and the authority to supervise and direct the relevant member agencies to carry out the project tasks, make final decisions, and facilitate inter-sectoral as well as inter-provincial collaboration.

**Landscape Planning Taskforce (LPT)**

A Landscape Planning Taskforce (LPT) will be established for each landscape. For the landscapes located across two or three provinces will form a joint LPT for joint planning. A LPT consists of members from PAEO staff, and DAEO staff from the districts where their lands overlap or border the respective landscape. The interests of ethnic groups and women will be adequately represented as members of the LPTs. The LPTs will be responsible for developing landscape management plans for each landscape in consultation with related stakeholders, and for submitting the plan to the LCC for approval. The LPTs can automatically transform into the core of the respective LMIs after the completion of landscape management plan, or the LPTs can dissolve after the completion of landscape management plan and the respective LMIs can be newly formed separately, depending on the situation and decision of the provinces.

**Landscape Management Institution (LMI)**

The Landscape Management Institution(s) will be responsible for the on-site management of each landscape. As a practical measure, the GFL-SL plans to first focus its resources on establishing and/or strengthening the management capacity of the NCAs. In the NCAs where a management authority (Management Office) is in place, the Management Office will be responsible for the implementation of the management activities based on the approved landscape management plan. In the NCAs where a Management Office is not yet in place, PAEO(s) and DAEO(s) will be responsible until the Management Office is formally established. On the other hand, for the management of NPtFAs, the GFL-SL suggests that the Management Offices of the NCAs to also be responsible for the basic management activities in their neighbouring NPtFAs (and for the Provincial Conservation Area in Landscape 1).

**Village communities**

Villages will be differentiated in their roles and level of project support primarily depending on their level of importance for forest conservation. During project inception, the village selection criteria will be agreed, and village selection will be finalized. The villages will use their existing institutions (VCs, VFCs, and VDFs), or will be encouraged to modify or formulate new ones as appropriate, to engage with the GFL-SL. The LPTs and LMIs will collaborate with the villages in planning, implementing and monitoring of project activities.

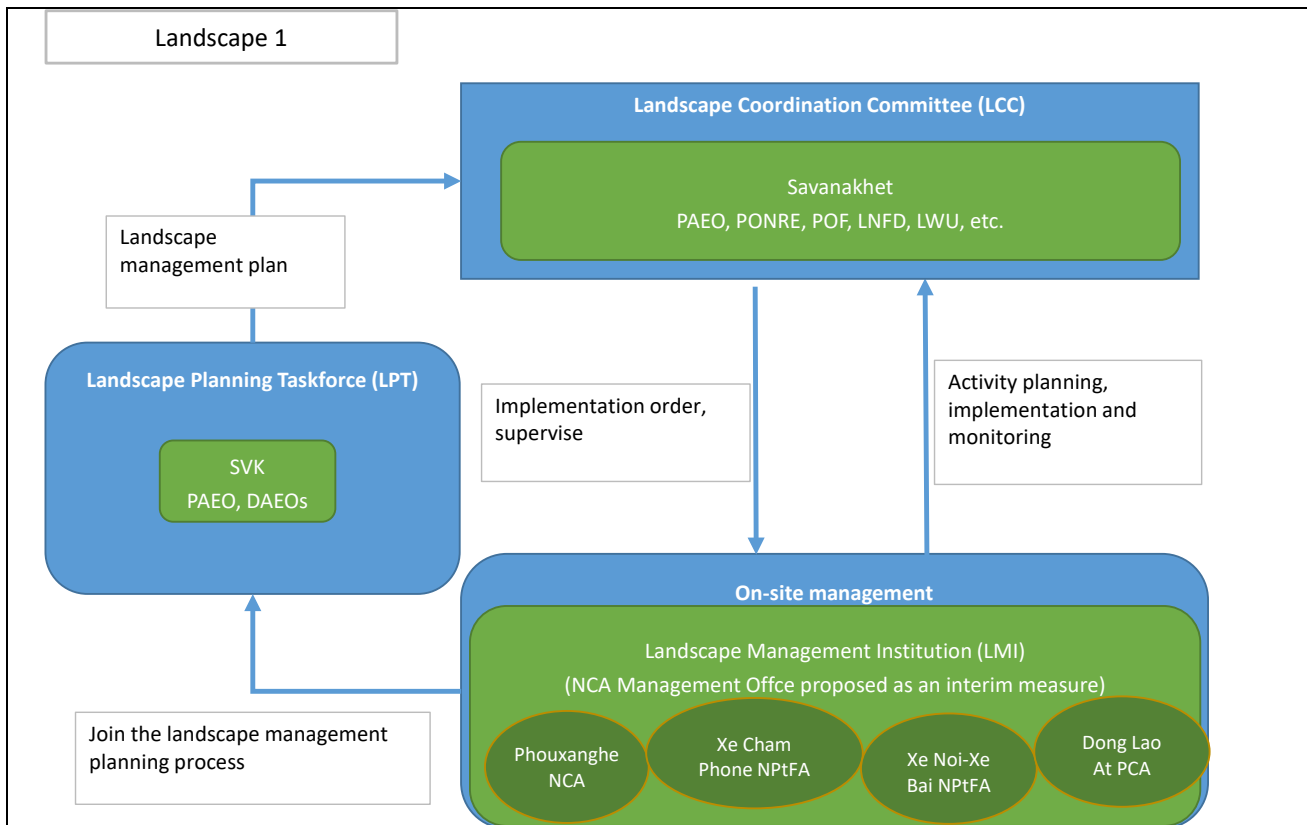


Figure 6: An example landscape management structure (for Landscape 1).

### c. Theme-specific management and other technical partners

#### Safeguards management

Compliance with environmental and social safeguards and gender policies will involve:

- first, following of procedures during planning, training, and implementation. These approaches and procedures will be specified in the Environmental Management Manual and the Community Engagement Manual, which will be annexes to the Project Operational Manual; and
- second, monitoring and reporting on compliance, and using information to adapt and improve management.

To successfully reach out to non-Lao-Tai ethnic groups and local women and men in the target villages and landscapes, the Project will collaborate closely with the Lao National Front for Development, the Lao Women's Union, and district-level extension staff, including the gender focal points assigned to the district sub-CAWS.

The Project will report on its safeguards and gender compliance to the GCF and the national Government. Following the decision on establishment of the Lao National Safeguards Information System (LNSIS) for REDD+, a **national Social and Environmental Safeguards Unit (SESU)** has been established with a mandate for safeguards management at the national level for Cancun safeguards, and for other REDD+ projects as appropriate for oversight of safeguards and safeguards reporting. The national SESU is located within the REDD+ Division of the DOF. Under the overall coordination and support from the national SESU, **provincial and district level authorities** (i.e. PAEOs and DAEOs) will be responsible for safeguards implementation and monitoring. The **NRTF** would have oversight on the entire LNSIS.

For the GFLL-SL, the safeguards and gender oversight and monitoring arrangement of the GFLL model will be thoroughly reviewed at the inception phase<sup>21</sup>. A decision will be made whether to

<sup>21</sup> For example, in the GFLL project, the Social and Environmental Safeguard Units (SESU) are established within the REDD+ Division at central level, as well as at the REDD+ Offices in Luang Prabang and Luang

replicate the model with necessary adjustments, to accommodate the GFLL-SL's Community Engagement approach, or to directly assign these tasks to the provincial- and district-level authorities.

### **Gender management**

The GFLL-SL emphasizes the importance of enhancing the roles and benefits of women in all the stages of implementation. The Gender Assessment revealed the gender-related issues and potential risks of the GFLL-SL, and the Gender Action Plan (GAP) identifies the actions to manage such risks. It is clear that gender issues cannot be considered alone but need to be viewed in the context of other social characteristics and factors, especially ethnicity. Gender roles and responsibilities, as well as access to resources and benefits, vary significantly among the ethnic groups. Therefore, the project will aim to incorporate not only gender but also ethnic perspectives into all relevant project activities. This *intersectionality of gender and ethnicity* will be addressed through the Project's Community Engagement approach to working with rural communities.

For institutional arrangements, a Social Safeguards and Gender Team will be created at the central-level, consisting of international and local consultants. They will work closely with existing officers of the Sub-Committees for the Advancement of Women (Sub-CAW) within the MAE and key officers of Lao Women's Union. The team will support training at all levels related to gender issues and other related gender activities. The GAP also recommends inclusion of women, gender focal points and women officers or gender associations (Sub-CAW, LWU) in the LCC, LPT and LMIs, VCs and VFCs). With respect to ethnic issues, the team will also work closely with the Lao Front for National Development (LFND). In Lao PDR, the forestry sector has long collaborated with the LWU and LFND.

### **Other technical partners**

The GFLL-SL will collaborate with other government agencies in relevant technical areas, including the DCC-MONRE for climate change and REDD+-related policies and actions, DALaM-MAE and DoL-MAE for landscape planning. Others may be identified along with the project implementation. With the GoL's commitment represented by MAE, and with the NRTF taking the role as the NPSC (see above), collaboration with respective government agencies is politically assured.

Collaboration with non-government actors, such as CSOs (e.g. for community outreach, safeguards and gender), private sector (e.g. for awareness raising and responsible investment, technical assistance in production activities, financial support to village communities), academia (e.g. for research and development, educational activities, village surveys, scientific surveys) and development partners including UN specialized agencies (e.g. for synergy and scaling-up), are also vital for successful implementation and sustainability. Iterative and intensive stakeholder consultations will be conducted during the inception phase to identify technical areas for, and mode of collaboration.

Four donor-supported projects currently exist in the five GFLL-SL target provinces:

- World Bank LLL Project in Savannakhet Province;
- World Wildlife Fund (WWF) support to the Xepian National Park in Champasack and Attapeu Provinces;
- (Under discussion) GEF 8/UNDP Project "Generating multiple benefits through strengthened protection of primary forest landscapes in Lao PDR (CFB-Lao)" in Savannakhet, Salavan and Champasack Provinces; and
- (Under conceptualization) ADB Loan to the Lao forestry sector, locations to be decided.

The DOF and JICA (F-REDD 2 Project ongoing) have already been collaborating with the World Bank LLL and WWF (such as near real-time forest monitoring), serving as the basis for further

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Namtha Provinces. They are complemented by 2 safeguard staff members appointed in each participating province and district. As the implementation of the community-level activities of the GFLL are still in its stage, it is too early to evaluate whether such an arrangement will be optimal to be replicated for the GFLL-SL.

collaboration through the GFLL-SL Project. For the GEF 8/UNDP and for the ADB Loan, the DOF and JICA are in communication with the two donors to ensure complementarity. A detailed mode of collaboration will be explored during the project inception phase.

The project will synergize with other investments in the northern, central and southern regions to support Lao PDR with efficient collaboration, sharing of best practices and improving monitoring across the projects and target areas. The major forestry projects such as GFLL and I-GFLL in the northern region, and LLL in the central region, are all under MAE, which will greatly support the coordination. The NRTF (chaired by the Vice Minister of MAE) and the six-TWGs will also play a key role in facilitating coordination (Activity 1.1). Coordination also occurs through the FSSWG and day-to-day operations, in defining support gap areas as well as areas for synergy (Action 1.2). The project will pro-actively engage with other stakeholders in sharing its progress and experiences (Activity 1.4).

#### d. Financial and procurement management

##### Financial management and control measures

The results-based payment for Lao PDR received by JICA as AE will then be disbursed through two different streams: a) disbursed to the GoL EE (represented by MAE) and then to the respective implementing partners at the national level (DOF and DNREI), sub-national levels (PAEOs and DAEOs) and beneficiaries (villages) who will implement the project activities, and b) disbursed to JICA Laos Co-EE to undertake local procurements of the goods and services necessary for the implementation of the project and also to provide oversight at the country-level. Figure 7 below summarizes the fund flow for project implementation.

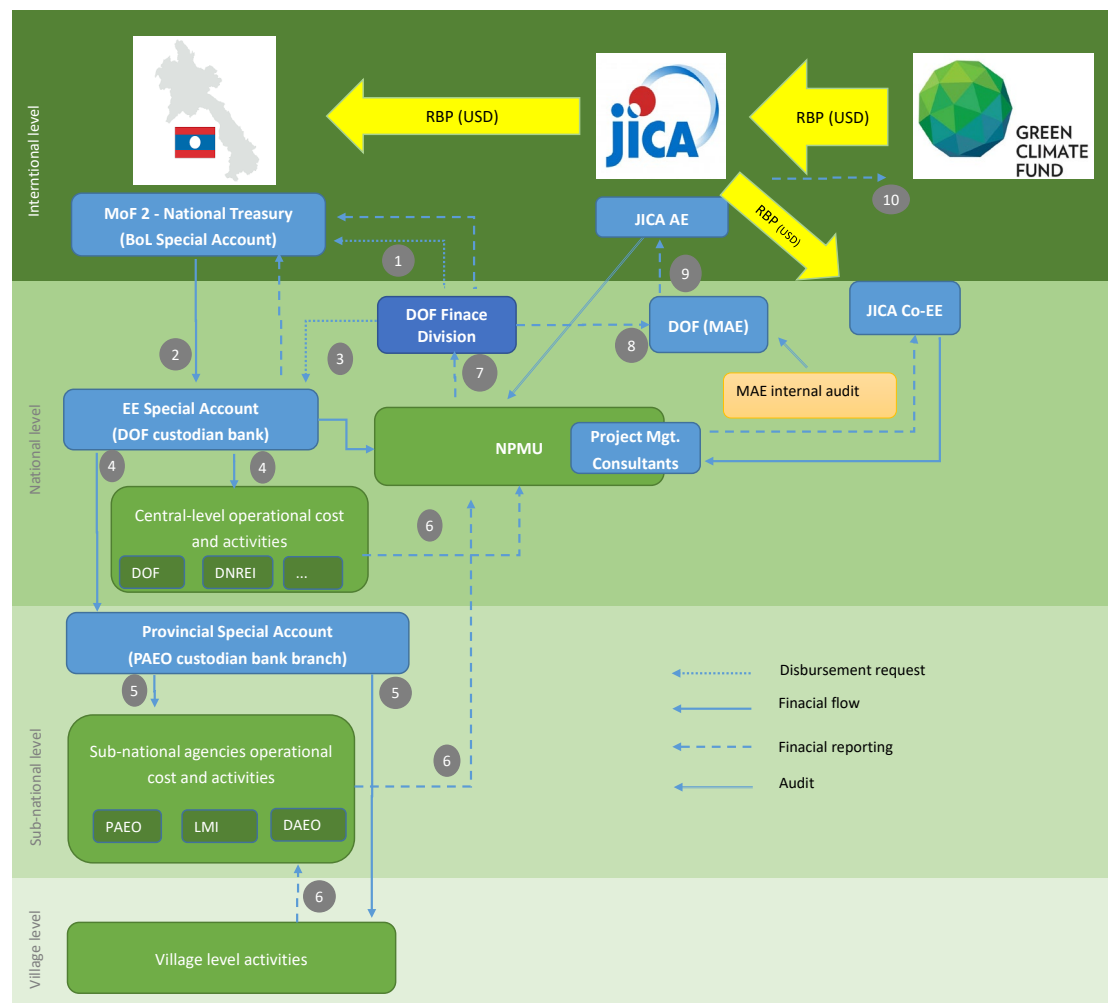


Figure 7: Fund flow for project implementation



The NPMU will be required to prepare financial statements that will be subject to audit by the Internal Audit of MAE. The Internal Audit is conducted every six months by a team under MAE consisting of the Inspection Department, Planning Department, and Administration Unit. In addition, international third-party audit will be undertaken once a year and will be presented, reviewed, and approved by the NPSC and JICA. As the Co-EE, JICA will have a third-party audit, but the frequency will be determined later in the FAA's negotiation.

The proposed fund flow largely replicates the experiences of similar investment projects in the northern region (GFLL, I-GFLL). Several financial control measures will be implemented:

- The funds will be disbursed through bank transfer, not in cash, to the respective implementing entities including the villages. The project does not plan direct cash payment to villagers for their village activities. Instead, the project will support village activities through support to forest management and alternative livelihoods activities (See Activity 2.7).
- Adherence to VFMA will be primarily assessed through their compliance with agreed Village Forest Management and land use plans. Procedures and experiences from similar projects, such as the GFLL and I-GFLL, will be fully reviewed for their applicability to the proposed project.
- Semi-annual financial planning and reporting cycle will safeguard the appropriate and transparent use of funds. JICA AE and JICA Co-EE will have dedicated officers responsible for oversight. Six-monthly internal audits of MAE, and annual third-party audits of MAE-EE and JICA Co-EE funds, will ensure transparency (Section E.4.2).
- All the staff involved in project management will be trained in use of the Project Operational Manual (POM), Financial Management Manual and Procurement Manual. Any misconduct will be strictly handled under rules and regulations of the GoL and JICA (Output 3 activities).

### Procurement management

In the case of procurement by the JICA Co-EE, internal procurement rules and guidelines of JICA will be applied. As JICA Co-EE will procure basically only consulting services, guidelines for procuring consulting services will be applied as shown in the following web page (in Japanese): <https://www.jica.go.jp/about/announce/manual/guideline/consultant/index.html>.

In case of procurement by the MAE EE or any of the government entities authorized to conduct procurement using GFLL-SL funds, in general procurement rules and guidelines of JICA will be applied. For small-scale procurement or local procurement, however, the public procurement rules and guidelines of the GoL will be applied. Three types of procurement are considered in the Law on Public Procurement (2017): (1) Works; (2) Goods and/or services; and (3) Consulting services, which basically conforms to JICA's procurement guidelines.

Using the funds channelled through the MAE EE, the villages will be financially supported to implement the activities planned in their respective VFMPs and the annual forest management plan, and in accordance with the VFMA's. This village support may include procurement of works, goods and services required for the implementation. With the project's technical support, villages will be trained and supported in procurement management capacity (e.g. planning, transparency and accountability, quality control) to ensure that they can successfully carry out planned procurement actions.

### C.2.6. Non-carbon benefits:

*Provide information on the non-carbon benefits associated with the implementation of REDD+ activities, explaining their nature, scale and importance for the long-term sustainability of REDD-plus activities and providing evidence to this regard.*

In Lao PDR's REDD+ work over the years, efforts have been taken to enhance non-carbon benefits. An integrated series of consultations, from the national to village levels, was used to identify priority non-carbon benefits. Feedback from the consultations was used to design more effective, equitable and sustainable interventions.

The GFLL-SL will enhance integration of priority non-carbon benefits into the existing socio-economic development priorities of the landscapes and the respective administrative levels (i.e. province, district and village level). It will also aim to harmonize the development efforts using the most effective and cost-efficient means. These non-carbon benefits will be tracked through the project's monitoring and evaluation system.

The project strategy for enhancing **socio-economic non-carbon benefits** is summarized as follows:

- **Poverty alleviation and improvement of rural livelihoods.** The project design is pro-poor. Village consultations highlighted limitations on livelihoods options, infrastructure, and other basic human needs. The project will contribute to efforts to address these limitations. The Community Engagement Manual (CEM) will ensure participation of non-Lao-Tai ethnic groups, women, and other marginalized groups, such as poor households, by ensuring broad participation throughout the project.
- **Increased self-governance in sustainable forest management, land use planning, and village development activities.** Building on country experiences and tools developed, the project will utilize a fully participatory approach in planning and implementing village development activities, aiming to enhance self-governance by the village communities. The CEM will ensure participation of non-Lao-Tai ethnic groups, women, and other marginalized groups by ensuring their broad participation throughout the project interventions.
- **Respect for traditional knowledge, skills and customary use of lands and forests by the local village communities including non-Lao-Tai ethnic groups.** The project is designed to centrally respect and enhance traditional knowledge and ethnic groups, and women in particular, in land use planning, and village (and landscape) forest management planning. The application of the CEM will ensure the review and recognition of sustainable traditional knowledge, and knowledge transfer. For non-Lao-Tai ethnic groups, they will prepare Ethnic Development Plans, which thus will be tailored to the knowledge, skills, customary use, and needs of the ethnic groups in each village.
- **Improved forest governance in terms of participation, capacity building of various stakeholders, transparent data management; and law enforcement.** The project will address forest governance related issues such as: enhancing stakeholder participation and transparent decision making through sector meetings, etc.; transparent and strengthened management of land and forestry data for decision making and monitoring; and capacity building of government and non-government actors in forestry governance and law enforcement.

The project strategy for enhancing **environmental non-carbon benefits** is summarized as follows:

- **Increased watershed protection.** The target area of the project contains five NCAs, three NPtFAs and one PCA, covering 2,005,892 ha. All are recognized for their high ecosystem values, such as for watershed protection, biodiversity conservation, nature-based tourism potential, etc. The landscape management plans will aim to reduce and monitor threats to these forest landscapes, such as landslides, flooding, and wildfires. With successful implementation of the project, benefits can extend beyond the target areas.
- **Increased biodiversity conservation, i.e., conservation of wildlife and wild plant species.** Biodiversity conservation will be enhanced through the integrated approach to landscape management planning and forest protection, based upon biodiversity assessments, and if needed, Critical Habitat Assessments including Critically Endangered (CR), Endangered (EN), Vulnerable (VU), or Near Threatened (NT) species identified. In addition, support for forest law enforcement will aim to reduce illegal harvesting of timber and non-timber forest products and to reduce poaching of wildlife.
- **Increased forest restoration.** The target landscapes are priorities for forest restoration. In developing the landscape management plans, specific reforestation strategies will be developed for different restoration sites.

## D. Investment Framework

*Describe in this section how the proposed REDD-plus results-based programme aligns with each of the criteria of the Investment Framework for the activities that lead to the achieved results for the full period over which the results being submitted in this proposal were achieved.*

### D.1. Impact potential

*Describe the potential of the programme to contribute to the achievement of the Fund's objectives and results areas.*

#### Mitigation Impacts

As stated in C.2.1, the Southern Region targeted by GFL-SL possesses valuable forest areas. The region is high in its forest cover and forest carbon stock: it contains the largest number of NCAs with important biodiversity and ecosystem values. The main driver of deforestation and forest degradation is the expansion of commercial crops, such as cassava and coffee. The underlying causes are lack of, or outdated, participatory land use plans, unclear forest boundaries, and inadequate support for more sustainable on-farm or off-farm income-generating activities.

GFL-SL will focus on the four landscapes with rich forest resources that face threats of encroachment, deforestation, and forest degradation. Five NCAs, three NPtFAs and one Provincial Conservation Area with a total of more than 2 million ha -- and 137 villages -- will be directly targeted. Involvement of over 250-300 additional villages adjacent to or around the target landscapes identified using geo-spatial analysis will increase the total area to benefit from the project.

Through the protection of the existing forest of 1.5 million ha inside the landscapes and the village forest areas of about 250-300 villages outside of the landscapes with active participation of villagers, the emission reduction impact will be significant. Moreover, natural or assisted restoration of degraded forest areas will enhance significant removals.

#### Adaptation Impacts

Even though the GFL-SL is designed primarily as a mitigation project, it will pro-actively incorporate adaptation benefits throughout its activities, in alignment with the NDC and other policies related to climate change. In the rural areas of Lao PDR, forestry and agriculture are always inter-related and deeply related to the livelihoods of the local communities. GFL-SL incorporates interventions that will promote climate change adaptation -- notably enhanced land-use planning, climate-smart agriculture (both in terms of agricultural practices and hard infrastructures), and restoration of watersheds, among others.

### D.2. Paradigm shift potential

*Describe the degree to which the REDD-plus activity catalysed impact beyond a one-off programme investment.*

#### D.2.1 Potential for scaling up and replication

Substantial potential exists for scaling-up and replicating the project and its activities. The GFL-SL approach and outputs could be replicated in 2 million ha of other NCAs and NPtFAs and Provincial and District level conservation and protection forest areas in the Southern Region: if so, this expansion would represent a scaling factor of 200%. The integration of landscape approach and its successful implementation will contribute to the mainstreaming, and hence intrinsic scaling-up and replication of the project interventions.

The GFL-SL will enable paradigm shifts (transformation) across different sectors and business activities, especially agriculture, forestry and nature-based tourism sectors. Within these sectors, the project will work throughout the supply chains, including input suppliers, producers, traders, processors and nature-based tourism companies. The project will target sectors and commodities

with strong and consistent demand to ensure their profitability and sustainability<sup>22</sup>. Cassava, coffee, tea and some vegetables are commodities with historic demand that is expected to increase. Intervention in supply chains, increasing profitability of small farmers through promotion of sustainable farming systems, and linking up the rural communities with nature-based tourism suppliers will be explored. The project will build skills and opportunities for rural residents, especially for women and members of non-Lao-Tai ethnic groups.

Internationally, the GFLL-SL will provide key lessons for supporting the adoption of good agricultural practices, sustainable forest management and private sector development. A similar landscape exists in neighboring Cambodia, Thailand and Vietnam. Lessons to be learned and key activities can be transferred to these countries and similar regions within Southeast Asia.

### **D.2.2 Potential for knowledge and learning**

Comprehensive communication and exchange of information about topics of crucial relevance for land users, policymakers and the broader public will be provided.

The activities will include further communication and dissemination of information related to the project implementation and its key lessons, by facilitating knowledge sharing among stakeholders, landscapes, provinces, districts and sectors. The project will support workshops, seminars, training, knowledge management materials and study tours. Sharing such knowledge among project villages will be especially important. Communication and collaboration with national research institutes and universities will be sought to identify key lessons and relevant education materials, and to support these universities through related research projects. Ensuring the development of necessary job skills is critical to the success of the project; training will be implemented via a training-of-trainers approach and delivered by the extension staff of DAEO, at the district level.

### **D.2.3 Contribution to the creation of an enabling environment**

The GFLL-SL contains a strong enabling environment element, including policy and regulatory reform (notably, Activities 1.2 and 2.3), support to regulatory enforcement (Activity 2.5), improved land use planning and land tenure (Activity 2.6), and community-level support in capacity building and strengthening through VFMPs, VFMAFs and VDFs as well as DAEO agricultural extension system (e.g. Activity 2.7, among others), in collaboration with the LFND, LWU, and sub-CAWs.

Forest-dependent communities will play a critical role in the effectiveness and sustainability of project interventions. Village-level activities will build on guidelines and good practices for village forest management in Lao PDR (see Activity 2.7), all subject to multi-stage FPIC process. The project will monitor these plans to ensure equitable benefit access for all community members, including the rural poor, ethnic groups, and women, with benefit details specified in the plans. Beyond awareness, outreach, and training, the project will also ensure community members know about and can access GRM for issues like elite capture or unfair benefit distribution.

The GFLL-SL also will support the coordination of REDD+ (Activity 1.1) and improvements of REDD+ elements including revision of NRS, FREL, and NFMS (Activity 1.3) to maintain the momentum of and mainstream REDD+ at the national and local levels.

Sustainable climate financing options will be explored, such as accessing existing and future climate finance sources (e.g. Activity 1.2 and 1.3) to fill financial gaps, and more importantly to catalyze private-sector investments. Efforts will include exploration of potential climate finance sources, such as fund-based and/or market-based results-based climate finance, and linkage with emerging biodiversity and climate financing. The feasibility of introducing, or piloting, a system of Payments for Forest Environmental Services (PFES) will also be explored.

### **D.2.4 Contribution to the regulatory framework and policies**

<sup>22</sup> Lao PDR and the EU have been analysing the implication of the EU Deforestation Regulation. The commodities under consideration for Lao PDR are coffee, timber and rubber.

As described in Section C.2.2, Output 1 of the GFLL-SL will be focusing on strengthening the policy and regulatory framework to create enabling environment for transformative changes. Other regional projects also support the PLRs, so the cooperation and coordination among these four large projects (GFLL, I-GFLL, World Bank LLL, and this project) will have synergistic impacts and contributions.

### **D.3. Sustainable development potential**

*Describe the wider benefits and priorities, including environmental, social and economic.*

Approximately 190,000 community members will be the direct target beneficiaries. Through the jurisdictional approach, the number of indirect beneficiaries could grow much larger. The program, through its promotion of shifts in cultivation to more forest-friendly approaches, provides a just transition by creating better incomes, jobs and skills. While the entire nation and international community will gain benefits from more sustainable management of Lao PDR's forests and natural resources, these benefits will be particularly important for local communities. Emphasis will be placed on ensuring that often-marginalized stakeholder groups, including women and non-Lao-Tai ethnic groups, participate in and benefit from the project.

#### **D.3.1 Gender-sensitive development benefits.**

GFLL-SL offers significant potential to contribute positively to gender equality. The GFLL-SL will work closely with MAE's Sub-CAW, its gender focal points at provincial and district level, and Lao Women's Union to ensure the effective engagement of women. Inclusive awareness-raising measures will be implemented targeting women as carriers of traditional knowledge and potential change agents within their families, especially when presented in different ethnic languages and tailored to lower education levels. Whenever possible, project-supported awareness-raising, village consultations, training and dissemination meetings will proactively aim to engage village women. Further details are provided in the Gender Action Plan, as well as Section E.3 of this document. Efforts will be made to incorporate not only a gender perspective but also ethnic perspectives into all relevant project activities.

#### **D.3.2 Ethnic-sensitive development benefits.**

The project will work with the non-Lao-Tai ethnic groups in the project villages in accordance with the GCF Indigenous Peoples' Policy and Performance Standard 7. The specific needs of non-Lao-Tai ethnic groups include: the need for strengthened voices in village decision-making; access to land, forest and natural resources for livelihoods; respect for customary use of land, including for ancestral and spiritual uses; and appropriate access to information, including use of ethnic languages and simple audio-visual materials (imagery) to accommodate lower literacy rates. The GFLL-SL will address these needs through : meaningful consultations at village level (including small group meetings with appropriate translators or ethnic language speakers) on proposed activities – leading to FPIC; development of non-Lao-Tai Ethnic Development Plans; ensuring that ethnic- and income-differentiated risks associated with land access are incorporated in Participatory Land Use Plans (PLUPs); sensitivity to customary uses of land; preserving and respecting customary knowledge; and information campaigns calibrated to the needs of ethnic groups. The project will collaborate closely with the LFND on reaching all ethnic groups, and especially ethnic women, in the project area. More details are provided in Section E. 5 of this document and the Community Engagement discussion in the ESMF (Annex III), as well as in the Indigenous Peoples Policy Framework (Non-Lao-Tai Ethnic Group Planning Framework).

Socio-Environmental Benefits are elaborated in C.2.6. Non-carbon benefits.

#### **Project contributions to the international Sustainable Development Goals (SDGs)**

- SDG-1: No Poverty – Through generating improved livelihoods and income for rural poor population groups.
- SDG-2: Zero Hunger – By improving agricultural productivity and incomes of small-scale food producers, in particular women, members of various ethnic groups and family farmers, including through improved access to productive resources and inputs,



knowledge, financial services, markets and opportunities for value addition and non-farm employment.

- **SDG-5: Gender Equality** – By promoting women’s participation and decision-making concerning opportunities in land-use and natural resources, as well as economic and entrepreneurial activities.
- **SDG-6: Decent Work and Economic Growth** – By promoting private sector-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encouraging the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- **SDG-12: Sustainable Production and Consumption** – By supporting the sustainable management and efficient use of natural resources (mainly forests and land).
- **SDG-13: Climate Action** – By reducing significant amounts of GHG emissions, implementing NDC actions at scale, supporting the deep integration of climate change into national policies, building climate-related capacity, and raising awareness on climate change mitigation.
- **SDG-15: Life on Land** – By contributing to the implementation of sustainable management of all types of forests, halting deforestation, restoring degraded forests and substantially increasing afforestation and reforestation.
- **SDG-17: Partnerships for the Goals** – By strengthening domestic resource mobilization, including through international support to a developing country, to improve domestic capacity for tax and other revenue collection; and mobilizing additional financial resources from multiple sources.

#### D.4. Needs of the recipient

*Describe the vulnerability and financing needs of the beneficiary country and population.*

##### D.4.1 Vulnerability

Lao PDR is a landlocked least developed country (LLDC), but it has been working to “graduate” from LDC status in October 2026. The latest [Human Development Index \(HDI\) report](#) shows that the HDI value for Lao PDR reached 0.620, placing the country in the medium human development classification, and ranking the country 139th out of 193 countries and territories. The Southern Region of Lao PDR, especially the eastern mountainous part, has historically been the poorest and most rural region of the country.

Over 2.3 million people live in the target provinces. Over the past decade, the provinces’ population has been growing at an average rate of 2%. On average, 26% of the population in the target area lives in urban centres, which is below the national average (32.9%). In southern Lao PDR, poverty rates are among the highest in the country. Substantial efforts have reduced the number living below the poverty line from 52% to 26% between 1993 and 2013. Despite this notable progress, poverty levels in the target areas (29.2%) still exceed the national average (23%). The Human Development Index (HDI) values are lower in the target region than the national level (0.57 compared to 0.61). Salavan and Savannakhet’s HDI values (0.56 and 0.52 respectively) are lower than the target region’s average. Food security is a major challenge for many households in rural areas in the Southern Region of Lao PDR. An estimated 29% of rural households in the region are food poor, and households in the agricultural sector are highly vulnerable to shocks and twice as likely as non-farm households to fall back into poverty. Information on the project area will be updated, where possible, using the 2025 National Census, to be conducted in October 2025.

##### D.4.2 Financial, economic, social and institutional needs

The GFLL-SL seeks to remove barriers preventing Lao stakeholders from investing sustainably in the forestry sector, to help address their financial, economic, social and institutional needs:

Barrier: Government budgets are constrained and highly dependent upon donor support, partly because collection levels of legally mandated fees and taxes (e.g. income tax, resource harvesting taxes, and land taxes) are low.

Response: The GFLL-SL will contribute to building the basis for the legal, regulatory, enforcement and institutional capabilities of GoL entities – notably provinces and districts – to collect forest fees and income and land taxes through PLUP and generation of additional incomes through livelihood improvement activities and promotion of nature-based tourism. Sustainable financing options will be aggressively explored through project intervention.

Barrier: Lao PDR is a LDC that faces considerable constraints to finance the forestry sector. The only government funding dedicated to the forestry sector is the Forest Protection Fund (FPF), which operates with a budget of less than USD 1 million per year.

Response: The GFLL-SL will inject considerable finance into the forestry, agriculture and rural development sectors, and to the promotion of nature-based tourism. Sustainable financing options will be aggressively explored through project intervention.

Barrier: The beneficiary groups – forest-dependent village women and men and subsistence farmers, especially from non-Lao-Tai ethnic groups - are among the poorest population groups in Lao PDR, with a high dependence on natural resources and poor access to markets and financial services. They have insufficient assets for the repayment of loans.

Response: The GFLL-SL will channel grant resources to rural beneficiaries and will build their capacities to apply for, deploy and report on financial resources. The project will promote more income generation both on and off-farm.

Barrier: Limited exposure of domestic institutions to the rigors (e.g. fiduciary, MRV, etc.) of managing international climate finance.

Response: The GFLL-SL will set up and operationalize efficient fund flow and management systems and rules in compliance with international fiduciary, technical and management standards. The project will emphasize building local capacity in this regard.

## D.5. Country ownership

*Describe the beneficiary country ownership of, and capacity to implement a funded project or programme (policies, climate strategies and institutions).*

### D.5.1 Coherence with national climate strategy and plans and policies

The GFLL-SL is fully aligned with, and supportive of, the country's climate policies, including the 9th NSEDP 2021-2025 (and the 10<sup>th</sup> NSEP 2026 - 2030 under preparation), the Green Growth Strategy, the FS 2035, the NRS, the NDC Update 2020 and the National Strategy on Climate Change toward 2030 – see Section C.2.1 for further details.

The project is part of NRS rollout, with the MAE planning an NRS update. The NRTF, the highest supervisory body for Lao REDD+, will also serve as the NPSC, ensuring alignment with national strategies.

Addressing trans-boundary displacement is challenging. The project will support measures like land-use planning, forest monitoring, enforcement, and awareness to mitigate cross-border timber flows. Nationwide monitoring systems (NFMS, PDMS, OLDMS) help track forest conditions, but identifying the true extent of trans-boundary displacement could remain a challenge. The developing Timber Legality System is also nationwide, starting with piloting. Regionally, the Department of Forest Inspection has cooperation agreements with neighboring countries and within ASEAN to address such risks. Vietnam and Cambodia, as REDD+ countries with national REDD approaches, offer a clear advantage as partners in this regional cooperation and tackling displacement.

### D.5.2 Coherence with GCF country programme

The GFLL-SL has formed part of Lao PDR's GCF project pipeline since 2020 and has been formally prioritized by both the MAF and MONRE (as the NDA before the merger of the two ministries into MAE in 2025) for the GCF, as reflected in the [Lao PDR Country Programme \(December 2021\)](#).

### **D.5.3 Capacity of Executing Entities to deliver**

Due to its national importance, Lao PDR's forestry sector has been receiving considerable support from international donors. The World Bank group, ADB, KfW, Finland and GEF are the main donors currently providing financial support with a range of USD 10 – 30 million per project. The UN group, JICA, GiZ, SDC are providing technical support, typically below USD 10 million per project, and their funds are usually administered by the donor. The FCPF Readiness Grant (USD 8.5 million) supported Lao REDD+ since 2015 and closed in mid-2022. Over the next 5-10 years, FCPF Carbon Fund ER-Program (GFLL) (USD 42 million results-based financing), GCF/GiZ FP117 and FP200 (I-GFLL) (GCF financing + co-financing of USD 135 million), the World Bank LLL Project (USD 57 million) and GFLL-SL proposed herewith will be the larger-scale projects under the MAE's realm. Despite this track record in working with projects of varying size and implementation modality, the capacity of MAE to serve as the Executing Entities remains still a challenge.

In preparation of the LLL Project, the World Bank assessed the management capacity of DOF and related provincial and district entities as being high in risk. Despite experiences in executing many World Bank projects, including the FCPF Readiness Grant, the Finance Division of DOF and related provincial and district offices are considered to have weak capacity and systems. Procurement activities will need to be supported under clear strategies, guidance and checks. Institutional capacity for coordinated implementation through the multi-sector and multi-stakeholder environment is also weak, which can undermine delivery of the project.

Meanwhile, in 2018 UNDP conducted a Harmonized Approach to Cash Transfers (HACT) micro-assessment to assess DOF's control framework in implementing projects through cash-transfers. On a rating scale of low, moderate, significant or high, the HACT concluded the overall risk rating of DOF as 'moderate'. Among the seven subject areas: organisational structure and staffing, fixed assets and inventory, and financial reporting and monitoring were rated as 'significant' risks; programme management, accounting policies and procedures, and procurement were rated as 'moderate' risks; and implementing partner were rated as 'low' risk. This UNDP report has a set of recommendations to control the risks.

Implementation of GFLL-SL will strategically mitigate the identified capacity risks through preparation of high-quality project operation manuals, optimum number and expertise of international and national consultants (both for technical and administrative works) to support project delivery, focused capacity building, and strategic communication among the AE and the EEs.

### **Capacity of JICA Laos Office and Forest and Nature Conservation Group of Global Environment Department of JICA HQs as Co-EE**

In consideration of the capacity of MAE, JICA Laos Office and Forest and Nature Conservation Group of Global Environment Department of JICA HQs will be Co-EE to mobilize technical and project management support (consultant team) and provide technical and administrative backstopping. The capacity of JICA was confirmed through the GCF accreditation process. In addition, JICA has much experience in procuring consulting services to implement technical cooperation projects, and in monitoring and supporting developing countries to implement ODA loan and grant projects.

### **D.5.4 Engagement with the NDA, civil society organizations and other relevant stakeholders**

Stakeholders have played an important role in providing input and feedback on project design and have validated the proposed initial project design. Extensive engagement with stakeholders has also been conducted for the elaboration of NRS and FS 2035, which laid a strong foundation for the initial design of the GFLL-SL. It is common practice in Lao PDR for Government to hold stakeholder consultations throughout the country, when reviewing the achievements of plans and strategies, and preparing the future ones.

The project has been developed with regular engagement from the NDA (i.e. MoNRE) in Lao PDR. The idea to develop a Funding Proposal for the GCF RBP REDD+ Pilot Programme was first proposed to the NDA when GCF established the Programme in 2018. The Concept Note was submitted to GCF with the no-objection letter from the NDA in July 2020. A letter of no-objection to this Funding Proposal has been provided by the NDA (Annex I), confirming the project conforms to the country's national priorities, strategies and plans, and that it is in accordance with relevant laws and regulations.

The project has been designed with the continuous engagement of GoL focal points from DOF, where they have demonstrated strong ownership of the project concept. The head of the country's REDD+ Division and the National REDD+ Focal Point have been the major proponents of the GFLL-SL and have been consistently involved in project design and stakeholder consultations.

#### D.6. Efficiency and effectiveness

*Describe the economic and, if appropriate, financial soundness of the programme.*

The GFLL-SL is expected to be effective and efficient for the following reasons:

- The GFLL-SL will focus its intervention on deforestation hot-spots and nearby rich forest areas through application of a landscape approach, rather than thinly spreading limited resources over the entire southern region. This approach is expected to be more effective in producing larger mitigation impacts (that can potentially be converted into future forest carbon credits) and related conservation benefits.
- The GFLL-SL envisages collaboration with, at least, the four donor-supported projects existing or planned in the same region (see Section C.2.5.2.c). Effective synergy will be pursued among the stakeholders, so that the respective funds and government capacity will be utilized most efficiently<sup>23</sup>. Leveraging of co-financing, other than the ones currently anticipated, will be further explored towards the inception of the public and private supports.
- Lao PDR's forestry sector has been accumulating experience and capacity through its own initiatives and with support from large investment project by development partners, such as GFLL, I-GFLL and LLL. For instance, Lao PDR has been making significant progress in REDD+ phases (readiness, demonstration and result-based financing). Experiences have been accumulated in land-use planning, village forest management, forest-based climate mitigation interventions, forest monitoring, and benefit sharing. Donor support has also contributed to strengthening social and environmental safeguards and gender-sensitive and ethnic-sensitive implementation towards meeting international practices.
- The GFLL-SL will mainly work with village communities. The supply chain analysis and other studies will reveal what kind of interventions would be most effective and how to be most efficient. The GFLL-SL will consult, decide and implement the most suitable interventions with village communities to maximize their engagement.
- Satellite-based near-real time forest monitoring systems, which are user-friendly and locally operational with reasonable cost, will be deployed. Monitoring results will be shared with participating villages for their review and to improve land use. The results can be also shared with law enforcement agencies or land concession authorities to take remedial actions. In addition, based on the monitored results, PLRs will be reviewed and proposed for revisions to better suit the actual situation of forest protection, restoration and livelihood improvement activities.
- The landscape-level planning and management in Activity 2.4 will address the drivers and underlying causes of deforestation and forest degradation that are mostly common locally and

<sup>23</sup> Lao forestry sector has a good track record in donor coordination: for instance, a recent study by the European Forest Institute (EFI) in 2024 <<https://efi.int/countries/>> assessed stakeholder participation as very high (4.67 out of maximum score 5.00). Various mechanisms are in place for national-level coordination, e.g., FSSWG, NRTF and the technical working groups, ad-hoc coordination meetings and workshops, and operational level exchanges. Activity 1.1. 1.2 and 1.3 will strengthen these forms of coordination.



that require coordinated approaches among the different forest categories within the landscape. This approach would be more effective and efficient than to have separate and non-coordinated management planning and implementation for each forest category<sup>24</sup>.

The GFLL-SL will support the GoL to continue to strengthen forest law enforcement through implementation of the Forestry Law and related PM Orders, which have proved to be effective to control illegal logging and forest conversion to other land uses.

## E. Compliance with GCF policies

*Describe how the REDD-plus results-based programme that generated the results submitted in this proposal or will be supported with the proceeds earned by them aligns with GCF policies for the activities that led to the achieved results and for the use of proceeds.*

### E.1. Environmental and social safeguards

#### E.1.1. For the period of the achieved results

*Summarize the main findings of the environmental and social assessment (ESA) report describing the extent to which the measures undertaken to identify, assess, and manage environmental and social risks and impacts, in the context of the REDD-plus proposal, were consistent with the requirements of the applicable GCF ESS standards. This supplements information about the country's own assessment as to how the Cancun safeguards were addressed and respected in the REDD-plus activities.*

The ESA report analyses the safeguards situation in Lao PDR, assessing how the GoL's own policies, laws, and regulations address and respect Cancun REDD+ safeguards as well as those of GCF and JICA. This ESA document assesses the environmental and social impacts related to measures to reduce national-level carbon emissions in the forest and land use sectors in Lao PDR between 1 January 2015 and 31 December 2018.

In Lao PDR, several development partners, including JICA, have long been key supporters in the forest sector. JICA has supported the implementation of forest policy including FS 2020 and the Forestry Law (2 revisions in 2007 and 2019) as well as the national forest inventories and national forest monitoring system. JICA also supported the GOL in its first Summary of Information (Sol) Report to UNFCCC on safeguards. Other key forestry sector stakeholders include the World Bank, the Asian Development Bank, the UN agencies (i.e., FAO, UNDP), bilateral partners such as Finland, Germany, and Switzerland, international non-governmental organizations (INGOs), domestic civil society organizations (CSOs), research institutes, universities, and colleges, and the private sector, both domestic and foreign.

**Safeguard Systems.** Lao PDR has a comprehensive set of policies, laws, and regulations (PLRs) to cover relevant environmental and social safeguards, promote stakeholder engagement, and to address grievances and provide redress. The GoL's own country safeguard system is further reinforced by the safeguard standards and guidelines of its development partners. These safeguards are consistent with the international REDD+ safeguards agreed at under the UNFCCC. These safeguards are also consistent with the GCF safeguard requirements, i.e., the GCF Environmental and Social Standards (ESS), which are based on the performance standards of the International Finance Corporation (IFC) or comparable standards of GCF AEs, such as those of JICA. The compatibility and complementarity of these different safeguard systems has been documented in the ESA (Annex II) and the ESMF (Annex III).

The Lao PDR country safeguard system consists of its National Constitution and a range of different policies, laws and regulations that cover development, stakeholder engagement, human rights, social issues, ethnic and gender equity, and environmental protection. Lao PDR has further improved its safeguards through some recent updates in policies, laws, and regulations, such as

<sup>24</sup> Provincial- and landscape-level efforts will be coordinated at their levels. Activities 2.1, 2.2 and 2.4 will strengthen the coordination.



the 2019 revisions of the Forestry Law and the Land Law, the NRS, the Forest Strategy 2035, and preparation of other government policies and strategies.

During the results period, MONRE managed review of environmental and social risks and impacts of development projects. Their work, however, focused on very large projects, such as roads and hydropower dams, rather than forestry projects. Therefore, the Department of Forestry's REDD+ Division is developing the Lao National Safeguards Information System (LNSIS) and a REDD+ Social and Environmental Safeguards Unit (SESU). This approach was intended to be piloted in six northern provinces.

**Stakeholder Engagement.** The GoL's policy framework and development projects undertaken with partners, promote stakeholder engagement from the grassroots to national levels. At the community level, projects seek to reach not only local authorities, but women and men of all ethnic groups and to include the most vulnerable, such as the poorest families. The government works with the grassroots, district and provincial authorities on forestry, agriculture, land, and forest law enforcement activities. The forestry sector collaborates with the LFND on ethnic issues and with the LWU to reach women. At the national level, the GoL has sought to develop multi-stakeholder input into REDD+, through multi-sectoral technical working groups, as well as consultations with private sector and civil society.

**Grievance Redress Mechanisms.** Where the environmental and social safeguards are not being adequately respected, different feedback and grievance redress mechanisms (GRMs) exist. The government has provision for law enforcement and judicial redress, administrative claims, and appeals through the provincial and national legislatures and the political party. In addition, during the results period, most projects had their own separate GRM mechanisms, as well as ongoing monitoring, to promote accountability and opportunities for feedback and improvement. The LNSIS, which will consolidate grievance redress data on a national level, was under design at that time, so it has been difficult to obtain GRM data. It seems, however, that project-specific GRMs were little used during this time period. Further analysis is needed to understand whether this low use was due to positive factors, i.e., the projects had constructive working relations with the stakeholders and good feedback mechanisms, so more formal GRMs were not needed, or due to negative factors, i.e., perhaps the project GRMs were not well known, not accessible, or not culturally suitable. These issues need further examination to ensure that GRMs for the upcoming project will be designed not only to meet safeguard requirements, but to serve the needs of the stakeholders.

**Policies and Measures.** The ESA examines key REDD+ PAMs that led to the national results achieved in 2015-2018. During this period, the GoL adopted or continued several key policies and, along with development partners, undertook implementation measures to address deforestation and forest degradation. In 2016, all forest management was reconsolidated under one government agency, the MAF. Prime Ministerial Order (PMO) No. 13 of 2012 had declared a moratorium on conversion of government natural forests to commercial tree plantations and mining areas, and PMO 15 of 2016 aimed to control exports of logs and timber. Strengthened support was provided to participatory land use planning (PLUP) at the village level, and to promote designation of forest lands for village use and management. The GoL completed sustainable forest management (SFM) plans for all production forests in the country. These key PAMs contributed significantly to the emissions reductions and increased emissions removals that GOL reported to the UNFCCC in its REDD+ Technical Annex to the 1<sup>st</sup> Biennial Update Report (BUR) in 2020.

The implementation of the national REDD+ program, by the GoL and its development partners, has been compliant with the GCF ESS, in terms of due diligence and clear specification of prohibited activities. Stakeholders have been engaged throughout the process. The Safeguards and Stakeholder Engagement TWG (SG-TWG) has overseen stakeholder engagement and the approach to environmental and social safeguards in the design of all elements of the national REDD+ program. At the village level, particular attention has been paid to engagement of all ethnic groups and women.

The review of Lao PDR's 2015-2018 forest sector development has endorsed and complied with the international – and GCF and JICA – approach to safeguards, stakeholder engagement, and grievance redress. A review of several of these projects demonstrates that the safeguard systems were generally well-respected, and levels of stakeholder engagement were satisfactory. Most grievance complaints were relatively minor and handled at the village level. Areas for improvement certainly exist, but these issues are being addressed in recent, current, and forthcoming activities.

#### E.1.2. For the use of proceeds

*Provide adequate and sufficient information describing how environmental and social risks and impacts will be identified, screened, assessed and managed in a manner consistent with the GCF's ESS standards, including the determination of the relevant environmental and social risk category of the proposed activities and the appropriate environmental and social assessment tools and management plans.*

In project design, JICA assesses possible environmental and social risks and impacts. JICA's project screening format classifies any proposed project as a Category A, B, or C project. For a Category A project, with significant impacts and/or sensitive issues, a full Environmental Impact Assessment is required. A Category B proposed project, with relatively small and localized negative impacts, amenable to mitigation, requires an Initial Environmental Examination. Projects with no or relatively insignificant negative impacts are classified as Category C and no further environmental and social assessment is required. JICA has screened this project and has determined that it is a Category B project.

For this Funding Proposal, an Environmental and Social Management Framework (ESMF) has been prepared, which outlines the procedures to be followed for compliance with GOL, JICA, and GCF standards and safeguards. The ESMF covers overall assessment and management of environmental social risks and impacts (Performance Standard 1). The ESMF also addresses cross-cutting safeguards, i.e., labour and working conditions for all staff and contractors (PS 2) and their conduct in the field (PS 4, PS 6, PS 7, and PS 8).

The ESMF will be supported by two volumes that will integrate safeguards management for field implementors, such as District staff - the Environmental Management Manual and Community Engagement Manual. These volumes will function as part of the Project Operational Manual (POM). They will address, respectively, the environmental and social risks, impacts, and management measures.

- The Environmental Management Manual (EMM) will address the standards pertaining to biodiversity (and forest) conservation and sustainable management of living natural resources (PS 6), and resource efficiency and pollution prevention, including use of pesticides and other agro-chemicals (PS 3). (If needed, more specific plans will be prepared, such as Integrated Pest Management Plans.) If any physical, tangible cultural heritage, or chance finds occur, they be managed according with Lao PDR cultural heritage requirements and the cultural heritage safeguard (PS 8).
- The Community Engagement Manual (CEM) will provide an integrated approach to engagement of members of rural communities, both women and men, and will incorporate, or mainstream, approaches and recommendations in the Gender Action Plan (GAP). Cultural differences among ethnic groups will be considered and respected. All community members will have adequate and timely access to information on the project in their own ethnic languages. For non-Lao-Tai ethnic groups, Ethnic Group Development Plans will be prepared. Thus, the CEM will ensure that the safeguards pertaining to ethnic groups (PS 7, Indigenous Peoples and the Indigenous Peoples Policy) and cultural heritage, both tangible and intangible (PS8) are respected. In the highly unlikely event of land acquisition and involuntary resettlement, specific resettlement plans will be developed (PS 5). If any community members lose customary and traditional access to forest resources, through forest conservation and protection management plans, the project will specifically target those households for alternative livelihood support measures, through the Village

Development Fund, training, and other support. The project will also ensure that issues of community health, safety, and security (PS 4) are incorporated into project activities.

During the project inception, the project staff will finalize the list of project villages and their ethnic composition. Villages may vary in ethnic composition: a large proportion of the villages will be either mixed, with two or more ethnic groups, or homogenous with one non-Lao-Tai ethnic group, whereas other villages will be homogenous with Lao and Tai ethnic groups.

The project will adopt a Community Engagement process, with well-defined steps for engagement of rural community members, based upon meaningful consultation with village communities and their members' decisions to engage with the project.

In the case of the non-Lao-Tai groups, they will have the right of "free, prior and informed consent (FPIC)". Non-Lao-Tai ethnic groups will develop Ethnic Group Development Plans.

The project will help village communities to develop a Community Action Plan (CAP) for each village community, to encompass all project-related activities to be undertaken with the respective villagers. The CAPs will consider how best to encourage social diversity and inclusion, working with all ethnic groups, women, men, and the most vulnerable members of the communities, such as the poorest households.

The project will develop and implement robust means of stakeholder feedback, monitoring, and reporting on the implementation of these ESS standards. Monitoring will be a vital tool for adaptive management as the project implementation proceeds. In addition, independent periodic safeguards assessments will be commissioned by the AE.

### E.1.3. Consultations with stakeholders

*Provide adequate and sufficient information on the consultations undertaken with all the relevant stakeholders, describing who are the identified stakeholders, what the issues and concerns raised and how these are responded to and considered in the proposed activities. Information on the stakeholder engagement plan or framework will also need to be provided, describing how the activities will continue to engage the stakeholders, further consultations, communication and outreach, and process for grievance redress.*

Major project stakeholders include the community members of the 137 villages within the four forest landscapes, and the community members of the over 400 villages located near these landscapes. Other stakeholders include the private sector, CSOs, and government staff working from village to district to provincial to national levels. National and international development partners are also stakeholders, with opportunities for feedback provided through the FSSWG, which operates under the Agriculture and Rural Development Working Group.

Consultations have primarily focused on working with multi-sectoral REDD+ TWGs, such as the TWG responsible for stakeholder engagement and safeguards. MAF, DOF and the REDD+ Division, have been leading the project design, and consulting with stakeholders in the five target provinces and 23 districts. In 25 sample villages separate focal group discussions were held with men, women and village leaders. In project support to forest law enforcement in the target landscapes, stakeholders will include the central and provincial technical agencies, district staff, and other relevant stakeholders.

When the choice of project target villages is finalized, then stakeholder consultations will be undertaken with the target villages. The Community Engagement process to be followed will provide ample opportunity for ongoing free, prior, and informed consent of the villagers for each stage, or set of activities. To date, stakeholder concerns have focused on issues such as the type of support to be provided by the project. Further meetings with stakeholders will be conducted during finalization of the project design and the environmental and social assessments, and the project design will be responsive to stakeholder concerns.

Stakeholders will have opportunities for inputs and feedback into periodic review of project implementation and work planning. Such opportunities will be, first and foremost, at the community level. But the target communities will also send representatives to periodic meetings at the district, provincial and/or forest landscape level. The exact modalities will be developed in the project inception's detailed overall stakeholder engagement plan.

If the feedback mechanisms do not suffice, stakeholders will also have access to formal Grievance Redress Mechanisms, which will follow existing Lao procedures. Stakeholders have redress through several routes – administrative, judicial, legislative, and political. The project will promote use of the existing administrative means, i.e., redress through village mediation units, and if necessary, then appeals to district, provincial, and ultimately national project management authorities. Stakeholders also may report concerns or law enforcement infractions to the local police, forest law enforcement, and other authorities, as well as directly to the National Assembly. The LNSIS will track all grievance complaints and their resolution. Additional project-specific GRMs will be developed, for non-Lao-Tai ethnic groups, for project staff and for SEAH survivors. Moreover, if they fail to find resolution on a national level, stakeholders will also be able to lodge Objections with JICA or grievances with the Green Climate Fund's Independent Redress Mechanism.

The project will make information publicly available, through a range of means, including use of meetings with various stakeholder groups, the DOF website, project publications, and information to be provided through the media (the press, rural radio, and national television).

## E.2. Risk assessment

### E.2.1. For the period of the achieved results

*Provide adequate and sufficient information that allows for an assessment of the historical performance of the activities undertaken and their track record against the risk tolerance levels specified in the Risk Appetite Statement and the criteria outlined in the Risk Guidelines for Funding Proposals.*

*Please note that you should consider only the applicable and relevant parts of the two aboves to the feedback you provide.*

The impacts of the PaMs were identified as follows:

#### **Consolidation of government responsibility for all forestry matters.**

When the MONRE was created in 2011, protection and conservation forests, and REDD+ issues, moved to a new Department of Forest Resource Management (DFRM) within MONRE, whereas production forests and uncategorized forests remained with MAF. This division of responsibility was replicated at the provincial and district levels. Some REDD+ projects were located under MONRE, others remained under MAF. This change created confusion and inadequate accountability, and as a result, government control over the forest estate declined. In 2016, a new government reversed this decision, and (re)consolidated all forestry responsibilities back under MAF and its provincial and district offices. This step was part of a larger Governmental reorganization effort to streamline and consolidate Ministerial responsibilities (PMO 57 of 22 July 2016).

- **Impacts:** this 2016 GoL reorganization of the forest sector has had **positive environmental and social impacts**. It improved forest governance, and when coupled with the Prime Ministerial Orders (and other supporting policies, laws, and regulations), led to decreases in deforestation and forest degradation. **Negative impacts** did occur, however, with the initial 2011-12 reorganization and subsequent 2016 reorganization, i.e., the time and cost of such reorganizations, and subsequent delays in government activities, including the development and implementation of the national REDD+ program.

#### **Prime Ministerial Orders No.13 and 15**



In 2012, PMO 13, a moratorium on new concessions or expansion of existing ones for mining, rubber, and eucalyptus plantations, was issued to halt their social and environmental impacts.

- **Impacts:** The moratorium on granting concessions for mining and tree plantations has had **positive environmental impacts**, as it reduced the pressure to convert existing rural land uses, such as agriculture or natural forest management. This action has slowed the loss of natural forests, which has had **positive impacts for biodiversity**.
- With respect to tree plantations, the moratorium may have had **mixed social impacts**. Villagers may have lost income (wage labor) on those plantations. But the villagers were not pushed into looking for land to cultivate in neighboring forests. Moreover, they did not have to deal with any negative environmental or negative human and livestock health impacts from these plantations, such as erosion or incorrect use of agrochemicals, i.e., chemical fertilizers, herbicides, and pesticides, which pose risks to human and livestock health.

In 2016, PMO 15 prohibited export of round logs and other unfinished timber products, with strict enforcement. Thereafter, dramatic decreases in official imports of logs and timber from Lao PDR were reported by Vietnam and China, primary trading partners for forest products. In comparing the imports from Lao PDR into Vietnam, a Forest Trends study found that the 2016 log imports were only 11 % of those in 2015, and the 2016 sawn wood imports were cut to 25% of the 2015 levels. Moreover, in 2016 the GoL closed 1154 small (family) furniture plants, which did not have business licenses, and closed more than 20 wood processing plants located near or within conservation areas and PFAs.

- **Impacts:** The timber export ban for round logs and sawn wood resulted in a dramatic decrease (but not total halting) of Lao PDR's exports of these products, and incentives for illegal logging decreased dramatically. This situation had **positive environmental impacts in terms of decreasing deforestation and forest degradation**, and led to positive impacts for local communities who depend on natural forests in their daily lives.
- Improving forest law enforcement has **positive social impacts**, i.e., improving overall **forest governance**, and enhancing general societal respect for "rule of law." Villagers felt more empowered to work together to manage their village-use forests, knowing that they would be less likely to be plundered by outsiders illegally cutting them. Villagers who had earned money from illegal logging, however, lost this source of revenue.
- These measures had **some limited negative socio-economic impacts** on those in the timber and wood processing businesses, and reportedly also resulted in a drop in official government revenues. Major problems arose with some stockpiles of timber that had already been purchased for export, so these issues had to be sorted out.

### **Participatory Land Use Planning (PLUP).**

After extensive piloting, in 2010 most projects converged upon a model for Participatory Land Use Planning (PLUP) supported by MAF and the National Land Management Authority (NLMA, later incorporated into MONRE). An alternative approach, Participatory Forest and Land Use Planning, Allocation and Management (p-FALUPAM), was implemented for 12 years (2009-2020) by The Agro-Biodiversity Initiative (TABI).

The 1800+ villages with land-use plans constitute just over one-quarter (26.8 %) of the 7038 rural villages in Lao PDR. These various village-level land use plans represent consensus among local villagers, districts and higher levels of government on land use, making it more difficult for land to be allocated to outsider investors. For example, if a village has agreed to manage a specific area for livestock grazing or as forest, then it cannot be considered by authorities to be "idle land" and converted to a different use.

- **Impacts:** improved rural land use planning, working with villagers and district officials, has led to greater clarity among villagers regarding land use. The improved land use has **positive environmental and social impacts**. TABI reports, for example, that in Phonxaly District in Luang Prabang Province, forest cover increased from 50% to 64% after this planning and consolidation of crop cultivation areas. Also, participating villagers are better



able to protect land within their village boundaries from outside encroachment or reallocation of land use. They also improved forest fire protection efforts. This situation then leads to better protection of forests within the village borders.

### **Village Forest Management Plans**

The 2007 Forestry Law recognized certain traditional (customary) rights of villagers with respect to forests and forest resources, especially with respect to village use forests, sacred forests, and forests with other cultural values, such as cemeteries.

Village land use plans generally identified “village use forests” within these larger land use plans, and villagers agreed upon how such forests would be used and managed. In 2012 the Department of Forestry established a Village Forest and Non-Timber Forest Products (NTFP) Management Division, and have been working on promoting the management of village forests through Village Forestry Management Agreements (VFMAs) and Village Forestry Management Plans (VFMPs). The aim is for villagers to develop agreements and plans for not merely using, but actually managing, forests that lie within their boundaries. Approximately 1400 villages had village forest management plans by 2018, and the GoL has an ambitious action plan<sup>25</sup> to have all 3,167 villages located in the three forest categories to be equipped with the mechanisms abovementioned by 2030.

- **Impacts:** the clarification of “village use forests” or other areas for villager use, such as sacred forests and cemeteries, has been an outcome of the PLUP process. In many villages, the local villagers have developed their own village regulations on use of their forests, and **conservation of these village forest areas has improved.**
- The development of officially-recognized Village Forest Management Agreements and Village Forest Management Plans are still in their early days. Nonetheless, it is believed that they will lead to even further improvements in forest management, with decreased deforestation and forest degradation.

### **Production Forest Management Plans.**

Since the late 1990s, efforts have been underway to develop sustainable forest management (SFM) plans for the national production forest areas (PFAs). A series of projects for Sustainable Forestry for Rural Development (SUFORD, SUFORD-AF, SUFORD-SU and its additional financing phase), have worked to develop such plans for 41 PFAs in 13 provinces, working with 1078 villages. GoL prepared plans for an additional 10 PFAs in the 4 remaining rural provinces. Thus, now 51 of 52 the national production forest areas have such plans.

The SFM planning process follows government regulations, which are specified in a Forest Management Manual, as well as related Community Development and Village Development Manuals. Environmental safeguards are followed, especially through provisions that designate zones of High-Conservation Value Forests (HCVFs) with the national production forest boundaries, and timber logging is not to be done in these HCVFs. Some areas with high social and cultural significance, such as village use forests, spirit forests, or cemeteries, may also be designated as HCVFs.

SFM plans are prepared with the participation of representatives of villages located within, or adjacent to, these PFAs. Villagers benefit from this process through: 1) casual labor in the SFM planning and tree inventory process; 2) eventual sharing of the timber revenues; 3) clarity on their land use rights regarding their village use forests; and 4) in the SUFORD-SU areas, village development and livelihood support activities, which serve partially as compensation for any loss of benefits from restrictions on use of the forest. During the results period, there was not any timber harvesting done in these forests, and thus no timber revenues to share with villagers.

**Impacts:** Through national, provincial, and district forest authorities working with villagers to develop these plans, the aim has been to bring Production Forest Areas under improved forest

<sup>25</sup> Action Plan for the Recognition of Land Use Rights in Forestland in Lao PDR (8 May 2024 draft).

management, and thereby contributed to **reducing deforestation and forest degradation**. These plans have already had significant **positive environmental and social impacts**.

### E.2.2. For the use of proceeds

*Provide adequate and sufficient information that details how the plan for the use of proceeds does not violate the risk tolerance levels specified in the Risk Appetite Statement and allows for performance monitoring and evaluation against the criteria outlined in the Risk Guidelines for Funding Proposals.*

*Please note that you should consider only the applicable and relevant parts of the two above s to the feedback you provide.*

The AE acknowledges the GCF's risk management policy specified in its Risk appetite statement (GCF/B.40/09), including the zero-tolerance policy for prohibited practices such as money laundering, financing of terrorism, sexual exploitation, sexual abuse, and sexual harassment, as well as for policy and integrity breaches. Such policy will be specified in the Subsidiary Agreement to be signed between JICA AE and MAE EE, and to be made fully aware of to all the project participants through the project manuals, contractual documents, and in day-to-day operations.

In accordance with the Risk guidelines for funding proposals, inherent risks and their mitigation measures are summarized as below:

Table 22 Risk types and mitigation measures

Risk type	Overview and mitigation measures
Risk of a project / programme failing to deliver its target impact	<p>Medium.</p> <p>The proposed project leverages strong country ownership and aims to replicate successes while incorporating ambitious scaling-up measures. However, internal and external risks related to project delivery exist, requiring careful management. Technical and project management capacity within MAE EE and its implementing partners also poses a challenge, which will be addressed with support from the JICA Co-EE. As presented in relevant sections of the funding proposal, safeguards and gender-related risks are recognized and will be further analyzed during the project's inception phase. Country risk and political/stakeholder support risk are both considered low (see Sections D.5. and D.6.).</p> <p>The risks will in principle be monitored through six-monthly financial planning and accounting (which can track the progress of project implementation), and annual reporting. Outside the project implementation team, JICA Co-EE will serve as a hub for monitoring the risks and liaise with JICA AE for taking affirmative measures.</p> <p>Additional details related to overall project implementation risks and safeguards are explained after this table.</p>
Setting funding terms and conditions	<p>Low.</p> <p>The EEs proposed are all government entities with clear governance system and capabilities to execute the proposed project (see Section D.5.). JICA AE, MAE-EE and JICA Co-EE will continue to pro-actively collaborate in project preparation, implementation and monitoring.</p>
Alignment with GCF's portfolio level risk limits	n.a.
Compliance with GCF's policies and legal requirements	<p>Low.</p> <p>Lao PDR has a comprehensive legal framework, including the Law on Anti-Money Laundering and Counter-Financing of Terrorism (2014), the Anti-Corruption Law No. 27/NA (2012), and the Decree on Responsibilities in Anti-Money Laundering and Counter-Financing of Terrorism (No. 127/GOV, 20</p>

	<p>February 2020)<sup>26</sup>. The existing framework for AML/CFT sanctions regime is primarily geared towards those individuals and legal entities that have been designated in the UN Security Council sanctions lists.</p> <p>Compliance on safeguards and gender requirements are summarized in respective sections of this funding proposal, and in greater details in the ESMF GAP and IPPF.</p> <p>As explained in Section 2.5.2.d and Section E.4.2, various financial monitoring mechanisms will be enforced to ensure transparent and correct use of the funds administered by MAE EE and JICA Co-EE, including the use of annual third-party audits.</p> <p>Nevertheless, there remain inherent risks related to institutional capacity in project management. JICA Co-EE will mobilize project management consultants to support the MAE EE in abiding to the compliance requirements.</p> <p>At the operational level, Project Operation Manual, Financial Management Manual and Procurement Manual will stipulate all the procedures and requirements to ensure compliance, complemented by whistleblower protections. This will include Code of Conduct, conflict of interests, sanction policies (UN Security Council sanctions list)<sup>27</sup> of which the application will be renewed annually, and no contract or any kind of benefits will be offered to the individuals and entities in the list, and such a policy will be stipulated in the contract terms. The project staff, consultants and contractors will be obliged to follow the Code of Conduct. Oversight is reinforced through regular supervision from JICA AE.</p>
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### Overall project implementation risks

All risks to the project implementation will be subject to further environmental and social assessment and safeguard review. Overall mitigation measures will apply to all risks below, such as:

- **Support for improving overall good governance.** The project will support good governance through its robust support to engagement of all relevant stakeholders, as well as to its support to improving policies and forest law enforcement. A Code of Conduct will apply to all project staff and collaborators.
- **Sustainable practices for forest conservation and protection,** including village forests, to be specified in the Environmental Management Manual. These procedures will outline steps to be followed, to minimize any risks of environmental risks, to the forests, forest species, and adjacent lands and communities.
- **Community Engagement approach,** to be specified in Community Engagement Manual. These procedures will detail how the project will work with rural communities, promote social diversity and inclusivity such that all ethnic groups, women and men, and vulnerable community members can all engage with, and benefit from, the project.
- **Communication and Outreach Strategies** regarding public support (at all levels) for forest conservation and protection and knowledge of the relevant PLRs. Related to issues of good governance, broad communication to the public will be important to build collaboration among stakeholders and support for sustainable management of forests and resources.

<sup>26</sup> The Ministry of Public Security (MOPS), with the assistance of the Anti-Money Laundering Intelligence Office (AMLIO) and Ministry of Foreign Affairs (MOFA), have the authority to issue orders for the freezing or seizure of funds or property associated with terrorists or terrorism financing. The existing framework for AML/CFT sanctions regime is primarily geared towards those individuals and legal entities that have been designated in the UN Security Council sanctions lists <<https://main.un.org/securitycouncil/en/content/un-sc-consolidated-list>>, and the list together with other information, are provided in the [AMLIO](#) website. Lao PDR does not yet have an autonomous sanctions regime or other lists related to sanctions publicly available.

<sup>27</sup> The application of sanction information will be annually updated in the POM and other manuals. Pre-screening will ensure no contracts or any kind of benefits will be offered to the individuals and entities in the list, and such a policy will be stipulated in the contract terms.

- **Extension and outreach regarding legal rights and other PLRs** that support sustainable environmental management and human rights. Stakeholders who have clearer understanding of their rights, and those of other stakeholders, can better support initiatives towards improvement of forest governance. These issues will receive attention in all project outreach. Stakeholders will also be informed as to means of providing feedback and accessing redress for violation of rights and other grievances.
- **Feedback and Grievance Redress Mechanisms.** The project will organize periodic meetings at various levels for stakeholders to provide feedback on project implementation and performance, to discuss issues and possible solutions. Moreover, the project will support grievance redress through project-specific GRMs.
- **Monitoring, Evaluation, Reporting, and Adaptive Management.** Routine project monitoring and reporting, against the project objectives, safeguards, and gender, including monitoring by remote sensing imagery, will be used to keep up to date on field conditions and to adapt management to reach project objectives. Monitoring will be supplemented by periodic evaluations.

### Safeguards risks

Table 5 in the ESMF provides a detailed analysis of positive and negative impacts, potential risks and proposed mitigation measures. Key potential negative impacts of the Project could be that increased human activity in remote forests could lead to further forest degradation, existing land uses could be overlooked or allocated for different uses, rural women and men of different ethnic groups could be uninformed, marginalized or subject to various types of social harm, and/or “elite capture” of benefits could occur. Such impacts could pose significant risks to achieving intended project impacts of improving forest management and forest governance in the project areas. These risks are further analysed in Table 7 of the ESMF and mitigation measures proposed.

## E.3. Gender considerations

### E.3.1. For the period of the achieved results

*Provide adequate and sufficient information in the assessment describing the extent to which the measures undertaken complied with the GCF gender policy.*

### Policy context

Since ratification of Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1981, the GoL has addressed goals of gender equality and women’s empowerment through legislation, policies, and their implementation. It has revised or further developed the Constitution, Family Law, Inheritance Law, Land Law, and Law on the Protection and Development of Women to ensure gender equality before the law and protect women’s legitimate rights and interests. Based on the national gender law, aligned with CEDAW, the Government has developed the first National Strategy for the Advancement of Women in 2006 and updated it every five years (2011 and 2016). Moreover, sectoral strategies and Action Plans, including one for agriculture and forestry, sectors, have also been formulated. The Government has incorporated a gender perspective into NSEDP and set several specific target indicators for gender-related goals. After achieving some of the targets set in the 7th NSEDP (2011-2015), set higher target indicators in the 8th NSEDP (2016-2020) and subsequent 9<sup>th</sup> NSEDP (2021-2025)

To implement the CEDAW and oversee the progress of gender equality and women’s equality, the GoL has established a national mechanism, consisting of: 1) the Lao Women’s Union (LWU); 2) the National Committee for the Advancement of Women (NCAW, now the NCAWMC); and 3) National Assembly Women’s Caucus. NCAW plays an inter-agency advisory role to the Government to promote gender equality and women’s empowerment at the policy level, while LWU takes responsibilities to implement the gender-related policies and plans of the GoL to ensure gender equality and women’s empowerment, specifically at the grassroots level. NCAW was originally established under the Prime Minister’s Office, but then subsequently moved under the LWU. It prepares periodic national reports to CEDAW. In addition, the GoL has established Sub-CAW in each of relevant line-ministries, including the MAF, mandated to mainstream gender into each sector and formulate and implement gender responsive strategies, plans, and programs



and activities. Under the MAF, the Sub-Committees are established at not only the central level, but provincial and district levels: over 400 forest officers have been appointed as gender focal points.

Regarding regional climate change mitigation and adaptation, the GoL hosted an ASEAN Women's Partnership for Environmental Sustainability in 2012, which adopted the Vientiane Declaration on Enhancing Gender Perspective. Upon the Declaration, the MAF and its Sub-CAW have strived to incorporate a gender perspective in those critical areas into its Sector-specific Strategy for the Advancement of Women and Action Plan, as well as relevant policies, including FS 2020 and FS 2035. MAF issued its latest Gender Equality Strategy for the period 2016-2025.

### **Engagement of women during the results period**

With the recognition of women's limited control over natural resources and participation in decision-making processes despite their important roles and contributions in sustainable forest management, the MAF has attempted to increase women's active participation in decision-making processes through a gender mainstreaming approach. The United States Agency for International Development (USAID)'s Lowering Emissions in Asia's Forests (LEAF) program conducted a series of workshops to raise awareness of the officials of the MAF, NCAW, and LWU on gender issues in the climate change and REDD+ context and to promote equitable gender inclusions in REDD+. The Sustainable Forest Management for Rural Development – Scaling Up (SUFORD-SU) Project, implemented from 2013 to 2021, has been also actively tackling gender issues, in line with REDD+. Under this project, gender analysis was conducted at the early stage of the project and sex-disaggregated data have been collected throughout the project period. Women and other marginalized groups have participated in SUFORD-SU decision-making for key project activities, including community resource profiling and land use planning.

The implementation of the national forest program and the development of the REDD+ program had significant involvement of women as well as men, but the degrees to which data on women's participation and engagement varied by program and project. On the national level, the FS2020 had specific objectives to address gender equity and increase women's participation. The MAF developed a gender strategy and set targets for participation. The review of this implementation in FS2035 noted that women in all ethnic groups had benefited from increases in forestry-related income-generating activities, related to "rattan and bamboo handicrafts, weaving, home gardens, animal husbandry and the sustainable harvesting of NTFPs."

During the 2015-2018 results period, considerable work was ongoing to develop the national REDD+ program and National REDD+ Strategy. Women were actively involved and comprised one-third of the members in the six Technical Working Groups, and led two of the six TWGs. When the Stakeholder and Safeguards TWG conducted consultations with 311 representatives of 66 villages in central and southern Lao PDR, 61 women participated.

Between June 2018 and February 2019, during preparation for the Emissions Reduction Project (ER-P, also known as the GFL Project), for six Northern Provinces, a Gender Integration Development Study was conducted, with consultations with over 400 women and 100 men, with representatives of all four ethno-linguistic groups. The study team identified key gender issues and underscored the complexity of the situation, given gender differences across different ethnic groups, and then proposed an Action Plan for Gender Integration for the ER-P, with 12 key actions. The Gender Integration Study did review several other forest sector projects and noted that none of them had a specific Gender Action Plan. These projects did, however, have specific activities with women. The CliPAD, ICBF, and SUFORD-SU projects all supported women's own priorities for alternative livelihood development activities.

During the results period, the different forestry projects all worked to encourage women's participation in the projects and to ensure that women benefited from the projects. Women did participate in activities such as village boundary demarcation, Participatory Land Use Planning, Village Forest Management Planning, and PSFM, but to a lesser degree than did men. Women were more actively engaged in the community action plans and plans for alternative livelihood



development. These projects generally worked with the Lao Women's Union, which provided local staff to work alongside the forestry extension staff, to engage women in discussions of the projects and the women's own perceptions, needs, and interests. The Ministry's Sub-Committee for the Advancement of Women (sub-CAW) provided training to district-level staff on gender issues.

JICA has implemented Sustainable Forest Management and REDD+ Support Project (F-REDD) between 2015 and 2021. To support DOF to achieve REDD+ readiness, F-REDD has introduced and tried to expand a Participatory Approach for Reducing Deforestation and Degradation (PAREDD) in the pilot site of Luang Prabang Province, to promote participatory land and forest management and mitigate deforestation and degradation and incorporated a gender perspective. F-REDD has also conducted training to raise gender awareness of the officials of the DOF, PAFO, and DAFO in the target areas and to develop their capacity to develop gender-informed Provincial REDD+ Action Plans (PRAP).

### Challenges

Despite the GoL's efforts and progress made, some critical gender issues remain in the forestry and REDD+ sector in Lao PDR. They include: 1) women's limited control over land and natural and forest resources; 2) limited recognition of women's roles and knowledge in forest management due to their lack of landownership and lower social status; 3) women's limited inclusion in decision-making processes; and 4) women's heavy workload, preventing them from participating in decision-making and other productive and development activities and from benefiting from forestry and REDD+ projects and activities. To address those critical gender issues, the MAF needs to develop further the enabling environment and strengthen its institutional capacity for gender mainstreaming.

The issues of violence against women (VAW), gender-based violence (GBV) and sexual exploitation, abuse and harassment (SEAH) have received growing attention and action by the Lao PDR Government and society in recent years. But during the results period, this issue had not been explicitly addressed by the forest sector. This gap needs to be addressed in future activities.

### E.3.2. For the use of proceeds

*Provide adequate and sufficient information on how the AE will undertake activity-level gender assessments and action plans once the details of the activities become known.*

The proposed project will promote gender equality and women's empowerment through a gender mainstreaming approach, which is consistent with the Gender Policy of GCF. Based on the Gender Assessment (GA) (Annex IV), a Gender Action Plan (GAP) (Annex V) has been prepared. JICA as the AE will undertake the responsibility to ensure GAP is adequately followed throughout the implementation.

The GA outlines gender inequality and gender power dynamics in Lao PDR. It also identifies critical gender gaps and differences in roles, access to and control over natural resources, and decision-making power in rural areas. The Gender Assessment analyses some critical gender issues that remain embedded in the forest sector, which pose possible risks and constraints of opportunities to promote gender equality and women's empowerment within the proposed project.

As presented in the GAP, JICA will undertake effective counter-measures to reduce the root causes and constraints and to avoid or mitigate the possible risks. The GAP proposes the project's indicative Results Framework (provided as a non-mandatory annex) including the overall project Indicators, and then more detailed indicators at the activity level – for the activities in general, and for the gender-responsive and ethnic-responsive actions that will be undertaken for each activity. Thus, the GAP provides a clear overview of how gender- and ethnic-responsive actions will be undertaken, together with the responsible entities, and timeline for each of the project activities.

The Gender Action Plan approaches and recommendations have been thoroughly mainstreamed, or integrated, into this Funding Proposal and will be integrated into the forthcoming Community

Engagement Manual for the Project. All Project participation data will be disaggregated by sex or gender, as well as ethnicity, to better monitor and adapt the Project's responsiveness to gender issues. Efforts will be made to ensure that women are included in project management at all levels, including Project staffing and composition of the landscape management institutions. Ample opportunities will be provided for women to participate in project planning, decision-making, training, workshops, and study tours, and to ensure that they benefit from livelihood and other project support. In addition to general grievance redress mechanisms, the project will also develop confidential, survivor-focused GRMs for any cases of sexual exploitation, abuse and harassment (SEAH) and will refer survivors to appropriate medical, psychosocial, or legal support, as needed.

Given the important intersections between gender and ethnicity in shaping the roles, responsibilities, and opportunities of rural villagers and other stakeholders to engage with and benefit from the project, both gender and ethnicity need to be considered together, and both thoroughly integrated into the project. The ethnic issues are further discussed in Section E.5 below.

#### **E.4. Interim policy on prohibited practices**

##### **E.4.1. For the period of the achieved results**

*Provide appropriate and sufficient information to demonstrate that no Prohibited Practices occurred during the implementation of the activities that lead to the REDD-plus results, such as: undisclosed Prohibited Practices, including money laundering and the financing of terrorism, which occurred during the implementation of results-based actions; and double payment or financing for the same results achieved.*

#### **Prohibited Practices**

The Government of Lao PDR (GoL) has passed laws and regulations targeting money laundering, such as the Law on Anti-Money Laundering and Counter-Financing of Terrorism (2014, entered into force in 2015), to ensure compliance with international standards. GoL has further specified this law through its Decision on Know Your Customers and Customer Due Diligence (2016), which specifies the information that must be provided by reporting entities. Almost every type of legal entity is now required to adhere to the know-your-customer and customer due diligence processes prescribed under these regulations. The Decision on Reporting Suspicious Transactions Related to Money Laundering or Financing of Terrorism (2015) also supports the government's intent to stamp out money laundering in the country.

Lao PDR signed the United Nations Convention against Corruption on 10 December 2003, which it ratified on 25 September 2009. Lao PDR also regularly hosts UN officials to obtain their opinions on anti-corruption issues and on improving its legal framework. The main regulations governing anti-corruption in Lao PDR are:

- the Anti-Corruption Law No. 27/NA (18 December 2012);
- Penal Law No. 12/NA (9 November 2005);
- the Law on Criminal Procedure No. 17/NA (10 July 2012);
- Decree on Asset Declaration No. 159 (4 June 2013); and
- Decision of the Ministry of Finance No. 1124/MoF dated 10 April 2017.

The 2012 Anti-Corruption Law replaced the 2005 Anti-Corruption Law, and brought more consistency to some acts covered by the Anti-Corruption Law that were described differently in the Penal Law. The current Anti-Corruption Law covers the following acts:

- embezzlement of state property or collective property;
- swindling of state property or collective property;
- bribes;
- taking bribes;
- abuse of position, power and duty to take state property, collective property or individual property;
- abuse of state property or collective property;

- excessive use of position, power and duty to take state property, collective property or individual property;
- cheating or falsification relating to technical construction, standards, designs, calculations and others;
- deception in bidding or offering concessions;
- forging documents or using forged documents; and
- disclosure of state secrets for personal benefit.

The sanctions for corruption vary depending on the severity of the offence. The offender is provided with education (measures) if the damage caused to the nation does not exceed the value of 5 million kip. If the offender willingly reports his or her own wrongdoing, and returns the assets in the same manner, he or she would face education measures and a warning. The punishment would be different, however, if the infringer attempted to extricate himself or herself from the sanctions. In this case, a note would be recorded in the official's book, and the infringer would be suspended, prevented from receiving any promotion or salary raise, removed from his or her position or transferred to a lower level, or simply dismissed. In contrast, employees or personnel from the private sector who are found guilty of the same offence would receive a reprimand, along with an order to pay compensation and a fine amounting to 1 per cent of the value of the damage caused. For offences that amount to damages of more than 5 million kip, the offenders would receive a fine and may be imprisoned. In addition, compensation can also be sought before the Civil Court.

According to the Party Central Committee's inspection regulatory body, a 2017 report stated that corrupt practices over the past five years have involved payments totaling more than 4,807 billion kip, and 734 officials were found to have been involved. Additionally, between 2011 and 2015, more than 130 police officers were dismissed from their tenure in the province of Oudomxay for taking bribes and benefits related to their position, in a clear abuse of power. Other officials have been subject to education measures, received warnings, or been refused promotions, which are sanctions for minor offences as discussed above.

#### **Double payment or financing for the same results achieved**

In Section B.2.2 of this document, under Additional criteria related to the achieved results (viii) Preventing double payments, it is clearly shown that there is no double payment or double accounting for the same results achieved and offered to GCF.

#### **E.4.2. For the use of proceeds**

*Provide appropriate and sufficient information including on control measures that assures that the proceeds will be used in a manner compliant with the Interim Policy on Prohibited Practices, such as: undisclosed Prohibited Practices, including money laundering and the financing of terrorism; improper subsequent use of GCF proceeds in the Prohibited Practices; and double payment or financing for the same results achieved, etc.*

In addition to the comprehensive legal framework to prevent corruption, money laundering and financing of terrorism, and strict legal enforcement as stated in Section E.4.1, the GFLL-SL will have several measures to ensure that the payment received from GCF will be only used for the GFLL-SL activities, with payments to be made in full and on time. These payments will be agreed in the Funded Activity Agreement between GCF and JICA, and in the Subsidiary Agreement between the JICA AE and MAE EE.

The GFLL-SL will have a team of well-qualified international and national consultants to assist the government with smooth implementation of the activities. These consultants will be recruited as a team by JICA Co-EE to ensure efficient communication among team members and coherent activity implementation.

#### **Financial planning and reporting**

In addition to the overall project work plan, annual and semi-annual (6-monthly) work plans with required budgets will be prepared by each entity responsible for implementation. Following the

instructions from the NPMU, the work plans will be submitted through project management hierarchy, such as from DPMU to PPMU and then to NPMU for checking and aggregation. Final approval of these plans and budgets, with revisions, if necessary, will be made by NPSC with recommendations from NPMU. The approved work plans will be sent back to the implementing entities followed by budget disbursement to their project-dedicated accounts.

Reporting will also follow the planning flow and include financial reports on expenditures. Project accounting units at the central and local levels will verify the financial reports, including receipts as necessary, and may conduct further investigations if needed for clarification.

### **Procurement**

In the case of procurement by the JICA Co-EE, internal procurement rules and guidelines of JICA will be applied. As JICA Co-EE will procure basically only consulting services, guidelines for procuring consulting services will be applied.

In case of procurement by the MAE EE or any of the government entities authorized to conduct procurement using GFLL-SL funds, in general procurement rules and guidelines of JICA will be applied. For small-scale or local procurement, however, the public procurement rules and guidelines of the GoL will be applied.

The GFLL-SL will have a team of well-qualified international and national consultants to assist the government with smooth implementation of the activities. These consultants will be recruited as a team by JICA to ensure efficient communication among team members and coherent activity implementation. JICA will take full responsibility to ensure the procurement is conducted in a manner agreed with the GCF. Lao PDR has a Law on Public Procurement (2017) and implementing regulations of the Ministry of Finance, which are comprehensive and detailed enough to ensure transparent and market-based procurement. Goods, services and construction works using GFLL-SL funds transferred to MAE EE will be procured by the implementing entities according to the approved work plans and budget.

### **Audit**

NPMU's financial statement will be subject to audit by MAE usually conducted on a semi-annual basis. Remedial actions will be taken according to the Law on Anti-corruption and other legal systems, if any unlawful acts were to be confirmed. In addition, an international third-party audit will be undertaken once a year for MAE EE portions, and the results will be presented, reviewed, and approved by the NPSC and JICA. Also, JICA Co-EE will have a third-party audit but the frequency will be determined later in the FAA's negotiation.

Details of the financial planning and reporting, procurement and audit will be stated in the forthcoming Project Operation Manual.

In addition to its role as the AE and its reporting mandate to the GCF, JICA is obligated under its organizational responsibility to ensure that the proceeds are used with full transparency and accountability as agreed under the legally binding Subsidiary Agreement to be signed with MAE EE. Both the JICA headquarters and the JICA Laos Office will allocate sufficient resources to monitor and control the entire process of the use of proceeds.

## **E.5. Indigenous peoples**

*Provide adequate and sufficient information on how the activities to be implemented with the use of proceeds, will meet the requirements of the GCF environmental and social safeguards standards and policies relevant to indigenous peoples and guided by the prevailing relevant national laws and/or obligations of the countries directly applicable to the activities under relevant international treaties and agreements.*

Although GoL has joined the international community in supporting the International Labour Organization Convention No. 169 on the Rights of Indigenous and Tribal Peoples and the UN

Declaration on the Rights of Indigenous Peoples (UNDRIP), it does not recognize any of its own citizens as “Indigenous Peoples (IPs).”

Among its national population now estimated to be 7.6 million, Lao PDR has 50 officially recognized ethnic groups (and over 200 ethnic sub-groups), which can be classified as belonging to four different ethno-linguistic families. Eight ethnic groups belong to the Lao-Tai ethnolinguistic family, which comprises approximately two-thirds of the national population. These groups speak and understand the national language, Lao, dominate government employment, and in general, benefit more from development. The other 42 ethnic groups, or one-third of the national population, belong to the other three ethnolinguistic families: Mon-Khmer, Sino-Tibetan and Hmong-Ew-Hmien ethnolinguistic families. These peoples are less likely to speak, understand, or read the Lao language, and have lower levels of education, especially the women. They are underrepresented in government employment, have higher levels of poverty, and benefit less from national development. Over the years, these 42 ethnic groups have been referred to using different terms, such as “ethnic minorities,” “small ethnic groups,” and/or “non-Lao-Tai ethnic groups.” In some pockets of the country, however, the population of these non-Lao-Tai ethnic groups exceeds that of the ethnic Lao-Tai peoples, and their culture is prominent. In some locations, hamlets or small villages of different ethnic groups have been “consolidated” into larger villages, as part of government’s efforts to expand outreach of services. In addition, communities have frequently moved over the centuries due to warfare, running out of natural resources, relocation due to development projects, or as a results of natural disasters, such as flooding causing the collapse of a hydropower dam and destruction of downstream villages.

Under the national Constitution, Lao PDR is a multi-ethnic country, and all ethnicities have equal rights. It does, however, have additional policies, laws, and regulations, which aim to encourage greater participation of under-represented ethnic groups in national development. A major purpose of the LFND is to provide outreach to all ethnic groups, and the Front has staff members, both women and men, of different ethnic backgrounds with ethnic language capabilities. The Ministry of Home Affairs also has deal with ethnic affairs, but that unit has recently been moved under the Prime Minister’s Office. In addition, a committee of the National Assembly also is responsible for ethnic issues.

GoL has agreed with the World Bank and some of its other development partners that development projects will apply international safeguards and standards for Indigenous Peoples to the one-third of the national population that are members of non-Lao-Tai ethnic groups. Thus, in cases where IP Planning Frameworks (and/or Plans) might be required, in Lao PDR these would be called Ethnic Group Planning Frameworks (and/or Plans).

The national REDD+ program takes ethnic issues very seriously. The membership of the National REDD+ Task Force, which will serve as the National Project Steering Committee, includes the LNFD. The SG-TWG was chaired by a woman who was a Vice-Director in the Lao Front, and very active in ensuring that ethnic (and gender) issues were well addressed.

The five provinces targeted for the project have 20 different ethnic groups belonging to two ethnolinguistic families. Two ethnic groups, the Lao and Phou Tai, belong to the Lao-Tai ethnolinguistic family. The other 18 ethnic groups belong to the Mon-Khmer ethnolinguistic family. These 18 Mon-Khmer ethnic groups will be provided with the same safeguard protections that would be applied to IPs. The current ethnic composition of the project villages will be verified when village socio-economic baselines are compiled. Although the exact composition of the project villages is not yet known, in other forestry development projects in the country, a high proportion of the remote local communities near the forests were composed of either all non-Lao-Tai ethnic groups, or a mixture of ethnic groups including non-Lao-Tai peoples.

As the project implementation gets underway, the choice of project villages will be finalized. The Government is undertaking its 2025 National Census in October 2025, so updated data should soon be available. At that time, the ethnic composition of the villages will also be identified, and this factor will be taken into consideration in developing the work plans for the project’s extension



and outreach to community members. These ethnic issues will be addressed as part of the overall Community Engagement approach of the project. The Community Action Plans will serve as Ethnic Group Development Plans.

The GFLL-SL teams going to the villages will ensure that they include staff who can speak the local ethnic languages and are familiar with their culture and traditions, including the gender roles of each ethnic group. Key elements will include careful consultation and agreement with the communities and proceeding with project activities only after the non-Lao-Tai ethnic groups give their “free, prior, and informed consent (FPIC).” Efforts will also be taken to identify cultural traditions that are relevant to the development activities, such as how to organize meetings with the local women and men, and how to consider cultural issues in forest protection, land tenure, land use and land use planning, village forest management, and development efforts. If, for example, specific areas or resources within a community have important cultural values, such as sacred forests, spirit trees, or burial grounds, those values will be respected.

To undertake this extension outreach and support to rural communities, the project staff will include not only forestry staff from DAEO and PAEO, but both women and men. Where needed, especially in terms of ethnic language and cultural fluency, the forestry staff will collaborate with field staff from LFND and LWU. The Ministry’s Sub-Committee for the Advancement of Women (Sub-CAW) and gender consultants will assist with gender issues and women’s inclusion and empowerment. The project safeguards and gender advisors will include international and national consultants with expertise in ethnic and gender issues. Given that women from non-Lao-Tai ethnic groups have been especially marginalized with respect to national development, due to their lower educational levels and social customs, the intersectionality of ethnic and gender issues will receive particular attention.

The project will follow a process of Community Engagement for working with stakeholders in the rural communities. If the community members include people from any non-Lao-Tai ethnic groups, then an Ethnic Group Development Plan will be prepared. The principle of “free, prior and informed consent” will be built into the operating procedures for this work.

The village-level Community Action Plan (CAP) will be developed in a participatory and equitable manner, ensuring that women and men from all ethnic groups within the community have opportunities to participate and benefit, as well as members of poorer households and other vulnerable persons. Thus, the community engagement process will be a process that promotes social inclusion and diversity, addressing ethnic, gender and poverty issues in an integrated fashion. The project’s monitoring and reporting system will track compliance with these safeguard provisions, as important tools for adaptive management and improvements as needed. Community members will have access to appropriate feedback and grievance redress mechanisms.

## E.6. Monitoring and evaluation

*Provide information on the monitoring arrangements that will take place for providing annual monitoring reports based on the information provided for the use of proceeds in sections C.2.3 and C.2.4.*

The project will be monitored and evaluated in line with the overall requirements of the GCF, and specific requirements to be agreed between JICA AE, MAE EE and JICA Laos Co-EE.

### Annual Performance Report (APRs)

Annual reports will be prepared by the NPMU and approved by NPSC. The format and content of the annual report will follow GCF template. Reports will be based on the following:

- Collection and consolidation of data with agreed means of verification;
- Transparent data, i.e., data used in the analysis will be available to external parties; and
- Assessment of progress towards performance milestones will be based on a transparent process.

In addition, the JICA Headquarters and JICA Laos Office will conduct visits to project sites based on the agreed schedule to assess the progress and outcomes. The GCF mission, NPSC members, and any organizations and/ or personnel who are agreed by JICA and GoL may also request to join these visits.

### Monitoring at the project level

At the project level, monitoring will be done through APRs, audit report and project completion report..

### Monitoring and Evaluation at the operational level

At the operational level, each administrative level will have different M&E responsibilities, however the project will ensure the entire M&E is carried out under a unified system. The details of the M&E system will be elaborated in the POM. Table 23 below presents a summary of the scope of M&E and responsibility.

Table 23: A summary of M&E scope and responsibility

Monitoring level	Scope of M&E	Responsibility
National-level monitoring	Progress monitoring and reporting for the entire project: Project outputs and outcomes; Project administration (e.g. financial and procurement management); and Safeguards and gender, including participation data by gender and ethnicity	NPMU, national SESU
Landscape-level monitoring	Progress monitoring and reporting for each landscape: Outputs and outcomes; Administration (e.g. financial and procurement management); and Safeguards and gender, including participation data by gender and ethnicity	Landscape management institutions for each of the landscapes
Village-level monitoring	Monitoring of implementation of: - Village-level work plans by NPMUs and landscape management institutions (including staff from PAEOs, DAEOs) in collaboration with the village committees; and - Safeguards and gender, including participation data by gender and ethnicity	Village Committee

## F. Legal arrangements

### F.1. Legal title to REDD-plus results

- *Provide an analysis with respect to legal title to REDD-plus results in the country. This should include an analysis of entitlement to claim for the results to be paid for by the GCF.*
- *Covenant that no other party has a competing claim to the results proposed to the GCF in accordance with national policy, legal or regulatory frameworks.*

### Legal title to REDD+ results

The [Final Benefit Sharing Plan \(BSP\)](#) (September 2021) document for the FCPF Carbon Fund Emissions Reduction Program of Lao PDR specifies that MAF<sup>28</sup> has full and complete rights to the Emissions Reduction title. This conclusion is based on an assessment of national legal systems: thus, the same conclusion will be applied to the REDD+ results-based payment of the GCF REDD+.

<sup>28</sup> Such capacity has been transferred to MAE after the government restructuring in 2025.

Relevant paragraphs from the BSP document are presented below.

### **1.7 Legal and Regulatory Framework for the BSP**

36. *The legislative framework of Lao PDR and specific regulations related to Lao REDD+ management, development, and implementation is unequivocal in granting full authority to the Ministry of Agriculture and Forestry, the Program Entity. The legislative framework includes the Constitution of Lao PDR, its Land Law, and Forest Law. There are specific articles that vest responsibility with MAF, and Annex 3 provides an overview of these laws and articles. A detailed assessment has been completed with regards to the right of the Program Entity's ability to transfer ER title to the Carbon Fund, including consultations.*

37. *The conclusion of this assessment is that the MAF has clear rights to transfer ER title ownership. In addition, the Lao Bar Association (Attorney Association) has reviewed the assessment note and concluded that the note is in line with current laws and regulations of Lao PDR. It formalizes the conclusion of the assessment note that MAF has full and complete rights to transfer of ER titles that will meet the legal requirements of the ERPA.*

### **Competing claim to the results proposed to the GCF**

The risk of competing claims to the results proposed to the GCF is controlled to the minimum for the following reasons:

1. Most of the REDD+ results have been generated from reduction of emissions from deforestation and forest degradation of natural forests that belong to the national community and their management is represented by the state;
2. Individuals, legal entities and organizations (e.g. private companies) may claim generation of REDD+ results from their privately-owned tree plantations. The revised 2019 Forestry Law has several articles related to forest carbon trade (i.e. Article 5, 65, 92, 103, 104 and 126), which encourage and promote forest carbon trade as a business activity of individuals, legal entities and organizations. The law also sets out conditions and procedures for operating a forest carbon trade business, including but not limited to obtaining a business license from relevant sector agency, and agreement with the MAF<sup>29</sup>;
3. As stated in Section B.2.2.(viii), several REDD+ projects have generated or may generate REDD+ results (emission reductions) overlapping with the same results period. Those REDD+ results are already deducted from the REDD+ results proposed to the GCF; and
4. Despite these control measures, if competing claims were to be presented by a third party, the GoL would assume full responsibility and would undertake all necessary legal measures to resolve such conflicts.

## **G. Accredited entity fee and project management costs**

As is the case with the other 8 approved REDD+ RBP programs funded by GCF, JICA requests 3.5% as an accredited entity fee shown below:

Table 24: Accredited entity fee

List of activities	Costs (USD)	Explanation/justification
Implementation Start-Up - Setting-up project implementation arrangements including preparation of agreements and guidelines, legal advisory support, workshops and mission travels	265,630	The initial costs cover project implementation start-up. JICA will facilitate project implementation by preparing agreements and guidelines, providing legal advisory support, and arranging workshops and mission travel.

<sup>29</sup> Ditto.

<ul style="list-style-type: none"> <li>- Assisting project management to draft TORs and advising on the selection of experts for implementation</li> <li>- Advising on and participating in project start-up workshop</li> </ul>		
<p>Project Implementation and Supervision</p> <ul style="list-style-type: none"> <li>- Conducting supervision mission travels</li> <li>- Providing technical guidance, as necessary, for project implementation</li> <li>- Overseeing, providing guidance and reporting for the compliance with GCF policies including ESS, gender, IP, and others</li> <li>- Undertaking advanced assessment of SEAH risk, monitoring the impacts and dealing with SEAH complaints</li> <li>- Reviewing disbursement requests, disbursing funds to the Executing Entities/vendors and reviewing financial reports</li> <li>- Overseeing procurement including reviewing procurement plan/documents and if necessary, issuing no-objection letter to the procurements</li> <li>- Assisting and overseeing the audit process, reviewing the audit reports, and conducting spot checks throughout the project life cycle</li> <li>- Monitoring, reviewing project expenditure reports, and managing GCF funds</li> <li>- Preparing periodic revisions to reflect changes in annual expense category budgets</li> <li>- Preparing APR and other reports as agreed in the AMA and FAAs</li> <li>- Recording volume of REDD+ results (Emission Reductions) paid by GCF through the project</li> <li>- Bank transfer charge for GCF funds from GCF to JICA</li> </ul>	1,794,660	The costs cover project implementation and supervision. JICA will oversee, assist, and report on the project to ensure these activities are conducted appropriately and in accordance with the laws and regulations of Lao PDR, as well as the policies of the GCF and JICA.
<p>Project completion</p> <ul style="list-style-type: none"> <li>- Preparing project closing documents for submission to GCF Secretariat</li> <li>- Preparing the financial closure of the project for submission to GCF Secretariat</li> <li>- Overseeing the preparation of the Project Completion Report submitting the report to the GCF Secretariat</li> </ul>	90,210	These costs are for project completion work, which includes preparing the project closing documents and the Project Completion Report for submission to the GCF Secretariat.
<b>Total cost</b>	<b>2,150,500</b>	

Table 25: Project management costs

List of activities	Costs (USD)	Explanation/justification
Operational costs for GoL officials	1,633,186	Expense for field missions and meetings by GoL officials
Fee for project management consultants	2,075,956	Expense for mobilizing project management consultants

Operational costs for project management consultants – Output 3	197,796	Expense for field missions of project management consultants
Project/financial management system	170,402	Expense for development and maintenance of project/financial management system
Audit	336,851	Expense for third party audits
Bank transfer charge for GCF funds from JICA to GoL	105,069	Bank transfer charge
Total cost	4,519,261	

The final amount of accredited entity fees and project management costs will be negotiated between the GCF and the accredited entity.

## H. Annexes

Annex I	Lao government No-objection Letter
Annex II	Environmental and Social Assessment (ESA)
Annex III	Environmental and Social Management Framework (ESMF)
Annex IV	Gender Assessment (GA)
Annex V	Gender Action Plan (GAP)
Annex VI	Stakeholder Engagement Plan
Annex VII	Indigenous Peoples Planning Framework (Ethnic Group Planning Framework)
Annex VIII	Legal Due Diligence
Annex IX	Term sheet
Annex X	AE fee request
Annex XI	Indicative TOC and Results Framework
Annex XII	Supplementary note on contribution to the GCF targets