



## **REDD+ in Lao PDR Opportunities for French support within the framework of fast start funding**

*Report prepared for the Ministry of Agriculture and Forestry of Lao PDR*

Marie Calmel,  
Maden Le Crom

December 2010





<i>Executive Summary</i> .....	5
1. <i>Background and Mission Objectives</i> .....	6
2. <i>Preliminary considerations</i> .....	6
3. <i>Identification and Recommendations</i> .....	8
a. <i>Illegal logging and REDD+</i> .....	8
b. <i>Economically viable alternatives to shifting cultivation, involving the private sector</i> .....	10
c. <i>REDD+ Office Implementation and Running</i> .....	12
d. <i>Development of a REDD+ national fund</i> .....	13
e. <i>MRV Improvement</i> .....	14
f. <i>Participation and awareness strengthening</i> .....	16
g. <i>Reference Emissions Level Reinforcement</i> .....	17
h. <i>Demonstration activities</i> .....	18
<i>Annex 1 - Summary of the R-PP</i> .....	21
<i>Annex 2 - Interviews' minutes</i> .....	31
<i>Annex 3 – Exiting initiatives summarized presentations</i> .....	39
<i>Annex 4 – References</i> .....	42

## Executive Summary

Lao PDR submitted its Readiness Preparation Proposal (R-PP) to the Forest Carbon Partnership Facility (FCPF) on August 2010. This document has been prepared by the REDD+ Task Force, mainly composed of members of the Ministry of Agriculture and Forestry (MAF), Department of Forestry (DOF), and supported by four international independent consultants.

A seven days mission in Vientiane associated with an in-depth reading of the R-PP, documents and with email sharing with stakeholders, enabled to better understand the institutional landscape and state of advancement of the REDD+ Lao PDR strategy.

Although there are many things that still have to be decided and designed, Lao PDR REDD+ strategy is already well defined. Government of Lao already received, and will receive in the coming years, support from several donors that have been involved in the strategy design and will be involved in its implementation; among which JICA, GTZ/KfW, World Bank and FINNIDA are holding the main initiatives. In that context, it quickly appeared that a French support would be very welcomes as long as well implemented in the existing landscape. Donors are firmly installed in the country and plan to support the R-PP implementation to the readiness stage. AFD could be complementary but should be cautious not to overlap with existing support.

The mission enabled identifying several issues that could beneficiate from AFD support and would be welcomed by Lao PDR government and existing donors. Seven of those issues could be directly dedicated to the national strategy while a eighth one would be the development of a demonstration activity, to test issues yet to be decided at national level (as the strategy decided to proceed so far. See GTZ/KfW CliPAD project, JICA PAREDD and World Bank/FINNIDA SUFORD project).

The seven main issues for which the government still need support and that could be funded by AFD are:

1. Illegal Logging and REDD+
2. Alternatives to shifting cultivation, involving the private sector
3. REDD+ Office Implementation and running
4. REDD+ national fund development
5. MRV improvement
6. Participation and awareness strengthening
7. Reference Emission Level reinforcement

In addition, the opportunity of funding a demonstration activity remains fully open and would be very welcomed by all stakeholders. This opportunity appears to be the most interesting one both for AFD and MAF/DOF. Indeed, this approach would enable to cover several of the aforementioned components for which Lao government still needs support (as the demonstration activity will test - at its scale and targeting specific issues - an MRV system, a benefit sharing mechanism, participation systems, etc. that would afterwards feed the national strategy). Along with this opportunity to cover several issues and maximize French support, a demonstration activity would enable to centralize - and therefore limit - transaction, preparation and monitoring costs of the French support to Lao REDD+ strategy development.

## 1. Background and Mission Objectives

Lao PDR submitted its Readiness Preparation Proposal (R-PP) to the Forest Carbon Partnership Facility (FCPF) on August 2010. This document has been prepared by the REDD+ Task Force, mainly composed of members of the Ministry of Agriculture and Forestry (MAF), Department of Forestry (DOF), and supported by four international independent consultants.

This document received first unofficial comments from the FCPF Technical Advisory Panel (TAP) and is now under revision. After public comments, the final version will be considered during the Participants Committee 7, November 1 to 3 and if validated, will be implemented.

The development of the Lao REDD+ strategy coincides with the French commitment on forest preservation. Late August, a ministerial decision agreed the allocation of 250M€ to support REDD+ fast start implementation between 2010 and 2012, and among which 135M€ should be attributed to the French development agency (AFD), 60M€ to be distributed through grants and 75M€ through concessional loans. While the level and timeframe of funding remain uncertain, the Lao and French calendars seem to suggest it is the suitable time to consider a sound collaboration on REDD+ issues in Lao, responding, in doing so, to the willingness of the two governments.

The 10<sup>th</sup> donors' roundtable in Lao will take place in Vientiane on October, 21 and 22 and offer to AFD and MAF the opportunity to announce and discuss any possible collaboration on REDD+ with other donors.

In preparation to this event, AFD called upon ONF International to better understand the current progress and plans in the R-PP implementation and to identify any field for which French support would be relevant – bearing in mind the fact that, so far, AFD never actively supported the forestry sector in Lao PDR and that many other donors already support the R-PP implementation.

## 2. Preliminary considerations

The seven days mission in Vientiane associated with an in-depth reading of the R-PP (see a summary in Annex 1), programmes documents (see Annex 4) and email sharing with stakeholders, enabled to better understand the institutional landscape and state of advancement of the REDD+ Lao PDR strategy.

The first and main observation that should be done concerns the fact that Lao PDR already received, and will receive in the coming years, support from several donors. Funding can be fully or partly dedicated to REDD+. Part of the support has been especially agreed for the R-PP implementation and/or be in the line with previous support on forestry sector, more or less linked to REDD+. Relations among donors appeared to be very good and well managed (which seem to be the case for other sectors), each of them focusing on one component, one region and/or one issue of the REDD+ strategy.

Relations with the government (mostly MAF departments and the Climate Change Office within the Water Resources and environment Administration, WREA and the Land Management Authority) appeared dynamic, certainly enhanced by the permanent and *in situ* presence of donors and the

existing interfaces (REDD+ Task Force, Donors Roundtable, Working Group and sub-working groups focusing on specific aspects as Monitoring, Reporting and Verification (MRV), the Reference Emission Level (REL), the participation and consultation process, etc.)

Among the existing support, three should be highlighted (see Annex 3 for a short description of those activities):

- The Japan International Cooperation Agency (JICA) dedicated to capacity building and equipment provision for MRV, and to the development of the Participatory Land and Forest Management Project for Reducing Deforestation (PAREDD project) aiming to reduce deforestation due to shifting cultivation through participatory land and forest management. The total amount of JICA support (as mentioned in the R-PP budget) is approximately 16M USD for at least years 2010-2013.
- The World Bank and the Finnish cooperation (FINNIDA) dedicated to an important project for Sustainable Forestry and Rural Development (SUFORD) focusing on production forest and FSC certification process. This project supports among others policy on sustainable forest management, forest control and reporting system on the implementation of forest law/regulation, empowerment of central and local level. The support brought to the readiness process by the SUFORD project is assessed at 11,5 M\$ on 2010-2012.
- The German cooperation (GTZ/KfW), developing the Climate protection through avoided deforestation (CliPAD) project. CliPAD project consists in capacity building and policy advisory services at national level, as well as REDD demonstration activities in two conservation areas in the North of the country. The support to the R-PP implementation by GTZ is about 4,8 M\$ on years 2010-2013.

**In that context, it quickly appeared that a French support would be very welcomed as long as well implemented in this existing landscape. Donors are firmly installed in the country and seem to have the objective to support the R-PP implementation to the readiness stage. The AFD could be involved in this process only in a complementary way, by funding not yet covered activities, rather than providing additional support on already covered issues.**

That being said, it is important to bear in mind that the Lao PDR strategy for REDD+ readiness relies on demonstration activities intended to feed the national position. The afore mentioned donors, alongside the support and provision of advice at national level, are developing demonstration activities focusing on specific regions, topics, type of forest and type of deforestation and degradation drivers.

**It would be a good way for the French cooperation to develop demonstration activities in regions were, so far, no activities are developed, focusing on issues that are not yet explored and on a protection forest areas management type. Some needs have been identified during the mission and detailed in the next chapter.**

Beyond demonstration activities, many components of the R-PP are still in need of support.

It is quite clear that some components are already under the leadership of present donors (e.g. MRV close to be fully supported by JICA). Thought and as long as the cooperation would be possible with those donors, some sub-components could benefit from French support (e.g. soil carbon assessment, part of the MRV). Few other components are drastically lacking support and could enable the French cooperation to get recognised leadership on the strategy implementation. This is the case of activities related to illegal logging reduction and law enforcement.

During the mission, several interviewed stakeholders highlighted those not yet supported components and directly expressed their interest in additional support for it. Provided they appear strategic to AFD, those components are *a priori* the most evident funding opportunities for a new donor. The most obvious ones have been detailed in the next chapter.



In a general point of view and after discussion with different type of stakeholders (from government representatives to NGOs, technical assistants or advisors, and donors' representatives), the level of awareness and knowledge on REDD+ issues and stakes appeared to be very unequal among people. During several interviews, especially with governmental representatives, the lack of capacity building and awareness strengthening has been highlighted. This effort seems to be needed at all levels, including the high governmental one whose appropriation of the R-PP is not that obvious. In many occasions, the governmental representatives expressed their need to better understand strategic stakes in terms of carbon finance access and redistribution, scales articulation (national, sub-national, project and demonstration activities). The capacity building seems to be particularly needed at sub-national scale, so does the awareness strengthening.

As requested by AFD, focus has been made on the possibility of a REDD+ regional approach for Mekong basin countries. While most of the stakeholders agreed on the interest of such an approach, in particular regarding issues of wood trade (including illegal wood) and transbordering areas, it appeared clearly that this approach is not a priority of the Lao government. In the context of an under developed national strategy with an appropriation that still has to be reinforced, stakeholders were sceptical on the feasibility of a regional approach. Some interviewed also underlines Lao has little weight in the region and its positions to be swallowed in the surrounding ones. That being said, several initiatives whereby Lao PDR participates already exist on natural resources management (watershed in particular). Most of those initiatives are discussion and information sharing forums but could be used to develop a regional approach. It includes the ASEAN Regional Knowledge Network, the Asia Forest Partnership, the Mekong River Commission, etc.

### 3. Identification and Recommendations

From interviewing and sharing with different stakeholders, reading the R-PP and other documents, it was possible to identify several issues on which funds and support from other donors are lacking. There is actually many elements of the R-PP components for which the funding sources are not fully identified. But priority has been given to elements that were highlighted by institutional stakeholders (government and other donors) or for which funding gaps are well identified in the R-PP. Hereafter are detailed 8 opportunities that have been identified.

#### a. Illegal logging and REDD+

##### ***Stakeholders interest***

Fight against illegal logging through law enforcement and reduction of demand has been pointed out by several people in several meetings, especially by donors. It has been presented as the only topic on which there is a real lack of funding and lack of leadership.

##### ***How important is it for the national strategy***

Degradation may represent 50% of the annual 2011-2015 emissions from carbon stock change in natural forest (cf. table 2a.2, p.34 of the R-PP). Forest degradation is mainly caused by unsustainable wood extraction, which is largely the result of illegal logging activities, and poorly regulated timber harvesting by rural households for domestic consumption. The true scale of illegal logging is unknown but is widely recognized and acknowledged as an important problem, closely linked to the demand for timber both nationally and regionally. If Lao government wants the REDD+ strategy to be successfully implemented, the issue of illegal logging will have to be addressed.

This is clearly mentioned in the R-PP component 2b. In addition to Sustainable Forest Management, GoL suggests to improve law enforcement, especially by improving the detection of illegal logging. Three different approaches are mentioned (see summary of the component in Annex 1), in any cases, the REDD+ strategic options for dealing with illegal



logging will be undertaken in support of the 5 years plan of the Department of Forest Inspection (DOFI) for 2011-2015.

#### ***Funding and participating opportunity(ies)***

Department of Forest Inspection (DOFI) was created in March 2008. It is theoretically under MAF direct authority but in practice it depends from DOF. Among the staff of 360 people (90% transferred from DOF), most of it is distributed to each of the 17 provinces<sup>1</sup> in POFI (Provincial Offices for Forestry Inspection). So far, the support brought to the REDD+ process focused mainly on technical aspects and very little has been committed to DOFI.

DOFI is developing a 5-year plan looking at improving the capacity and function of the Department. A priori, DOFI needs assistance in 2 areas to carry out the REDD+ program:

- Technical activities: (training, including training on REDD+ and on FLEGT programme), technical support setting up of intelligence and data analysis systems, strengthening regional cooperation, etc.
- Operational activities: (staff, vehicles, fuel budget, etc.) that should be supported at provincial (POFI) and central (DOFI) level.

The R-PP mentioned the need to support DOFI in order to improve the detection of illegal logging. Three different approaches are mentioned:

- Enforcement of Articles 49 and 55 of the Forest Law through the effective registration of harvesting machineries. The idea would be to test this measure in at least one District and to first establish a baseline in this District in order to know how much machineries are needed to harvest the authorised volumes in the District and to measure the extent of collateral damage in the forest that are due to illegal logging.
- Wood traceability to analyse and monitor wood consumption and better estimate the scale of domestic demand and imports/exports of wood products.
- Strengthening DOFI's capacity for surveillance and identification of illegal logging spot (taking into consideration the issue of low accessibility of some parts of the country), including investigation on technologies.

All those approaches could be tested in one District or one Province before being generalized. As the illegal logging is mainly affected by regional exports, it would be relevant to select a transbordering district (South of the country, Lao/Vietnam border e.g.).

#### ***Relevant stakeholders***

A support to law enforcement and illegal logging reduction presuppose a close collaboration with:

- DOFI
- DOF (as the REDD+ strategy developer but also as it hosts the Customs Department key stakeholders to tackle the demand side)
- Cooperation will also be needed from the Ministry of Industry and Commerce (MOIC).

The wood traceability could be included in a future EU-FLEGT programme and could be linked to existing or under development initiatives (such as WWF Global Forest & Trade Network).

In a general way, monitoring of the illegal logging should be integrated within the global

---

<sup>1</sup> Laos is divided into sixteen *khoueng* (provinces), one *kampeng nakhon* (municipality or prefecture), and one *khethphiset* (special region or zone). The secondary administrative divisions are districts.

MRV system under construction by JICA.

**Relevance for a regional approach**

Ideally and while some issues can only be solved at national scale (including law enforcement), the fight against illegal logging in Lao should be considered at regional scale. Lao PDR government has been recently approached by the EU-FLEGT programme but there are at a very early stage. Additional studies should be done to assess the cross development of REDD+ and FLEGT strategy, including in terms of traceability.

**Approximate level of funding**

Further discussions should be undertaken to define a possible collaboration and estimate the amount of needed budget. What can be said so far is that the R-PP mentions:

- 120'000 USD needed for law enforcement,
- 100'000 USD needed support for wood consumption traceability
- 365'000 USD needed budget for surveillance improvement
- 250'000 USD for institutional support to DOFI in monitoring, reporting, and mapping illegal logging in cooperation with NGOs and civil society

DOFI mentioned an approximate need of 7M USD for the technical activities (not only these related to REDD+) while the effective operational budget for DOFI and the Provincial Office of Forest Inspection (POFI) has yet to be calculated accurately.

Currently, DOFI benefits from a support of 400 000 \$ from program for Human Resources Development and 500 000 \$ from SUFORD. No support has been identified in the R-PP for illegal logging.

**b. Economically viable alternatives to shifting cultivation, involving the private sector**

**Stakeholders interest**

One of MAF Lao comments on previous versions of this report was the need to develop and test innovative alternatives to shifting cultivation. Both Dr. Phouang Parisak Prvongviengkham (MAF- Planning) and Dr. Silavanh Sawathvong (DOF) underlined the lack of existing proposal on those issues and showed high interest in seeing private sector involved in order to insure economical liability of such alternatives. A lot of awareness exercises have been undertaken by different organizations but MAF would welcome field activities involving private sector in order to go beyond those exercises.

**How important is it for the national strategy**

Shifting cultivation is identified in the R-PP as the main driver of forest degradation and to some extent, of deforestation. This traditional system of production enables upland ethnic groups to secure their livelihoods. As it is closely related to many other issues in forestry and agricultural sectors (land use planning and allocation, poverty alleviation, development of new livelihood systems, promotion of private sector involvement, etc.), reduction of shifting cultivation is one of the focuses of MAF DOF next five year plan.

Three activities are mentioned in the R-PP to reduce the emissions from shifting cultivation :

1. Extending and applying Community Based Rural Development Project to relevant Upland districts. Agroforestry systems will be implemented and their impacts in terms of emission reductions will be assessed.
2. Based on a successful project developed by a private company that allowed local farmers to cultivate between planted trees, the R-PP plans to develop a valuable model for

	<p>tackling shifting cultivation in many parts of the country.</p> <ul style="list-style-type: none"> <li>- Finally, at least 18 agroforestry technologies have been tested in Lao PDR, but many are only at a preliminary stage and provide too little information on costs, yields and return. An important research program is planned in the R-PP to support NAFRI and NAFES in their activities development.</li> </ul>
<b><i>Funding and participating opportunity(ies)</i></b>	
	<p>Both JICA and GTZ are working on alternatives to slash and burn cultivation. PAREDD project is developing sustainable alternatives to shifting cultivation, mainly based in participatory management of lands and forests. CliPAD initiative is developing research activities on agroforestry as an alternative to slash and burn.</p> <p>French cooperation could be involved in other types of alternatives based on high commercialization value of uplands forests and based on their previous experiments in Lao PDR. Upland forests are full of products with high commercialization value (white charcoal, organic forest food products, medicinal plants, fruits, resins, etc.). Those products would give a very high value to standing forest, provided they are included in well managed value chain from local farmer to consumer, for which private sector involvement would be necessary.</p> <p>French cooperation could support developing new systems of production that would involved both local populations and private sectors and that would be financially enough efficient for all stakeholders to alleviate shifting cultivation, giving in the same time, a very high value to standing forests.</p>
<b><i>Relevant stakeholders</i></b>	
	<p>Based on their previous and on going activities on coffee production and cooperatives in Lao PDR, AFD is a very relevant stakeholder to work on those issues. It could capitalize on other experiments in order to improve and adapt their activities to slash and burn alleviation in upland forests.</p> <p>In that framework, NAFRI and NAFES could be involved. These two institutions have the necessary knowledge on slash and burn systems and agroforestry alternatives to it and could therefore be of precious help to design systems to be implemented by private companies.</p> <p>First results of JICA's PAREDD project would also be useful information and could feed any new activities on those issues (including feedbacks on Participatory Land Use Management).</p> <p>The private sector will of course be a major partner on this activity. An important phase of identification and communication to private sector will be essential to ensure the success of the approach.</p> <p>AFD could also work closely with existing NGOs (such as the GRET) which develops a chain of value with private partners on the products from bamboo.</p> <p>Finally, local farmers are also evident stakeholders in such a program and would have to be involved in every stages of the activity development, from the design to the implementation of the production systems.</p>
<b><i>Relevance for a regional approach</i></b>	
	<p>Shifting cultivation is not only an important driver of forest degradation for Laos but also for neighbouring countries. The development of economically viable alternatives to slash and burn, involving private sector, appears as a relevant strategy for the entire Mekong basin region.</p> <p>In some cases, the cross-border nature of trading flows of some NTFP implies to work at regional scale. The project implemented by the GRET on the bamboo is based on the development of a chain of value for bamboo products both in Lao and Vietnam.</p>

<b>Approximate level of funding</b>	
	<p>Concerning shifting cultivation, the R-PP identified a total need of 500 000 US\$, shared as follows:</p> <ol style="list-style-type: none"> <li>1. Extension of agroforestry systems: 200 000 US\$ (partially covered by CLiPAD and PAREDD)</li> <li>2. Involvement of the private sector: 200 000 US\$</li> <li>3. Research and development: 100 000 US\$ (partially covered by CLiPAD)</li> </ol> <p>So far, no project is working on private sector involvement to design and implement alternative activities to shifting cultivation. The funding gaps are therefore estimated to be 200 000 US\$ for this activity, plus an amount under 300 000 US\$ for the other activities already supported by the PAREDD and CLiPAD projects, to be determined with these partners, MAF Lao, AFD and private sector stakeholders as it will depend on the project design itself.</p>

### c. REDD+ Office Implementation and Running

#### **Stakeholders interest**

Khamsene Ounekham from the REDD+ Task Force as well as Dr Oupakhone expressed their concerns about the funding sources of REDD+ Office, whether there is no commitment on this issue or the World Bank support is expected to be long arriving.

#### **How important is it for the national strategy**

The REDD+ preparation process will be implemented by the REDD+ Office, to be designed and supported. This Office will ensure notably the management of the readiness process, the coordination and monitoring of REDD+ activities and projects, the monitoring of international negotiations and support for Lao PDR delegates, the organization of consultations and implementation of the Stakeholders Participation and Consultation Plan (SPCP), the preparation of a draft regulation for submission to the REDD+ Task Force and National Environment Committee (NEC), the preparation of proposals on the management and distribution of REDD+ funding, the development of a carbon registry and the writing of technical and progress reports.

#### **Funding and participating opportunity(ies)**

The funding support is expected to cover vehicles and equipments, operating costs, staff costs, technical working groups' meetings, staff training, consultation workshops, technical support, provincial REDD offices, capacity building and attendance at international meetings.

#### **Relevant stakeholders**

Institutionally speaking, DOF will be the main partner as the REDD+ Office will be under its authority as well as all the entities that are expected to be part of this office including Ministries of Finance, Mines and Energy, DOFI and the National Environment Council  
The funding of the REDD+ office also implies collaborating with other donors that support some of its activities (JICA and GTZ in the framework of their respective projects PAREDD and CLiPAD) to avoid overlapping.

#### **Relevance for a regional approach**

This support would be fully dedicated to Lao government and would be hardly linked to a regional approach.

### **Approximate level of funding**

The creation of the REDD+ office is the first stage of the preparation process. However, only few sources of funding have been identified for the moment. Staff training and consultations workshop are partially covered by the activities of the CliPAD project. Additionally, the REDD+ office will use remaining funds of SIDA (Swedish International Development Cooperation Agency) (about 200 000 US\$) and some support from the JICA (amount not specified). There is no indication of the part of funding needs that will be covered by GTZ/KfW initiatives.

200'000 USD are expected to be covered by FCPF in 2010.

The R-PP assess a need of 200 000 US\$ for 2010 and 1 688 000 US\$ for the years 2011 to 2013.

### **d. Development of a REDD+ national fund**

#### **Stakeholders interest**

Several stakeholders expressed their willingness to develop a financial tool that would enable Lao PDR government to better understand carbon finance and fund the REDD+ strategy and activities in the long term, independently to development partners' funding that are limited, both in terms of timelines and scopes. This issue has been emphasized as a comment of previous version of this report, including by Dr. Phouang Parisak Pravongviengkham from Department of Planning (MAF), as none of the existing and active stakeholders are working on this issue.

#### **How important is it for the national strategy**

All the R-PP implementation is planned to be funded through development partners support (mainly GTZ, JICA and the World Bank). Some important gaps of funding have been identified in the R-PP, mostly when activities do not fit with strategic orientations of the active development partners. In addition, development partners support is often time and scope limited which could make the REDD+ appropriation by the government difficult in a long term perspective.

Beyond and in the scope of R-PP implementation, GoL expressed the willingness to study the feasibility of funding types diversification to improve the long term visibility on REDD+ mechanism in the country. The R-PP underlines that there is an urgent need to coordinate uses of various funds for implementation of R-PP such as government, bi-lateral and multi-lateral funds - including FCPF - in order to ensure timely release of funds for smooth implementation of priority activities.

#### **Funding and participating opportunity(ies)**

Currently, no funding source has been identified to develop a financial arrangement allowing a sustainable funding of a wide range of REDD+ activities.

AFD could support the GoL in designing a REDD+ national fund, fed by different sources:

- traditional international and multilateral support
- voluntary carbon market
- other types of resource (as taxes and levies, emission quotas, etc.) depending on GoL interest for those mechanisms.

	<p>Development of a national fund dedicated to REDD+ requires creating the appropriate infrastructure, institutional and financial frameworks. Different issues have to be studied including the articulation of national REDD+ strategy with voluntary carbon projects. An important effort has first to be done in order to build capacity of GoL in terms of carbon finance.</p> <p>The decisions on the different sources chosen and their respective weight in the REDD+ national fund will be part of the design process.</p>
<b>Relevant stakeholders</b>	
	<p>AFD would have to work in close cooperation with institutions implemented for the national readiness management arrangement. REDD+ Task force, National Environment Committee and REDD+ office will be involved at different stages of decision.</p> <p>As identified in the R-PP, the Ministry of Finance is also a key actor in this process</p>
<b>Relevance for a regional approach</b>	
	<p>A regional fund, supporting commons and priority actions in the Mekong river region, would make the REDD+ mechanism more efficient. However, the political acceptability of such an approach seems to be weak in the current situation. Nevertheless, the model of fund developed in Laos will be reproducible in the neighbouring countries.</p>
<b>Approximate level of funding</b>	
	<p>The level of funding needed to develop the financial arrangements is estimated by the R-PP at 724 000 US\$, spread on the period 2011-2013. For the moment, the entire amount is expected to be provided by the FCPF.</p>

## e. MRV Improvement

### **Stakeholders interest**

While the National Forest Inventory (NFI) has already been designed (by SUFORD) and will be implemented by JICA, many different interviewed stakeholders (both governments and donors representatives) did mention few elements that still lack funding support.

If this issue is mentioned in the R-PP, none of the interviewed person quoted the reporting and verification as a priority to fund. If JICA is deeply involved in monitoring at national level, it does not plan to build the necessary capacity on reporting and verification.

Reporting and verification could be an interesting issue to be funded by the AFD but the interest of the Lao government on this issue has to be confirmed.

### **How important is it for the national strategy**

Lao PDR intends to reach a Tier 3 net emissions' assessment in 3 to 5 years. This implies to develop specific data at sub national level on wood density and to develop allometric equations. Moreover, the 5 pools of carbon are mentioned in the R-PP, including the soil carbon and belowground biomass. The development of expansion factors is thus also needed.

JICA's support to MRV focus on the monitoring of above ground biomass (remote sensing

and NFI implementation).

A MRV system also includes Reporting and Verification. Currently, the monitoring aspect is covered by several activities (PFIM supported by JICA, studies by SUFORD and local monitoring by GTZ). However, the R-PP highlights a gap in capacities for reporting and verification.

For reporting, the differences between current national categories and the categories required by international organizations must be addressed. An FAO/IPCC reporting expert is needed to design the reporting process for Lao PDR. Training for the staff of FIPD is also required. The R-PP proposes to develop national standards and guidelines for verification. Capacity building is therefore required for government, private sector and NGOs.

The institution responsible for the second communication to the UNFCCC is the Water Resources and Environment Administration (WREA), but its capacities on this issue are considered insufficient by the R-PP.

#### ***Funding and participating opportunity(ies)***

Therefore, on monitoring, AFD could :

- develop a new soil laboratory or improve the facilities existing in NAFRI (National Agriculture and Forestry Research Institute).
- organize capacity building on carbon assessment targeting the University of Laos, NAFRI and DOF Forest Inventory and Planning Division (FIPD),
- develop a campaign to collect data on soil carbon, expansion factors, allometric equations, wood density, etc. in the different types of forests in Laos.

Currently, only few activities are conducted in the field of soil carbon stock assessment, by the NAFRI. What has been highlighted by NAFRI is the necessity to build a new laboratory on soil or to improve the existing facilities. For the time being, NAFRI has to send some samplings in Germany for treatment. The need for collecting data on the soil carbon stocks has been quoted by several of the interviewed actors.

Destructive samplings for the development of the required equations and data could take advantage of the forecasted dam constructions.

The monitoring of the other pools (dead wood and litter) should also be supported, but has not been highlighted by the person interviewed.

AFD could support reporting and verification :

- finance a study on the way to adapt the current national forest categories to the reporting categories required by the UNFCCC
- organize capacity building and training at national and sub-national levels on reporting and verification
- define a framework for reporting, including responsibilities, processes, standards and control.
- develop national standards and guidelines for verification

#### ***Relevant stakeholders***

The relevant partners in Laos would be the NAFRI, the National University of Laos (NUoL), and the FIPD. As the JICA will support the implementation of the NFI, a close collaboration will have to be ensured. It is important to underline the fact that any support on carbon



assessment, in the framework of MRV system establishment will have to be envisioned in the framework of JICA work.

French research organizations could be involved in monitoring, as IRD (Institut de Recherche pour le développement) (already present in Laos), INRA (Institut National de la Recherche Agronomique), CIRAD (Centre de coopération Internationale en Recherche Agronomique pour le Développement) or CNRS (Centre National de la Recherche Scientifique) with support from ONFI as coordinator.

Winrock could be a relevant international partner, on reporting and verification. as it already have provided some training sessions on MRV. ONFI could also play a role in this process. In Lao, reporting and verification activities must involve the FIPD and the WREA.

#### ***Relevance for a regional approach***

This activity has a potential of reproducibility. Measurements have to be ecosystem specific and for that reason will have chances to be country specific. That being said, the developed methods will be applicable to other countries in the Mekong region, knowing that surrounding countries are also lacking field data to assess carbon density of land use units. In addition, a Lao based soil laboratory could be used by surrounding countries that are involved in similar measurements.

#### ***Approximate level of funding***

For those activities, the R-PP identifies a need for 120 000 US\$ in 2011 to develop a methodology on soil carbon and 450 000 US\$ for 2011-2013 for capacity building, focusing on soil carbon and aboveground biomass. The needs for the building of a laboratory are not assessed.

Additionally, a need of 180 000 US\$ and 150 000 US\$ on 2011-2013 respectively for reporting and verification has been identified in the R-PP.

## **f. Participation and awareness strengthening**

#### ***Stakeholders interest***

The R-PP pointed the participation of ethnic groups as an important element of the stakeholders participation process.

#### ***How important is it for the national strategy***

The participation of the civil society is a must of all REDD+ strategies. In Lao PDR, where 21% of the national natural forest carbon stock changes are due to shifting cultivation and considering the fact that shifting cultivation is a traditional practice of uplands ethnic groups (the less accessible ones), it is fundamental to find the way to involve them in the consultation and REDD+ strategy development.

#### ***Funding and participating opportunity(ies)***

The dispersion of the population, the language barrier and the absence of written materials in some ethnic group languages are constraints to a full participation and consultation process.

If the R-PP identifies the REDD+ office and its technical working group on Stakeholders Participation and Consultation Plan as relevant institutions to address this issue, solutions are currently lacking to ensure an effective participation process.

Some donors and local institutions implement local participation processes in the framework of their projects. The PA REDD (Participatory Land Use and Management for Reducing Deforestation, supported by the JICA), CliPAD and SUFORD projects developed processes to consult the stakeholders and the Lao Biodiversity Association (LBA) aims to involve rural communities into development activities. However, those activities will not be sufficient to design the Strategic Participation and Consultation Plan.

AFD could be involved on this issue by:

- fund awareness raising, information sharing and participation, mainly at local and provincial level
- fund the design of audio visual and written material in local languages to involve non lao-speaking populations

#### ***Relevant stakeholders***

These activities are to be conducted in close collaboration with the existing projects (including PAREDD and CliPAD). The LBA could be relevant for coordinating the feedback from the projects to the REDD+ office, as LBA is, according to its director, the organisation with the strongest links with the government on this issue.

#### ***Relevance for a regional approach***

This component is a country specific one and besides information sharing, it does not have any regional stake.

#### ***Approximate level of funding***

The budget assessed in the R-PP evaluate at 760 000 US\$ the amount needed for awareness raising, focus groups and consultations to validate the strategy. Some are partially covered by the activities of the CliPAD project (establishment of the technical working group on Stakeholders Participation and Consultation, Information sharing and synthesis of experiences).

FCPF will probably provide 560 000\$ for the participation process but the arrival of the money on the field could be slow. An early French support on this issue could therefore be useful.

### **g. Reference Emissions Level Reinforcement**

#### ***Stakeholders interest***

The treatment of this component in the R-PP, as well as reactions of the contacts questioned on this issue suggest that the REL is not considered as a major issue of the preparation process. Our mission did not allow us to know if this apparent indifference was due to a lack of awareness or not.

#### ***How important is it for the national strategy***

The component 3 of the R-PP, concerning the development of the reference emissions level, is quite unclear on the further improvement brought on the model used.

We learnt in Laos that an international consultant designed and used this model to draft the component. JICA told us the future developments will be carried out by a consultant, maybe the same.

The only activities identified by the R-PP are the analysis of new data, the improvement of the model and the development of provincial models. If the new activities on rates of deforestation and forest degradation will be provided by the Project for Forest Information Management (PFIM), the studies needed to improve the model and develop provincial ones is not described.

However, we think that the development of a reference emissions level would need further studies on the drivers of deforestation and degradation and must imply a broader range of stakeholders, particularly local stakeholders.

#### ***Funding and participating opportunity(ies)***

The aspects funded by AFD could be :

- Strengthening national capacities on the issue of REL
- Strengthening capacities of relevant stakeholders on modelling
- Studies on the evolution of the drivers of deforestation and degradation
- Organization of workshops at provincial level to develop specific REL

#### ***Relevant stakeholders***

This activity could be conducted in collaboration with the PFIM, which will be responsible for providing the data on past deforestation and degradation. Concerning the future evolutions of the drivers, data have to be collected in collaboration with the concerned ministry (MAF, Planning and Investment, Mines and Energy, etc.).

#### ***Relevance for a regional approach***

WWF highlighted the possibility to conduct studies on a regional reference emissions level, which could allow prioritizing action between countries.

#### ***Approximate level of funding***

The total needs identified in the R-PP on this issue is 85 000 US\$ but would probably need to be revised upwards. The R-PP validated by the Participants Committees of the FCPF assessed budgets for REL from 323 000 \$ (Congo Republic) to 3,6 M\$ (Surinam).

## **h. Demonstration activities**

#### ***Stakeholders interest***

Beyond the interest of stakeholders, the funding of new demonstration activities has been presented as the most appropriate way to position a new donor on REDD+ strategy development. Element to identify demonstration activities have been mentioned during the interviews (e.g. type of forest, region, topics to be covered, etc.).

#### ***How important is it for the national strategy***

Developing government registered and donor funded demonstration activities is the approach that has been adopted by the GoL to test and take decisions on different REDD+ schemes.

So far, existing initiatives are expected to cover different types of issues:

- JICA PAREDD project intends to develop alternatives to shifting cultivation in forest (non demarcated, i.e. out of the Conservation, Protection of Production estate, but still in a forested area), in the Luang Prabang Province.
- GTZ/ KfW CiPAD project focuses on biodiversity conservation, improvement of income opportunities for the local population and strengthening of decentralized structures for the planning and implementation of sustainable land use and economic development within

the framework of national park management. The project takes place in Sayaboury, Houaphan and Luang Prabang provinces, in Nam Phui and Nam Et Pou Loy National Protected Areas (North of the country).

- World Bank and Finland cooperation SUFORD project aims to implement Sustainable Forest Management through FSC certification in production forests of Northern Lao.

#### ***Funding and participating opportunity(ies)***

Different issues have been mentioned for which the government is lacking experience feedbacks. Those elements can be considered separately or as one activity characteristics.

Among those issues should be highlighted the development of a demonstration activity that would:

- include the private sector
- take place in a Protection Forest Area
- include a voluntary market approach,
- take place in the South of the country, eventually in trans-boundaries forests,
- Involve some uplands ethnic groups,
- Address the illegal logging driver.

AFD already has a series of agricultural development programs that could in theory be involved in a REDD+ demonstration activity or at least feed the development of a REDD+ strategy. Some additional information would be necessary to better understand the forestry sector stakes of the project areas (forest cover assessment of the area and surrounding, administrative status of the area and eventual surrounding forests, deforestation and degradation threats, etc.) and the possible impact of the project on deforestation/degradation reduction (drivers and agents analysis, potential of deforestation reduction of the activities).

While it seems very important to capitalize on existing AFD activities in Lao PDR, it is possible that it will not be relevant for a REDD+ demonstration activities. Several other activities and initiatives currently under development by private sector, NGOs and multi-governmental agencies could be studied and used as a basis for an AFD REDD+ demonstration activity:

- WWF regional project on REDD+, conservation, FSC certification and illegal wood trading on transboundaries forests. This project is under process of registration to the GoL (several project, mostly in the South of the country).
- GRET project on bamboo sector that enables to reduce pressures on standing forest and avoid conversion (additional studies are necessary to assess the REDD+ potential of this project). This project is in the North of the country and has been submitted to EU financing support.
- UNDP/UNEP showed lot of interests in developing a REDD+ demonstration activity, similar to what is developed in the CliPAD project, in a conservation area, but nothing is yet started.

It is also possible to join an existing project funded by a donor or to develop a new but joined activity with one of the well implemented donor. GTZ reminded us that GTZ and AFD have already and successfully been involved in projects together. A collaboration that would therefore be possible and welcomed for future activities.

#### ***Relevant stakeholders***

Beyond the stakeholders that would be involved in the project itself, it is important to work in close collaboration with DoF (to whom the project will be registered as a demonstration activity) and other governmental entities.

It is also important for this type of activities to be included in the national strategy and to keep good cooperation with other donors (i.e. to avoid overlapping both in terms of geographical interests and covered issues)

***Relevance for a regional approach***

Depending on the demonstration activity that could be developed, some regional stakes could be covered. This is particularly true for:

- an activity that would take place in Protection Forest Areas. Indeed, most of those forest have been identified as a watershed conservation areas, along the Mekong basin. Those forests particularly interest the Mekong River Commission and could therefore be contextualized in the regional initiative.
- An activity that would be developed in partnership with WWF regional Great Mekong Programme.
- An activity that would try to tackle illegal logging issues in trans-boundaries area.

***Approximate level of funding***

The approximate level of funding needed to develop a demonstration activity is not possible before the activity itself has been identified and defined.

In parallel to those six opportunities, should be highlighted the fact that all the government representatives mentioned the need for capacity building on REDD+, whether technical or general. It has also been mentioned by the University of Lao and NAFRI representatives.

## General information

The R-PP has been elaborated under coordination of the REDD+ Task Force, mainly composed by members of the Department of Forests (DoF) of the Ministry of Agriculture and forest (MAF) and supported by four independent consultants. The process has been supported by the JICA, the Sustainable Forestry and Rural Development program (SUFORD) of World Bank and Finland, and the Finnish and Swedish cooperation agencies (FINNIDA and SIDA).

The R-PP has been submitted to the FCPF and received first comments from the Technical Advisory Panel (TAP).

## Component 1 – Organize and Consult

### 1a - National Readiness Management Arrangements

REDD+ readiness is under the responsibility of MAF. REDD+ Task Force has been created for this purpose and is the main instrument for managing REDD+ activities. It is chaired by the Director-General of DoF, Silavanh Sawathvong and composed by 12 members of the government, mainly from MAF. REDD+ Task Force is supported by international donors (JICA, World Bank, GTZ, FINNIDA).

The R-PP proposes to extend the institutional framework to new stakeholders. It foresees the creation of a National Environmental Committee (NEC), chaired by the Deputy Prime Minister and the members of which are at Minister or Vice-minister level. The NEC's role is to establish a cross-sectoral coordination. Thus, it will include new sectors, as the National land Management Authority (NLMA). The Task Force will also be broadened to other stakeholders (Finance, Planning and Investment, Mines and Energy and department of Forest Inspection (DOFI).

REDD+ Task Force will be supported by a new Office with full-time staff, which will ensure notably the management of the readiness process, the coordination and monitoring of REDD+ activities and projects, the monitoring of international negotiations and support for Lao PDR delegates, the organization of consultations and implementation of the Stakeholders Participation and Consultation Plan (SPCP), the preparation of a draft regulation for submission to the REDD+ Task Force and NEC, the preparation of proposals on the management and distribution of REDD+ funding, the development of a carbon registry and the redaction of technical and progress reports.

Similar offices will be created in provinces where REDD+ pilot activities will be implemented for readiness. The REDD+ office will establish technical working groups on some REDD+ items (MRV, reference emissions level, consultation, carbon registry, planning, strategies, etc.).

### 1b - Consultation and Participation

Participation and consultation process in Lao PDR faces some difficulties due to the dispersion of the population, the language barrier, the absence of written materials in some ethnic groups' language. 49 different ethnic groups are recognized in Lao PDR.

A dedicated working group on Stakeholders Participation and Consultation Plan (SPCP) will support REDD+ office and Task Force to design and implement the SPCP, the framework for stakeholders to learn about and provide inputs for the R-PP implementation. The REDD Task Force will ensure that SPCP is followed and implemented at community, district, regional and national levels and target the

government (with sectoral linkages), the private sector, the civil society, the local communities (mass organization with mandate and Village Forest Organizations) and development partners.

The government foresees to use existing tools and existing consultation and participation achievements and structures and civil society platforms for consultation. Coordination will be supported with other land-use consultation processes (PLUP, adaptation, etc.). The need for strengthening coordination within the Forestry Department and across sectors is highlighted.

Awareness increasing will focus on basic information on REDD+ (from explanations on the CO<sub>2</sub> cycle to the issues concerning the negotiations and ways to be involved in REDD+). Information sharing and consultation will concern land use rights and land tenure systems, forest governance, benefit sharing and distribution systems, MRV, reference emissions level, potential REDD+ projects and activities. At early stage of the process, understanding and strengthened capacities on REDD+ and its relationship with UNFCCC and the national consultation processes by the NEC and REDD office will be ensured.

The SPCP will include Social and Environmental Impact Assessments (SEIA) and application of World Bank safeguards. The consultation process will be monitored and evaluated based on a mechanism to be developed by the REDD+ office, including indicators on the effectiveness of the consultation.

The consultation process is composed of three steps: (i) awareness raising on REDD+ and analysis of existing expert knowledge ensure that REDD+ strategies are appropriate and effective (ii) testing activities requiring awareness raising concerning the national strategy, consultations on specific aspects, review and update on pilot projects and consultation on lessons learned from pilot projects to be fed into the development of a REDD+ strategy and (iii) the validation step for the REDD+ plan, built on further consultation.

## Component 2 – Prepare the REDD+ Strategy

### 2a – Assessment of Land Use, Forest Policy and Governance

Historical forest cover assessment for 1992-2002 reveals a 1,4% annual loss of forest cover (134'000ha/year). There is no available data for a more recent period<sup>2</sup>, but the assumption has been made that the same trend continued until today. Conversion of stocked-forest (crown closure >20%) is legally impossible except under specific conditions (infrastructure development and hydropower dams) and with special authorisation from the national assembly. That being said, an important surface has been converted partly due to the fact that concessions are usually issued based on unclear maps with no indication on forest cover.

Tenure rights are defined by the 2007 Forest Law. All forests are owned by the national community and managed by the State. Customary utilization of forest (use of timber and harvest of forest products for household utilization) is recognized and user rights can be granted by State provided it does answer specific criteria. Forest tenure depends on the forest definition which is sometimes unclear. There is a wide range of forest resource tenure rights.

The 2020 forest strategy underlines 4 priorities: food security, commercialization of agriculture, stabilisation of shifting cultivation and sustainable forest management.

One of the achievements of this strategy was the creation of National Conservation Forests (among which the national parks) and Production Forest Areas (where there is sustainable management

---

<sup>2</sup> Data are analysed every 10 years (1982-1992-2002), but in the framework of REDD+, SUFORD funded the analysis for 2010. The JICA will carry out this analysis for the future periods, every five years. (Dr. Silanvanh, DG DoF, personal communication – 28/09/2010 )



practices and certified wood exploitation – FSC). Protection Forest Areas have just been adopted by Prime Minister Decree (July 2010) and concerns watershed conservation, especially in the context of hydropower dams development.<sup>3</sup>

While laws and decrees provide a good legal framework, there is a huge concern on the enforcement of those laws and decrees. MaF recently created the Department of Forest Inspection (DOFI) in order to deal with this enforcement issue but available resources are not sufficient and advancements are limited.<sup>4</sup> Law enforcement are problematic in the context of inconsistency between national and sub-national decisions (provincial and districts). Beyond conversion and despite well started certification process, the lack of governance mainly concerns illegal logging. The country has recently been approached by the EU regarding the FLEGT process and it has been proposed that the process of negotiating a VPA should be begun.

A study realised in 2010 by FSIP identified 9 different drivers of deforestation and degradation<sup>5</sup> : fires, unsustainable wood extraction, pioneering shifting cultivation, agricultural expansion, industrial tree plantation, mining, hydropower, infrastructure development and urban expansion).

Forest degradation is mainly due to unsustainable wood extraction which results from illegal logging and lack of regulation in terms of extraction for household use. Shifting cultivation is also considered as a degradation driver but could sometimes conduct to deforestation.

While quotas have substantially been reduced since 2001, illegal logging increased in the last years. The tenure pressure is increasing and fallow periods are reduced. The three types of agricultural expansion and commercial plantation (mid to big concessions on state lands, small investments and household activities on private lands) became the major deforestation causes in the last years. A moratorium has been signed in 2007 on large concessions which results in a reduction on concession. Drivers' analysis showed that the lack of control and resources (including at provincial level) is a direct cause of deforestation. The lack of land use planning also causes deforestation. GTZ (CliPAD) and JICA (PAREDD) projects will support the implementation of land use planning on their project zones. Information and feedbacks on those projects will feed the national strategy on this.

The REL has been developed in order to estimate the 2011-2015 emissions per driver and based on the assumption that 3% of the converted forest cover is highly dense forest (crown enclosure >70%), 25% is medium dense forest (crown closure between 40 and 70%) and 11,5% is low dense forest (crown closure between 40 and 20%).<sup>6</sup> Degradation is the main source of emissions for 2011-2015 (49,83%), followed by shifting cultivation (21,25%) and conversion (concessions, smallholder cash crops, hydropower, mining, infrastructure – 19,82%).

Past efforts to reduce deforestation are mainly:

- The creation of the National Land Management Authority under direct authority of the Prime Minister (in charge of LUP at national and provincial scale and support to districts and villages ones) which main achievement was the PLUP manual dedicated to village authorities. One limitation with regard to REDD+ is that there is as yet no reference in the manual to the need to assess carbon stocks and take them into account when establishing LUP.<sup>7</sup>
- The limitation of harvesting of logs to production forest in accordance with an approved sustainable management plan, with the exception of special cases where land must be cleared for infrastructure projects. Any other harvesting is considered as illegal.

---

<sup>3</sup> 8,3 M ha are planned. Currently, 4M ha have been identified but not demarcated.

<sup>4</sup> Currently, only 500kUSD have been provided by the WB for training (Mr Oupakhone, personal communication).

<sup>5</sup> NB : conversion for shifting cultivation is considered as degradation, because of the recolonization by the forest.

<sup>6</sup> Under a 20% of crown enclosure, the land isn't considered as forest.

<sup>7</sup> Which could have a negative environmental impact on low carbon dens but high conservation value areas.

- Identification and demarcation of 3 forest categories (Protection Forest, Conservation Forest and Production Forest) that are still under process.

## **2b – REDD+ Strategy Options**

The government choose a hybrid approach for REDD+ implementation that aims to attract fund-based credits, while accessing the compliance market in due course, when international protocols have been agreed and at the same time allow participation in the voluntary market.

Around half of the emissions from LULUCF are mainly under the control of forest authorities while reduction of others requires the involvement of external departments, ministries and stakeholders. Part of the strategy must be the early implementation of measures to increase sequestration in the future.

### *Deforestation:*

The strategy to reduce deforestation is based on the improvement of law enforcement and concessions agreements; establishment of a fiscal policy option (imposition of a tax or levy on forest land that reflected the value of the carbon stocks that are destroyed); field based activities in the 3 different forest management types to tackle the various drivers.

- Establishing regulatory framework for carbon-sensitive mining and hydropower development through the improvement of planning solutions (inclusion of carbon density as a decision factor) and development of a fiscal policy option. A study will be conducted to assess the carbon footprint of selected mining and hydropower projects to determine the costs of actions required to reduce emissions and investigate the possibility of legislating for the developer to compensate or pay for emissions of CO<sub>2</sub> and methane resulting from their operation.
- Improving land-use planning and incorporating carbon stocks into an assessment of land values – There are a number of on-going projects that are involved in land-use planning at different levels and in different parts of the country. Assessment of forest quality and carbon stocks will be added to their work in villages, districts and province and pilot the planning work needed and assess the reduction in emissions achieved. GTZ funded LMRP, ADB funded SRNMPEP, Finland funded ISP. Proposed activity is to provide additional funding to one or more of these projects to incorporate the necessary additional work into the planning process to take carbon into account in the LUP process.
- Reducing deforestation and promoting forest protection, regeneration and restoration by smallholders – An emission reduction plan will be developed as part of the community forest management plan and areas with high carbon stocks will be identified for protection which will trigger some REDD+ payments. Other areas of degraded forest that are not needed for agriculture will be identified and designated for rehabilitation and natural regeneration for REDD+ funding. DAFOs will assess the scope for increasing agricultural productivity through improved cultural techniques, increased inputs and better extension services as an alternative to clearing more forest. Activities in support of this option are already being piloted in Conservation Forest by GTZ/KfW and former shifting cultivation areas by JICA (PA REDD). Additional activities will need to be piloted in other forest management types and in other-regions of the country (only the north is covered), through cooperation with other on-going or planned donor supported projects, in selected villages (see the RPP for selection criteria).

### *Forest degradation:*

The strategy will address both the avoidance of further degradation of forests - focusing on reduction of forest harvesting (closely linked to the demand for timber both nationally and regionally) and shifting cultivation – and the regeneration and restoration of degraded areas.

Activities to reduce and improve forest harvesting:

- Sustainable Forest Management – The SUFORD project enabled to FSC certified about 14% of the Production forest. The experience from SUFORD is that the introduction of SFM results in a reduction of emissions as a result of forest boundaries delineation and participation of local communities in protection of the forest. Efforts to minimise the residues and collateral damage to standing trees will also have a positive impact on reducing emissions and will be tested and evaluated to assess the potential reductions. The strategy is to extend the SFM to all Production Forest.
- Improved law enforcement – DOF and DOFI need to improve detection of illegal logging and enforcement of the Law. The REDD+ strategic options for dealing with illegal logging will be undertaken in support of DOFI’s new five years plan for 2011-2015. The first approach is to enforce the Forest Law requirements regarding harvesting machinery registration. Registration of harvesting machinery should be enforced in at least one district in order to assess the success or not of the measure. A baseline will be established in the selected district including the collateral damage done by illegal logging practices.
- Analyzing and monitoring wood consumption – A second approach is to obtain reliable measure of the scale of the problem and better estimates of the domestic demand and imports and exports of wood products (a measure of the total consumption of wood that can be compared with the officially sanctioned harvest production under SFM and special licenses. Cooperation will be needed from the MOIC and Customs Department of MOF to tackle the demand side.
- Surveillance – A third approach is monitoring and surveillance of forests areas to spot illegal logging which is extremely difficult due to the area to be covered and the poor access conditions. Strengthening DOFI’s capacity for surveillance, including investigation on technologies, represents the main strategy. This will be combined with law enforcement and equipment registration in the same district, as trial activities.

#### Activities to reduce shifting cultivation:

- Improved extension to ethnic group communities on agroforestry – The idea is to decrease dependency of ethnic communities on upland rice production and diversify crops and NTFP through the use of agroforestry systems. There is some existing projects that could be used as models and extent to other ethnic groups. NAFRI and NAFES will be engaged in discussions of agroforestry based livelihood systems that same as or similar to those developed by the previously mentioned project. The potential emissions reductions will be determined by the emission reduction plan produced as part of the enhanced PLUP.
- Private sector support for agroforestry and improved livelihoods and rehabilitation/ restoration – There is a previous experience of a multi-national company that successfully developed a plantation model using PLUP and an agroforestry system that allows local farmers to cultivate between trees planted in rows at 10m spacing. Developing a case study of this type could provide a valuable model for tackling shifting cultivation.
- Research and development of improved livelihood systems as alternative to shifting cultivation – A NAFRI project enabled to test 18 agroforestry technologies as alternatives to shifting cultivation. Many of these were at preliminary stage and most contained little quantitative information on costs, yields and returns. Follow-up researches are needed.
- Carbon sequestration through forest regeneration and reforestation – During the readiness phase, some pilot work will be undertaken in restoration of forests in different states of degradation. REDD+ Office will review all the existing and planned initiatives and determine whether there are important gaps in the coverage, for example, regionally or in forest management types, that need to be filled with additional funding to build comprehensive experience for the future. Pilot initiatives will be undertaken in highly threatened and illegally logged areas and with a lot of shifting cultivation. It is important in the context of the RPP implementation that lessons and experiences generated through the different REDD+ pilot initiatives will be capitalized, documented,

appropriately stored and made accessible. Where the activities are supported by donor projects it is anticipated that capacity building will be part of the package. The risks should be taken into account, including the risk that funds will not reach the intended beneficiaries.

## **2c - REDD+ Implementation Framework**

The three main instruments that government will use for REDD+ implementation are institutions, fiscal measures and the regulatory framework.

- Institutional arrangements (section 1a) will be established early in the Readiness phase and the effectiveness of the arrangements will be tested over the next 2-3 years. At the sub-national and local level, it will take longer time and will start with provinces where demonstration activities are developed.
- A new and special REDD+ regulation will provide clarity related to key REDD+ issues, in particular ownership of carbon rights, the obligation to compensate government for carbon stocks that are destroyed, the benefit sharing system, financial management and distribution mechanism, demonstration activities, etc. In addition, the institutional arrangements will have to be legalized including the roles and responsibilities among government authorities and other involved stakeholders.
- The REDD+ readiness phase will be used to establish appropriate financial management arrangements that can deal with the multiple funding sources (in the context of nested approach) and ensure that funds get to the intended beneficiaries. The possibility of establishing a new and special REDD+ fund (based on precedent and operational funds in La) will be examined and discussed with the ministry of finance. Further analytical and design work, as well as stakeholder consultation is required to cope with the disbursement of REDD+ benefits to sub-national and local level and ensure accessibility by rural communities while also taking the international requirements and expectations into account. There is an urgent need to coordinate uses of various funds for implementation of R-PP (government, bilateral, multi-lateral, etc.)
- During the Readiness Phase, various simple benefit sharing arrangements can be tested, but eventually a more complex system will need to be designed and legalised based on gained experiences.
- Three main carbon right beneficiaries were identified during the first RPP stakeholder consultation workshop, which include communities, government agencies at national and sub-national level, as well as private sector and NGOs. Planned measures and activities and further will contribute to develop a preliminary BSS to be applied at pilot scale in selected locations where different stakeholders are involved.
- During the readiness phase, a REDD+ clearing house mechanism will be established under the REDD+ Office. The host of this clearing house will be DOF/MAF to be linked gradually with relevant data bases of MAF's line agencies. A REDD+ registry/portal will be established initially in close cooperation with the University of Bern. In a long term perspective, a carbon registry should be established adapted to the nested approach. Before that and for a defined interim period, crediting sub-national activities outside of the national accounting framework will take place. Indicators such as land use/ forest cover change can be used to verify success r REDD+ interventions.
- To meet needs of all agencies and individuals required to create a comprehensive REDD+ program, capacity building measures will be adopted.

## **2d – Social and Environmental Impacts**

Pilot activities on REDD+ will either be independently donor funded and managed projects designed specifically to pilot REDD+ for which the social and environmental safeguards will be the responsibility of the donor concerned. SEIA will be undertaken for each pilot activity prior to

implementation to assess possible social and environmental impacts of additional REDD+ activities that will be included in existing projects. An environmental and social management framework (ESMF) will be developed. The social impact assessment will give special consideration to ethnic groups and other local communities' livelihoods, rights, governance, vulnerability, gender concerns and capacity building. WB safeguards in terms of social and environmental impacts will be applied. A strong SEIA analysis will be needed to feed the upstream policy-making process. Initial largely desk-based diagnostic analysis will be done during the RPP preparation phase. Pilots will be carried out during implementation.

GOL, the REDD+ Task Force and the National Environment Committee will have overall but differential role and responsibility to facilitate the SEIA process. SEIA facilitators will come from government, university, NGO and civil society organizations supported by national and international technical assistance.

SEIA monitoring will be done in two stages: theoretical establishment (baseline scenarios, etc.) and on-the-ground implementation.

### **Component 3 – Develop a Reference Scenario**

A reference emissions level (REL) have been modelled for Lao PDR, based on forests cover assessments for 1982, 1992 and 2002 and on the national forest inventory 1992-1999. The different methodologies used for the assessments led to an important uncertainty on the historical rate of deforestation, estimated from 0,5% to 1,4% a year. The value of 0,8% was chosen to develop the REL model. Degradation is estimated to be 1,12% a year.

The Program for Forestry Information Management (PFIM), supported by JICA, will provide improved data for 1990, 2000, 2005 and 2011 as well as extensive infrastructure and capacity building during 2010-2012.

The R-PP presents two types of REL: one level built as the projection of past emissions trends and one factoring in national development objectives, influencing plantations, shifting cultivation and land use conversion. The model shows a decline in emissions due to the reduction of the remaining growing stock. A sensitivity analysis of the emissions to some variables allowed identifying the medium density forests (40%-70% of cover) as the ones to be protected in priority.

The reference emissions level will be improved by the analysis of latest data for forest cover and carbon stock change and drivers of deforestation and forest degradation, as well as the improvement of the model itself, after the data for 2010 are available. REL models at provincial levels should be developed.

The REL model has been developed by an international consultant. According to our interviews, the improvement of the REL and the development of provincial REL will also be conduct by a consultant.

### **Component 4 – Monitoring, Reporting and Verification**

#### **4a - Emissions and removals**

Lao PDR has the ambition to monitor all emissions and removals from forest land. Currently, assessments of emissions are done at Tier 1 but Lao targets a Tier 3 in 3 to 5 years. Some data suitable for Tier 2 are already available and the production of specific emissions and removal factors for Lao PDR is a priority. Lao PDR also plan to monitor the 5 forest carbon pools at the appropriate level of detail.

According to the submitted definition of forest, the minimal forest cover is 20%, the minimal area 0.5 ha and the minimal tree high is 5m. Bamboo and palm trees are excluded. The need for a study on the impact of the definition of the forest for Lao is highlighted.

The R-PP also highlights the need for training on accounting and reporting for the CCO/WREA, the DoF and national consultants, based on the IPCC and GOF-C-GOLD guidelines.

#### *Forest cover assessment*

The document identifies a lack of recent forest cover assessment at national level. However, JICA-supported Program for Forest Information Management (PFIM) will prepare for 2010 a nationwide forest cover map, using ALOS, SPOT-5 and Rapideyes images, and a field survey collecting basic information on species, diameters height and density. Forest cover maps for 1990 and 2000 and 2005 will also be created.

SUFORD project supported the training of staff from the Forest Inventory and Planning Division of the DoF. Gaps remain in detection approaches, specific applications of Erdas software (image processing), the use of Very High Resolution images, ALOS and ALS data and biomass assessments, modelling and calculation.

The PFIM will build capacity in the fields of remote sensing, GIS, database management, base-map development and forest inventory survey (collection and analysis). It will also construct a forest Resource Information Center which will also include a database system and the procurement of hardware.

#### *National Forest Inventory*

A NFI have been realised in 1991-1999. SUFORD funded a design study for a new NFI, which have not been funded yet. The implementation of this NFI would require few training at national level but funding at provincial level for vehicles and equipment as well as staff training.

#### *Integrated Forest Information System*

A provisional Forest Inventory Database System has been developed by SUFORD for the Forest Inventory and Planning Division, combining NFI, Forest Information Management Program and GIS databases. The FIDS has to be improved and personnel need to be trained to its use.

For this purpose, Japan may develop a Forest Information Network, integrating several databases, expanding FIMP to conservation forest and protection forest, developing forest management system at provincial level, developing a network system between DoF and FIDS and procuring the necessary hardware, software and training.

#### *Fire Monitoring*

Daily fire assessment in the Great Mekong Region is obtained through MODIS by Asian Institute of Technology. The data will be integrated in the MRV system. GTZ also studies the feasibility of a fire monitoring system based on the Fire Information for Resource management System, integrating remote sensing and GIS technologies.

#### *Carbon Stock Change Assessment*

Data from terrestrial measurement are needed to derive at local emissions factors. For this purpose, a system of permanent sample plots in the 17 provinces must be set-up by FIPD or NAFRI, if not included in the NFI.

Further studies are necessary to collect volume equations, dry weight conversion factors, biomass expansion factors, root-shoots ratio and carbon conversion factors. Destructive sampling must be used for the development of allometric functions. A vegetation classification is also needed. The R-PP identifies NAFRI and the National University of Laos as relevant partners for these studies.

Soil carbon studies are currently insufficient and have to be pursued. The creation of a laboratory at NAFRI/NUoL would avoid the sending of samplings abroad. The collection of information on the soil could be integrated into the NFI.

Capacity building and training are necessary on carbon monitoring, modelling, derivation and use of emission factors. Complementary measures will be conducted for DoF, Nafri and NUoL staff.

#### *Pilots Studies on REDD+ Monitoring Methodologies*

Some studies have been carried out on the available methodologies for MRV in Lao PDR. Conclusions advocate for the combination of remote sensing and ground trusting. The assessment of existing pilot projects and promotion of new experiences, particularly on forest degradation, will be an important task for the REDD+ office.

#### *Multi-country, Regional Monitoring*

The R-PP highlights the need for a study on the relevance of a regional approach for MRV.

#### *Sub-national Monitoring*

As Lao PDR supports the nested approach, it suggests a consultancy which devises a mechanism to link the national monitoring system with sub-national and project-type monitoring systems and prescribes the necessary systems, design, methodologies and parameters.

Therefore, capacities at local level have to be strengthened. Some ongoing activities already exist: SUFORD (preparing baselines for production forests), RECOFTC (training on REDD+ at provincial level), PAREDD, ADB BCI and GTZ/KfW (technical assistance and capacity building to provinces and districts). However, additional support is needed.

The Lao PDR plans to work with local population to assess carbon, but has only limited experience. SUFORD is paying local people for doing forests inventories in state-owned production forests.

#### *Carbon Registry*

The design of the carbon registry has to be prepared, on technical aspects as well as on institutional arrangements. Capacity building and training on this issue is needed.

#### *Reporting*

For reporting, the differences between current national categories and the categories required by international organizations must be addressed. An FAO/IPCC reporting expert is needed to design the reporting process for Lao PDR. Training for the staff of FIPD is also required.

#### *Verification*

The R-PP proposes to develop national standards and guidelines for verification. The private sector, accreditation bodies, academia and NGOs will be encouraged to provide verification and certification services. Initially, those services could be offered by international firms but national capacities need to be set-up in the long run. Capacity building is therefore required for government, private sector and NGOs.

### **4b - Other benefits and impacts**

#### *Monitoring of Governance*

The REDD+ office shall develop country-specific indicators for the governance parameters and principles (which could integrate those developed for the forest strategy 2020) based on consultation and to be used for MRV of the governance.

A baseline survey of pertinent governance factors will be carried, involving government agencies and institutes, NGOs, local communities and the private sector. Annual monitoring exercises will be conducted.

#### *Monitoring of Social and Environmental Safeguards*

The Lao PDR will use the REDD+ Social & Environmental Standards established by CBBA and CARE. These standards require the development of country specific indicators, which will be developed in



the first year of the R-PP implementation, in cooperation with NGOs, local communities' representative and the private sector.

#### Component 5 – Schedule and Budget

A budget has been consolidated for the readiness implementation and provided in the R-PP. It is currently under review process as most of the TAP comments concerned the lack of clarity of this budget. The budget covers the 4 implementation years (from 2010 to 2013) and mentions the support of existing demonstration activities (SUFORD, PA REDD and CliPAD) to specific components' features, without detailing the remaining part of those budget lines that still need to be covered by additional support (including FCPF).

The total budget is 23'177'000 over the 4 years.

The budget mentions 16,3M USD of JICA support; 4,8M USD of GTZ support and 5,1M USD of KfW support and 11,5M USD from World Bank and Government of Finland through the SUFORD project. Approximate 3,4M USD are expected from FCPF to cover the implementation and 19,5M USD from FIP. The government will cover 10% of funds, including staff costs under institutional arrangements.

The budget remains very unclear on the part of those funding that covers the R-PP implementation, part that covers other but linked activities (e.g. FSC certification through SUFORD) and R-PP components that still need support.

In the budget, the activities that appeared with a total lack of funding in the budget (but that could be funded by FCPF and the government) are:

- REDD Office (little participation from CliPAD for staff training and consultation workshops, but focusing in their project area and fields) – 1,7M USD
- Validation (consultation) – 200'000 USD that are expected to be covered by the FCPF
- Updating emissions forecasts – 60'000 USD that are expected to be covered by the FCPF
- Monitoring of mining and Hydropower – 100'000 USD
- Illegal logging reduction – 585'000 USD
- Social and Environmental Impact Assessment – 660'000 USD
- National REL setting (with a little participation from CliPAD to establish a provincial REL for their project) – 85'000 USD
- National GHG Reporting on LULUCF – 480'000 USD
- Carbon Stock Assessment – 1,6M USD (but after interviewing stakeholders in Vientiane, it appeared that JICA will support and implement the NFI designed by SUFORD. A priori, remains the soil carbon analysis and the capacity building)
- Carbon registry – 460'000 USD
- Reporting – 180'000 USD
- Verification – 180'000 USD
- Monitoring of governance – 350'000 USD
- Monitoring of social and environmental safeguards – 350'000 USD
- Monitoring of illegal logging – 250'000 USD

**Dr Phouang Parisak Pravongviengkham**

Director General of DOP - MAF  
pppravongviengkham@yahoo.com  
+(856-21) 415 359

Dr Parisak talked about the demand historic, the REDD+ context in Lao (submission of the R-PP, Forest Strategy 2020, etc.). He facilitated several meetings with other stakeholders.

**Majella Clarke**

REDD Advisor  
SUFORD Project - WB/MFA Finland  
[majella.clarke@gmail.com](mailto:majella.clarke@gmail.com)  
+(856-2) 555 99 490

Understanding the purpose of our visit, Majella directly mentioned the issues that are lacking funding and support from donors.

- The main issue was law enforcement, especially direct support to the newly created DOFI. She mentioned and provided a DOFI Capacity Assessment done by SUFORD in 2009.
- The second issue was the soil carbon stock assessment that could be done in partnership with NAFRI.
- About the regional approach, she mentioned the ADB initiative that should be funded through FIP (with sceptic comments on the time when FIP money will be available). She mentioned initiatives from RECOFTC (training on REDD in the region), IGES (information sharing), ASEAN workshop funded by GTZ.
- Majella mentioned different other things: gender and ethnic issues for consultation process, land tenure issue, the linear trend model developed for the REL that should be a RL, Winrock involvement on REL and MRV (Erin Sails), NFI designed by SUFORD and planned to be implemented by JICA.

**Dr Oupakhone Alounsavath**

Director for Planning Division - DOF/MAF  
dofadm@gmail.com  
+(856-21) 460 294 ; +(856 20) 222 9393

Dr Oupakhone talked about the hybrid or nested approach adopted by GOL. National strategy is expected to be developed based on feedbacks and experiences gained through demonstration activities. The donors involved in the R-PP developed field activities focusing on different REDD+ components, different regions, forest management types and/or deforestation/degradation drivers. He mentioned the CliPAD project (GTZ/KfW) in the North, focusing on benefit sharing and financial systems in conservation areas (Protected areas). The PAREDD project is funded by JICA and focuses on alternatives to shifting cultivation in the North and in forest areas outside the forest estate demarcation but including a small part of protection forest areas. The SUFORD project focuses on SFM implementation in production forest. He said that so far, 6 provinces (on the 17 ones) have projects. He underlined few issues and topics with funding gaps:

- Capacity building at different level (including REDD+ awareness strengthening in MAF/DOF)
- The scale articulation issue (national, sub-national (provincial and district) and project).
- The absence of demonstration activity in Protection Forest Areas
- Law enforcement

- Rehabilitation, regeneration, etc.

He mentioned the good relations between different donors but the lack of synergies and coordination between the different initiatives.

**Dr Silavanh Sawathvong**

Director General of DoF/MAF

sawathvong@yahoo.com

+(856-21) 222 534 ; +(856-20) 5503 2222

Dr Silavanh told us the RPP has been submitted and first comments from TAP have been received (but are not yet official).

He talked about the Protection Forest Area which have been adopted by PM decree in July 2010 and are focusing on watershed conservation, especially in the context of hydropower plants development. There is no REDD initiative in those forest while the regional stakes are very high. Some regions of the country are also lacking funding support, including the dry dipterocarpus forest in the South (with low carbon density but high conservation value). He mentioned the lack of initiatives in the central and south regions and in transbordering forests. He also mentioned the importance of enforcement and reinforcement of restoration after mining activities through ANR, regeneration, reforestation, etc.

He suggested that it could be interesting to work on demonstration activities that would include the private sector and/or that would start thinking on voluntary market scheme. About this, he mentioned a French investor who is working in Namkan protected area in the North and developed "gibbon activities" as ecotourism and is very interested in conservation and stop shifting cultivation practices. He seems to be interested in REDD+ mechanism. In the same time, Silavanh mentioned the risk of carbon consultancy companies that act as "carbon cowboys".

Silavanh talked about production and conservation forest which are well managed and implemented in comparison with protection forests.

He mentioned as one of the most important issue the lack of capacity building. While some donors include capacity building in their initiatives, this capacity building is not "real and really done and implemented". Silavanh showed concerns about the capacity of Lao to stand by themselves in the framework of punctual training and permanent technical assistance. He mentioned the importance of strengthening government on the articulation between national strategy and carbon finance (including voluntary carbon markets), on the access to carbon finance. This should include the articulation between scales and the need of access of communities to the carbon benefits. The ministry of Finance should be included and reinforces to better understand the REDD+ context.

About the regional approach, he talked about the Great Mekong SubRegion initiative funded by Netherlands through ADB and focusing on conservation. GMSR is starting to talk about REDD, reminding that China and Myanmar are not active participant to Mekong regional committees or initiatives (e.g. Mekong River Commission, GMSR, etc.) A workshop on carbon finance and country access to it could be

interesting for the whole region.

**Bruno Cammaert**

Head of Environment Unit – UNDP & UNEP  
bruno.cammaert@undp.org  
+(856-21) 267 777 ; +(856-20) 5551 5876

BC said that so far UN-REDD are not represented in Lao which is a FCPF country. They could be interested, especially to support specific capacity building initiatives, but would need a formal request from the government for that. So far, UNEP/UNDP has not had any REDD activity but some activities or planned activities could be linked to REDD. BC showed an interested in developing REDD demonstration activities in one of the Lao Protected Areas (Conservation Forests) with direct support to the national protected areas management team through REDD finance. The project should be very similar to the GTZ/KfW project that is developed in Nam Et Pou Loy and Nam Phu. BC mentioned a project proposal that has been submitted to GEF and showed interest in a possible cooperation between AFD, UNEP/UNDP, GEF that could be submitted to the GOL as a REDD demonstration activity.

**Georg Buchholz**

Principal Advisor  
Climate Protection through Avoided  
Deforestation (CliPAD) – GTZ  
georg.buchholz@gtz.de  
+(856-21)254 082 ; +(856-20) 5552 8625

GB detailed the CliPAD project and initiative in the Protected Areas in the North of the country (see project summary) and explained how it covers part of the RPP components (e.g. the CliPAD project supports capacity building but focusing on the project region). He mentioned the fact that there is many other initiatives to develop in the country that could feed the national strategy. Donors are working together in a very communicative and cooperative environment. He mentioned the Forest sub-working group and the Task Force. Participating to those forum and discussions, a new donor should avoid double support and identify relevant topics and issues that lack support. About the regional approach, he was questioning the real willingness of countries to be part of a regional approach and reminded that the process is hard enough at national scale. He reminds that GTZ and AFD used to work together on Agricultural Development Projects and that a new cooperation would be possible and very welcomed.

**Dr Khamla Phanvilay**

Vice Dean for Academic Affairs  
Faculty of Forestry - National University of  
Laos  
klphanvilau@hotmail.com  
+(856-21) 770 097 ; +(856-20) 99650686

The main topic that has been mentioned is the lack of capacity building in a long term perspective. So far, NUL has not been involved in the REDD+ process (except through a representative) while most of the MAF/DOF staff are trained and are graduated from the Faculty of Forestry. FoF has an MoU signed with NAFRI but has not been involved in the JICA/SIDA initiative on MRV and REL. Training is on demand and for specific projects. It usually concerns existing staff but there is no anticipation of the future need of trained staff and specialist on REDD+ in the coming years, for RPP implementation and after. The human resources are here but have limited capacities. The training and capacity building on REDD and specific issues (technical issues, benefit sharing, carbon tenure, etc.) is particularly important at provincial level.

**Sithong Thongmanivong**

REDD+ Task Force Member

Faculty of Forestry- National University of  
Laos  
+(856-20) 5630 4255

**Noriyoshi Kitamura**

Chief Advisor

Forestry Strategy 2020 Implementation  
Promotion Project (FSIP) – JICA / SIDA  
noriyoshi.kitamura@gmail.com  
+(856-21) 219 512 ; +(856-20) 5551 7330

**Tadashi Kotani**

Representative Agriculture and Rural  
Development Department – JICA  
kotani.tadashi@jica.go.jp  
+(856-21) 219 512 ; +(856-20) 5551 7851

**Viengsavanh Sisombath**

Program Officer – JICA  
viengsavanh.sisombath@jic.go.jp  
+(856-21) 241 100

**Stefan Lock**

Head of Cooperation  
Delegation of the European Union to Laos  
[stefan.LOCK@ec.europa.eu](mailto:stefan.LOCK@ec.europa.eu)  
+(856-21) 241 137 ; +(856-21) 241 125

About the regional approach, they mentioned the use to work (information and expertise sharing) with other universities in the region (Vietnam, Thailand, Yunnan and Cambodia).

They mentioned also the need to improve the information center to store and share information among stakeholders.

So far, the Center for National Resources and Climate Change has been created at NUL but there are no specific activities due to a funding lack. This CNRCL could be used for REDD+ training and capacity building. Even the REDD+ Task Force would need capacity building on general issues concerning REDD+.

JICA explained us they will prepare a two years work plan for the implementation of the Program for Forest information Management (PFIM).

JICA highlighted the lack of allometric equation for the Lao PDR. The programmed NFI does not include the collect of this information. This NFI will be conducted during the dry season.

It also highlights the important lack of data on the carbon of the soils. Only NAFRI conducted some insufficient research on this topic.

Concerning the regional approach, the consulted people let us understand that the political will was lacking. According to them, collaboration could be envisaged on the comparability of data and dates but every MRV will be conduct nationally.

JICA works exclusively on monitoring, not on reporting and verification.

An interesting issue to study, according to JICA, would be the articulation between national and sub-national MRV systems.

Finally, JICA explained us the REL had been developed by an international consultant and gave us the excel document containing this model. JICA thinks that the future improvement of this REL will also be carried out by consultancy.

Stefan Lock gave us an introduction to the FLEGT process in south east Asia and recommended us to contact Delphine Brissonneau, FLEGT Focal Point for the region, based in Bangkok.

The FLEGT process is quite advanced in Malaysia, where it is lead by the Finnish embassy.

FLEGT in South East Asia is addressed at the regional level. The European Commission is not supposed to support a FLEGT process at national level. Thereby, there is a gap at country level on legislation on timber trade.

As Vietnam exports a lot to EU and as Lao illegal timber cross the border between Lao and Vietnam, illegal

wood from Lao PDR is concerned by the EU-FLEGT process.

Mr Lock highlighted that DOFI was interested in implementing a FLEGT process at national level but faced some difficulties.

Lao participation to the process is currently under the responsibility of the Ministry of Industry and Commerce.

**Richard Hackman**

Project Adviser Promoting  
Rights-based, Equitable Pro-poor REDD  
Strategies Project (PREP REDD)  
Lao Biodiversity Association  
lbaredd@laobiodiversity.org  
+(856-21) 251 665 ; +(856-20) 251 665

**Mr Houmphanh Rattanavong**

President of Lao Biodiversity Association  
Member of the Lao National Council of  
Sciences  
hp\_rattanavong@yahoo.com  
+(856-21) 251 665 ; +(856-20) 5553 7187

**William Berry Maynard**

Forest Inspection and Control Adviser  
MAF/ DOF – SUFORD  
bill@gfsinc.biz  
+(856-20) 5550 8271

The Lao Biodiversity Association has no link with the REDD+ projects in Lao PDR but tries to enhance the coordination.

According to the LBA, the implemented participative forest sustainable management (PFSM) in production forests is not a success in Lao PDR.

LBA developed written support to increase awareness about REDD+, in English and Lao. It also increase awareness in villages and provinces on climate change, REDD and carbon property.

LBA has been involved in the REDD Task Force. As LBA is the association which have the strongest links with the State, Houmphanh thinks that it could play a role of coordinator on the activities concerning the involvement of local stakeholders."

Bill Maynard firstly expressed his concern about lack of support to DOFI in the framework of REDD+. From his point of view, the ability to ensure strong forest law enforcement and governance underpins all the REDD work. If the forests are not being protected it does not matter how much technical support there is on the forest management or restoration. The REDD process has been dominated by help on many technical aspects such as remote sensing to measure forest cover, or carbon storage. There are a large number of commitments from donor agencies to support to the Department of Forestry in Lao, the commitments over the next 5 years are in excess of US\$50 million but very little is committed to the Department of Forest Inspection.

He mentioned the fact that DOFI needs assistance in 2 areas. There is a 5-year plan looking at how the capacity and function of the Department can be improved, the training, technical support setting up of intelligence and data analysis systems, strengthening regional cooperation etc is expected to cost in the

region of US\$ 7m and it will be very helpful if donors coordinate their support within this overall plan.

The second area where DOFI needs support to carry out the REDD program is in operational activities. DOFI is responsible for law enforcement over 16 million ha, there are less than 300 staff, very limited vehicles, little budget for fuel. Whereas in many cases budget support for operations is often seen as unsustainable in the case of forest protection in the REDD context it is the part of a REDD program that will make the rest sustainable and able to generate investment and revenue. The effective operational budget for DOFI and the Provincial Office of Forest Inspection (POFI) has yet to be calculated accurately but effective budget support at either National or Provincial level would be very effective.

Bill Maynard mentioned the problem of many donors that are approaching DOFI and offered different level of funding support, asking many informations and time but never following up on the funding possibilities (World Bank and GTZ among others, but also WWf for small funds). He said DOFI was keen to have a very clear idea of the process for working with AFD and to have a good idea of the timeframe for any engagement.

**Khamsene Ounekham**

REDD+ Task Force focal point  
DOF Planning division  
ounekham\_k@yahoo.com

Khamsene Ounekham, as secretary of the REDD+ Task Force, will organize the institutional arrangements for readiness. He pointed a lack in training and material to establish the REDD Office.

The establishment of this office will be supported by JICA and by the remaining funds from SIDA.

According to Khamsene, GTZ currently focuses on the capacity building at the level of its project but the projects guidelines leave open the possibility that the programme could finance capacity building at national level.

Khamsene confirmed us the REDD task Force had no idea on the way to link the project activities with the national level.

Concerning provincial REDD+ offices, he explained that a focal point will be designated in provinces where activities are driven. This focal point will be a project manager if only one project is conducted in the province or a member of the WREA if several projects are conducted.

For Khamsene, the priority in Lao PDR is to build durable national capacity on REDD+. For the moment, REDD+ process is lead by international consultants.

**Philippe Rousseau**

Representative GRET Lao  
rousseau@gret.org

Philippe Rousseau described the GRET project on bamboo forests in the North East of Laos. This project aims to develop the sector of bamboo transformation, in order to provide alternatives to shifting cultivation. For this purpose, GRET works in collaboration with producers of the area and some industries

+ (856-20) 683 6861

in Vietnam. GRET is currently thinking about the development of a REDD component, as its project tends to reduce degradation and deforestation of bamboo but also of trees. We discussed about the technical feasibility of such an initiative.

**Dr. Manuel Bertomeu**

Expert for Forestry and Natural Resource Management  
NAFRI / Centre for International Migration and Development (CIM) – GTZ  
manuel.bertomeu@cimonline.de ;  
manuel.b@nafri.org.la  
+ (856-20) 303 9901

Mr. Bertomeu presented us the activities of the NAFRI concerning the assessment of carbon and biodiversity in a range of ecosystems. NAFRI participates to an international project on this issue, with field plots located in a province in the north of Lao PDR.

A difficulty faced by the initiative is that soils samples have to be sent abroad, in Germany, for treatment. NAFRI followed a training a month ago on carbon assessment, organized by Winrock. This training focused on remote sensing and Excel models.

Only few data have been collected on C stocks. SUFORD tried to use permanent sample plots but was not very successful. The JICA conducted carbon assessments in old fallows in the province of Luang Prabang. SUFORD designed the NFI and JICA will implement it.

NAFRI and the NUoL would be the most relevant stakeholders to conduct such activities. However, funding and capacity building are necessary. Furthermore, the existing staff is not sufficient.

IRD would be a relevant partner in such an initiative.

Finally, Bertomeu and Trockenbrodt highlighted the need for the development of allometric equations for the Lao PDR.

**Dr. Michael Trockenbrodt**

Academic Advisor  
Faculty of Forestry (NUL)  
CIM – GTZ  
michael.trockenbrodt@cimonline.de  
+ (856-21) 7771 400

**Roland Eve**

Country Director  
WWF Laos  
Greater Mekong Programme  
roland.eve@wwfgreatermekong.org  
+ (856-21) 415 761 ; + (856-20) 5551 0362

Roland Eve explained us the Mekong Region was composed of 4 ecoregions. WWF works only on some landscapes.

The objective of the WWF activities are to promote a regional political agreement on climate change concerning mitigation and adaptation.

A regional funding by the fifth replenishment of the GEF (GEF-5) is possible in this region. Mr Eve presented the ongoing REDD activities in Thailand, Vietnam and Laos (by BMU-ICI), on timber trade and international leakage.

According to him, it is easier to work into the national parks because of the clear land rights. Protection forests remain without management.

He referred to the activities of the SUFORD, which promotes FSC certification. He provided us a presentation document of the Lao forest and trade platform, a joint initiative of WWF and The Forest Trust (TFT) to promote certification in Laos.

WWF also supports the ABD funded project BCI. WWF works in collaboration with DOFI on illegal logging.

**Sebastian Schrader**

Project Manager  
Global Forest & Trade Network / WWF Laos  
Greater Mekong Programme  
sebastian.schrader@wwfgreatmekong.org  
+ (84) 1668 469 492 (Vietnam) ;



+(856-20)7750 1563

Finally, WWF highlighted the opportunity to design a regional reference emissions level to prioritize action between countries.

**Kirsten Ewers**

SUFORD Project – WB/MFA Finland

Kirsten.Ewers@gmail.com

Kirsten Ewers highlighted the necessity to implement pilot afforestation projects to test diverse mechanisms on the rights on the trees. Those mechanisms could be temporary delegation or permanent rights.

According to her, PSE focus too much on individuals. Community rights should be promoted.

For her, the CliPAD project has not achieved enough progress on rights and benefit sharing. Those issues should therefore be studied in other projects.

The SUFORD project is also weak on some issues, like understanding by the communities. The mid term assessment report of this project will be soon available.

For Kirsten Ewers, the PLUP is quite a success.

### *Support from Japan*

Japan is involved in REDD+ activities in Laos by several channels.

**1. The Programme for Forestry Information Management (PFIM)**, supported by JICA, aims to generate in the field of forest cover assessment the following results :

- **Data on forest cover** : For year 2010, a nationwide forest cover map has been created using ALOS, SPOT-5 and Rapideyes images and a field survey collecting basic information on species, diameters height and density. Forest cover maps for 1990 and 2000 and 2005 will also be created.
- **Capacity building** : The PFIM will build capacity in the fields of remote sensing, GIS, database management, base-map development and forest inventory survey (collection and analysis) 2010-2012.
- **Infrastructure** : It will also construct a forest Resource Information Center which will also include a database system and the procurement of hardware.

Japan may develop an Forest Information Network, integrating several databases, expanding FIMP to conservation forest and protection forest, developing forest management system at provincial level, developing a network system between DoF and Forest Information Database System and procuring the necessary hardware, software and training.

**2. Asia Air Survey**, a Japanese a measurement, technology development and spatial information solution company, conducted a study on the strengthening of methodological and technological approaches for preventing deforestation and forest degradation. The study focused on the provinces of Bolikhamxay and Luang Prabang.

The objectives of the study is notably to develop a system for monitoring, including remote sensing and GIS, as well as to provide technical transfer and capacity building to DoF. Air Survey Asia organized training for Forest Inventory and Planning Division (FIPD) staff.

**3. The Forest and Forest Products Research Institute** of Japan collaborated with DoF and NAFRI to develop a methodology for monitoring deforestation and degradation through remote sensing, identify trends of past deforestation and degradation and their causes, and study influence of land and forestry policy for formulation of appropriate REDD policy and program. This study focus on the Xiang Ngeun district in Laung Prabang. Remote sensing training for one staff of FIPD was done in Japan

**4. The Participatory Land and Forest Management Project for Reducing Deforestation (PA REDD)** program is built on the results of the Forest Management and Community Support (FORCOM). It is an initiative from JICA, DoF and NAFES. PAREDD aims to produce a system for reducing deforestation applied to Northern Laos through consolidating the Community Support Program Tool (CSPT) which was used for supporting means of livelihoods in a sustainable manner as an alternative measure to stabilizing shifting cultivation within the FORCOM project. The project's purpose is to develop a system for RED through participatory land and forest management. The project site will be 2 or 3 clusters in Luang Prabang province. It includes forests areas outside the forest estate demarcation but also a small part of protection forests areas. PA REDD also provides technical assistance and capacity building to provinces and districts.

5. JICA will support the implementation of the NFI designed by SUFORD, during the next dry season.

### *Support from Finland and the World Bank through the SUFORD project*

The Sustainable Forestry and Rural Development (SUFORD) program is a joint initiative from the government of Laos, the World Bank and the government of Finland (through the Finnish cooperation, FINNIDA).

The aim of SUFORD is to implement Sustainable Forest Management on production areas. Its project sites are located in the northern part of Laos. Payments for environmental services has been tested in nearly 2 400 villages by the project.

SUFORD co-funded a study on LIDAR, concluding that land use changes can be accurately estimated using LIDAR combined with temporal satellite data and field measurements. Another pilot activity co-funded by SUFORD tested a MRV system with satellite at medium and high resolution and field data, on a province, concluding that the procedure that was developed in this pilot study can be applied operatively.

SUFORD designed the NFI within the Forest Inventory and Planning Division (FIPD). The report *The Development of a Forest Resource Assessment in Lao PDR* has been achieved in December 2009. The report identified new variable needs. We learnt that JICA will carry out the implementation of this NFI.

A comparative policy options report was completed by SUFORD for the Lao REDD Task Force. It also completed a report on the effect of co-benefits on the price of a forest carbon offset in Australia and New Zealand. A second report, *Characterisation of the Current Market for Reducing Emissions from Deforestation and Degradation (REDD) and Forest Carbon Offsets*, concluded that market and liquidity fragmentation have implications on achieving a common price signal and that inefficient price formulation is, at this stage, an unavoidable characteristic of the voluntary market for forest based carbon credits.

SUFORD also supports the Department of Forestry Inspection (DOFI), with about 400 000 \$ and realised a capacity review of the law enforcement component of the SUFORD project for the DOFI in 2009.

### *Support from GTZ and KfW through the CliPAD project*

The German Technical Cooperation (GTZ), German Development Bank (KfW) and German Development Service (DED) proposed a project aimed at reduce emissions from deforestation and degradation in Nam Phoui and Nam Et Phou Leui (two conservation areas in the north of Laos) under the Climate Protection through Avoided Deforestation (CliPAD) cooperation module. The project was proposed in close coordination with the Lao REDD task force and other donors, provincial and district officials and the Wildlife Conservation Society (WCS). The project is a milestone for the Government of Lao and is the first large REDD project in Lao PDR.

This project aims to test collaborative management with community and benefit sharing. Systems, by signing conservation contracts (not yet linked with carbon assessment). An important activity of the CliPAD project is the technical assistance. Capacity building provided by the CliPAD project currently focuses on the project region but some stakeholders think that it could be expanded at national level.

A feasibility study on the Financial Component of the CliPAD project has been conducted in February 2010, and concluded that :

- (i) demonstrations activities on the two NPA should be integrated in the voluntary carbon market,
- (ii) a national or provincial fund should be tested to link the demonstration activities with national REDD efforts
- (iii) the activities should strengthen the NPA management, strengthen law enforcement and provide incentives or compensation payments to individual households
- (iv) the involvement of the CliPAD project into the national MRV system design is inappropriate, notably because of the multitude of donors already involved and the lack of coordination.

### *RECOFTC Initiative*

The Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC) provides analysis and support on key issues related to community forestry, assess capacities at national and regional levels and designs and develops capacity building programs on those issues.

At the end of March, RECOFTC organised an introductory grass roots training on REDD in Pakse in partnership with the National University of Lao PDR. One of the key outputs was REDD material translated into Lao language.

RECOFTC also conducted REDD capacity building workshops in Cambodia, Viet Nam, Indonesia and Papua New Guinea.

### *EU-FLEGT Programme*

In Asia, the EU Forest Law Enforcement, Governance and Trade (FLEGT) program focuses at a regional level. This 6 M€ program is executed jointly by the European Forest Institute (EFI) and the European Commission and is planned for 2008-2012. Negotiations on VPAs with Malaysia and Indonesia have been underway since 2007. The FLEGT Asia programme implemented by EFI will primarily be carried out in the Mekong region, in Vietnam, Laos, Cambodia, Myanmar and Thailand. The official launch of the programme took place on 25 January 2010.

In march 2010, two impact studies have been commanded by FLEGT Asia, to collect information on the forestry sector in the Mekong Region (Vietnam, Cambodia, Lao PDR, Thailand, Myanmar and China, including Hong-Kong) and Indonesia, Malaysia, Singapore, Brunei, Philippines and Oriental Timor. In addition, studies will develop strategies of engagement with key stakeholders in each country for the implementation of the FLEGT Asia

So far, EU FLEGT activities in the Mekong region mainly consisted in communication and capacity building on the emerging demands in key timber consuming markets and on the conception of solutions to meet these demands for legal timber products.

For the European Commission, a FLEGT dialogue is only relevant when done in the REDD context, as REDD could play the role of incentive for promoting forest management and addressing deforestation. EU ASIA FLEGT programme is considering funding a study on the FLEGT and REDD synergies potential.

## Annex 4 – References

*Readiness preparation proposal (R-PP) of the Lao PDR.* Draft, August 2010. Available at [http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/Final\\_R-PPdraft3-09-10\\_submission\\_with\\_annexes.pdf](http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/Final_R-PPdraft3-09-10_submission_with_annexes.pdf)

*Annual Review of REDD+ in Lao PDR – 2009. Report prepared for the National REDD Task Force of Lao PDR.* Vientiane, March 2010. MAF/DoF. Document provided by Majella Clarke (SUFORD).

*REDD and REDD+ Carbon money and Communal Tenure.* Part section on working paper for FAO on Communal Tenure in Asia. To be published. Provided by Kirsten Ewers (SUFORD).

*Reducing Emissions from Deforestation and Forest Degradation in Developing Countries - Interim Report by Planning and Management Adviser.* MAP/DoF. Provided by Tadashi Kotani (JICA).

*Forest Strategy 2020.* Provided by Bruno Cameart (UNDP).

*L'Association pour la biodiversité Lao et ses activités.* Provided by Houmphanh Saramany (LBA)

*FLEGT Asia Regional Programme – Supporting responsible trade for Asia's forests.* Leaflet provided by Stefan Lock (European Commission)

*Lao-German REDD Programme. Joint feasibility study, FC-module.* By Lars Schmidt, Ulrich Apel and Rita Gebert. Final version, February 2010.

*Connecting local forest to global market by linking business with responsible forest management.* Leaflet on Lao Forest and Trade Platform, provided by Rolanf Eve.

*The Greater Mekong and Climate Change : Biodiversity, Ecosystem services and Development at Risk.* WWF. Provided by Roland Eve.

*Climate Protection through Avoided Deforestation Project (CliPAD). TC Module – Project document.* GTZ. Provided by Georg Buccholz.

