



**GFL**  
**GOVERNANCE, FOREST LANDSCAPES AND**  
**LIVELIHOODS - NORTHERN LAO PDR**

**ESMF**  
**Environmental and Social Management Framework**

**February 2020**  
**REDD+ Division, Department of Forestry**  
**Ministry of Agriculture and Forestry**  
**Vientiane, Lao PDR**

## ACRONYMS

|        |   |          |  |
|--------|---|----------|--|
| ADB    | Asian Development Bank  | FLR      | Forest Landscape Restoration   |
| AEC    | ASEAN Economic Community  | FPIC     | Free, Prior, and Informed Consent  |
| ASEAN  | Association of Southeast Asian Nations  | FREL/REL | Forest Reference Level; Reference Emission Level   |
| BSP    | Benefit Sharing Plan  | FSC      | Forest Stewardship Council   |
| CBD    | Convention on Biological Diversity  | GID      | Gender Integration and Development   |
| CEDAW  | The Convention on the Elimination of all Forms of Discrimination Against Women  | GIZ      | Deutsche Gesellschaft für Internationale Zusammenarbeit -- German Agency for International Development Cooperation |
| CEMP   | Contractors' Environmental Management Plans                                     | GoL      | Government of Lao PDR  |
| CFP    | Chance Finds Procedure  | GSIP     | Gender and Social Inclusion Plan   |
| CITES  | Convention on International Trade in Endangered Species of Wild Flora and Fauna | H&S      | Health and Safety  |
| CliPAD | Climate Protection through Avoided Deforestation Project                        | HCVF     | High Conservation Value Forest   |
| CSO    | Civil Society Organizations   | IBAs     | Important Bird and Biodiversity Areas  |
| DAEC   | Department of Agricultural Extension and Cooperatives                           | ICT      | Information and Communication Technology   |
| DAFO   | District Agriculture and Forest Office  | IEC      | Information, Education and Communication   |
| DALAM  | Department of Agriculture Land Management                                       | IEE      | Initial Environmental Examination  |
| DFRM   | Department of Forest Resource Management  | IPD      | Investments Promotion Department of the Ministry of Planning and Investment (MPI)                                  |
| DNEI   | Department of Natural Resources and Environmental Inspection                    | JICA     | Japan International Cooperation Agency   |
| DNEP   | Department of Natural Resources and Environmental Policy                        | KBAs     | Key Biodiversity Areas   |
| DoF    | Department of Forestry  | LFND     | Lao Front for National Development   |
| DoFI   | Department of Forest Inspection   | LoI      | Letter of Intent   |
| DTEAP  | Department of Technical Extension and Agricultural Processing                   | LWU      | Lao Women's Union  |
| EGPF   | Ethnic Group Policy Framework   | MAF      | Ministry of Agriculture and Forestry   |
| ECC    | Environmental Clearance Certificate   | MAFP     | Mobility and Access Facilitation Plan  |
| EMF    | Environmental Management Framework  | MEA      | Multilateral environmental agreements  |
| EPF    | Environmental Protection Fund   | MoNRE    | Ministry of Natural Resources and Environment  |
| ER-PD  | Emission Reduction-Program Document   | MPI      | Ministry of Planning and Investment  |
| ER-PIN | Emission Reduction Program Idea Note  | MRV      | Measurement, Reporting and Verification  |
| ERP    | Emergency Response Plan   | NA       | National Assembly  |
| ERP    | Emission Reduction Program  | NAFRI    | National Agriculture and Forestry Research Institute   |
| ESIA   | Environmental and Social Impact Assessment                                      | NBSAP    | National Biodiversity Strategy and Action Plan   |
| ESMF   | Environmental and Social Management Framework                                   | NCAW     | National Commission for the Advancement of Women   |
| ESMMP  | Environmental and Social Management and Monitoring Plan                         | NPA      | National Protected Area  |
| EU     | European Union  | NRA-UXO  | National Regulatory Authority for UXOs in Lao PDR  |
| FGRM   | Feedback and Grievance Redress Mechanism  | NRO      | National REDD+ Office  |
| F-REDD | Sustainable Forest Management and REDD+ Project                                 | NRS      | National REDD+ Strategy  |
| FCPF   | Forest Carbon Partnership Facility  | NRTF     | National REDD+ Task Force  |
| FCZ    | Fish Conservation Zones   | NSEDP    | National Socio-Economic Development Plan   |
| FPF    | Forest Protection Fund  | NTFP     | Non-Timber Forest Product  |
| FLEGT  | Forest Law Enforcement, Governance and Trade                                    | PAFO     | Provincial Agriculture and Forest Office   |
| FLM    | Forest Landscape Management   | PAM      | Policy and Measure   |
|        |   | PCR      | Physical Cultural Resource   |
|        |   | PFA      | Production Forest Area   |

|           |   |
|-----------|---|
| PLR       | Policy, Law and Regulation  |
| PLUP      | Participatory Land-Use Planning                                   |
| PMP       | Pesticide Management Plan   |
| PRAP      | Provincial REDD+ Action Plan                                      |
| PRO       | Provincial REDD+ Office   |
| PRTF      | Provincial REDD+ Task Force                                       |
| PSFM      | Participatory Sustainable Forest Management                       |
| R-PP      | Readiness Preparation Proposal                                    |
| REDD+     | Reducing emissions from deforestation and forest degradation plus |
| RPF       | Resettlement Policy Framework                                     |
| SECP      | Stakeholder Engagement and Consultation Plan                      |
| SEDP      | Socio-Economic Development Plans                                  |
| SEP       | Site Establishment Plan   |
| SESA      | Social and Environmental Strategic Assessment                     |
| SFM       | Sustainable Forest Management                                     |
| SIS       | Safeguards Information System                                     |
| SUFORD-SU | Scaling Up Participatory Sustainable Forest Management            |
| TIP       | Trafficking in Persons  |
| TSC       | Technical Service Centers   |
| TWG       | Technical Working Group   |
| UNCD      | United Nations Convention to Combat Desertification               |
| UNDRIP    | United Nations Declaration on the Rights of Indigenous Peoples    |
| UNESCO    | United Nations Educational, Scientific, and Cultural Organization |
| UNFCCC    | United Nations Framework Convention on Climate Change             |
| UXO       | Unexploded Ordnance   |
| VFMA      | Village Forest Management Agreement                               |
| VFU       | Village Forestry Unit   |
| VMC       | Village Mediation Committee                                       |
| VMU       | Village Mediation Unit  |
| VPA       | Voluntary Partnership Agreement                                   |

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## **EXECUTIVE SUMMARY**

### **Program Introduction and Description**

The Government of Lao PDR (GoL) embraces REDD+ as an opportunity for transforming rural land use from revenue generation at the cost of natural resources, to strategic and efficient land use delivered through participatory and integrated planning.

Lao PDR has been engaged with its REDD+ Readiness preparation since it was selected as one of 47 participants in the Forest Carbon Partnership Facility (FCPF) in 2007. The GoL received a grant of USD 200,000 in 2009 from the FCPF, through the World Bank, to develop its REDD+ Readiness Proposal (R-PP) proposal that received approval from the Carbon Fund in 2010. The Lao PDR was also accepted as one of the eight pilot countries of the Forest Investment Program (FIP), under the umbrella of the Climate Investment Fund (CIF). In 2014 the GoL received a grant of USD 3.6 million from the FCPF to implement the R-PP that included preparation of a national REDD+ strategy, a forest reference emission level, a national forest management system, and a safeguards framework. In 2015 the GoL submitted a concept note and an Emissions Reduction Program Identification Note (ER-PIN) to the Carbon Fund, which received acceptance in 2016. During the same year, the GoL received a second REDD+ Readiness grant of USD 4.5 million to complete its REDD+ preparation.

### **Governance, Forest Landscapes and Livelihoods (GFL) – the Emissions Reduction Program**

The GoL prepared its emissions reduction project document (ERPD) and developed a project titled Governance, Forest Landscapes and Livelihoods – Northern Laos (GFL) that received approval of the Carbon Fund in 2018. The GFL launches the implementation phase of Lao PDR's REDD+ program and embodies the GoL's commitment to reforming land use, enhancing forest restoration and protection. The REDD+ Division in the Department of Forest (DoF), Ministry of Agriculture and Forestry (MAF) will implement the GFL.

GFL is designed as Lao PDR's first sub national program in Northern Laos with a strategic and scalable foundation to address key drivers of deforestation and forest degradation and reduce greenhouse gas emissions. Key direct drivers interplay with a set of complex underlying drivers in the project area. The direct drivers include permanent agriculture expansion, shifting cultivation, unauthorised and unsustainable timber harvesting and infrastructure development. GFL corresponds to Lao PDR's Nationally Determined Contributions (NDC) with significant weight on actions to be taken in the forestry sector, which estimates removing 60-69 million tonnes of carbon dioxide equivalents from its forests by 2020 as compared to 2000.

### **Project Area**

The GFL accounting area will be the six Northern provinces of Lao PDR which constitute approximately one-third of both the country's geographical and forested area. The project area is a contiguous landscape, covering the entire administrative areas of the provinces of Bokeo, Huaphan, Luang Namtha, Luang Prabang, Oudomxay and Sayabouri. Each province shares an international border with one of the surrounding countries of Thailand, Myanmar,

China and Viet Nam. Hilly topography, remote accessibility and limited public and industrial infrastructure, unique ethnic group communities, and persistent prevalence of poverty characterise the Northern region of Lao PDR. The selection of the project area of the GFL is due to a number of critical factors. The combined area of deforestation and forest degradation in the project area is approximately 72,000 ha per year during the period 2005-2015. Approximately 40% of total national deforestation and degradation takes place within these six provinces. Each of the six provinces has developed Provincial REDD+ Action Plans (PRAPs) that analyse key drivers of deforestation, major barriers, and proposed actions and measures to reduce emissions from deforestation and forest degradation.

The region is also well known for the prevalence of shifting cultivation practices, as well as being the poorest region in the country. For such reasons, in the early phase of REDD+ readiness, a number of projects supported by development partners focused their REDD+ pilot actions in the Northern provinces, that have led to increased capacity and preparedness of these provinces for REDD+ activities, as also the eventual selection of the six Northern provinces as the project area for Lao PDR's first emission reduction program.

### **Program Strategy and Components**

The GFL will be the first step in Lao PDR's transition from REDD+ readiness to implementation and subsequently results-based payments. The program design sets the framework for implementing the NRS in a decentralised manner at the sub-national level. While strategically defined at the province level and executed at the district and village level, the project contributes to improving the national institutional and regulatory systems in manners that facilitates its replication and up scaling. The impact of the program will lead to reduce emissions from land use, deforestation, forest degradation, and increased ecosystem resilience and enhanced livelihoods of forest-dependent people.

To achieve these impacts, the project is designed around four inter-dependent and complementary components.

#### **Component 1: Strengthening enabling conditions for REDD+**

Component 1 covers interventions that lay the foundation for the implementation of sustainable land use and develop the enabling conditions to address drivers of deforestation and forest degradation in the key sectors, namely agriculture and forestry sector, but also in other sectors such as infrastructure development. The underpinning strategy is to provide the necessary tools and capacity for institutional and cross-sectoral planning, coordination and policy and regulatory implementation.

#### **Component 2: Climate smart agriculture and sustainable livelihoods**

Component 2 aims to address the cumulative negative impact of unsustainable agricultural practices and its transformation to high productivity with low impact on the environment. A range of technical options have been successfully tested in the Northern Uplands of Lao PDR over the last few decades to support transition from mainly subsistence to commercial agriculture. Activities will focus on the promotion of Climate Smart Agriculture (CSA) investment and improved soil conservation practices, crop diversification, agroforestry techniques such as terracing, intercropping, among others.

### Component 3: Sustainable forest management

This component will provide investments into sustainable forest management planning and the implementation of village forest management and sustainable management of production forests. The GFL is targeting implementing and scaling up forest landscape restoration and management on at least 70,000 ha including through assisted natural forest regeneration, plantation development and agroforestry systems to enhance forest carbon stocks. These activities will be supported by intensive capacity development and training of government staff and communities with a strong focus on ethnic groups, women and the most vulnerable groups.

### Component 4: Program Management

This stand-alone component will support program management for services to manage, coordinate, monitor and evaluate the program and ensure that activities are implemented as planned and within budgets. This component will also be responsible for safeguards management and gender integration and will document and disseminate lessons and best practices to improve implementation and impact.

### **Program Benefits and Beneficiaries**

The program is estimated to reach 254,800 direct rural beneficiaries of whom 127,400 will be men and 127,400 will be women. In addition, benefits will reach 412,650 indirect rural beneficiaries. Significant number of beneficiaries will be from ethnic groups who live in and adjacent to conservation and protected areas. In the context of the program area these communities are considered to be vulnerable ethnic groups as their livelihood is highly dependent on subsistence agriculture, collection of non-timber forest products (NTFPs), and fishing and hunting. GFL will enhance livelihood opportunities and access to these groups to reduce level of dependence on forest-products such as to NTFPs, fish, wildlife, poles, and timber. A specific assessment has been undertaken for gender integration in the GFL to ensure women participate actively in not just planning, but also decision-making.

In addition, the program will provide diverse and sustainable social, environmental, and economic benefits to beneficiaries by reforesting 14,500 ha; restoring 57,000 ha; avoided deforestation over 34,800 ha; and reduced forest degradation over 20,000 ha. The program will reduce every year 7.2 million tCO<sub>2</sub>eq that will total to 58 million tCO<sub>2</sub>eq over the eight years of program implementation period, and 145 million tCO<sub>2</sub>eq over a 20-year program lifetime.

### **Lao REDD+ Institutional Arrangements**

The National REDD+ Task Force (NRTF) was established in 2008 as a multi-sector and inter-ministerial mechanism responsible for the development and implementation of REDD+ in Lao PDR. The NRTF is hosted by MAF with the Vice Minister of MAF as the chairperson of the NRTF and the Director General of DoF as the deputy chairperson. Members of the Task Force represent diverse sectors of agriculture, forestry, land use planning, finance, investment, law and justice, and energy and mines, and include representatives from the Ministry of Natural Resources and Environment (MoNRE), Ministry of Finance (MoF), Ministry of Planning and Investment (MPI), Ministry of Justice (MoJ), Ministry of Energy

and Mines (MEM) In addition the Lao Front for National Development (LFND), Lao Women's Union (LWU), the National University of Laos (NUoL), and the Lao National Chamber of Commerce and Industry (LNCCI) are also members of the NRTF.

The Provincial REDD+ Office (PRO) and the Provincial REDD+ Task Force (PRTF) are responsible for coordinating REDD+ at the provincial level. The PRTF also includes participants from diverse government sectors at the provincial level that include deputy district governors from each district in the province.

### **Safeguard Policies, National laws and World Bank Safeguard Policies applied**

Recognising the World Bank safeguards triggered under the implementation of the ER Program, the government will use the ESMF to ensure the relevant monitoring and reporting systems for safeguards are in place. The government will use the existing institutional setting and draw on relevant climate change response programs, and international agreements and obligations to ensure the ER Program's social and environmental integrity.

A total of seven World Bank safeguard policies are triggered for the program. These include environmental policies on Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), and Pest Management (OP 4.09); and social policies on Indigenous Peoples (OP/BP 4.10), Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP/BP 4.12).

With regard to environmental assessment, the potential social and environmental impacts of the GFL have been assessed in detail in the separate Social and Environmental Strategic Assessment (SESA); and will be managed through the ESMF, which has been completed. Regarding Natural Habitats, The ESMF includes provisions to assess possible impacts prior to actions being undertaken on the ground following OP4.01 and Lao PDR environmental assessment legislation. This policy will ensure that the interventions in the area consider biodiversity conservation and critical natural habitats. Regarding Forests, the GFL includes activities affecting management, protection, or utilization of natural forests and/or plantation forests. Potential impacts and proposed enhancement and mitigation measures have been included in the ESMF.

Community based forest management plans are to be prepared during implementation and will conform to OP 4.36 and include the sustainable use of NTFPs. Impacts and risks of any potential use of Pest Management, i.e., chemicals used in forest management and other activities, if needed, will be analysed and mitigated through actions contained in forest and landscape management plans. The ESMF includes 'chance find' procedures and guidance on development and implementation of a Physical and Cultural Resources Management Plan in order to address the issue of Physical and Cultural Resources.

Concerning Indigenous Peoples, the Ethnic Group Policy Framework (EGPF) takes into consideration emission reduction interventions that could impact on ethnic groups lands and livelihoods. The EGPF will be used during the implementation of the program under the principle of free, prior and informed consultations (FPIC) that will lead to the development of Village Forest Management Agreement. Extensive consultations with broad community support were carried out during the SESA and ESMF preparation in the program area. A Feedback and Grievance Mechanism (FGRM) for the program has been developed that will receive, identify and resolve concerns and grievances.

With regard to resettlement, a Resettlement Policy Framework (RPF) has been prepared which lays down the principles and objectives, eligibility criteria of displaced persons, modes of compensation and rehabilitation, participation features and grievances procedures that will guide the compensation and potential resettlement of program affected persons. The RPF will guide the preparation of site-specific Resettlement Action Plan (RAP).

### **Environmental and Social Impact Mitigation Measures**

The National REDD+ Strategy has been formulated with environmental protection and conservation as a foremost consideration. However, there are risks associated with improper implementation, which may result in negative impacts.

REDD+ program activities shall endeavor to enhance the positive environmental impacts and mitigate the negative environmental impacts. The operational procedures for these purposes shall be embedded in the technical guidelines, manual of field operations, training manual, and activity-specific training materials that the REDD+ program will prepare. The implementation of sub-activities and measures that enhance the positive environmental impacts and mitigate the negative environmental impacts shall be included in given REDD+ activity and provided with resources including staff, materials, and funding.

### **Subproject Preparation, Approval and Implementation**

The ESMF is the safeguards management framework that (1) examines the possible environmental impacts of the program or activity-level interventions in implementing the program area, (2) associates the environmental impacts with the environmental safeguards being prompted, and (3) specifies the ways to mitigate the negative environmental impacts or enhance the positive ones in the course of REDD+ program development and implementation.

### **ESMF Implementation Arrangement**

Policy matters pertaining to the implementation of the National REDD+ Program including the ESMF is the responsibility of the National REDD+ Task Force. The National REDD+ Office, which is the DoF REDD+ Division, serves as the Secretariat of the National REDD+ Task Force. The management responsibilities of the DoF REDD+ Division pertaining to ESMF implementation include:

- Screening of REDD+ projects, subprojects, and activities at the national level;
- Liaison with MoNRE concerning ESIA processes including the review, approval and monitoring of proposed REDD+ projects;
- Liaison with relevant GoL agencies including the National Assembly representatives at the central and local levels concerning the Grievance Redress Mechanism;
- Safeguards monitoring and evaluation during sub-project implementation and prior to closure;
- Operationalization and administration of the Safeguards Information System (SIS);
- Capacity building concerning safeguards training and risk management; and
- Coordination with the different REDD+ Technical Working Groups (TWGs), especially with the Safeguards TWG, pertaining to the implementation of the ESMF.

As noted above the ER-P will be implemented at sub-national level covering the six Northern Provinces. Execution of the ERP will be undertaken by DoF and relevant divisions of DoF under the coordination of the REDD+ Division.

Since the ESMF and other safeguard frameworks provide clear guidance on how to comply with the safeguards of the program, the future projects that are financed by bilateral donors and are located within the ER-P area and contributing to the program objectives need to adopt and follow the safeguards of the ER-P. This can be done by signing a memorandum of understanding (MoU) between MAF as the Project Executing (PE) agency and the project owner. The MOU will cover the background of the ER-P and the project objectives, commitment to compliance with the safeguards of the program, implementation arrangement, and monitoring, evaluation, and reporting. Alternatively, the World Bank, as Trustee, should conduct due diligence as part of appraisal to confirm that there are systems in place to screen/evaluate project activities that may later be included in the ER Program to ensure that they will be implemented in a manner consistent with the ESMF. For the bilateral donors' projects that are ongoing at the time of ERPA signing, the World Bank, as Trustee, should conduct due diligence as part of appraisal to determine whether these activities are being implemented in a manner consistent with the ESMF. Such due diligence may include, for example, site visits and communications with the financiers of those activities to understand the safeguards that have been applied to such activities. This level of due diligence would be necessary to ensure that, at the time of ERPA signing, the ER Program only includes the ER Program activities that are consistent with the ESMF.

For other projects financed by the government budget and located within the ER-P area and contributing to the achievement of the ER-P objectives, they need to adopt and implement safeguards of the program.

For the projects that are financed by the World Bank that will be implemented in the ER-P area they will follow their own safeguards requirements which take account of the safeguards applied to the ER-P.

### **Capacity Building, Training and Technical Assistance**

Currently, the DoF REDD+ Division is comprised of 18 staff and volunteers. The National REDD+ Focal Point is a Deputy Director of the Department of Forestry, and he oversees all the government REDD+ work. The Division is headed by a Director, and four Deputy-Directors. The senior staff members have good experience and fluency in English, and have participated in many regional and international meetings and workshops related to REDD+ over the past decade. In contrast, however, many of the junior staff members have limited English language skills and have limited experience in REDD+ issues. For preparation of the National REDD+ Program and the ERPD, the staff are currently supported by technical advisers from the REDD+ Readiness , CliPAD, and F-REDD, and FAO.

At the provincial level, the Provincial REDD+ Task Forces are comprised of representatives from different sectors, and the PRTF is chaired by the Vice-Governor. The Provincial REDD+ Office is staffed by a few government employees working in the PAFO. Provincial and district staff members, villagers, and other stakeholders have limited understanding of REDD+ issues, but various projects are working to raise awareness and enhance stakeholder capacities in this regard. For example, since mid-2016, the REDD+ Readiness has supported numerous consultations and workshops.

### **Implementation Budget for ESMF**

A budget has been estimated for the implementation of the ESMF and covers the specific resources needed for staffing and capacity building efforts to implement specific safeguard aspects. This does not include the mitigation costs that may be associated with specific subproject activities especially dealing with infrastructure. Those costs will be estimated and budgeted at the time that the specific activities are defined, and the mitigation costs will be incorporated into the individual activity costs.

### **ESMF Consultation and Disclosure**

The stakeholders in REDD+ for Lao PDR have been identified and grouped as the five main groups consisting of: Government; civil society; development partners; communities; and private sector. The consultation process for the National REDD+ Program, i.e., on the NRS, SESA, and other supporting elements were conducted primarily (but not exclusively) through the following channels: consultations with the six REDD+ TWGs among Government and quasi-Governmental agencies/organisations (with participation of other non-Government participants as relevant to the thematic area of discussion). Approximately one-third of the official TWG membership are women.

# 1 BACKGROUND AND INTRODUCTION

## 1.1 BACKGROUND TO REDD+ IN LAO PDR

**REDD+ Readiness Preparation.** Lao PDR has been working on REDD+ Readiness preparation since it was selected as one of 47 participants in the Forest Carbon Partnership Facility (FCPF) in 2007. The Department of Forestry (DoF) under the Ministry of Agriculture and Forestry (MAF) was designated as a focal point for REDD+ implementation on behalf of the Government of Lao PDR (GoL). DoF established the National REDD+ Task Force (NRTF) consisting of twelve members from line ministries and a National REDD+ Office under the Planning Division of DoF in 2008 to serve as the NRTF Secretariat as well as coordinating and implementing REDD+ readiness initiatives under the guidance of the Ministry of Agriculture and Forestry (MAF).

GoL received a grant of USD 200,000 from the FCPF through the World Bank to work on the REDD+ Readiness Proposal (R-PP) in October 2009. The R-PP was presented at the FCPF 7<sup>th</sup> Participant Committee Meeting and approved on 03 November 2010. Many REDD+ activities started and have been ongoing with support from various development partners since 2008.

Lao PDR was accepted as one of the eight pilot countries of the Forest Investment Program (FIP) under the umbrella of the Climate Investment Fund in March 2010. DoF, on behalf of the GoL, jointly worked with the World Bank Group (WBG) and ADB during 2011 to prepare a Lao Forest Investment Program's Investment Plan (Lao FIP) for submission and presentation to the FIP Sub-Committee on 31 October 2011. The Lao FIP was endorsed in principle with conditions to revise the Investment Plan in response to comments made during the FIP Sub-Committee Meeting. The revised Plan was submitted and officially approved by the FIP Sub-Committee on 23 January 2012. A total of USD 30 million in grant was approved by Climate Investment Fund (CIF) as co-financing for three projects: the Scaling Up Participatory Sustainable Forest Management (SUPSFM, also known as SUFORD-SU) with the World Bank and implemented by GoL; the Smallholder Tree Plantation Project implemented by the International Finance Corporation (IFC) with the private sector; and Protecting Forests for Ecosystem Services with ADB and implemented by GoL, which is an additional financing for the Biodiversity Conservation Corridors (BCC) Initiative.

In 2013, the REDD+ Secretariat was transferred to a new Department of Forest Resource Management (DFRM) of the Ministry of Natural Resources and the Environment (MoNRE) pursuant to Notice 314/GO. Sec. dated 4 March 2013. The REDD+ NRTF structure was revised and established under the chairmanship of the Vice Minister of MoNRE and consisted of first 24, then 30 members, proposed to operate under the guidance of the National Environment Committee (NEC)<sup>1</sup>. During this period, DFRM also established a REDD+ Division which acted as the joint secretariat with the National REDD+ Office of DoF. For the FCPF REDD+ Readiness project, it was agreed for DoF to work in collaboration with the World Bank as earlier planned so as not to further delay the process of REDD+ readiness preparation.

In August 2014, the GoL (DoF) received USD 3.6 million in grant from the FCPF through the World Bank to implement the approved R-PP activities including the preparation of

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<sup>1</sup> NEC National Environmental Committee is the institutional body that is responsible and provides guidance on the relevant works, e. g management, conservation, protection, sustainable environment development, which is chaired by the former Deputy Prime Minister.



National REDD+ Strategy, benefit sharing mechanism and safeguards (Strategic Environmental and Social Assessment) during 2014 to March 2019. The six Technical Working group (TWGs) were formed by MoNRE under the guidance of the NRTF in 2015 to work on various elements of REDD+ readiness on Policy and Legal Framework, Land Issues, Social and Environmental Safeguards, Enforcement and Implementation of Mitigation Activities, MRV/REL, and Benefit Sharing.

In 2015, the GoL submitted a concept note, an Emissions Reduction Program Identification Note (ER-PIN), to the FCPF Carbon Fund. A preliminary concept was presented at the spring meeting of the Carbon Fund, and then the ER-PIN at the October (2015) meeting. The Carbon Fund accepted Lao PDR ER-PIN into the project pipeline leading to the signing of the Letter of Intent (LOI) in mid-2016. In mid-June 2016, DoF hired a team of Lao and international technical advisers, who began working with the DoF's REDD+ Office and six REDD+ TWGs in July 2016.

At the time of the FCPF Readiness Preparation Project Mid-Term Review (October 2016), DoF requested a second REDD+ Readiness grant of up to USD 4.575 million, which received no objection from the FCPF Participant Committee members. A project document for this second grant (called R-Package) was prepared by the World Bank and the Government of Lao PDR.

The Emissions Reduction Program Document (ER-PD) was completed at the end of 2017, and accepted by the Carbon Fund in June 2018. Also, the country's self-assessment of REDD+ readiness was prepared by the end of 2017, and accepted by the FCPF so that the ER-PD could be accepted by the Carbon Fund.

Currently, the NRTF, pursuant to Decision 2750/MAF, dated 23 May 2017, consists of 16 members with a Vice Minister of MAF as Chair; the Director General of DoF is a Vice Chair; a Deputy Director General of DoF is an ordinary and a standing member and also the national focal point of REDD+. Other members are Deputy Director Generals of departments and Directors/or Deputy Directors of divisions from six ministries including MAF, MoNRE, MOF, Ministry of Planning and Investment, Ministry of Justice; National University of Laos; Lao Women's Union and Lao National Chamber of Commerce and Industry (LNCCI). The NRTF have a role to study, develop, propose and approve policies, legislations, methods, and mechanisms. The role also includes regular reporting on the progress of implementing REDD+ activities within the country to the National Environment Committee for update and further actions.

Lao PDR is one of 64 countries that participate in activities organised by the United Nations REDD+ Programme (UN-REDD), but it is not one of the 26 UN-REDD Partner Countries that receive direct financial and technical support for national REDD+ programs. FAO has a forester working on UN-REDD issues in Viet Nam and Lao PDR, providing technical assistance, and serving as editor for the formulation of the ER-PD.

In addition to these two multilateral REDD+ programs, Lao PDR also receives international support from bilateral donors, international non-governmental organisations, research organisations, and other development partners. The two most important bilateral programs are those supported by the Government of Germany, Climate Protection through Avoided Deforestation (CliPAD) Program, and the Government of Japan, the Sustainable Forest Management and REDD+ Program (F-REDD). Both are working at the national level, as well as in selected provinces.

## **1.2 NEED FOR ESMF**

As a recipient of REDD+ financing, in particular FCPF and Carbon Fund of which the World Bank is the designated channel for Lao PDR, REDD+ activities in the country are bound to respect the World Bank Safeguard Policies, which are widely regarded as the international standard for the environmental and social management of public and private sector development projects.

Although most additional activities will support capacity building that improve policy implementation and coordination and training on natural resources and environment, and they will not cause direct significant negative impacts, there may be activities (especially those related to strengthening of protected areas, forests, and water resources management to be carried out under Component 3) that involve restriction of resources access and use, construction of small stations, and/or small livelihood development activities.

In line with the WB's safeguard policies, the ER-P has been classified as "Category B" and the following WB safeguard policies are triggered: Environmental Assessment (OP/BP 4.01); Natural Habitats (OP/BP 4.04); Pest Management (OP/BP4.09); Forest (OP/BP 4.36); Physical Cultural Resources (OP/BP 4.11); Indigenous Peoples (OP/BP 4.10); Involuntary Resettlement (OP/BP 4.12).

To comply with these policies, the following safeguard instruments have been prepared: (a) the Environmental and Social Management Framework (ESMF), (b) the Resettlement Policy Framework (RPF) and the Process Framework (PF), and (c) the Ethnic Group Policy Framework (EGPF) including consultation to ensure broad support to the ER-P, to be in line with OP/BP 4.10 and OP/BP 4.12

This ESMF will be applied to all subprojects/activities financed under the GFLL-NL. The ESMF will be implemented as part of the GFLL-NL project cycle and the activities will be fully integrated into their selection, approval, implementation, and monitoring and evaluation process. The ESMF aims to provide the national, provincial and district government, the GFLL-NL team, consultants, village officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively planning, implementing and monitoring environmental and social safeguard issues. This document is considered a living document and can be modified in close consultation with the World Bank and clearance of the revised ESMF by the Bank will be necessary. Following the approval of the World Bank public disclosure is mandatory.

DoF, REDD+ Division will be responsible for ensuring effective implementation of the ESMF including endorsement of the safeguard screening and issues, ensuring that the mitigation measures are effectively implemented and adequate, and monitoring/reporting of GFLL-NL safeguard performance while the Provincial Agriculture and Forest Office/ District Agricultural Forest Office (PAFO/DAFO) will be responsible for screening of safeguard issues and preparation and implementation of mitigation measures. DoF, REDD+ Division will provide periodic safeguard training to the PAFO/DAFO and related agencies as appropriate. Both DoF, and REDD+ Division will be responsible for keeping proper documentations for possible review by the WB.

## **1.3 PURPOSE OF ESMF**

The ESMF is an instrument that examines the issues and impacts of the program or project that consists of series of subprojects, and the impacts cannot be determined until the program or subproject details such as location have been identified. The ESMF sets out the principles, rules, guidelines and procedures to be followed during implementation. These include

screening and assessing the environmental and social impacts and determining subproject environmental and social impact category and policies triggered. The ESMF includes guidelines for identifying specific social and environmental instrument(s) to be prepared for the subproject, institutional arrangements, capacity building and grievance redress. It contains measures and plans to reduce, mitigate and/or offset adverse impacts and enhance positive impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing subproject impacts. It is also aimed at ensuring that the implementation of the National REDD+ Strategy conforms to a required set of environmental and social safeguards.

The ESMF is a framework that includes an overview of safeguards consisting of international and nationally established safeguards outlines a safeguard management process consisting of project/activity management processes related to ensuring conformance to the safeguards, which cover project/activity preparation, screening (review and assessment), implementation, monitoring, and reporting, as well as the mitigation of adverse impacts and redress of grievances of affected stakeholders.

### **Approach and methodology for developing ESMF**

#### **Information gathered**

Relevant information such as conditions of the program area, legal, regulatory and policy regime were collected through desk study and participatory approaches. Natural conditions included the climate, topography, soil conditions, tree species and main agricultural crops, biodiversity and ecosystem services. Legal regulatory and policy regime included those related to forestry, agriculture and environment that are applied to the program area.

#### **Stakeholder consultation**

Consultations were held with relevant Government departments/divisions/offices at provincial, district and community levels in six target provinces. For the preparation of the ER-P, consultations were conducted with a wide range of stakeholder representatives, ranging from the central to the village cluster levels. The objectives of the consultations were to identify drivers of deforestation and forest degradation; possible measures to address the identified drivers and barriers for successful implementation; and to enhance stakeholders' understanding on the aim of the ER-P and its designed activities and the pros and cons of implementing it under their jurisdiction. Consultations were conducted based on the principle of free, prior and informed consent (FPIC), particularly with community and village level stakeholders. During the consultations special effort was made to consult women of different ethnicities and other vulnerable groups.

During stakeholder consultations, a wide range of topics pertinent to social and environmental safeguards, living conditions, livelihoods improvements and other relevant topics were discussed in the relevant local dialects. Justification for consultation of multiple ethnicities is highlighted by the following numbers: Lao-Tai – 75; Mon-Khmer – 205; Hmong-mien – 150; and Sino-Tibetan - 45.

## 1.4 ELEMENTS OF ESMF

### Principles

The main approach is to prevent and mitigate any harm to the environment and to people by incorporating environmental and social concerns as an intrinsic part throughout the program cycle. Any identified adverse environmental and social impacts will be addressed and tracked throughout all stages of the program cycle to ensure that supported activities comply with the policies and practices laid out in the ESMF. It is necessary to: i) avoid potential adverse impacts; ii) if the impacts cannot be avoided mitigation measures should be proposed; and iii) if the impacts cannot be avoided or mitigated, compensation should be made.

### Application of the ESMF and other safeguards framework

A set of processes guide the conduct of REDD+ activities to ensure that they do not advertently or inadvertently harm ecosystems and communities. The activities are related to the different functions that the relevant institutions perform in preparing REDD+ related projects and subprojects and in implementing ER-P. The processes cover the following stages:

- Screening process during project/activity design, preparation, and assessment, including the provision of mitigation procedures to address expected negative environmental and social impacts, as well as prior to the implementation of activities to ensure their conformance to the Safeguards Framework;
- Safeguards management process during the operation of the project or activity;
- Monitoring process to ensure that the environmental and social safeguards are addressed and that any negative environmental and social impacts are mitigated; and
- Mediation and redress of grievances of concerned stakeholders

The framework has been developed, namely:

- **Environmental and Social Management Framework (ESMF).** The ESMF of the ERP covers the processes of screening, providing resources, implementing, and monitoring subprojects and activities that avail of REDD+ resources. Some of the processes cover both the environmental and social aspects, e.g. preparation of the Initial Environmental Examination (IEE) and Environmental and Social Impact Assessment (ESIA), since the screening processes must cover both aspects. Social safeguards documents such as EGPF, PF, and RPF have been prepared to ensure application of safeguards of the country, the World Bank, UNFCCC REDD+ Safeguards and other international conventions.

## 2 PROGRAM DESCRIPTION

### 2.1 ELEMENTS OF THE ERPD

#### **The Emission Reductions Program landscape, drivers and trends**

The ER-P of Lao PDR embodies the Government's commitment to reforming land use, enhancing forest restoration and protection. The Government of Lao PDR (GoL) embraces REDD+ as the opportunity for transforming rural land use, from opportunistic revenue generation at the cost of natural resources, to strategic and efficient land use delivered through participatory and integrated planning design.

#### ***The national context***

The ER Program of Lao PDR corresponds to its Nationally Determined Contributions (NDC)<sup>2</sup> with significant weight on actions to be taken in the forestry sector, which estimates removing 60-69 million tCO<sub>2</sub>e from forests by 2020 compared to 2000. As the country is nearing completion of REDD+ readiness, the GoL sees the ER Program as an opportunity for launching the implementation phase of the National REDD+ Program. The ER Program is intended to inform strategic and operational lessons for scaling up REDD+ at nationwide. The ER Program is also strategically aligned with the Government's highest-level development plan, the 8<sup>th</sup> National Socio-Economic Development Plan (NSED: 2016-2020); its overall objective is *"Reduced poverty, graduation from LDC status with sustained and inclusive growth through promotion of national potential and comparative advantages, effective management and utilization of natural resources and strong international integration"*. As a Least Developed Country (LDC), Lao PDR puts due emphasis on the need for economic development and the need to balance this with sustainable natural resources management, equitable, and inclusive growth. Namely, the national target of achieving 70 % forest cover (16.6 million ha) is declared in the 8<sup>th</sup> NSED and echoed in all national policy documents that relate to natural resources management.

#### ***Rationale for selection of the proposed ER Program area***

The northern landscape of Lao PDR is distinctly unique, owing to the more than 20 ethnic groups in the six provinces who have called the sprawling mountains their home since far before the history of the State. Remote accessibility and limited public and industrial infrastructure play a role in preserving the cultural heritage, but, also presents massive constraints in transportation, accessibility of social welfare, promotion of industry and trade, among other issues. The provinces in the northern region all have international borders connecting them with regional growth centers of China, Myanmar, Thailand and Vietnam at distances much closer than to Vientiane capital, which presents both opportunities, as well as challenges, particularly in the form of pressure on land and forest resources. With the above comes the status as the poorest region within this Least Developing Countries (LDC), giving way to the pro-poor ER Program design. Lao PDR's ER Program area straddles across six of the Northern provinces of the country, constituting approximately 35 % of the national

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<sup>2</sup> The Nationally Determined Contributions (NDC) 2015 bases its mitigation contribution on implementing the Forestry Strategy to 2020 of the Lao PDR to increase forest cover to 70 % (16.58 million hectares) along with 500,000 ha of plantation forests. As a result, the timber logging and the conversion of forest areas can be controlled by 2020. Under these targets, improvement management of the forests of the Lao PDR may be able to reduce 60,000-69,000 kilotons of carbon dioxide emissions (ktCO<sub>2</sub>e) between 2015 and 2030

territory. The proposed Accounting Area (ER Program area) is a contiguous landscape, covering the entire administrative areas of Bokeo, Huaphan, Luang Namtha, Luang Prabang, Oudomxay and Sayabouri provinces. The ER Program area has important functions as critical watersheds feeding the major tributaries including the Mekong River. The hilly landscape is particularly prone to natural disasters including landslides and flooding caused by monsoonal rainfall. This supports the underlying rationale for forest management in the ER Program area other than the climate change mitigation objectives.

Data suggests that as of the late 1970s, Lao PDR was predominantly forested and has been reduced to its current forest cover of approximately 58.0 % (as of 2015), with accelerated pace of forest loss occurring towards the late 1990s and 2000s. A birds-eye view of present day Lao PDR and particularly of the North shows a sprawling patchwork of upland cultivation plots alongside extensive bush fallow, and remaining forests covering difficult terrain. Major developments are notable, including various scales of hydropower plants dotted along the major river networks, and mining developments. Despite the low population density (21.7 persons/km<sup>2</sup>), human intervention on the forest landscape is virtually inescapable. The annual gross deforestation and forest degradation in the ER Program area between 2005-2015 was approximately 72,000 ha, compared to 181,000 ha for the national scale. Hence, approximately 40 % of the deforestation and degradation in the country took place within the selected six provinces, in area terms.

Forest loss has had much to do with interest in land-based investments, increasing over the years. A survey on national concessions and leases indicated that in 2012, over 2,640 cases of active leases and concessions were issued covering 1.1 million ha of land, or almost 5% of the country's territory<sup>3</sup>. As of 2018, an internationally supported initiative of the Government to inventory land-based concessions anecdotally reports that concessions for the mining sector exceed 10 million hectares<sup>4</sup> across the country.<sup>5</sup> According to the 2012 report, of the total area under concessions and leases, over 80 % were under foreign investments, with Vietnam, China, and Thailand as the main investors. Approximately 30 % of the land under concessions or leased are considered to have been previously forests. Land based investments in the northern region accounted for 38 % of the national share, in area terms. Related to such land concessions and leases, social and environmental concerns, including negative impacts on rural community livelihoods by replacing smallholders' agricultural areas and access to forests, have risen.

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<sup>3</sup> Schönweger et al. 2012. Excluding cases of mining exploration (over 1 million additional ha) and use agreements for hydropower generation, logging, and contract farming, which were beyond the scope of the inventory.

<sup>4</sup> It is not known whether or not this figure includes underground extraction mining concessions (i.e. as opposed to open-pit) which are not a direct threat or driver of deforestation or forest degradation.

<sup>5</sup> Comprehensive land concession data that has been produced through the Land Concession Inventory (with funding from SDC) since 2014, and is becoming available (as of May 2018). The concession inventory was carried out jointly with the Ministry of Agriculture and Forestry, the Ministry of Planning and Investment, the Ministry of Energy and Mines and the Ministry of Natural Resources and Environment, and covers the whole country for agriculture, forestry, mining and hydropower sectors, including detailed maps of areas granted for concession and actual areas used, and associated data (concession company, individuals responsible, financing, dates of approval, etc.). It was carried out with support of the offices of the Provincial Governors and done at both provincial and district levels. The outcome of the concession inventory has been presented by the MONRE Minister to the Central Committee and the Prime Minister. The data is in a state now where it can be used, pending a formal agreement for dissemination between ministries.

### ***Opportunities for land and forest use sector reform***

As with many developing countries, Lao PDR faces challenges in harmonising land tenure security with opportunities for land investment for economic growth. Key challenges include unimplemented land allocation and land use sector plans, incompliant land conversion plans, lack of transparency in awarding land concessions, *“resulting in the wasting use of land, illegal possession of public land-forest, unlawful granting of land use rights over state land to individuals”* (Party Resolution on Land)<sup>6</sup>.

With regards to governance, in recent years considerable improvements are noted in applying the rule of law, but challenges remain in building capacity to institutionalise reform, across the board. The GoL is taking significant steps for increased transparency, participatory land management, and setting a clear direction on natural resource exploitation to drive economic growth through enacting the Party Resolution on Land (2017) and Land Master Plan (2018) and revising key policies and regulations such as the Land Law and Forestry Law. The GoL further recognises the critical need to address adverse impacts on environment and social including impacts of climate change through broad, effective national cross-sectoral strategies, and continued participation in regional and global efforts to resolve environmental challenges.

In recent years, the GoL embarked on a number of reforms that will provide a platform for launching the ER Program interventions. For instance, in 2012, in response to the concerns raised across the country, the GoL issued a suspension on granting of new concessions for mining, eucalyptus and rubber investments, which remains largely in effect today except some lifts on plantations of eucalyptus, acacia, teak and other indigenous species. A national moratorium on logging in production forest areas (PFAs) has been also in effect since 2013 in order to protect natural forests from unsustainable exploitation in absence of Forest Management Plans. Initially prior to imposing the ban, the GoL indicated that it would be lifted once the Forest Management Plans for all 51 PFAs are completed. However, despite these were completed in December 2016, the ban is still not lifted and there is no clear timeline for when it will be lifted<sup>7</sup>.

The Prime Minister’s Order (PMO) No.15 of 2016<sup>8</sup> to strengthen enforcement of restrictions to halt illegal logging and illegal timber exports, is already demonstrating significant impact, and is expected to have sustained impact with the GoL’s official start of the FLEGT Voluntary Partnership Agreement (VPA) negotiations with the EU. In addition, the adoption of the Central Party Committee’s Resolution on Land in 2017 and Land Master Plan 2018 indicating the need for reform in land management is paving the way for the revision of the Land Law.

### **The Emission Reductions Program as a Solution**

The ER-P will be the first step in Lao PDR’s transition from REDD+ readiness to implementation and subsequently results-based payments. The ER-P design sets the

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<sup>6</sup> The Central Committee of the Lao People’s Revolutionary Party’s Resolution on Enhancement of Land Management and Development in New Period (3 August 2017).

<sup>7</sup> SUFORD-SU 2017, Scaling-Up Participatory Sustainable Forest Management Project (SUFORD-SU) Completion Report, December 2017

<sup>8</sup> Prime Minister’s Order No. 15 of 2016 on ‘Enhancing strictness on the management and inspection of timber exploitation, timber movement, and timber businesses.’

framework for implementing the NRS in a decentralised manner at sub-national level. While strategically defined at the province level and executed at the district/village level, the ER-P contributes to improving the national institutional and regulatory systems in manners that facilitates its replication and up-scaling. The aim of the ER-P is to support the transition to low-emissions, climate resilient and sustainable development pathways in the forestry, agriculture and cross-cutting areas as outlined in ER-PD (see Figure 4.3.a. in the ERPD).

The development objective of the ER-P is to support REDD+ in Laos to have an effective system for REDD+ implementation that contributes to sustainable forest management, green economic growth and poverty reduction, and help to mitigate climate change at all levels.

The specific objective is to contribute to successful implementation of the National REDD+ Action Plan. This will be achieved through four components.

This ER Program is designed as a strong, strategic and scalable foundation for addressing the key drivers of deforestation and forest degradation and reduce greenhouse gas emissions beyond business as usual. The ER Program is formulated based on strong analysis and understanding of the main direct and underlying drivers of forest loss. Direct drivers include permanent agriculture expansion (including rubber) into forest areas, shifting cultivation in its different dimensions encroaching into forest areas and preventing forests to regenerate, and illegal and unsustainable timber harvesting. Hydropower, mining and other infrastructure related developments also play a part. These direct drivers interplay with a set of complex underlying drivers. The pressures presented by the regional growth centers just across the border from the ER Program provinces are significant. Such pressures interface with rural populations that presently have little in terms of alternative options in the face of ‘land deals’ offered by investors, and ultimately drive decisions regarding land-use. Such issues being common to other regions - although with differences in scale - justify and increase the value of the ER Program as a pioneer program.

The ER Program is developed to respond to the above contexts. The analytical work supporting this ER Program emanates from two primary processes. First, at the national level, the Government’s process to develop a NRS, and second, at the provincial level, a series of Provincial REDD+ Action Plans (PRAPs) have been consultatively prepared in the six provinces mentioned above.

## **2.2 ER-P LOCATION**

The proposed Accounting Area of the ER Program straddles six Northern provinces of Lao PDR, constituting approximately 35 % of the national territory. The proposed Accounting Area is a contiguous landscape, covering the entire administrative areas of Bokeo, Huaphan, Luang Namtha, Luang Prabang, Oudomxay and Sayabouri provinces. Each province shares an international border with one of the surrounding countries of Thailand, Myanmar, China and Viet Nam. The Northern region of Lao PDR is characterised by hilly topography, remote accessibility and limited public and industrial infrastructure, unique ethnic communities, and a persistent prevalence of poverty.

The selection of the ER Program is due to a number of critical factors. Apart from being a significant contiguous landscape, the area has experienced 40 % of the country’s deforestation and forest degradation (in area terms) in 2005-2015. The region is also well-known for the presence of a complicated national challenge of prevalence of shifting



cultivation practices, as well as being the poorest region in the country. For such reasons, in the early phase of REDD+ readiness, a number of projects supported by development partners focused their REDD+ pilot actions in the Northern provinces, which gave way to increased capacity and preparedness of these provinces for REDD+, and the eventual selection of the six Northern provinces as the area for the Lao ER Program.

The key characteristics of the land/forest cover of the ER-P area are as follows;

- Forest land (including Current Forest<sup>9</sup> and Potential Forest<sup>10</sup> classes of the national land/forest classification system) accounts for 89.5 % of the total ER-P area for which the national average is 84.7 %.
- 53.0 % is under Current Forest, for which the national figure is 58.0 %. This indicates high historical deforestation and forest degradation.
- 36.5 % is under Potential Forest, which is significantly higher than the national average of 26.7 %. According to the forest type maps analysis over the period of 2000-2015, only 3-4 % of the entire Regenerating Vegetation (RV) area (comprising more than 99 % of the Potential Forest) were restored to Mixed Deciduous (MD) forest (comprising 88 % of the Current Forest; RV is considered to grow into MD forest in the absence of disturbances).
- 6.9 % is under Cropland<sup>11</sup>, lower than the national average of 10.1 %. This indicates less intensive agriculture due to topographical constraints, and suggests dominant practices of shifting cultivation.

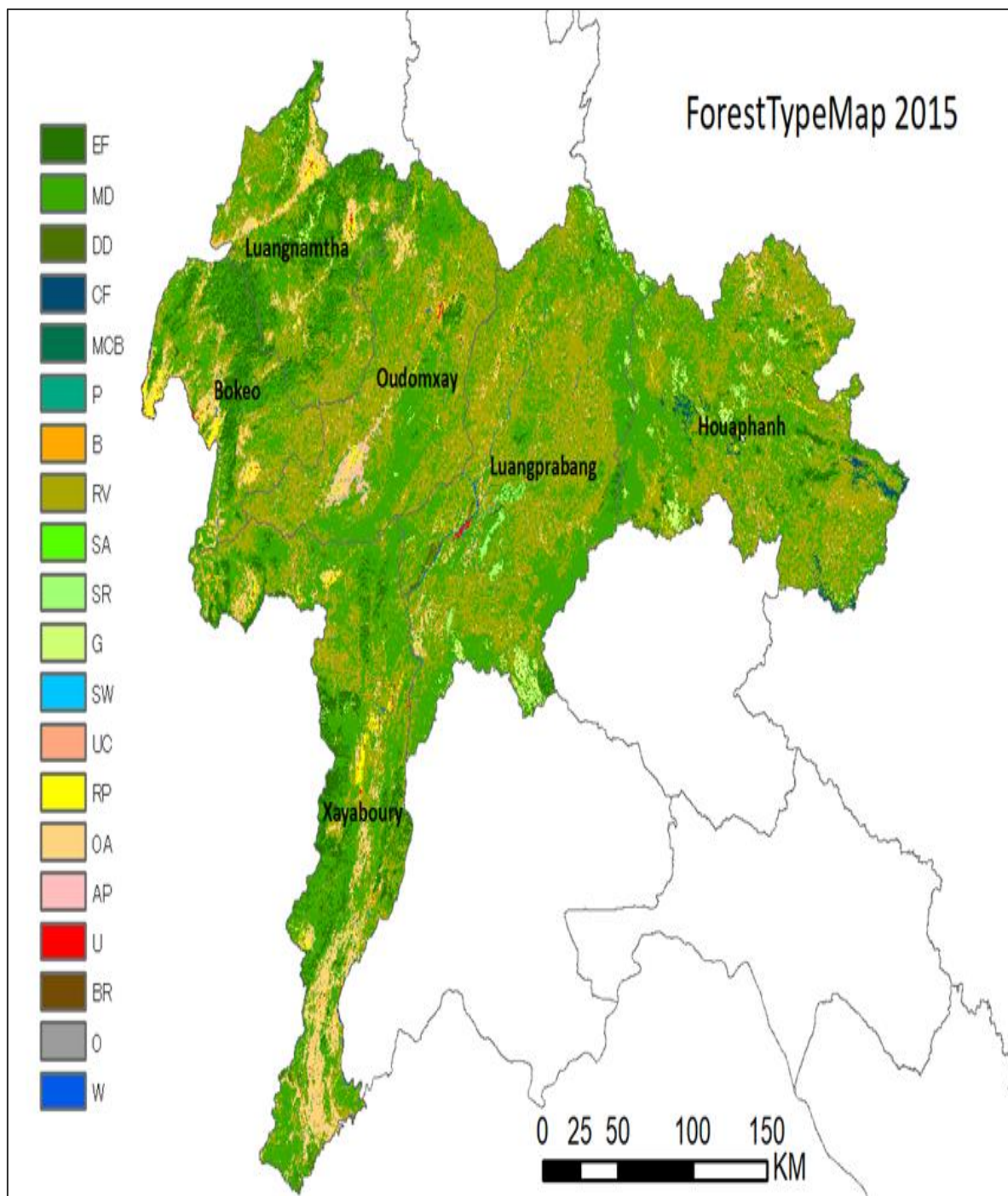
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<sup>9</sup> Areas with a tree cover and crown density of at least 20 %. Forest Plantations are exempted from the rule of the minimum crown density.

<sup>10</sup> Areas with a crown density less than 20 % and not permanently being used for other purposes (i.e., residential, agriculture etc.).

<sup>11</sup> Areas for production of crops, fruit trees etc.

**Figure 1 Map of land/forest cover of the ER Program area**



Note: the legend of land/forest types is available in the list of acronyms.

### Box 1 Terminology on forests used in the ER-PD and this document

The legal framework stipulates that “*Forest land is the area of all land parcels which are covered by forest or the land which is not covered by forest but is determined by the State to be forest land...*” Considering the IPCC definition of Forest land against the national circumstances of the Lao PDR, the IPCC Forest land category for Lao PDR has been determined by the Government to include both “Current Forest” land categories as well as “Potential Forest” categories.

**Forest cover** can refer to either of the following, and shall be defined in each specific occurrence of the term throughout the ER-PD:

- Areas under “Current Forest”; or
- Areas under “Current Forest” and “Potential Forest”

**Current Forest** (land/forest classification system Level 1) are areas with a tree cover and crown density of at least 20 per cent. Forest Plantations are exempted from the rule of the minimum crown density.

- Level 2 classes under Current Forest include: Evergreen forests (EG), Mixed deciduous forest (MD), Coniferous forests (CF), Mixed coniferous and broadleaved forests (MCB), Dry Dipterocarp forest (DD), and Plantations (P).
- Current Forests covers Stratum 1, 2 and 3, and includes Plantations from Stratum 4 (Strata applied under REDD+ carbon accounting).

**Potential Forest** (land/forest classification system Level 1) are areas with a crown density less than 20 per cent and not permanently being used for other purposes (i.e. housing, agriculture etc.).

- Level 2 classes under Potential Forest include: Regenerating Vegetation (RV), and Bamboo.
- **Regenerating Vegetation (RV)** are previously forested areas in which the crown density has been reduced to less than 20 per cent because of logging or heavy disturbance including shifting cultivation. If the area is left to grow undisturbed it will become forest again.

**Table 1 Land/forest in ER Program area 2015**

|                                  | Area (Ha) |           |         |           |           |           |           | Area (%) |
|----------------------------------|-----------|-----------|---------|-----------|-----------|-----------|-----------|----------|
|                                  | BKO       | HPN       | LNT     | LPB       | ODX       | SAY       | Total     |          |
| <b>Current Forest</b>            | 397,125   | 894,248   | 561,679 | 963,837   | 544,165   | 945,817   | 4,306,872 | 53.0     |
| <b>Potential Forest</b>          | 196,557   | 715,557   | 284,892 | 860,959   | 536,293   | 371,920   | 2,966,178 | 36.5     |
| <b>Other Vegetated Areas</b>     | 753       | 48,129    | 9,896   | 62,155    | 1,196     | 2,065     | 124,194   | 1.5      |
| <b>Cropland</b>                  | 91,682    | 73,161    | 90,169  | 81,209    | 95,503    | 222,691   | 654,413   | 8.1      |
| <b>Settlement</b>                | 2,603     | 1,098     | 1,729   | 4,565     | 2,687     | 3,924     | 16,607    | 0.2      |
| <b>Other Land</b>                | 769       | 593       | 366     | 2,453     | 202       | 1,833     | 6,216     | 0.1      |
| <b>Above-ground Water Source</b> | 8,057     | 4,341     | 4,652   | 14,950    | 4,878     | 11,791    | 48,670    | 0.6      |
| <b>Total area</b>                | 697,547   | 1,737,127 | 953,383 | 1,990,128 | 1,184,924 | 1,560,041 | 8,123,149 | 100      |

(Source: Forest type map 2015, FIPD, DoF, Lao PDR)

BKO: Bokeo province, HPN: Huaphan province, LNT: Luang Namtha province, LPB: Luang Prabang province, ODX: Oudomxay province, SAY: Sayaburi province.

### ***Forest administrative categories***

The Forestry Law (2007, revised 2019) categorises forests into three administrative categories: Production Forests; Protection Forests<sup>12</sup>; and Conservation Forests<sup>13</sup>, managed by different administrative levels (central, provincial, district). There are forests outside of the three forest categories, which are considered to be mostly under village management, however often without clear management systems. Further characteristics of the ER Program area, in light of these three forest categories, are outlined below and in Table 2:

- 5.9 million ha or 73 % of the ER Program area are designated under the three forest categories (higher than the national average of 68 %). In 2015, 58.5 % of such lands had forest cover (lower than the national average of 66.1 %).
- Approximately 43% of the ER Program area are categorised as Protection Forests, but have significantly lower forest cover (52.4 %) when compared with the other two forest categories.
- Forests outside of three forest categories have the highest rate of deforestation (7.5% during 2005-2010) compared to Production Forests (3.3 %, including through timber harvesting), Protection Forests (4.4 %) and Conservation Forests (2.0 %). It is commonly understood that, due to lack of operational management systems and proximity to villages, forests outside of three forest categories are more prone to disturbance (e.g. shifting cultivation, agricultural expansion, infrastructure, mining road), and unsustainable timber extraction.

**Table 2 Forests by category in ER Program area 2005 - 2015**

|   | <b>Current Forest (2005)</b> | <b>Current Forest (2015)</b> | <b>Total land area</b> | <b>Forest cover (2005)</b> | <b>Forest cover (2015)</b> |
|---|------------------------------|------------------------------|------------------------|----------------------------|----------------------------|
| <b>Three forest categories</b>                | 3,599                        | 3,468                        | 5,926                  | 60.7%                      | 58.5%                      |
| <b>Production</b>                             | 690                          | 661                          | 1,049                  | 65.8%                      | 63.0%                      |
| <b>Protection</b>                             | 1,927                        | 1,844                        | 3,519                  | 54.8%                      | 52.4%                      |
| <b>Conservation</b>                           | 982                          | 963                          | 1,358                  | 72.3%                      | 70.9%                      |
| <b>Forests outside of 3 forest categories</b> | 907                          | 839                          | 2,197                  | 41.3%                      | 38.2%                      |
| <b>Total area ha</b>                          | 4,506                        | 4,307                        | 8,123                  | 55.5%                      | 53.0%                      |

(Source: National three forest category data and forest type maps 2005, 2015.)

Note: The total land area of 'Forests outside of 3 forest categories' include all types of lands outside of the 3 forest categories, such as agricultural land and residential areas, thus resulting in low forest cover rate.

## **2.3 ENVIRONMENTAL AND SOCIO-ECONOMIC CONDITIONS OF THE ER-P AREA**

### **2.3.1 Biological diversity**

The Lao PDR's National Biodiversity Strategy and Action Plan 2016-2025 (NBSAP) notes that the country is "one of the most biodiversity rich countries in Southeast Asia." Lao PDR is home to "319 species... of global conservation significance" and "many rare and

<sup>12</sup> Protection Forests, as per Article 10 of the Forestry Law 2007, are designated with the purpose to protect important watersheds, riverbanks, road side, high slope areas against soil erosion (e.g. landslide, flash flood) and strategic areas for national defense, protection against natural disasters, etc. These forests are important for the security of local livelihood and environmental services.

<sup>13</sup> Conservation Forests, as per Article 11 of the Forestry Law 2007, are designated with the purpose to conserve the biodiversity of the plant and animal species, forest ecosystems; sites of natural, historical, cultural, tourism, environmental, educational and scientific research experiments.

endangered species, ... such as: Asian elephant (*Elephas maximus*), tiger (*Panthera tigris*), clouded leopard (*Pardofelis nebulosa*), leopard (*Panthera pardus*), gaur (*Bos gaurus*), saola (*Pseudoryx nghetinhensis*), various gibbons including the black crested gibbon (*Hylobates soo.*, *Nomascus spp.*), Siamese crocodile (*Crocodylus siamensis*), Irrawaddy dolphin (*Orcaella brevirostris*), and white winged duck (*Cairina scutulata*).

Lao PDR has 698 bird species, which include 25 globally threatened species, one country endemic species, and a total of 27 important bird areas (IBA) (Birdlife International 2004). Five IBA are located in the ER Program provinces and include: i) Nam Et and Phou Leuy in Huaphan Province (85,450 ha and 60,070 ha respectively); ii) Mekong River from Luang Prabang and Sayabouri Provinces to Vientiane Capital (18,230 ha); iii) Nam Ha National Protected Area in Luang Namtha province (184,520 ha) and; iv) Nam Xam in Huaphan Province (69,000 ha). The IBA in Nam Ha Protected Area is known to support a rich montane avifauna and a significant number of biome-restricted bird species, including some that are not known to occur in any other IBA throughout the country, such as White-bellied Redstart *Hodgsonius phaenicuroides*, Crested Finchbill *Spizixos canifrons* and White-necked Laughing thrush *Garrulax strepitans*.

In terms of aquatic biodiversity, the country is also known to possess a wide diversity of fresh water fish species. The Mekong River Commission's (MRC) Mekong Fish Database in 2003 listed a total of 26 exotic fish species and 898 indigenous fish species, ranging from the largest: the Mekong giant cat fish (*Pangasianodon gigas*), the giant barb (*Catlocarpio siamensis*) and the giant stringray (*Himantura chaopraya*), to the smallest: *Boraras micros* (with a maximum length of 1.3 cm), *Oryzias pectoralis* (2.2 cm) and *Clupeichthys aesarnensis* (4.6 cm). In Lao PDR Kottelat (2001) identified more than 481 species, including 22 species identified as exotic species. Other aquatic animals, such as frogs, shrimps, crabs, tadpoles, snails, and aquatic plants, have not been as thoroughly studied. According to Kottelat and Whitten (1996) only 37 amphibian species, seven species of crabs and 10 species of shrimps have been recorded for Lao PDR, and these records would probably cover only about 15 % of the estimated total.

An estimated 40 % of protein for human consumption in Lao PDR is derived from fisheries, making it the main source of animal protein. Several studies of the fisheries of the Nam Ou Basin, which includes Oudomxay and Luang Prabang provinces, have been undertaken, notably by Kottelat (2009) for the World Wildlife Fund (WWF). This study identified a total of 84 fish species, from 23 different families, in the Nam Ou Basin. The Mekong Giant Catfish (*Pangasianodon gigas*), a critically endangered species is reported as being found in the area of the confluence with the Mekong, but not in the Nam Ou itself. The lower part of the Nam Ou from Meuang Ngoy to Pak Ou in Luang Prabang is listed as a key biodiversity area (KBA) by the International Union for Conservation of Nature (IUCN) because of the presence of another critically endangered species called the Giant Barb (*Catlocarpio siamensis* or *Pba Chok*). Respondents confirmed that this species has been found in the Nam Ou as far up the river as Pak Ban, where fish of up to 10 kg have been caught. However, this fish is not found in Oudomxay Province. Two other endangered fish species, the Mekong Freshwater Stingray (*Dasyatis laosensis*) and Seven-striped Barb (*Probarbus jullieni*), are also found throughout the Nam Ou. A spawning ground of the Seven-striped Barb and its spawning behaviors have been recorded at Hatkhe Village, which is 41 km upstream from the

confluence with the Mekong and 27 km upstream of the proposed Nam Ou 1 hydropower project site in Luang Prabang province. A few turtle species are found in the Nam Ou river basin (Phongsaly, Oudomxay and Luang Prabang provinces), many of which are captured for sale and consumption. Some species are critically endangered, including the Asian Box Turtle (*Cuora amboinensis*) and the Indochinese Box Turtle (*C. galbinifrons*). Both of these turtle species have been captured in Phongsaly. There is also one endangered amphibian species, the Yunnan spiny frog (*Nanorana yunnanensis*).

The loss of biodiversity in Lao PDR is due to a range of key factors including hunting (for consumption); habitat loss and degradation resulting from expansion of agriculture and infrastructure; extraction of forest products; and fires. As noted, “several mining and tree plantation concessions and hydropower projects overlap with national protected areas, protection forests and other forest types, which are areas of high biodiversity.” In terms of over-exploitation of forest products, the impact of wildlife hunting for commercial wildlife meat and medicinal uses, rather than for subsistence consumption, has had a very negative impact on wildlife populations. Biodiversity in the Lao PDR is also threatened by invasive species; environmental pollution from residential and industrial sources; agro-chemicals (pesticides, herbicides, and fertilisers); and climate change.

Fish Conservation Zones (FCZ) have been established with assistance from international organisations, such as WWF, at several villages along the Nam Ou and its tributaries. These zones are sections of the river that are recognised by local fishermen as being important habitats for fish. They are usually deep pools that provide refuge for fish during the dry season and serve as spawning areas or fish nursery grounds. Participating fisher folk from surrounding villages agree to abide by the rules and regulations restricting fishing activities in these zones, which are often marked with a string of flags across the river at the beginning and end of the reach. These reaches may be 500m to 1km long. Most fisher folk agree that the FCZ are effective in helping to protect and increase fish stocks. Warren (2010) identified 15 villages with established FCZ on the Nam Ou mainstream. In the Luang Prabang districts of the Nam Ou Basin there are 30 FCZ, with 25 on the Nam Ou (Ngoy – 10, Nam Bak – 11, Pak Ou – 4) and five on the Nam Nga as of 2016. In Oudomxay province more than 90 villages have 35 conservation pools and 101 protection pools.

The Lao PDR is signatory to numerous important multilateral environmental agreements, including the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), and the Ramsar Convention on Wetlands. It is active in the ASEAN-Wildlife Enforcement Network and has established its own Lao-Wildlife Enforcement Network for collaboration among national law enforcement agencies. Lao PDR also cooperates with the International Criminal Police Organization on wildlife trafficking and other environmental crimes.

The baseline information concerning the REDD+ environmental and social settings is provided in the SESA Report. They include elements of the natural environment, the social and economic situation, the policy and legal framework, and the institutional framework governing the REDD+ implementation. Readers who are interested in further details of these environmental and social settings are referred to the SESA Report. What follows below are relevant summaries from the baseline information concerning the physical settings of the

application of the possible REDD+ strategy interventions where potential environmental and social issues may arise.

### 2.3.2 Land and Forest Setting in the ER-P region

Shifting cultivation has been traditionally practiced by many of these ethnic groups who have inhabited the uplands. Shifting cultivation is also generally linked to poverty (but, studies have also indicated that in some areas, marginal shifting cultivation landscapes increased, while poverty rates decreased). Shifting cultivation is largely dependent on community's general accessibility; but within, social distances or marginality, play a more important role than physical distances to markets, services, and infrastructure.

Another crucial aspect for rural life, especially for ethnic groups is the close attachment to forests in the uplands, rural communities also still rely on hunting, fishing and gathering of NTFPs for family consumption and income generation. NTFPs can be domesticated, sold in local markets and some are traded internationally. NTFPs including edible insects are known to provide 60 % of the income of rural villages. An estimated 40 % of protein consumption is derived from fisheries, making it the main source of animal protein. Over 700 edible NTFPs have been recorded including edible shoots and other vegetables, fruits, tubers, mushrooms and wildlife. NTFPs are mainly managed in a traditional manner based on customary rules. Overall, poorer families tend to rely more on NTFPs for subsistence (given adequate forest quality and access) than better off families. Table 3 shows the land forest cover of Lao PDR.

**Table 3 Land and forest cover of Lao PDR 2000 – 2015**

| Forest land use and acronym       |        | 2000              |             | 2005              |             | 2010              |             | 2015              |             |
|-----------------------------------|--------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
|                                   |        | Ha                | %           | Ha                | %           | Ha                | %           | Ha                | %           |
| Evergreen Forest                  | EF     | 2,617,238         | 60.9        | 2,618,169         | 60.2        | 2,613,226         | 59.3        | 2,605,557         | 58.0        |
| Mixed Deciduous                   | MD     | 9,832,953         |             | 9,684,854         |             | 9,487,839         |             | 9,205,036         |             |
| Dry Dipterocarp Forest            | DD     | 1,304,130         |             | 1,272,006         |             | 1,215,712         |             | 1,188,198         |             |
| Coniferous Forest                 | CF     | 135,510           |             | 134,055           |             | 125,229           |             | 124,772           |             |
| Mixed Conifer and Broadleaf       | MC B   | 142,323           |             | 142,458           |             | 108,567           |             | 107,880           |             |
| Forest Plantation                 | P      | 17,889            |             | 23,880            |             | 110,024           |             | 137,965           |             |
| Bamboo                            | B      | 64,662            | 27.0        | 68,989            | 26.7        | 91,143            | 25.7        | 88,900            | 26.7        |
| Regenerating Vegetation           | RV     | 6,166,200         |             | 6,090,500         |             | 5,840,908         |             | 6,073,581         |             |
| Permanent agriculture             | RP, OL | 1,813,354         | 7.9         | 2,058,923         | 8.9         | 2,444,460         | 10.6        | 2,2486,297        | 10.8        |
| Urban and settlement areas        | U      | 63,252            | 0.3         | 64,355            | 0.3         | 73,296            | 0.3         | 75,638            | 0.3         |
| Water                             | W      | 275,523           | 2.1         | 278,892           | 2.1         | 339,866           | 2.4         | 350,304           | 2.5         |
| <b>Total land area of Lao PDR</b> |        | <b>23,054,258</b> | <b>98.2</b> | <b>23,054,258</b> | <b>98.2</b> | <b>23,054,258</b> | <b>98.3</b> | <b>23,054,258</b> | <b>98.3</b> |

Most of the country's forest resources are located in state forest areas. The forest areas are illustrated in and include the following:

- **Conservation Forest Areas.** Conservation Forest Areas are mainly for biodiversity conservation. There are 24 National, 66 Provincial, and 143 District Conservation

Forest Areas adding up to 4.7 million ha, of which about 3.47 million ha (74 %) are forested as determined from 2015 satellite images.

- **Protection Forest Areas.** Protection Forest Areas are mainly for soil and water conservation. The delineation of individual Protection Forest Areas has not yet been completed, but together they could comprise some 8.2 million ha, of which about 4.62 million ha (56 %) are forested.
- **Production Forest Areas.** Timber and non-timber forest products (NTFP) are harvested in Production Forest Areas (PFA), but NTFP may also be collected in Conservation and Protection Forest Areas. There are 51 PFAs with a total area of 3.1 million ha, of which 1.3 million ha (69 %) are forested.
- **Areas Outside the state forests.** About 37 % of the country's land area falls outside state forest areas. These areas in aggregate comprise about 7.68 million ha, of which about 3.14 million ha are forested (41 %).

Forest areas are threatened by the expansion of commercial agriculture, plantations, and urbanization; shifting cultivation, infrastructural development, mining, and fire. (See Table 4). These threats must be addressed by various measures, such as the sustainable management of forests by designated resource managers. Putting the state forest areas under sustainable management has been a difficult challenge, which the State tried to address by putting the management of Conservation Forest Areas and Protection Forest Areas separately under the Department of Forest Resource Management, MoNRE with the management of Production Forest Areas (PFA) remaining with MAF in 2011. The 51 PFAs have been designated and demarcated since 2007 by the GoL but implementation has been hampered by mainly a lack of completed Forest Management Plans in all 51 PFAs and weak law enforcement that prompted the GoL to issue a logging ban from the PFAs in 2013<sup>14</sup>. Under the Scaling-up Participatory Sustainable Forest Management (SUPSFM or SUFORD-SU) Project during 2013-2018, Forest Management Plans were prepared for the remaining 25 (of a total of 41) PFAs that were not covered under the previous FORMACOP and SUFORD projects with participation of local forestry units and villages. In 2016 the GoL re-merged the management of Conservation Forest Areas and Protection Forest Areas from MoNRE to MAF.

Village forestry is also being promoted to put under village management especially the forest areas that have been allocated to them such as those outside of the state forest areas. This presents a difficult challenge in village organisation and capacity development as several thousands of villages are involved. The Department of Forestry has targeted the preparation of Village Forest Management Plans in over 1,500 villages with support from development partners.

The GoL has realised that financial and human resources are lacking to restore forests in deforested or degraded parts of the state forest areas. It is therefore taking a second look at forest policies that constrain the entry of forest companies and local communities into the state forest areas for the purpose of reforestation, reduction of reliance on natural timber through providing fast growing species as alternative and agroforestry development for poverty reduction.

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<sup>14</sup> PM Order on the Temporary Ban of Timber Harvesting in all Production Forests No. 31/PM (2013)



[illegible]

Non-forest areas may also be the setting of REDD+ projects/subprojects. For example, the strategy of agricultural intensification and productivity enhancement has the effect of reducing the need to venture into forests to expand agricultural activities. REDD+ resources are also being proposed to be allocated in non-forest areas, such as in Provincial REDD+ Action Plans (PRAPs). Their use must conform to safeguards policies, such as on policy framework/involuntary resettlement and on the use of pesticides.

**Table 4 Drivers of deforestation and degradation identified through stakeholder consultations**

|   | BKO | HPN | LNT | LPB | ODX | SAY |
|---|-----|-----|-----|-----|-----|-----|
| <b>Expansion of agricultural land for cash crop cultivation by villagers and/or companies (deforestation)</b>             | ++  | +++ | +++ | +++ | +++ | +++ |
| <b>Rubber</b>   | +++ |     | +++ | ++  | +++ | +   |
| <b>Banana</b>   | ++  |     |     |     | ++  |     |
| <b>Shifting cultivation and pioneering expanding agriculture for subsistence (deforestation/degradation)</b>              | +++ | +++ | +++ | +++ | +++ | ++  |
| <b>Unsustainable and Illegal logging by companies (degradation)</b>   | +++ | +   | ++  | ++  | ++  | ++  |
| <b>Infrastructure development (hydropower, mining , road construction) (deforestation)</b>                                | ++  | +   | +   | +   | ++  | +   |
| <b>Forest fires from agricultural practices, shifting cultivation land expansion, hunting (deforestation/degradation)</b> | ++  | +   | +   | +   | +   | ++  |
| <b>Unsustainable and Illegal logging and fuelwood collection by villagers (degradation)</b>                               | +   | +   | +   | +   | +   | +   |

Legend: The importance level of the individual drivers is based on the relative scale of deforestation and forest degradation in the provinces. “+” indicates the level of relative importance per province, “+++” being “relatively high importance” and “+” being “relatively low importance”. BKO: Bokeo province, HPN: Huaphan province, LNT: Luang Namtha province, LPB: Luang Prabang province, ODX: Oudomxay province, SAY: Sayaburi province

These programs have been implemented at various levels supporting the strengthening of institutional arrangements, leadership, knowledge and accountability in natural resource management. These programs have provided valuable lessons that show that there is continued need to strengthen institutional and community capacities for understanding and implementing environmental and social policies; process for identifying risks and impacts and process for monitoring and evaluation. (See Table 5).

### **2.3.3 The Social-Economic Conditions in the ER-P Region**

Communities participating in REDD+ projects will play a key role in defining management and mitigation actions and in applying them. This ESMF ensures that all REDD+ project beneficiaries and stakeholders, particularly the communities, meaningfully participate in project design, implementation, and monitoring.

#### **Population demographics and growth**

Nationally, population is growing, but at reduced rates compared to the 1990s. During 1985-1995, the average population growth rate was at 2.47% annually. In the following decades, the annual growth rate fell to 2.08% (1995-2005) and 1.45% (2005-2015). The declining growth rate is a result of falling birth rates, migration (to neighboring countries for economic reasons), among other contributing factors. The rural population, while still representing a large majority of Lao PDR’s population, declined from 73% in 2005 to 67% by 2015. Among

the rural population, those without road access have declined significantly from 21% in 2005 to just 8% in 2015.

For the six ER Program provinces, the population has been growing steadily in all provinces in the past decade, with average growth at 1.14%. Sayaburi is the second most urban province in the country, with 40% of its population living in urban areas – second only after Vientiane province. See Table 6.

**Table 5 List of projects with lessons learned related to risks and safeguards**

| <b>Program or Project</b>  | <b>Period</b> | <b>Project Summary</b>  |
|--|---------------|---|
| Forest Investment Program (FIP) support to the Lao Forest Investment Plan (Lao FIP), consisting of partial support (co-financing):   | 2012-2018     | Supporting grassroots forest managers and communities to engage in participatory sustainable forest management (PSFM) in all types of forests, to contribute to REDD+                                       |
| Scaling Up Participatory Sustainable Forest Management (SUFORD-SU), also supported by World Bank (IDA) and the Ministry for Foreign Affairs (MFA) of Finland. [This project was preceded by three World Bank-Finnish supported projects between 1995 and 2012: FOMACOP, SUFORD, and SUFORD-AF.] FIP co-financing | 2013-2018     | Supporting PSFM in 41 Production Forest Areas (PFAs) in 13 provinces; working on forest landscape management in 4 provinces and 33 pilot village forests; supporting forest law enforcement in 18 provinces |
| SUFORD-AF and SUFORD-SU: REDD+ related technical assistance supported by Finnish Ministry for Foreign Affairs.   | 2011-2017     | Initial work on REDD+ project; subsequent work to support FIP investments in REDD+; REL and monitoring ERs for project areas; forest land use planning  |
| Smallholder Plantation Development supported by the International Finance Corporation and private sector partners.<br>FIP co-financing   | 2014-         | Working with Stora Enso in south-central Laos (Savannekhet and Saravane Provinces). Exploring support to other partners.  |
| Protecting Forests for Ecosystem Services, which constitutes additional financing from FIP to the Asian Development Bank for the Biodiversity Conservation Corridor (BCC) Initiative<br>FIP co-financing   | 2016-         | Additional financing for REDD+-related activities and work with additional villages adjacent to protected areas and corridors.  |
| Climate Protection through Avoided Deforestation and Degradation (CliPAD) program, funded by the German government and implemented by GIZ and KfW2009-2019   | 2009-2020     | National support to REDD+ and climate finance issues. Initial provincial work in Sayaboury, now field work focused on Huaphan Province  |

**Table 6 Population and growth in the ER Program provinces**

|                      | <b>Population in 2005*</b> | <b>Population in 2015**</b> | <b>Growth over 10 years (%)</b> | <b>Urban population 2015** (%)</b> |
|----------------------|----------------------------|-----------------------------|---------------------------------|------------------------------------|
| <b>Bokeo</b>         | 145,263                    | 179,243                     | 1.23                            | 33%                                |
| <b>Huaphanh</b>      | 278,677                    | 289,393                     | 1.04                            | 14%                                |
| <b>Luang Namtha</b>  | 145,092                    | 175,753                     | 1.21                            | 27%                                |
| <b>Luang Prabang</b> | 400,202                    | 431,889                     | 1.08                            | 32%                                |
| <b>Oudomxay</b>      | 264,582                    | 307,622                     | 1.16                            | 24%                                |
| <b>Sayabury</b>      | 338,669                    | 381,376                     | 1.13                            | 40%                                |
| <b>Total</b>         | 1,574,490                  | 1,767,291                   | 1.12                            |                                    |

Source: \*: Population census 2005, from Lao Decide; \*\*: Population and housing census 2015

### **Main livelihoods and economic activities in the ER-P region**

Northern Lao PDR has historically been the poorest and most rural region of the country, despite it having been the target of many poverty reduction programs and projects (e.g. the National Growth and Poverty Eradication Strategy, Northern Uplands Development Program, and others). Recently, poverty rates in the North have improved, but statistics still show that the annual per capita income is the lowest among the three regions, estimated at approximately USD 1,200 for 2013-2014. The proportion of poor households was reported at approximately 14% for the same period, and while comparable with the Southern region, poverty rate is considerably higher than the Central region of the country. Huaphan province has the highest proportion of poor households in the country.

Agriculture is the main livelihood activity in the ER-P region. Shifting cultivation practices are particularly characteristic to this region. Suitable land for paddy rice is limited and yields are relatively low, as compared to other countries within the Mekong region. Upland production systems, on the other hand, saw considerable changes over the last decade, due to the strong demand of cash crops from regional markets coupled with Government efforts to stabilise shifting cultivation.

Nationwide, many provinces (including a few from the ER-P area) reported that at least 90 % of households use wood as their cooking fuel.

Ethnic groups in the North rely very heavily on forests, use of non-timber forest products (NTFPs), and upland agriculture for their livelihoods. The Mon-Khmer, as most other Austro-Asiatic groups, mainly practice shifting cultivation. The importance of livestock is limited to poultry and pigs, whereas buffaloes and cattle are rare. NTFPs are very important in their economy. Rattan handicraft production is well developed, but cloth weaving is absent. Hmong also mainly practice shifting cultivation, although they grow non-glutinous rice as opposed to the other ethnic groups. They are perhaps more livestock breeders than farmers. Hunting is an important activity for food collection.

The Lao-Tai population rely mostly on the cultivation of paddy rice and will complement this with shifting cultivation. They usually raise livestock, mostly buffalo, but also chickens, ducks and pigs. They also maintain a long tradition of silk production and weaving. Fishing

is an essential activity for food collection. They have a dominant position in business, and are the majority ethnic group in administrative positions.

Lao PDR has endorsed the International Labour Organization Convention 169 on Indigenous and Tribal Peoples (ILO 169, 1989) and United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) but the GoL does not recognise the concept of indigenous peoples in its policies and legislation. Instead, the term “ethnic group” is officially used to describe its people, who are categorised into 50 broad ethnic groups. The GoL currently recognises 160 ethnic sub-groups.

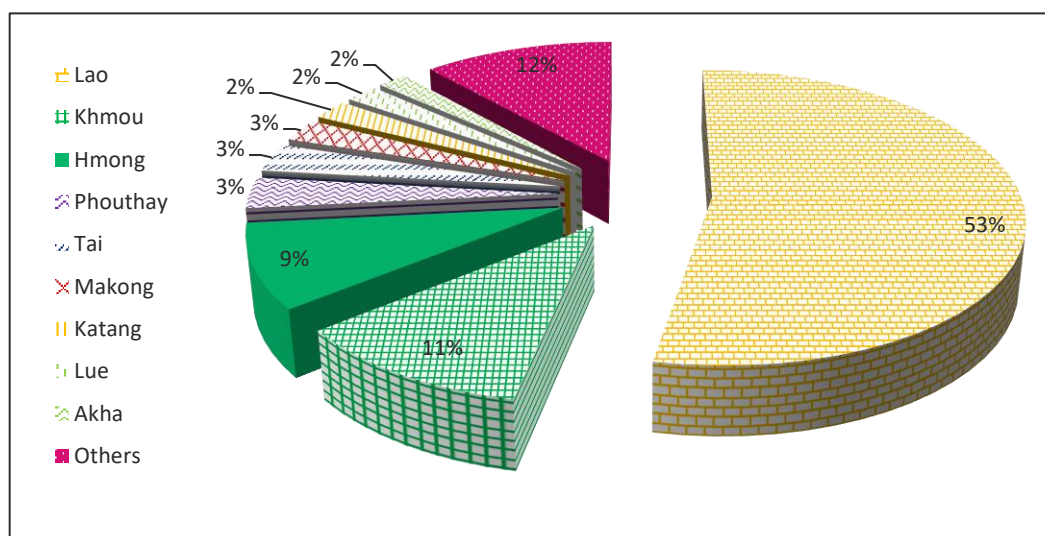
The ethnic Lao account for slightly over half of the nation’s total population (53%). When combined with other ethnic groups in the Lao-Tai ethno-linguistic family, the ethnic Lao comprise two-thirds of the population. The population of the non-Lao-Tai ethnic groups is greater in the Northern provinces. The ethnic Lao-Tai groups dominate the country economically and culturally. However, in some pockets of the country the number of non-Lao-Tai ethnic groups exceeds that of the ethnic Lao. Khmu and Hmong are the second and third largest ethnic groups respectively. Each of these two ethnic groups comprises more than half a million individuals.

A 1999 map of Ethnic Groups of Laos showed the spatial distribution of ethnic groups throughout the country, with the Hmong-Mien and Sino-Tibetan groups found primarily in the North.

The Lao ethnic group is dominant covering 53% of the total national population, followed by Khmu (11%) and Hmong (9%) and the rest are 3% or lower. See Figure 3.

Ethnic group diversity is reflected in a rich diversity of ethnic languages. Each ethno-linguistic family is divided into main ethnic groups and is further described through sub-ethnic groups. Some ethnic languages are only spoken languages and do not have written forms. While some ethnic languages have enough similarities that make mutual understanding possible, although for others it is impossible to communicate. For example, the Lao-Tai and Tai-Kadai ethnic groups share approximately 90% of their vocabulary, so it is

**Figure 3 Ethnic composition of the population of Lao PDR**



relatively easy for them to reach mutual understanding. The communication situation is similar among ethnic groups within the Sino-Tibetan linguistic family. However, the Mon-Khmer are Austro-Asiatic speakers and are divided into many sub-ethnic groups and they use languages that are not easily mutually comprehended. Hmong-Mien use Chinese characters and it is difficult for them to understand each other.

**Education** is strongly correlated with ethnicity. Non Lao-Tai ethnic groups make up a third of the population, but constitute a disproportionate share of people in households headed by someone with no formal education (64.4%) or incomplete primary education (44.2%). Education among the various ethnic groups varies greatly. Mon-Khmer and Hmong-Mien, the second and third largest groups, have similar literacy levels in the national language, which is Lao (71.1 and 69.8%, respectively). The lowest literacy rate was observed among the Sino-Tibetan speaking group at 46.8% as illustrated by Table 7.

**Table 7 Ethnic group literacy rates**

| <b>Ethnic group</b>  | <b>No formal education</b> | <b>Some primary</b> | <b>Completed primary</b> | <b>Completed lower secondary</b> | <b>Completed upper secondary</b> | <b>Completed vocational training</b> | <b>University degree</b> | <b>All</b>   |
|--|----------------------------|---------------------|--------------------------|----------------------------------|----------------------------------|--------------------------------------|--------------------------|--------------|
| Column percentages-distribution of education attainment across ethnic groups |                            |                     |                          |                                  |                                  |                                      |                          |              |
| Lao-Tai  | 35.7                       | 55.8                | 71.4                     | 78.3                             | 89.9                             | 87.0                                 | 84.7                     | 66.4         |
| Mon-Khmer  | 34.4                       | 33.0                | 20.5                     | 12.6                             | 4.9                              | 8.3                                  | 6.9                      | 22.3         |
| Sino-Tibetan   | 15.1                       | 2.0                 | 1.5                      | 1.5                              | 0.9                              | 1.7                                  | 0.3                      | 3.4          |
| Hmong-Lu Mien  | 14.5                       | 7.6                 | 5.8                      | 7.3                              | 4.1                              | 2.9                                  | 7.3                      | 7.1          |
| Other  | 0.2                        | 1.5                 | 0.8                      | 0.2                              | 0.2                              | 0.1                                  | 0.9                      | 0.8          |
| <b>Total</b>   | <b>100.0</b>               | <b>100.0</b>        | <b>100.0</b>             | <b>100.0</b>                     | <b>100.0</b>                     | <b>100.0</b>                         | <b>100.0</b>             | <b>100.0</b> |
| Row percentages-distribution of education attainment within ethnic groups    |                            |                     |                          |                                  |                                  |                                      |                          |              |
| Lao-Tai  | 7.1                        | 16.9                | 49.7                     | 6.3                              | 11.0                             | 6.8                                  | 2.1                      | 100.0        |
| Mon-Khmer  | 20.5                       | 29.8                | 42.4                     | 3.0                              | 1.8                              | 1.9                                  | 0.5                      | 100.0        |
| Sino-Tibetan   | 59.7                       | 12.2                | 20.7                     | 2.5                              | 2.2                              | 2.6                                  | 0.1                      | 100.0        |
| Hmong-Lu Mien  | 27.1                       | 21.5                | 37.4                     | 5.5                              | 4.7                              | 2.1                                  | 1.7                      | 100.0        |
| Other  | 3.2                        | 39.0                | 51.3                     | 1.5                              | 2.4                              | 0.7                                  | 1.9                      | 100.0        |
| <b>Total</b>   | <b>13.3</b>                | <b>20.1</b>         | <b>46.2</b>              | <b>5.4</b>                       | <b>8.2</b>                       | <b>5.2</b>                           | <b>1.6</b>               | <b>100.0</b> |

Main ethnic groups of ER-Program area are as follows:

1. Lao-Tai Ethno Linguistic Family consisting of six groups:
  - Lao and Tai groups are found in all six provinces.
  - Nyoun group is found in four provinces, but not in Huaphan and Oudomxay provinces.

2. Mon-Khmer Ethno Family has nine groups:
  - Khmu group is found in all six provinces.
3. Hmong –Mien Ethno Linguistic Family, have two ethnic groups:
  - Hmong and Ew-mien groups are found in all six provinces.
4. Sino-Tibet Ethno Linguistic Family consisting of five ethnic groups:
  - Phou Noy and Ho groups are found in four provinces, but not in Huaphan and Sayabouri provinces.

Other groups are generally found in three or less provinces.

While cultural traits may explain some variations in literacy, socio-economic factors and geographical location that affect access to education may also have an impact. For example, in some ethnic groups the proportion of people who have never attended school reached more than 50% in some cases, including Lahu (63%), Akha (50%), Tri (54%), and Katang (41%).

As a result of differing education levels most government staff are ethnic Lao. In some locations, government staff have difficulty working with local villagers, as they may not know the ethnic languages. Communication with and community engagement of the non-Lao-Tai ethnic groups (i.e. Mon-Khmer, Hmong-Mien and Sino-Tibetan ethnic groups) remains a challenge. The inventory and recruitment of government staff members, including women from those ethnic groups, or reliance of local interpreters, remains a prerequisite for the government staff to communicate with different ethnic groups and to fully ensure local ownership and participation. The Lao Front for National Development has staff throughout the country that can assist the government's district and provincial staff in communication and extension work with different ethnic groups.

**Poverty rates** vary by ethnicity and is higher among ethnic minorities in general, with the non Lao-Tai contributing to 55% of all poor people (2013), despite being only one-third of the population in Lao PDR (The Sino-Tibet ethnic group has been an exception and they have experienced a rapid decline in poverty in recent years). The poverty rates were highest between the Mon-Khmer and Hmong-Mien headed households; with poverty rates of 42.3% and 39.8% respectively, almost double the national poverty rate of 23%.

Ethnicity in the six Northern ER-P provinces of Huaphan, Luang Prabang, Sayabouri, Luang Namtha, Bokeo and Oudomxay is quite diverse consisting of a total of 23 major ethnic groups classified into four ethno-linguistic families: Lao-Tai (6 groups), Mon-Khmer (10), Hmong-Mien (2) and Sino-Tibet (5). As shown in Table 8, Lao, Tai, Khmu, Hmong and Ew-Mien ethnic groups can be found in all the six provinces. But some other ethnic groups, such as Phounoy, Ho, Lamet and Akha are common in Luang Namtha, Bokeo and Oudomxay provinces, but they are included as ethnic groups in Huaphan, Luang Prabang and Sayabouri provinces.

## **Agriculture, livelihood, food security, forest use and dependency**

### **Agriculture, livelihood and food security**

Mountains cover roughly 70% of total land area of Lao PDR, mostly in the northern region and along the central and southern border with Vietnam where most ethnic minorities live. Most of the population of Lao live in rural areas. Their livelihoods, and those of future

generations, directly or indirectly rely on land for agricultural production and forest resources for food and income.

Agriculture production is the most dominant activity for most ethnic groups. These activities include producing rice through traditional shifting cultivation and paddy rice, perennial edibles, raising livestock and fish. Table 9 shows the main agricultural crops, covering about 1,7 million hectares nationwide. Raising animals, such as buffaloes, cows, goats, sheep, poultry and fish, is also important for local subsistence and economy. These figures highlight the importance of rice, especially in northern region where rice production involving (pioneer) shifting cultivation is most practiced. Pioneer shifting cultivation plays a part in forest destruction. Consequently, alternative strategies for rice production of equal or greater effectiveness are needed.

**Table 8 Ethnic Groups in Six Northern Provinces (ER-Program Area)**

| No                                    | Ethnic Groups        | Six Northern Provinces |               |           |              |       |          |
|---------------------------------------|----------------------|------------------------|---------------|-----------|--------------|-------|----------|
|                                       |                      | Huaphan                | Luang Prabang | Sayabouri | Luang Namtha | Bokeo | Oudomxay |
| Lao-Tai Ethno-Linguistic Family       |                      |                        |               |           |              |       |          |
| 1                                     | Lao                  | ✓                      | ✓             | ✓         | ✓            | ✓     | ✓        |
| 2                                     | Tai                  | ✓                      | ✓             | ✓         | ✓            | ✓     | ✓        |
| 3                                     | Lue                  |                        | ✓             | ✓         | X            |       |          |
| 4                                     | Nyouan (Luman, Yuan) |                        | ✓             | ✓         | ✓            | ✓     |          |
| 5                                     | Nyang (Ngang)        |                        |               |           | ✓            |       | ✓        |
| 6                                     | Tai Nue              |                        |               |           | ✓            |       |          |
| Mon-Khmer Ethno-Linguistic Family     |                      |                        |               |           |              |       |          |
| 7                                     | Khmu                 | ✓                      | ✓             | ✓         | ✓            | ✓     | ✓        |
| 8                                     | Pong (Phong)         | ✓                      |               |           |              |       |          |
| 9                                     | Xing (Sing) Moon     | ✓                      |               |           |              |       |          |
| 10                                    | Moy                  | ✓                      |               |           |              |       |          |
| 11                                    | Thene                |                        | ✓             |           |              |       |          |
| 12                                    | Bidh                 |                        |               |           | ✓            |       |          |
| 13                                    | Lamet                |                        |               |           | ✓            | ✓     | ✓        |
| 14                                    | Sam Tao              |                        |               |           | ✓            | ✓     |          |
| 15                                    | Akha                 |                        |               |           | ✓            | ✓     | ✓        |
| 16                                    | Prai                 |                        |               | X         |              |       |          |
| Hmong-Ew Mien Ethno-Linguistic Family |                      |                        |               |           |              |       |          |
| 17                                    | Hmong                | ✓                      | ✓             | ✓         | ✓            | ✓     | ✓        |
| 18                                    | Ew-mien              | ✓                      | ✓             | ✓         | ✓            | ✓     | ✓        |
| Sino-Tibetan Ethno-Linguistic Family  |                      |                        |               |           |              |       |          |
| 19                                    | Phou Noy             |                        | ✓             |           | ✓            | ✓     | ✓        |
| 20                                    | Ho                   |                        | ✓             |           | ✓            | ✓     | ✓        |
| 21                                    | Sila                 |                        |               |           | ✓            |       |          |
| 22                                    | Lahu                 |                        |               |           |              | ✓     |          |
| 23                                    | Lanten               |                        |               |           | X            |       |          |
| Total:                                |                      | 8                      | 10            | (7 or 8)  | (15 or 17)   | 12    | 10       |

Source:

✓ Ms. Manivanh Keokominh, Deputy Director, Lao Front for National Development (LFND), unofficial data, 2017.

X Additional groups noted in the PRAP work. In Sayabouri were also Luman and Yuan, but they are the same ethnic groups as Nyouan.

The agriculture sector was estimated to contribute 22,359 billion kip to the GDP in 2015. This includes agricultural cropping (14,523 billion kip), livestock and livestock products (3,908 billion kip), forestry and logging (730 billion kip), and fishing (3,197 billion kip).



These figures underestimate the true extent of land and forest related activities that support rural livelihoods, as many of these activities are difficult to quantify in monetary values.

**Table 9 Agricultural crops in northern, central and southern Lao PDR in 2015**

| Crops                  | Area (Ha) |         |         |                  |
|------------------------|-----------|---------|---------|------------------|
|                        | North     | Central | South   | Total            |
| Tea                    | 4,545     | 135     | 460     | 5,140            |
| Coffee                 | 4,710     | 235     | 88,440  | 93,385           |
| Sugarcane              | 7,064     | 16,320  | 12,745  | 36,129           |
| Cotton                 | 610       | 805     | 565     | 1,980            |
| Tobacco                | 2,305     | 3,115   | 940     | 6,360            |
| Long bean              | 610       | 855     | 1,335   | 2,800            |
| Vegetables             | 50,785    | 62,090  | 66,815  | 179,690          |
| Soybean                | 6,610     | 325     | 4,945   | 11,880           |
| Peanut                 | 9,515     | 5,645   | 5,720   | 20,880           |
| Starchy roots          | 26,645    | 33,530  | 41,710  | 101,885          |
| Maize                  | 183,840   | 48,830  | 21,355  | 254,025          |
| Upland rain-fed rice   | 87,676    | 23,035  | 6,009   | 116,720          |
| Dry season paddy       | 7,647     | 66,389  | 24,983  | 99,019           |
| Lowland rain-fed paddy | 106,987   | 441,592 | 220,614 | 769,193          |
| <b>Total</b>           |           |         |         | <b>1,699,086</b> |

The agricultural cropping systems of Lao PDR are dynamic and influenced by many factors including land availability, land quality, land tenure, population pressure, climate, market price and market facilities, labour availability, food preferences, ethnicity and government policy. Agriculture is a key economic activity in Lao PDR and rice is the most important crop, contributing about 60% of total agricultural production. Over 90% of rice is grown under rain-fed conditions. In the lowlands rain-fed rice accounts for 70% of the area and 76% of total rice production, while in the upland environments this production accounts for about 21% of the area and 14% of total rice production.

Raintree and Soybara have described livelihood and land use systems in Laos. They stressed that most rural households in Laos practice "multi-livelihood" strategies, which involve a mixture of subsistence and income-earning activities. Recent studies indicate that rural villages engage in no fewer than eight and sometimes as many as 15 distinct activities. In order to achieve a measure of livelihood security, this involves combining hunting and gathering with agriculture, horticulture, animal husbandry and forestry. The principle elements of livelihood security are farming systems, dependency on the forest, and the harvest of wild animal, plants and NTFPs.

Three main systems of agricultural cultivation have historically been found in Lao PDR including: plateau plantation agriculture; lowland rice paddies, both irrigated and rain-fed; and upland rotational swidden or shifting cultivation. These three systems are often merged with one another, with no single activity being practiced to the exclusion of the others.

Furthermore, there is no sharp distinction in these systems across the transition from lowland to upland and upland to highland. The general characteristics of these three systems are described as follows.

**Lowland rain-fed systems** involve one annual cropping of traditional paddy rice varieties (2-4) with yields between one and three tons/ha. Buffalo and cattle are used as draft animals, for cash income and sometimes for meat. They are free-ranging during the dry season and confined by tethering, often in adjacent forest areas, during the wet season. Domestic pigs, poultry (chickens, ducks and turkeys) and aquatic/terrestrial NTFPs are important for food and cash. Rice shortages of one to four months are common and household incomes are generally low.

**Plateau farming systems** are principally situated on rich volcanic soils (i.e. Bolaven Plateau) that allow commercial cropping of coffee, tea, and cardamom, supplemented by fruit trees and vegetables in home gardens.

**Upland rain-fed systems** involve rotational swidden cultivation of rice (yields of 1.5 - 2 tons/ha), inter-cropped with mixed vegetable, taro and sesame, with fallow periods of 3-10 years. Maize is also grown, and the surplus is sold and used for animal fodder. Maize is the second most important crop, but sweet potato, ginger, cassava, groundnuts, soybean, sugarcane, papaya, coconut, mango, bananas and citrus can also be important locally. Various melon crops are important in the dry season and are often cultivated on paddy land. There is a high dependence on wild animal and NTFPs for both subsistence and cash income, some of which is used to purchase rice. Adoption of rain-fed paddy is common wherever topography and soils (both serious limitations) allow. Three to four month rice shortages are characteristic of these communities, along with low income, poor health, high infant mortality, low life expectancy, and little access to services.

**Upland rotational (swidden/shifting) cultivation** is generally found in remote upland areas and is characterised by higher poverty rates than the national average in rural areas. Remoteness of shifting cultivation landscapes implies a lack of access not only to markets and capital, but also to other services such as agriculture extension and health services and to information and technology, often making shifting cultivation farmers highly dependent on forest resources for their livelihoods and food security.

Traditional shifting cultivation integrates a short cropping phase and a long forest fallow phase. In the cropping phase many cereals, root crops and vegetables are cultivated to ensure a balanced diet for shifting cultivators. In the fallow phase forests not only produce various forest products, but also contribute nutrients to the soil for the succeeding cropping phase. The length of the fallow period depends on many socio-economic and environmental factors, including market demand, population pressure, and availability of land and soil fertility. Shifting cultivation is coming under increasing pressure to reduce the fallow period and switch to other land uses, which has serious implications on local livelihoods, carbon sequestration and biodiversity.

Fresh water resources also provide significant livelihoods and income sources for villagers in Northern provinces, including in the ER Program provinces. An important prawn fishery is found in the limestone karst mountainous areas near Meuang Ngoy, Luang Prabang. Several limestone caves in this area have streams that flow into the Nam Ou, a Mekong River

tributary, especially the Tham Paho caves near Sopchem Village in Luang Prabang province. The waters found in these streams are cool-cold and are very clear. There is a species of prawn (*Macrobrachium yui*) that lives in the Nam Ou, where it grows to sexual maturity. These prawns are either eaten by villagers or sold to local restaurants and traders, who have specialised marketing outlets in large cities such as Luang Prabang. Four villages are still active in the prawn fishery today, namely Huay Chong, Nong Khiaw, Meuang Ngoy, and Sopchem in Luang Prabang province. From July to September these villagers may catch up to 50 kg of prawns per day, with individual prawns reaching a size of 0.5 kg. An estimate of the total prawn catch has been put at 170,000 kg per year and the price is approximately LAK 150,000 (\$20) per kg.

Most local villagers, especially woman and children, who live along Nam Ou and its tributaries in Luang Prabang and Oudomxay province, rely on the harvest of river weed (*Cladophora* spp.), a freshwater alga, for their livelihood. The weed is known as “Mekong weed” in English. There are several different algae species that grow on underwater rocks and thrive in clear, shallow water. River weed is collected during the dry season, when flows are low and the water has less sediment, after which it is dried in flat sheets and eaten as a delicacy. Most families living in riverside villages harvest river weed. For example, there are 80 such families in Pak Ou Village and each could collect up to 25 kg of weed in wet weight per day between January and May. However, in recent years river weed collection has become more difficult and less productive because of river-level fluctuations and increased sediment, due to hydropower construction. Families in the Nam Ou tributaries in Oudomxay collect 10-15 kg of river weed per day from January to May. This yields 2-3 kg of dry river-weed sheets, which measure 40x80 cm each. There are about three to five sheets per kg and each sheet sells for 3,000 kip (or 8,000-10,000 kip per kg). Thus, a full day’s collection of river weed in Oudomxay might provide an income of 45,000 kip per day. This can make a significant contribution to household income in the villages. A few other villages in Nam Bak District, Luang Prabang province also harvested river weed and earn an average of 8.7 million kip (about USD 1,000) per household per season.

Cash crops have been introduced, often through contract farming models, for crops including Maize, job’s tear, sugar cane, rubber and banana. To a lesser extent, cash crops, such as rubber and banana, have also been introduced through commercial plantations (particularly in Luang Namtha province) in the early to mid-2000s. While the cash crop boom has led to temporary livelihood improvements through greater access to cash, longer-term negative livelihood impacts have also been observed. The drop in global rubber prices have impacted the province and the region, and the last decade saw major shifts from rubber to banana and other crops.

### **Forest use and dependency**

It is estimated that biological resources contribute to over 66% of GDP in Lao PDR. Furthermore, they provide indispensable benefits for the rural poor as agro-biodiversity is a source of food, nutrition and income, as outlined in the following sections and in Table 10.

### **NTFPs**

Over 700 edible NTFPs have been recorded in Laos, including edible shoots and other vegetables, fruits, tubers, mushrooms and wildlife. In forest environments some NTFPs

including wild animals, edible insects, bamboo and rattan shoots, fruits, greens, honey, and khem grass are sold in local markets and some are traded internationally. NTFPs also serve as an important source of traditional medicinal plants. NTFPs provide 60% of the monetary income of rural villages.

In the rural areas agricultural products and NTFPs significantly determine rural household food security and nutrition. Some NTFPs can be cultivated and are either sold in local markets or traded internationally, mainly with China. NTFPs are mainly managed in traditional ways based on customary rules. Many ethnic groups with close attachment to forests in the uplands still heavily rely on hunting, fishing and gathering NTFPs for family consumption and income generation. Some ethnic groups have developed special expertise regarding the domestication and management of NTFPs. For example, the Akha in northern Laos have developed ingenious systems for the domestication and production of rattan.

Women across all ethnic groups are involved in the collection of NTFPs. While men are more involved in activities such as logging and hunting wild animals, women are more involved in shifting cultivation and gathering of NTFPs, including wild vegetable and insects. In villages and communities with longer and more interdependent relations with the forest, and where there is adequate access to reasonable quality forest, women tend to be involved in NTFP collection on a daily basis. The household dependence on forest areas also depends on the general preferences and orientation of the ethnic group, and this will determine what they collect in terms of NTFPs. When the families collect NTFPs for marketing (broom grass, wild palm fruit (*mak thao*), paper mulberry, bamboo shoots, et cetera), there is greater allocation of both male and female labour to this task.

Deforestation is a major concern for the sustainable collection of NTFPs, as forest cover has declined from over 70% in the 1970s to 40% in recent years. This has the potential to cause particular problems for poorer families, as they tend to rely more on NTFPs (given adequate forest quality and access into the surrounding area) than better off families for subsistence, as their fields and livestock do not provide them with adequate food security.

### ***Fuel wood***

Wood is the predominant type of fuel used for cooking by households (67%) in Lao PDR. In rural areas without roads the proportion is much higher (88%). Charcoal is used by nearly a quarter of households and at higher levels in urban areas (36%) than in rural ones. Conversely, electricity is rarely used for cooking. Black charcoal is produced from trees logged for agricultural clearing, and primarily serves the domestic market but is also exported to China and Thailand. White charcoal is made from *Mai Tiew* (*Cratoxylon* spp.), a fast-growing pioneer species, and is exported to Japan and South Korea. Unlike in some other countries, the collection of firewood and production of charcoal are not considered to be major causes of deforestation or degradation in Lao PDR.

### ***Timber for housing***

The use of forest for timber to construct houses is allowed under the Forestry Law 2007.

### ***Local ecological knowledge***

Forest-dependent communities have customary forest management rights according to customary rules, systems and classifications. These natural resource management practices

differ across specific indigenous or ethnic groups and are closely intertwined with the social, spiritual, cultural, and political lives of local communities, and with their livelihoods and food production.

Ethnicity plays a key role in terms of poverty and the practice of shifting cultivation. Indeed poverty may be independent and a more important factor than accessibility and physical distances to markets, services, and infrastructure. This is demonstrated by the fact that the percentage of marginal shifting cultivation landscapes has increased over time. The work of Andreas Heinimann and co-authors (2013) provides evidence that policies that target the resettlement of marginal shifting cultivation villages may have little effect, as improved accessibility may not be enough to alleviate the poverty of these ethnic minorities (and that shifting cultivation landscapes persist as the dominant land use in remote areas of northern Laos).

Many ethnic groups practice systems of land use and resource management that are uniquely adapted for upland areas. These systems have developed over generations, as part of traditional ways of life, and are underpinned through ritual and customary practices. Within upland land use and resource management systems men and women have developed different concepts of gender-specific rights and responsibilities. These responsibilities serve as a method of ensuring the sustainability of their livelihoods, communities, and cultural identities.

The different customary uses of land and natural resources by different ethnic groups have not been systematically studied. Although, some detailed field studies or ethnographic reports do exist for specific sites. One notable example is *Khmu' Livelihood: Farming the Forest*, which was published in 1998.

Mon-Khmer speaking groups practice swidden agriculture on the higher lands. The field is cultivated one season and subsequently left fallow to allow biomass regeneration. In northern Laos the community is split into smaller production units that live in their fields during the agricultural season. In the south the abundance of land allows periodic displacement of the whole community toward new production land and the circular movement of the migratory trajectories mark the limit of the village land. A related example is Tai Deng (Lied) village in Viengxay district in Huaphan province. In Tai Deng villagers collectively practice a cultivation system that uses suitable plots of land to produce annual crops (rice integrated with other crops including gourds, peanuts, and cucumber), which are subsequently used as grazing areas in a rotation. In another village, Ban Pure, the villagers, especially the women, have knowledge as to what type of crops or seeds are ecologically suitable on their land.

Customary use of both timber and non-timber forest products for household consumption has been long practised by local communities, following unwritten rules that have developed and followed over time by local people. These customary uses and rights are recognised legally in the Forest Law (2007), but the use of forest products is increasingly influenced by demands of both local and international markets. In terms of REDD+ it is important to make clear the benefits those different stakeholders can gain in relation to forest development and protection, as well as their related roles and responsibilities.

Under changing conditions villagers consciously invest in multiple activities and produce diverse crops to maintain flexibility and implement risk-averse strategies, which have carried them through difficult times in the past. Villagers of differing ages and genders use different

and sometimes conflicting strategies to retain risk-averse livelihoods, adding to the complexity of overall land use and natural resource management.

**Table 10 Household assets and income by ethnicity (%)**

| Assets and in come                              | Lao–<br>Thai | Mon–<br>Khmer | Hmong-Mien                        | Sino-<br>Tibetan                     | EM Women   |
|---|--------------|---------------|-----------------------------------|--------------------------------------|--|
| Farm household                                  | 39           | 31            | 61                                | 31                                   | 50   |
| Buffalo   | 29           | 30            | 26                                | 27                                   | 12   |
| Pigs  | 39           | 55            | 63                                | 63                                   | 65   |
| Chickens  | 62           | 64            | 78                                | 52                                   | 76   |
| Goats   | 2            | 5             | 10                                | -                                    | 5  |
| Average Number of<br>Livestock per<br>Household |              |               | EM Group Owns<br>Cows Not Buffalo | EM Group<br>Owns Cows<br>Not Buffalo | EM Women with<br>Exception of Mon-<br>khmer Own Cows |
| Buffalo   | 5.8          | 2.9           | 4.3                               | 3.5                                  | 1.0  |
| Pigs  | 3.6          | 2.9           | 4.4                               | 3.5                                  | 4.2  |
| Chickens  | 19.7         | 13.9          | 18.7                              | 17.7                                 | 22.5   |
| Goats   | 5.0          | 8.2           | 6.1                               | 3.2                                  | 4.0  |
| Main sources of<br>income                       |              |               |                                   |                                      |  |
| Cropping  | 54           | 52            | 53                                | 53                                   | 55   |
| Livestock                                       | 6            | 7             | 17                                | 9                                    | 12   |
| Forestry  | 1            | 13            | 17                                | 1                                    | 18   |
| Aquaculture                                     | 2            | -             | -                                 | 7                                    | 1  |
| Other   | 38           | 28            | 24                                | 31                                   | 14   |
| Use of  | 77           | 34            | 40                                | 48                                   | 10   |
| Two wheeld tractors                             |              |               |                                   |                                      |  |
| Use of Mechanical<br>Harvester                  | 85           | 52            | 60                                | 48                                   | 25   |
| Ownership powered<br>Chainsaw                   | 5            | 35            | 22                                | 1                                    | 15   |

Communities participating in REDD+ projects will play a key role in defining management and mitigation actions and in applying them. This ESMF ensures that all REDD+ project beneficiaries and stakeholders, particularly the communities, meaningfully participate in project design, implementation, and monitoring.

## **2.4 LAND TENURE IN ER-P AREA**

The Land Law (2013) is the principle legislative instrument governing the management, protection and use of land in Lao PDR. Article 3 of the Land Law reaffirms article 17 of the Lao Constitution, stating that land belongs to the national community and the State, as representative of the people, is charged with the management of land, including allocation. The GoL recognises state, communal land, and private rights over ownership (for ownership, use, benefit and collateral) and transference, or allocation, of land rights among individuals, entities, and organisations in accordance with Lao laws.

Different ministries are given land use rights in accordance with their official mandates. Each land category is allowed for use and management by different legal entities, in order to serve different development purposes set by the government. For example, the Ministry of Public Works and Transportation is assigned to be responsible for transportation land, while

agricultural land is under the responsibility of MAF. All eight-land types may be found within a village boundary although this may not be the case in all communities.

The Forestry Law (2007) stipulates that natural forests belong to the national community, and are managed by the State, whereas planted trees belong to the individuals or entities that plant them. Article 42 of the Forestry Law further recognises customary use of forest and forest products, as well as “village use forest”. However, customary rights can be found in all types of state forests, and forest boundaries between the “village use forest” and state forests are unclear in many areas. Practically, this means that land tenure is still unclear. There is an overlap between traditional customary practices and legal aspects, and in many places villagers or families put their own investments into small tree plantations on land that they lack secure tenure rights. In practice, customary rights have not been widely recognised in the legal system. In August 2014 the National Assembly requested a review of the three forest categories and current land use, in order to improve the understanding of customary tenure.

In reality, various local ethnic groups have been using land for rice production through shifting cultivation and forest resources, in traditional, customary ways for years. They have used sets of rules, which their ancestral generations developed and gradually evolved over time. Within a set of social-cultural contexts the rules have been evolved in a way that most people agreed and followed. These kinds of traditional practices can be found within all forest categories, including unclassified forestland. In many cases customary practice is considered by the government to be illegal.

In an attempt to provide land tenure security to land users the government allows any organisation or land user to have title to their land through both systematic land registration and upon-request approaches. In the first approach, a land area is selected where all existing land rights in the geographic or administrative area are registered. In the later approach, a land title is considered only upon-request and this title is at the expense of the land owner.

The activities outlined under Components 1-3 will lead to improved land use management and the implementation of sustainable practices in both the agricultural and forestry sector contributing to emission reductions, strengthened institutional planning and adaptive capacity for low-emission and climate-resilient economic development.

## **2.5 ER PROGRAM DESIGN RESPONSES TO THE SOCIAL AND ENVIRONMENTAL CONDITIONS**

The ER-P interventions are designed to promote non-carbon benefits and address threats of deforestation and forest degradation (see Table 4 above), particularly in the governance principles of participatory development, pro-actively engaging with ethnic groups and women along the entire process. In addition, the ER-P also promotes pro-poor development through strong engagement of the rural population, with attention paid to ethnic groups in the planning processes, and corresponding as benefit sharing regimes. Pro-poor development is an underlying focus of the Government, for which it has achieved significant developments in past years. The selection of the ER-P area has also in part been based on the rationale for pro-poor development, as the North has the highest incidence of poverty in the country. This principle of pro-poor development will be carried through in the ER-P by institutionalising safeguards to ensure the participation of marginalised groups in village level planning and interventions.

Alternative livelihoods development will be a significant focus to help ensure proposed land uses are not at the cost of rural livelihoods. In this respect, sustainable livelihoods principles will be applied including putting people at the center of development (so that policies and institutions work in ways that are congruent with households' livelihood strategies); holistic (in that alternative livelihoods approaches seek to identify the most pressing constraints faced by, and promising opportunities open to, people regardless of sector or geography); dynamic (they seek to support positive patterns of change); building on strengths (seeking in the first instance to identify potentials); emphasising macro-micro links (underlining the importance of macro-level policies and institutions to the livelihood options of communities and individuals, and stressing the case for higher-level policy to be informed by lessons learned at the local level); and sustainability (broadly understood to include environmental, economic, social and institutional dimensions). Sustainable alternative livelihoods approaches emphasise the importance of assets (human, financial, social, physical and natural), mediated through policies and institutions, including markets, in enabling households successfully to enhance their livelihoods and reduce risk and threats of deforestation and forest degradation.

Section 4 of the ERPD provides several activities that will contribute to safeguarding the interest of forest communities and ethnic groups, while benefiting from livelihood activities, land use mapping and village titling, security of tenure and benefit sharing distribution especially non-carbon. The ER-P will take a landscape approach to identifying resourceful land use to maximise land potential. A strong focus will be cast on forest landscape restoration including restoration of degraded forest lands much of which are found in the 'regenerating vegetation' land class largely associated with bush fallow in shifting agriculture practices.

Forest protection activities will also be introduced, where village communities including ethnic groups will be mobilised through a participatory forest management planning and implementation process of their village forests. Instruments such as the Village Forest Management Agreements to strengthen the village's legal rights to use and benefit from forest land and resources will be promoted. REDD+ safeguards will be carefully screened in implementing these activities, ensuring FPIC by local stakeholders in any activities that lead to land use change. Village level land use and forest management plans will include activities in both agriculture and forestry sectors as well as for setting enabling conditions. The activities are designed to support and incentivise protection of existing natural forests, to support and promote forest restoration and sustainable plantations development, and to promote agricultural and forest investments that are deforestation-free and are aligned with the land use plans.

The implementation of the agriculture and sustainable livelihoods development component will involve a market analysis to identify models for adopting climate-smart agriculture practices. From the analysis, resulting models will be integrated into the extension service delivery by local extension agents to rural farmers. As agriculture is the default livelihood of all the ethnic groups that comprise the rural population, and exerts the most direct pressure on forests, the ER-P will offer direct assistance to intensify agricultural production on agriculture land and thus aim to reduce extensive agriculture spreading into forest land. It will aim to strengthen agricultural value chain integration, development of agricultural cooperatives and agro-technological solutions for improved yields, better access to markets,



to improve agricultural practices. (See also Section 4.3 of the ERPD for more information on sustainable livelihoods for forest dependent people).

Component 3 Sustainable forests management of the ER-P will provide investments into management planning and the implementation of village forest management and sustainable management of production forests (260,000 ha). The ER-P is targeting implementing and scaling up Forest Landscape Restoration and Management on at least 70,000 ha including through assisted natural forest regeneration, plantation development and agroforestry systems to enhance forest carbon stocks. This will be conducted based on the results of higher level land use planning processes (Component 1). All these activities will be supported by intensive capacity development and training of government staff and villagers with a strong focus on ethnic groups, women and the most vulnerable groups. Through preparation and implementation of village forest management planning and agreements (VFMP and VFMA), the underlying rationale is to strengthen tenure security of land and forest resources, particularly those land and resources that are regarded as communal/collective and customary assets.

These activities will be complemented by the value chain integration of the rural population, identification and mobilization and creation of incentive mechanisms to attract private sector investments into sustainable forest development and forest landscape management. The government views this as one of the key parts to support evidence-based policy and investment decisions. Part of the REDD+ readiness additional funding from the FCPF is earmarked for undertaking an extensive strategic and economic analysis of NRS interventions and development of a cross-sector spatial analysis framework for land suitability analysis to support the land use and forestry planning.

Forestry sector interventions will focus on: i) establishing an enabling environment to implement and scale up SFM and forest landscape restoration and management, ii) implementation and scaling up of Village Forestry, and iii) implementation and scaling up of FLR and sustainable forest plantations. Interventions under the forestry sector will target results of emissions reductions from reduced deforestation and degradation as well as results of enhancement of removals from restoration and reforestation activities. Village Forestry will be one of the key components for the implementation of forestry sector activities, as village communities are one of the main forest management agents on the ground. Private sector will also be part of the engagement strategy for sustainable investments. Thorough consultations with local village communities will underpin the implementation and identification of these specific interventions.

The FLR approach aims to promote both reduced emissions from deforestation and degradation, as well as enhanced removals from enhancement of forest carbon stock. Under the FLR approach, first, interventions will identify and zone landscapes within the ER-P area according to their ecological potential and contributions, and reflecting their economic social, and institutional contexts. The forest landscape restoration work will be conducted through an assessment of potential options for restoration, along with the integrated spatial planning and zoning exercises (linked to activities under Component 1). This process will identify broad landscapes and corresponding options for restoration activities. Restoration activities interventions will be context specific, but may include assisted natural regeneration, forest replanting, agro-forestry practices, or protection activities.

The ER Program area has much potential for activities to enhance forest carbon stock by applying different methods under FLR, including the two strategic target areas for enhancement of forest carbon stocks interventions, of: i) restoring degraded forests (i.e. targeting the Regenerating Vegetation class); and ii) selecting more productive uses of degraded forests such as sustainable forest plantations.

## **2.6 DETAILS OF THE ER-P COMPONENTS**

The ER Program Components are illustrative of how Lao PDR acknowledges that despite REDD+'s nascence in the country as a forestry sector initiative, REDD+ is firmly migrated into a cross-sectoral agenda involving multiple ministries and sectors at both central and local levels. The country's REDD+ institutions are currently in the process of transitioning from the original forestry sector focused set up, to an arrangement that is further amenable to the implementation and impacts into agriculture and other land-based investment sectors.

The interventions proposed for implementation are grouped under four main components as elaborated below:

- Component 1: Strengthening enabling conditions for REDD+
- Component 2: Climate smart agriculture (CSA) and sustainable livelihoods for forest dependent people
- Component 3: Sustainable forests management (SFM)
- Component 4: Program management and monitoring

The ER Program will support a combination of interventions for creating enabling conditions within and across sectors, focusing on the forestry and agricultural sectors to achieve emission reductions and forest carbon stock enhancements within the proposed program lifetime.

The design and operationalization of activities under the three main components (1-3) will be based on detailed background analysis. For Component 1 it will be critical to assess existing socio-economic conditions and perform a gap analysis of the legal framework and guidelines to support REDD+ implementation, as well as a capacity needs assessment. A capacity needs assessment is planned and will prepare a capacity development plan to support the implementation of the ER-P using additional finance received from the FCPF for readiness activities. For Component 2 an in-depth analysis to clearly understand the market and value chain and opportunities for mobilising private sector investment through public-private dialogue will be necessary. For Component 3 the government will carry out necessary feasibility studies to identify and zone landscapes according to Forest Landscape Restoration (FLR) potential.

The ER-P Components (shown in Table 1) are illustrative of how Lao PDR acknowledges that despite REDD+'s nascence in the country as a forestry sector initiative, it has firmly migrated into a cross-sectoral agenda involving multiple ministries and sectors at both central and local levels. The country's REDD+ institutions are currently in the process of transitioning itself from the original forestry sector-heavy set up to an arrangement that is further amenable to the implementation and impacts into agriculture and land-based investment sectors (as of early 2018).

**Component 1 on enabling conditions** at the core are activities to strengthen and mainstream REDD+ into existing policies and legal framework; improved forest governance by building on the on-going FLEGT initiative to address illegal logging across the supply chain; development of programs and policies incentivising deforestation-free investments through engagement of the private sector; and improved land use planning and compliance monitoring. Land use planning will target both broader strategic levels to apply integrated cross-sectoral and vertically-consistent planning, and at the local village level, following the broader master land use plans, ensuring participatory processes of implementable and equitable land use and forest management plans. Building capacity within Government (at all levels), as well as in non-Government actors (such as civil society, mass organisations, academe, private sector etc.) to mobilise the most cost-efficient arrangements for improving rural land use will be a significant part of this enabling conditions component. A system for monitoring implementation and conformance with plans will be institutionalised, and may be linked with incentive mechanisms that reward conformance. Component 1 will engage strongly with a number of sectors (all represented in the National REDD+ Task Force and Provincial REDD+ Task Force structures) including agriculture, forestry, land and investment promotion.

**Component 2 on agriculture and sustainable livelihoods** development, a market analysis for models adopting climate-smart agriculture practices will be conducted, and resulting models will be integrated into extension services delivered by local extension agents to rural farmers. Agriculture is the default livelihood of the rural population and the most direct pressure on forests. As such, the ER Program will offer direct measures for value chain integration, and agro-technological solutions for improved yields. Engaging the private sector for climate-smart and responsible investments is critical for ensuring sustainable decisions on land use. Activities under this component aim to support a private-public dialogue on REDD+ and climate-smart agriculture, and to directly invest in scalable models that sustainably engage with local communities including ethnic groups, and supporting alternative livelihood options.

**Component 3 on forestry**<sup>15</sup>, building on the experiences of piloting the landscape approach in Sayaboury, Bokeo, Oudomxay and Luang Namtha provinces under the SUFORD-SU Project, the ER Program will continue to take a landscape approach to identifying and enabling resourceful land-use to maximise land potential and ecosystem values. The ER Program will place a strong focus on forest landscape restoration and management (FLR) including restoration of degraded forest lands, much of which are found in the ‘regenerating vegetation’ land class largely associated with bush fallow areas. Forest protection activities will also be introduced, where village communities will be mobilised through a participatory forest management planning and implementation process of their ‘village forests’ using PSFM approaches. Instruments such as the Village Forest Management Agreement (VFMA)<sup>16</sup> will be used to strengthen the village’s legal rights to use and benefit from forest

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<sup>15</sup> Activities under Component 3 are not necessarily new as the GOL has much experiences from the long term on going WB SUFORD projects and in particular DoF has extensive experiences on this and a matter of scaling up

<sup>16</sup> According to SUFORD-SU Project Completion Report in December 2017, the draft VFMA template were developed by SUFORD-SU Project and under discussion within DoF. It contains, among others, the roles, rights and obligations of the villagers and District Agriculture and Forestry Offices (DAFO) relating to village forestry as approved by the district authority. It is applicable to village forests situated outside and inside forest categories. However, the delay in the approval

land and resources. Linking with the Component 2 agricultural component activities, the forestry component activities will also mobilise private sector investments and cooperation in long-term sustainable commercial forestry activities including in the timber and fiber industries in accordance to the PM Order No.09.

### ***Monetary, non-monetary and non-carbon benefits***

Village level land use and forest management plans will include activities in both agriculture and forestry sectors as well as for setting enabling conditions. The activities are designed to support and incentivise protection of existing natural forests, to support and promote forest restoration and sustainable plantations development, and to promote agricultural and forest investments that are deforestation-free and are aligned with land use plans. The design of activities at local and central levels will in part adopt an ‘incentives approach’ where behavior change among agents is incentivised by rewarding performance through monetary and non-monetary benefits. However, taking into account the need for up-front investments, as well as the establishment of enabling conditions to foster change, the benefit sharing mechanism also will incorporate non-performance-based channels.

The ER Program interventions are also designed to generate non-carbon benefits particularly in social and governance benefits of participatory development. The ER Program also promotes pro-poor development and enhanced food security impacts through strong engagement of the rural population, with attention paid to ethnic groups and women along the entire process, and corresponding in provisions within the benefit sharing regime. Other priority non-carbon benefits which are expected include improved land tenure security, enhanced capacity in law enforcement, monitoring and reporting; and increased watershed protection and forest and landscape restoration.

Considering the jurisdictional nature of the ER Program under which ERs may be generated from anywhere within the six provinces, and also taking into account the various projects that operationalise the ER Program, a jurisdictional approach to safeguards will be adopted where a single safeguards framework will be established covering safeguards of the Government, various relevant donor institutions as well as the World Bank. As of necessity, REDD+ safeguard measures will be put in place for implementing these activities, ensuring Free, Prior and Informed Consent/Consultation (FPIC) by local stakeholders particularly in activities that lead to changes in their practices of land and resource use. Within the safeguards framework, tools were developed to ensure full and effective participation of stakeholders, particularly vulnerable groups including ethnic groups and women within the communities. Such tools include this document (the ESMF), the Ethnic Group Policy Framework (EGPF), and the Gender Action Plan.

## **2.7 MOBILISATION OF GCF IMPLEMENTATION GRANT**

The GIZ has initiated a proposal to mobilise funds to assist the GOL with the implementation of the ER-P program from the GCF and the project location is identical to the ER-P area and proposed to be in combination with ADB BMZ, IFAD, and JICA, and supports and facilitates the implementation of much of the ER-P proposed activities. The GCF project will be

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of land and forest-related legislation and regulations (especially regarding forest areas to be allocated for village management) delayed the provision of village forest tenure support.

implemented in six ER-P Northern provinces (Bokeo, Huaphan, Luang Namtha, Luang Prabang, Oudomxay and Sayabouri). Of the 51 districts in the six provinces, 28 districts have been selected for GCF project support (see Table 11) The selected 28 districts cover 72 % of the remaining high-carbon stock area in the six target provinces (3.1 million ha out of 4.3 million ha). The GCF project will be implemented over the period 2020 – 2028.

**Table 11 GCF Project priority districts**

| <b>Bokeo</b> | <b>Huaphan</b> | <b>Luang Namtha</b> | <b>Luang Prabang</b> | <b>Oudomxay</b> | <b>Sayabouri</b> |
|--------------|----------------|---------------------|----------------------|-----------------|------------------|
| Pha Oudom    | Xone           | Namtha              | Xieng Ngeun          | Na Mo           | Hongsa           |
| Paktha       | Hiem           | Long                | Viengkham            | Xai             | Phiang           |
| Meung        | Xam Neua       | Viengphoukha        | Phonxay              | Nga             | Phaklai          |
| Houayxai     | Houameuang     | Nalae               | Nan                  | Beng            | Thongmixay       |
|              | Viengxay       |                     | Phonthong            |                 |                  |
|              | Xam Tai        |                     |                      |                 |                  |
|              | Sopbao         |                     |                      |                 |                  |

### **GCF Project design**

The GCF project has four Outputs (in similarity to the ER-P):

- Output 1: Creation of an enabling environment for REDD+ implementation;
- Output 2: Implementation of deforestation-free agriculture;
- Output 3: Implementation of Sustainable Forest Landscape Management and Forest (SFM) and Landscape Restoration (FLR); and
- Output 4: Project management, coordination, monitoring and reporting.

### **GCF target beneficiaries**

The target beneficiaries of the project can be categorised into three major groups:

- The rural population will be the primary project beneficiary group and, at the same time, they are the key agents of deforestation and forest degradation. These are dependent on subsistence agricultural and natural resources. In the 28 districts, the project will directly target 254,800 people (127,400 men and 127,400 women), which represents 20 % of the total rural population in the six provinces. Indirectly, the project will benefit an additional 412,650 people (32 % of the rural population) in the six provinces.
- National-, provincial- and district-level government agencies responsible for the management of natural resources in Lao PDR. The project is expected to build the capacities of at least 1,086 government staff members working mainly in the agricultural and forestry sectors.
- Private sector: At least 280 small and medium enterprises in the forestry and agricultural sectors will benefit from the project and will support the transformation towards deforestation-free forest and agricultural landscape management.

### **Implementation and legal arrangements for the GCF Project**

The overall GCF project will be governed by an Implementation Agreement between GIZ and the Government of Lao PDR which will include implementation arrangements concerning the Environmental Protection Fund (EPF) and project beneficiaries, amongst other matters. In addition, GIZ and the EPF will sign a Financial Agreement according to GIZ standard operating procedures for the EPF, in its capacity as a project Executing Entity, to receive a grant. All GCF funds disbursed under the National REDD+ Fund will have the nature of implementation agreements or grant agreements.

In addition to this Implementation Agreement, the EPF will sign grant agreements with a number of sub-grantees, including Government entities and the Forest and Forest Resource Development Fund (FPF), VDFs and private sector entities. The EPF will use its own contractual forms developed under the WB LENS2 project for these arrangements. As the FPF is envisioned to be an intermediary between the EPF and some project beneficiaries, the FPF will need to sign similar agreements between itself and those beneficiaries. FPF will need to undergo a due diligence by the EPF or GIZ, or a combination of the two, prior to becoming an intermediary.

## **2.8 DEVELOPMENT PARTNER PROJECTS**

There are a number of significant projects donors in the ER-P (see Table 12 below) together with the overlaps and the current donor safeguards that are applied by those projects. The projects do have differences in specific policies and safeguard procedures and proposed gap filling measures are that the projects will conform to WB safeguards (or continue to implement those that are acceptable to the WB i.e. very similar or better than WB safeguards). Refer to Table 12.

**Table 12 GFLL Development Partner NRM Project Portfolio and Budget**

| No. | Development Partner Status        | Project  | Location   |          | Budget (million)         |           | Objectives   |
|-----|-----------------------------------|--|--|----------|--------------------------|-----------|--|
|     |                                   |  | GFLL   | National | GFLL                     | National  |  |
| 1   | IFAD Negotiation 2020-2026        | PICSA Partnerships for Irrigation and Commercialization of Smallholder Agriculture | Huaphan<br>Luang Prabang<br>Sayabouri                                      | -        | USD 29.00                | -         | Profitable smallholder irrigated agriculture, improved diets, encompassing increased dietary intake and improved diet quality for nutritionally vulnerable group, school-based nutrition interventions   |
| 2   | ADB/EU 2019-2027                  | Sustainable Rural Infrastructure and Watershed Management Sector Project           | Huaphan<br>Luang Prabang   | National | -                        | USD 49.46 | The project will increase the profitability of the agriculture, natural resources and rural development sector by enhancing sustainable, market oriented agricultural production together with natural resources management.   |
| 3   | APFNet 2015-2022                  | SFM-NL Sustainable Forest Management in the Northern part of Lao PDR               | Bokeo<br>Luang Namtha<br>Odomxay   |          | USD 3.56                 |           | To explore, test and demonstrate effective approaches on forest restoration and forest management and responding mechanism to generate sustainable flow of benefit to closely related stakeholders;<br>To strengthen forest law enforcement and promote cooperation on trans-boundary biodiversity conservation;<br>To share information and knowledge of best practices on forest restoration and rehabilitation. |
| 4   | EU Operational 2013-2021          | FLEGT Forest Law Enforcement, Governance and Trade                                 | -  | National | USD 4.50<br>(25 percent) | USD 13.50 | To improve opportunities for the Lao timber industry to access the EU market, diversify timber industry and products, and increase revenue from timber exports   |
| 5   | Carbon Fund Negotiation 2020-2024 | GFLL Governance, Forest Landscapes and Livelihoods-Northern Laos                   | Bokeo<br>Huaphan<br>Luang Namtha<br>Luang Prabang<br>Oudomxay<br>Sayabouri | -        | USD 42                   | -         | The project objective is to reduce greenhouse gas emissions and enhance removals from Lao PDRs forest  |
| 6   | GIZ Operational 2019-2021         | CliPAD Climate Protection through Avoided Deforestation                            | Huaphan,<br>Luang Prabang,<br>Sayaboury                                    | National | USD 2.8                  | -         | The framework conditions for implementing the GoL's ERP have been improved at national level and in six northern provinces   |
| 7   | GIZ Operational                   | CliPAD – FC Climate Protection through   | -  | National | USD 2.75                 | USD 8.25  | To regulate and promote sustainable management, protection and conservation of village forests by  |

| No. | Development                      | Project   | Location   |          | Budget (million)          |            | Objectives   |
|-----|----------------------------------|---|--|----------|---------------------------|------------|--|
|     | 2008-2020                        | Avoided Deforestation-Financial Cooperation Module  |  |          |                           |            | establishing a legal basis and framework to link all village forest categories with international funding for climate change mitigation, and to channel it down to the village-level through performance-based payments  |
| 8   | GIZ<br>2020-2024                 | I-GFLL<br>Implementation Plan – Governance, Forest Landscapes and Livelihoods – Northern Laos<br>Sub-Project 1, Phase 1 | Huaphan<br>Luang Prabang<br>Sayabouri                                      | -        | USD<br>22.70              | -          | The programme’s main objective is to support the Government and people of Laos in changing the present-day use of forests and landscapes and to ensure a transition to sustainable management at scale. This will reduce close to 58m tCO <sub>2</sub> eq over the project’s duration.   |
| 9   | JICA<br>Operational<br>2015-2020 | F-REDD<br>Sustainable Forest Management and REDD+ Support Project   | Luang Prabang<br>Oudomxay  | National | Not separated             | USD<br>6.9 | Capacity for Sustainable Forest Management is strengthened through incorporation of REDD+ into the sector strategy and improved forest resource information.   |
| 10  | KfW<br>Operational<br>2019-2025  | VFMP<br>Village Forestry Management Project   | Luang Prabang<br>Sayabouri   | National | TBD                       | TBD        | The condition of forest ecosystems and the livelihood of the population in the project areas are improved by the sustainable management of village forests.  |
| 11  | KfW<br>Operational<br>2015-2022  | ICBF<br>Integrated Conservation of Biodiversity and Forests   | Bokeo<br>Luang Namtha  | National | USD<br>9.4                | USD<br>1.3 | Effective management of two target landscapes (NPAs, corridors) contributes to sustaining biodiversity in forest ecosystems, while supporting livelihoods of forest-dependent communities.<br>ICBF supports various measures to address the loss of biodiversity/ forests (threats/ drivers)   |
| 12  | WB<br>Operational<br>2014-2021   | LENS2<br>Second Lao Environment and Social Project  | Luang Prabang  | National | USD<br>4<br>(10 percent)  | USD<br>38  | To provide support to forested upper watersheds of rivers important to hydropower, agriculture, irrigation and flood prevention; create wildlife and Protected Area enforcement standards; support capacity building for national, provincial and district institutions that implement environmental and social impact legislation, and; build the capacity of the Environmental Protection Fund |
| 13  | WB<br>Operational<br>2013-2021   | SUPSFM<br>Scaling-Up Participatory Sustainable Forest Management Project  | Bokeo<br>Huaphan<br>Luang Namtha<br>Luang Prabang<br>Oudomxay<br>Sayabouri | National | USD<br>10<br>(25 percent) | USD<br>30  | Reduce carbon emissions through participatory sustainable forest management in priority areas and to pilot forest landscape management in four northern provinces in Lao PDR.  |



| No.              | Development                            | Project   | Location  |          | Budget (million) |            | Objectives   |
|------------------|--|---|---|----------|------------------|------------|--|
| 14               | FAO/Project formulation 2020-2025      | Climate Smart Agriculture alternatives for upland production systems in Lao PDR | Huaphan<br>Luang Prabang                            | National | USD 1-2          | USD 2-4    | To enhance resilience of vulnerable upland communities to climate change impacts through CSA practices in upland production systems                          |
|                  |  |   |   |          |                  |            |  |
| Pipeline Funding |  |   |   |          |                  |            |  |
| 15               | IDA                                    | Green Growth DPF including Forest Governance 2 and 3                            | MAF/MPI   | National |                  | USD 80     |  |
| 16               | FIP/IDA 2019-2021                      | LA-Scaling-Up Participatory Sustainable Forest Management (Additional Funding)  | 7 PFAs located in Bokeo, Luang Namtha, and Oudomxay |          |                  | USD 5      | To execute REDD+ activities through participatory sustainable forest management in priority areas and to pilot forest landscape management in four provinces |
| 17               | (IDA/GEF) 2021-2026                    | Lao Landscape and Livelihood Program  | TBA   | TBA      |                  | USD 57     | To improve sustainable forest management and enhance livelihoods and tourism opportunities in selected landscapes in northern, central and southern Lao PDR  |
|                  | million Sub-Total USD                  |   |   |          | USD 132.71       | USD 193.41 |  |
|                  | million TOTAL USD (including pipeline) |   |   |          | USD 326.12       |            |  |

### **3 POLICY, LEGAL AND REGULATORY FRAMEWORK**

#### **3.1 APPLICABLE INTERNATIONAL COMMITMENTS, NATIONAL LAWS AND REGULATIONS**

##### **International commitments**

Lao PDR is a signatory of a number of multilateral environmental agreements (MEAs). Of particular relevance to REDD+, Lao PDR has signed the three Rio Conventions – the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), and the United Nations Convention to Combat Desertification (UNCCD). Lao PDR is a signatory to the UNFCCC Paris Agreement, CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna) in 2004 and Ramsar Convention in 2010.

Lao PDR has also signed a number of important multilateral agreements that pertain to human rights, and thus social safeguards.

The United Nations International Labour Organization Convention No. 169 on Indigenous and Tribal Peoples (ILO 169) was adopted at the International Labour Conference held in Geneva in June 1989. The basic concepts of the Convention are respect and participation. Respect for the culture, spirituality, social and economic organisation and their identity, all constituting essential premises regarding the enduring nature of indigenous and tribal peoples. Convention No. 169 also presumes that indigenous and tribal peoples are able to speak for themselves and to take part in the decision-making process as it affects them and that they have a right to take part in this decision-making process. Lao PDR has endorsed this Convention although not a signatory.

ILO 169 has been followed up by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), agreed on 13 September 2007. It identifies the individual and collective rights of indigenous peoples, and the duties of governments to respect those rights. While it is not considered to be an international treaty, it is nonetheless an important document agreed by most of the UN member countries, including Lao (even though Lao is not a signatory to ILO169).

Although the Government of Lao PDR does not recognise any of the country's 50<sup>17</sup> different ethnic groups as “indigenous peoples,” it has agreed with the international community that 41 ethnic groups (those other than the dominant ethnic groups speaking Lao or Tai languages) are covered by international safeguards for indigenous peoples. These groups comprise approximately one-third of the national population.

Lao PDR is a signatory to the Convention to Eliminate Discrimination against Women (CEDAW), and has established a National Committee for the Advancement of Women (NCAW) [subsequently also referred to as the National Committee for the Advancement of Women, Mother and Child (NCAWMC)]. NCAW has the mandate to lead on gender issues, and all government organisations have NCAW representatives.

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<sup>17</sup> The National Assembly has approved the Brou (No. 108/NA, dated 05/12/2018), under Mon-Khmer ethno-linguistic family, as an official ethnic group of the Lao PDR in 2018. As a result, the country now has 50 ethnic groups

The 2012 FAO Voluntary Guidelines on Land Tenure in the context of national food security are intended to contribute to the global and national efforts of many countries to adopt the guidelines. Each country is required to take governance of these associated natural resources into account in their implementation of these guidelines on responsible tenure governance, as appropriate. Under these guidelines, recognition of equity and justice were mentioned in the rights and responsibilities in order to promote equitable tenure rights and access to land, fisheries and forests, for all, women and men, youth and vulnerable and traditionally marginalised people, within the national context. Lao PDR aims to follow these voluntary guidelines.

### Policy framework

The Table 13 provides an overview of the three main safeguard systems to be addressed in the national and sub-national REDD+ programs. These include a national environmental and social management system under MoNRE which act as a primary safeguard requirement for all sub-projects, World Bank Safeguards Policies and UNFCCC REDD+ Safeguards.

**Table 13 Overview of safeguard systems**

| <b>UNFCCC REDD+ Safeguards</b>  | <b>World Bank Environmental and Social Safeguards Prior to 2017</b>   | <b>Government of Lao PDR Environmental and Social Management System</b>  |
|---|---|--|
| 1. Actions complement or are consistent with the objectives of national forest programs and relevant international conventions and agreements<br>2. Transparent and effective national forest governance structures, taking into account national legislation and sovereignty | - The World Bank examines the recipient country's forestry programs and governance structures, but specific environmental and social safeguards are those linked to the 3 <sup>rd</sup> to 7 <sup>th</sup> UNFCCC REDD+ safeguards as shown below | <ul style="list-style-type: none"> <li>- Lao Constitution, No. 63/NA (8/12/2015)</li> <li>- Forest Strategy 2020 (2005)</li> <li>- Party Committee Resolution on Enhancement of Land Management and Development in the New Era, No. 026/CC (2017)</li> <li>- Forestry Law, No. 6/NA (2007, revised in 2019).</li> <li>- Administration Law, No. 017/NA, (2015)</li> <li>- National Agriculture Development Strategy 2011- 2020</li> <li>- Eighth Five-Year National Socio-Economic Development Plan 2016–2020 (2016)</li> <li>- Participatory Land Use Planning Manual (2010)</li> </ul> |
| 3. Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant   | <ul style="list-style-type: none"> <li>- Indigenous Peoples (OP/BP 4.10)</li> <li>- Involuntary Resettlement (OP 4.12)</li> </ul>   | <ul style="list-style-type: none"> <li>- PM Decision on Strategic Environmental Assessment No. 0483/PM (2017)</li> <li>- MoNRE Instructions on ESIA No. 8030/MoNRE (2013) and No. 8029/MoNRE (2013)</li> </ul>   |

| UNFCCC REDD+ Safeguards   | World Bank Environmental and Social Safeguards Prior to 2017 | Government of Lao PDR Environmental and Social Management System  |
|---|--|---|
| <p>international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples</p> <p>4. Full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities</p> |  | <ul style="list-style-type: none"> <li>- Law on permanent dwelling and livelihood settlement (2018)</li> <li>- PM Decree on Compensation and Resettlement for People Affected by Development Projects No. 84/PM (2016)</li> <li>- National Strategy on Climate Change of Lao PDR, No. 137/NA (2010)</li> <li>- Public involvement Guideline (2012)</li> <li>- Ethnic Group Consultation Guideline (2012)</li> <li>- Law on Lao Women's Union No. 31/NA (2015)</li> <li>- PM Decree on the Forest and Forest Resource Development Fund, No. 38/PM (2005)</li> <li>- Law on Grievance Redress Mechanism, No. 035/NA (2014)</li> <li>- Manual Participatory Land Use Planning, PLUP (2010)</li> <li>- Guidelines on Customary Use of Forest Resources, No. 377/MAF (1996)</li> <li>- Guideline on Land and Forest Allocation for Management and Use, No. 822/ MAF (1996)</li> <li>- Village Forests and NTFPs, No. 535/MAF (2001)</li> <li>- Decree on Protected Area No. 134/GoL (2005)</li> <li>- Draft Law on Resettlement and Employment (2017)</li> </ul> |
| <p>5. Actions are consistent with the conservation of natural forests and biological diversity, ensuring that the [REDD+] actions are not used for the conversion of natural forests, but are instead used to incentivise the protection and</p>  | <p>- Environmental Assessment (OP/BP 4.01)</p>               | <ul style="list-style-type: none"> <li>- Law on Investment Promotion No. 02/NA (2009)</li> <li>- Law on Environmental Protection No. 29/NA (2012)</li> <li>- Wildlife and Aquatic Law No. 07/NA (2007)</li> <li>- Water and Water Resources Law No. 02/NA (2013)</li> <li>- Law on Minerals No. 02/NA (2011)</li> <li>- Law on Electricity No. 19/NA (2017)</li> <li>- Law on National Roads No. 03/NA (2016)</li> </ul>  |

| UNFCCC REDD+ Safeguards   | World Bank Environmental and Social Safeguards Prior to 2017   | Government of Lao PDR Environmental and Social Management System  |
|---|--|---|
| <p>conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits</p> <p>6. Actions to address the risks of reversals</p> <p>7. Actions to reduce displacement of emissions</p> |  | <ul style="list-style-type: none"> <li>- PM Decision on Strategic Environmental Assessment, No. 0483/PM (2017)</li> <li>- Prime Minister Decree on Environmental Impact Assessment No. 112/PM (2010)</li> <li>- MoNRE Instructions on ESIA No. 8030/MoNRE (2013) and Initial Environmental Examination (IEE) of the Investment Projects and Activities No. 8029/MoNRE (2013)</li> <li>- Minister Agreement on the Acceptance and Announcement on the Use of Project Investment List and Activities that require the Conduct of IEE and ESIA No. 8056/MoNRE (2013)</li> <li>- Minister Agreement on the Conduct of EIA for Industries and Processing in Lao PDR No. 1222/Ministry of Industry and Handicraft (now Ministry of Industry and Commerce or MOIC), 2005</li> <li>- Minister Agreement on the Extraction of Soil, Pebbles and Sand along the Mekong River and Tributaries No. 7737/PWT (2010)</li> <li>- Policy on Sustainable Hydropower Development in Lao PDR (2015)</li> <li>- National Policy on Health Impact Assessment No. 365/MOH (2006)</li> <li>- Practical Guideline on Health Impact Assessment (2007)</li> </ul> |
|   | <ul style="list-style-type: none"> <li>- Natural Habitats (OP/BP 4.04)</li> <li>- Forests (OP/BP 4.36)</li> <li>- Physical Cultural Resources (OP/BP 4.11)</li> <li>- Pest Management (OP 4.09)</li> </ul> | <ul style="list-style-type: none"> <li>- Law on Environmental Protection, No. 29/NA (2012)</li> <li>- Forestry Law, No. 6/NA (2007, the revision new forestry law was completed in 2019)</li> <li>- Forest Strategy 2020 (2005)</li> <li>- Land Law No. 4/NA (2003, was revised in 2019)</li> <li>- Law on National Heritage No. 44/NA (2013)</li> <li>- National Biodiversity Strategy 2016-2025 (2016)</li> <li>- Presidential Decree on Timber Revenue</li> </ul>  |

| UNFCCC REDD+<br>Safeguards | World Bank<br>Environmental and<br>Social Safeguards Prior<br>to 2017 | Government of Lao PDR Environmental<br>and Social Management System   |
|----------------------------|---|---|
|                            |   | <p>Sharing for PSFM, No. 001/PM (2012)</p> <ul style="list-style-type: none"> <li>- PM Order on the Temporary Ban of Timber Harvesting in all Production Forests No. 31/PM (2013)</li> <li>- PM Order on the Prevention of Harvesting and Buying-Selling of Protected Species No. 10/PM (2011)</li> <li>- PM Order On Intensifying Strictness in the Management and Inspection of Wood Exploitation, Timber Removal and Wood Related Businesses No. 15/PM (2016)</li> <li>- Decree on Moratorium of Mining, Rubber and Eucalyptus Concessions, No. 13/PM (2012); this is replaced with Prime Minister Order on the Enhancement of Land Management for Industrial and Agricultural Crop Concessions No. 09/PM (2018)</li> <li>- Regulation on the Control of Pesticides, No. 2860/MAF/ 2010</li> <li>- PM Decree on Pesticide Management No. 258/PM (2017)</li> <li>- Minister Agreement on the Standard of Sawmill No. 0719/MOIC (2009)</li> <li>- National Environmental Standard (2017)</li> <li>- PM Agreement on the Endorsement of the Meeting Outcomes on Forest Management, Forest Inspection and Business dated 25-26 January 2012</li> </ul> |

Key strategies that provide the context within which the NRS and ER-P have been designed:

The **Eighth National Socio-economic Development Plan (8<sup>th</sup> NSEDP)** covers the period from 2016 to 2025. The strategy aims to maintain economic growth at 8 %, achieve the Sustainable Development Goals (SDG) for full integration with the ASEAN, lay the foundation to graduate from the Least Developing Country status by 2020, and ensure sustainable development by integrating economic development with socio-cultural development and environment protection to the nations advantage, and ensure political stability, public security and support international cooperation. The strategy provides the analysis of the current interaction between economic decisions and environment soundness in each sector, and also provides guidance in the development of balanced programs. The provinces and districts also have their own socio-economic development plans, which tie in with the national ones.

The **Forestry Strategy 2020**, No 229/NA, dated 09 August 2005, identifies the objectives of the forestry sector to enhance the capacities of government institutions and relevant stakeholders to strengthen sustainable forest management and protection in Lao PDR. It includes participatory mechanisms for all three forest categories -- protection, protected and production forests -- to ensure the production of timber and forest products, biodiversity conservation and environment protection. It also aims to develop and update the legal and institution structures.

The first **National Biodiversity Strategy and Action Plan (NBSAP)** up to 2010 was prepared in June 2004. It was updated for 2016-2025 and adopted in 2016 to promote the biodiversity conservation and sustainable use based on 20 targets set by the Convention of Biological Diversity (CBD). Lao PDR is signatory to the CBD, which commits the country to achieve targets set in the NBSAP, e.g. diversity of the ecosystems, protected areas management (like tree, fish and plants species, non-timber forest products and medicinal plants). Given the current situation, Lao PDR needs to take urgent actions for biodiversity conservation, sustainable use approaches, and fair and equitable sharing of benefits, to reduce the loss rate of biodiversity globally, regionally and nationally. To achieve biodiversity and forest targets, the highest importance is given to activities that will also enhance national economic development, livelihood improvement in the rural areas, and food security.

The **National Agriculture Development Strategy 2016 to 2025 and Vision to 2030** laid out development goals to improve techniques in flatland agricultural production according to market forces, including adaptation to climate change, and for small-scale agricultural production and for ecosystem conservation in mountainous areas. The strategy aims both to expand agriculture from 3 million hectares to 4.5 million hectares, and to increase the efficiency of agricultural production. In terms of national land use, the area suitable for agriculture is considered to be 4.5 mil. Ha, so this area is currently under-utilised.

The **National Climate Change Strategy** No. 137/PM, dated 12 March 2010, has a vision to establish programs, adaptive strategies and mitigation options, to increase resilience of key sectors to the impacts of climate change that aims to promote sustainable economic development, reduce poverty, protect public health and safety, enhance the quality of Lao PDR's natural environment to protect ecosystem integrity and productivity of forest resources, and advance the quality of life for all Lao people. It requires strong cooperation, partnerships with national stakeholders and international partners, and increased public awareness of climate change, and increased stakeholder willingness to take actions to implement the national development goals.

The **National Green Growth Strategy to 2030**. Prime Minister of Laos signed a decree on the Green Growth Strategy of Laos in February 2019. This is a milestone in the national development approach of the country, to ensure environmentally friendly, sustainable and inclusive growth. The government views the green growth concept is in cohesion with its strategic priorities under the 8th National Socio-Economic Development Plan. The plan stresses the need to utilise the nation's natural resources more efficiently, while taking a development path that is more resilient to risks facing climate change challenges and protecting the health of the people. The World Bank, Global Green Growth Institute and other development partners

provided financial and technical support to government in developing the green growth strategy. The National Economic Research Institute and the Ministry of Planning and Investment formulated the strategy. The World Bank has provided Loa PDR with credit of USD 36.0 million to help develop and implement the green growth strategy from now until 2030, as well as NDC<sup>18</sup> and NRS<sup>19</sup>

### **Legal and regulatory framework related to environmental and social safeguards**

The Government of Lao PDR has a set of legislation and regulations that reflect its attempts to minimise, or mitigate, harm to people and the environment, and at the same time to bring the most benefit from development activities, including REDD+, to people of all ethnic groups throughout the country. Below are listed the national policy, laws and regulations that are explicit and implicit social and environmental safeguards of relevance to REDD+:

The key national policy, laws and regulations that have explicit and implicit social and environmental safeguards of relevance to REDD+ include:

- The National Constitution, 2015
- Environmental Protection Law No. 29/NA, 2012:
  - o PM Decree on EIA No. 21/GoL, 2019
  - o MoNRE's Instruction on ESIA No. 8030, 2013 and Instruction No. 8029 on IEE, 2013
  - o Minister Agreement on the Acceptance and Announcement on the Use of Project Investment List and Activities that require the Conduct of IEE and ESIA No. 8056/MoNRE, 2013
  - o PM's Decree on Compensation and Resettlement for People Affected by Development Projects No. 84, 2016
- Land Law No. 04/NA, 2003, revised 2019
- National Policy on Land No. 026/CC, 2017
- Law on Minerals No. 02/NA, 2011
- Law on Grievance Redress No. 53/NA, 2014
- Law on National Roads No. 03/NA, 2016
- Law on Electricity No. 19/NA, 2017
- Law on National Heritage No. 44/NA, 2013
- Lao Women's Union Law No. 31, 2013
- Forestry Law No. 99/NA, 2003, revised 2019:
  - o PM Order No. 10/PM on the Prevention of Harvesting and Buying-Selling of Protected Species, 2011

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<sup>18</sup> The Nationally Determined Contributions (NDC) 2015 bases its mitigation contribution on implementing the Forestry Strategy to 2020 of the Lao PDR to increase forest cover to 70 % (16.58 million hectares) along with 500,000 ha of plantation forests. As a result, the timber logging and the conversion of forest areas can be controlled by 2020. Under these targets, improvement management of the forests of the Lao PDR may be able to reduce 60,000-69,000 kilotons of carbon dioxide emissions (ktCO<sub>2</sub>e) between 2015 and 2030.

<sup>19</sup> Its overall objective is to contribute to the enforcement of laws relating to forestry and the implementation of the 8th National Socio-Economic Development Plan (NSDEP) and the 8<sup>th</sup> Agriculture, Forestry and Rural Development Plan (2016-2020).



- PM Agreement on the Endorsement of the Meeting Outcomes on Forest Management, Forest Inspection and Business, 2012
- President Decree No. 001/President on Revenue Sharing for Timber Harvested from Production Forest Areas, , 2012
- PM Order No. 13/PM on Moratoriums on Concessions for Mining, Rubber and Eucalyptus Plantations, 2012
- PM Order No. 31/PM on the Temporary Suspension of Logging in All Production Forests, 2013
- NA Decision No. 273/NA on the Approval of the Protection Forests, Protected Areas and Production Forests, 2014
- PM Order No. 15/PM on Intensifying Strictness in the Management and Inspection of Wood Exploitation, Timber Removal and Wood Related Businesses, 2016
- PM Order No. 09/PM on the Enhancement of Land Management for Industrial and Agricultural Crop Concessions, 2018
- Village Forestry Regulation No. 0535/MAF, 2001
- Wildlife and Aquatic Law No. 07, 2007
- Water and Water Resources Law No. 02/NA, 2013
- Ministerial Instruction on Customary Rights No. 564/NLMA, 2007
- National Policy on Health Impact Assessment No. 365/MOH, 2006
- MAF Manual Participatory Land Use Planning (PLUP), 2010
- Public Involvement Guideline, 2012
- Ethnic Group Consultation Guidelines, 2012
- MAF Regulation on the Control of Pesticides in Lao PDR, 2860/MAF, 2010
- Decree on Pesticide Management, No 258 /GoL, 2017

**The Constitution of Lao PDR** (updated version) No 63/NA, dated 8 December 2015, acknowledges all forms of property rights under Article 16, and encourages protection and restoration of environment and natural resources in participatory and sustainably manner in the Article 17.

The Constitution specifies that Lao PDR is a multi-ethnic society, and all ethnic groups and citizens have equal rights. The Lao Government promotes the development, protection, and advancement of women, and supports their participation, decision-making, and equitable benefit-sharing in all development activities according to Article 4 of the **Lao Women's Union Law, No. 31/NA**, dated 23 July 2013.

Every five years the country prepares **Socio-Economic Development Plans (SEDP)** at the national, provincial, district, and village levels, which in turn guide annual work plans and budgets. Currently the Eighth National Socio-economic Development Plan (8<sup>th</sup> NSEDP) is under implementation, for the period 2016-2020. The management and implementation of the Socio-Economic Development Plan (SEDP) at the local levels (districts and villages) and the distribution of village boundaries by local authorities on the use of natural resources, environment and other resources is described in Articles 2, 5, and 43 of the **Local Administration Law** No. 017/NA dated 14 December 2015.

Article 7 of the **Environment Protection Law** (2012) describes the responsibilities of individuals, households and institutions to protect the environment, while participation of the public -- with the engagement of institutions, local authorities and affected people -- in the preparation of all environmental activities is specified in the Article 48. Key activities under the environmental activities are specified in detail in Articles 19, 21 and 22 of this law, including the requirements for Strategic Environment Assessment (SEA), Initial Environmental Examinations (IEE) and Environmental and Social Impact Assessments (ESIA).

The Environment Protection Law promotes the conservation of natural resources together with the policies and measures clearly specified in Article 50. The registration of specific natural resources is noted in Article 49 while the responsibilities of individuals, households and institutions in rehabilitation of degraded environment in impacted areas is described in Article 55.

Article 5 of the Environmental Protection Law (2012) requires that certain types and sizes of development projects carry out an **Initial Environmental Examination (IEE)** and/or an **Environmental and Social Impact Assessment (ESIA)**.<sup>20</sup> This analysis must include a proper consultation process with all stakeholders, especially those who are affected directly by the projects, as described in MoNRE's Instruction on ESIA, No. 8029 (2013) and Instruction No. 8030 (2013). In addition, the Public Involvement Guidelines (2012) established public participation requirements for data collection, dissemination of information, consultation and participation. In actual practice, the IEE and ESIA guidelines are often not well followed. These guidelines are followed by large infrastructure projects, like hydropower schemes or mining operations, but usually not followed for forestry projects. Some needed information is often not recorded. Often the IEE and ESIA approval processes have not followed all the agreed procedures. The teams preparing the IEEs and ESIA have not always consulted with the relevant Provincial Agriculture and Forestry Department concerning possible social and environmental impacts, including impacts on forests and local communities. If significant impacts are discovered, then the project developer must prepare an Environmental and Social Management and Monitoring Plan (ESMMP), and the project must be monitored by both the project proponent and the government.

**PM Decree No. 84 (2016) on Compensation and Resettlement for People Affected by Development Projects** replaces the previous PM Decree No. 192 (2010). It lays down key policies and principles for compensation and resettlement of people affected by development projects (both public and private sectors). Specifically, the Article 7 requires that the project developers cooperate with relevant organisations at all levels to collect information on people to be affected by the project including a detailed Compensation Plan as part of an Environmental and Social Management and Monitoring Plan (ESMMP) before the signing of a concession agreement. The approval date of the ESMMP document shall be regarded as the date of registration of the rights of affected people. It is important to note that after a few years of piloting the implementation of this Decree by development projects, especially in the hydropower sector, it was learned that a compensation rate benchmark in a "separate regulation" as stipulated in the Article 9 of this Decree could not be established. Furthermore, there are a few conflicts existed between this Decree with revised Electricity Law 2017 on the responsible entity for the formulation of a Resettlement Committee. It can take the projects more than two years to

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<sup>20</sup> The actual requirements are provided in the Environmental and Social Management Framework Document.

complete the Compensation Plan with details on compensation rate, Bill of Quantity for type of housing, compensated land and etc. in order to obtain approval from MoNRE as part of the ESMMP document. This Decree is being revised by MoNRE together with a Decree on EIA No. 112 (2010).

**Water and Water Resources Law 2017** requires that the Project developers prepare a Plan for the protection and rehabilitation of protection forests (Article 24). It also stipulates that individual or organisations have obligations in protecting water and water resources, rehabilitate forest resources and land in the watershed areas in strict compliance with management plans of water resources, forests and land (Article 26) as well as encouraging forest rehabilitations and protection in the watershed areas, promotion of organic fertilisers, waste disposal and wastewater treatment as means to restore damaged water resources (Article 56).

**Electricity Law 2017** anticipates that ESIA is undertaken since the early stage of hydropower project development, i.e. after signing MOU and Project Development Agreement (PDA) stage as part of the overall Feasibility Study (Article 59) and obtaining approvals from MoNRE in cooperation with MEM (Article 60). In addition to the payment of Royalty, duty and tax, the Project Company or the concessionaire shall pay its contribution to the Environment Protection Fund and funds for socio-economic development of the localities where the project is located and surrounding areas, downstream area of the project and contribution to the Fund for watershed and reservoir protection, plantation of forest in flooded forest land area and land area for temporary use.

**Article 11 of the Policy on Sustainable Hydropower Development (2015)** requires that natural conserved habitat area losses due to hydropower development projects shall be avoided and mitigated as much as possible. Where avoidance is not possible, it must be compensated and restored by the project developer as well as provide funding to help manage and effectively conserve the watershed area as well as nearby watersheds and other important conservation areas. The Project Developers must develop a sustainable biodiversity management plan, considering compensation or helping to mitigate the impact on the local natural resources base. Article 13 also describes the Project Developers' obligations in paying taxes, royalties, etc. as well as "benefit sharing" with local communities through Community Development Fund and other Funds for watershed protection and socio-economic development of that areas.

On 28 May 2018, the GoL also issued an order no. 1168 to temporarily suspend the approval of new small-scale hydropower projects (less than 15 MW) until further notice as well as reviewing the technical and other legal aspects of the existing and approved projects. A similar order was issued by the GoL on 08 August 2018 to halt the approval of new hydropower projects pending reviews of development policy after the breach of a hydropower project in the south of the country, this announcement came after a meeting of the Government Cabinet chaired by the Prime Minister during 6 -7 August 2018. The GoL also planned to carry out safety inspections of all hydropower projects already built or under construction led by the Ministry of Energy and

Mines, Ministry of Public Works and Transport, MoNRE and the Ministry of Science and Technology with the assistance provided by international experts<sup>21</sup>.

The **Participatory Land Use Planning (PLUP) Manual** was endorsed by MAF in 2010 (to replace the former Land and Forest Allocation elaborated in MAF Instruction on Land and Forest Allocation for Management and Use issued in 1996). At the village cluster level, the PLUP Manual introduced a participatory working approach and development plan that would ensure sustainable forest landscape management. Within the steps the PLUP Manual gives instructions<sup>22</sup> on many areas including sharing roles and responsibilities among related local governmental organisations,<sup>23</sup> application of modern technologies, work in various ecological conditions, land registration and titling including for individual and collective land that supports recognition of customary tenure. The PLUP Manual encourages stakeholders, especially villagers, to participate in planning, forest and/or land management fully and effectively.

**Public Involvement Guidelines**, Ministerial Instruction No 29/MoNRE (2013) introduces Environmental and Social Impact Assessment by every Investment Project and Activity of a public and private both domestic and foreign enterprise operating in Lao PDR that causes or is likely to cause environmental and social impacts. The instruction also brings into consideration four public involvement processes, which are information gathering, information dissemination, consultation, and participation, to ensure project activities are designed with consideration to minimise social and environmental negative impacts and to maximise positive impacts in a long run<sup>24</sup>.

The **Ethnic Group Consultation Guidelines** (2012) gives guidance on how to consult with various ethnic groups in culturally-appropriate ways. The **Free, Prior and Informed Consent Guidelines** (FPIC, 2012) raises awareness for projects to apply FPIC based on the Public Involvement Guidelines (2012). Through the adoption of the United Nations Declaration on the Rights of Indigenous Peoples (2008) the legal status of the right to FPIC has been strengthened. Amongst others GIZ and RECOFTC<sup>25</sup> (and most forest related projects) have provided guidance and training manuals and it has been a consistent central theme to all REDD+ forest projects implemented in Lao. FPIC principles are expected to be included in the revised Forest Law

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<sup>21</sup> Vientiane Times, 08 August 2018

<sup>22</sup> “Stage PLUP: prepare action plans for the land involved, collecting data - economic, social, land and forests, to determine the boundaries of neighboring villages, zoning, land use, agriculture and forestry and cluster planning management of agricultural land and forests and villages, storage of planning land use and forestry and construction Digital plan, land registration in rural areas, network and build a home network and monitor and encourage / monitoring and evaluation”

<sup>23</sup> ‘Tips and tricks’ of participatory land-use planning in Lao PDR: Towards a land zoning negotiation support platform by Jeremy Bourgoin, Jean-Christophe Castella, David Pullar, Guillaume Lestrelin and Bounthanom Bouahom.

<sup>24</sup> Ministerial Instruction on the Process of Environmental and Social Impact Assessment of the Investment Projects and Activities, No. 8030/MONRE, dated 17 December 2013.

<sup>25</sup> RECOFTC (an NGO) has worked extensively with GIZ and produces “A booklet on gender in REDD+ and free, prior, informed consent (FPIC) in Lao PDR” and “A FPIC guidebook in Lao” which the GOL has adopted for forest projects. The work done by the various Forest projects has been consistent on highlighting the importance of FPIC and adapting recommendations to the specific legal situation of indigenous peoples and local communities with regard to rights to their resources and where possible it is expected that FPIC approaches will be included in the revised Forest Law.

Currently, as in most REDD+ countries, the FPIC guidelines they are followed on a voluntary ‘best practice’ basis and supported by all donors and most CSOs/ NGOs associated with the forest sector in Lao PDR.

Considerable stakeholder consultations have been conducted during the design of the ER Program, as well as the National REDD+ Program. Consultation applying FPIC principles will continue throughout the implementation of the ER Program. Once the ER Program reaches the implementation phase, further detailed consultations will take place, including in the steps of detailing PRAPs into annualised implementation plans. Local level stakeholders, particularly ethnic groups, women, poor and vulnerable households and groups will be specifically targeted. The Community Engagement Framework (CEF) outlines the approach for socially inclusive engagement in REDD+ activities. The Provincial Implementation Units will mobilise specialised capacity targeting the district or kumban levels that will receive training on FPIC principles and practices, following the principles applied for the PRAP consultations.

The FPIC consultation process needs to ensure:

- Ethnic groups are not coerced, pressured or intimidated in their choices of development;
- Ethnic groups’ consultation is to be sought sufficiently in advance of any authorization or commencement of activities and respect is shown to time requirements of ethnic group consultation/consensus processes; and
- Ethnic groups have full information about the scope and impacts of the proposed development activities on their lands, resources and well-being. Information should be provided on the nature, size, pace, reversibility and scope of any proposed project or activity; the purpose of the project and its duration; locality and areas affected; a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks; personnel likely to be involved in the execution of the project; and procedures the project may entail. This process may include the option of withholding consultation.

Arrangements for consultations should be carefully considered and tailored to the sub-project context, the anticipated impacts and the context of the local communities. Consultation approaches should include:

- Community meetings, both with the community as a whole and with sub-groups;
- Focus group discussions and participatory planning exercises;
- Distribution of project information in both full format (project documents, assessment reports, etc.), simplified formats such as posters and brochures, and audio-visual material using local languages;
- Identification of contact persons within the communities (some training may be appropriate to enhance their ability to engage meaningfully in the consultation process);  
Involvement of the Ethnic or tribal leader if any, Provincial or District Offices of Lao Front for National Development and other local civil society organizations (CSOs) identified by the ethnic groups as important in representing their interests; and
- Opportunities for consultation at each stage of sub-project preparation and implementation.

Conflicts can be addressed through a legal conflict resolution system as described under the **Law on Grievance Redress No. 53/NA 2014**, through a traditional or customary system, or Village Conflict Mediation Unit. Above the village are the Regional, Provincial, and National Supreme Courts. Any urgent issues, complaints, or inquiries can be publicly voiced to the National Assembly members, or through the National Assembly Hotline, which is open during the National Assembly sessions. Grievance redress can also be pursued through administrative channels or Party channels, via the mass organisations (the Lao Front for National Development, concerning ethnic issues, and the Lao Women's Union, concerning women's issues). [In the ESMF, the existing FGRM system is analysed separately in terms of its suitability for REDD+, and how it can be strengthened.]

It should be noted, however, that the Government encourages villages to prevent any conflicts or problems related to family issues through effective village GRM, becoming “model cultural villages.” Moreover, many villagers are unaware of grievance redress mechanisms that exist above the village level, and/or how to access such mechanisms.

The Central Committee recognises that the country has been facing many land issues including land allocation, land use planning, and benefits from land, and as a result issued a **Resolution, or National Policy, on Land** No. 026/CC, dated 03 August 2017. The Resolution provides general guidance on land management and development with focus on centralization and consistency of land management nationwide. The Resolution requires review of agriculture land use to ensure conformity with protecting the environment, meeting the demand for national development with green growth and sustainability, increasing land quality and ensuring land for agriculture to guarantee food security. On the one hand, the policy affirms that ‘land rights’ already granted to individuals are legal and will be retained. But on the other hand, the policy states that the Government has the right to withdraw (cancel) land use rights held by individuals, entities, collectives and organisations for the purpose of national social-economic development plans. Thus, ultimately any land rights can be revoked by the Government, but if this occurs, the rights holders are due compensation.

Article 09 of the **Land Law No. 04/NA (2003, revised 2019)** stipulates that land is under the ownership of the national community as prescribed in Article 17 of the Constitution in which the State is charged with the centralised and uniform management [of land] throughout the country and with the allocation [of land] to individuals, families and economic organisations for use. In addition, Article 21 mentions that the State allows individuals or families to utilise unstocked or degraded forestlands in conformity with the [land use] purposes, sustainability and effectiveness not exceeding 3 hectares per labor force in a household. The allocation of forestland use rights in respect of forestland which is under the State management to individuals and organisations is done through issuing land certificates that are valid for three years. During this period, if land has been used in conformity with objectives and regulations, and there is no objection or claim, or those claims have already been settled, then [the individuals and organisations] have the right to apply to the land management authorities at the provincial or city level for the issuance of land titles for long term use rights. However, customary land use rights were not recognised in the 2003 of the Land Law and have been included in the updated version of the Land Law and the

National Policy on Land No. 026/CC, dated 03 August 2017. The Land Law has been under revision for several years, and plans to be submitted for review and endorsement by the National Assembly in October 2019.

The **Forestry Law (2007, revised 2019)** sets key conditions for the management of forests, and thus is of particular relevance for the development of the National REDD+ Program and National REDD+ Strategy. Once the Land Law is revised, the Forestry Law, and other natural resource management laws, will be revised to ensure consistency with the Land Law. Work is already underway to draft a revised Forestry Law including consultations with relevant stakeholders at local and national levels. In support of the revised Forestry Law, DoF is revising a PM Decree on Forest and Forest Resources Development Fund for approval by the Government which includes new and revised provisions on the use of funds, the composition of Board of Directors and sources of funds from carbon credits.

Article 7 of Forestry Law (2007) encourages individuals, households and institutions to protect and develop forests, forest resources, water sources, biodiversity, and environment in line with the regulations to avoid the degradation, erosion and others. Many forests are categorised into three types – production, conservation, and protection forests - under the Article 9 to 12 of the Forestry Law. Other forest lands are “uncategorised.” Article 13 of the Forestry Law (2007, revised 2019) clarifies that degraded and barren lands, which were distinct forest categories under an earlier version of the law, are included now in the other forest categories.

The State promotes the preparation of the management plans for all three forest categories (including the water sources, watersheds) to develop sustainable forest management, including approved areas under rotational agriculture and for wood and forest products use based on the Article 22 to 26 of Forestry Law. The use of wood and forest products for the community, household livelihoods, and customary use is described in the Article 40 to 42 of Forestry Law (2007), while harvesting for trade is in the Article 43 and 49, and the conversion of forest lands to other development objectives based on the Article 70 of Forestry Law.

The **Presidential Decree, No. 001/President** (PMO No. 001, 2012) describes benefit-sharing in Production Forest Area among the entities engaged in participatory sustainable forest management (PSFM). Under this decree, 30 % of the all timber revenues go to the Forest and Forest Resources Development Fund, and the Fund then distributes the revenue to Provincial Agriculture and Forestry Departments (30 %), District Agriculture and Forestry Offices (DAFOs, 30 %), and involved local communities (40 %). This decree, however, has not yet been implemented, due to the logging ban that has been in force for the Production Forest Areas since 2016 (PM 31, see below). Regardless, this decree has been an improvement over previous timber revenue benefit-sharing policies, as it will increase the percentage of revenue going to local communities and the Forest Resource Development Fund once the ban is lifted.

**Prime Minister’s Order No. 15** (PMO 15), dated 13 May 2016, informs line authorities on the increasing of strictness on the management of forests and the monitoring of logging, transportation and timber business, including the prohibition of exports of logs and timber. It prohibits wood processing from natural forests, and further supports implementation of the **PM**

**Order No. 31 (2013) on the temporary ban of logging** in all production forests and follow-up on the preparation of sustainable management plans for production forests.<sup>26</sup> It is hoped that the logging ban will be lifted during the dry season of 2017/18, at least so some production forests can be certified as sustainably managed. Also, once the logging ban is lifted and harvesting resumes, then timber revenue benefit-sharing, in accordance with PMO No. 1/2012, can resume. However, there have not been any indications on the possible lifting of this ban soon.

The National Assembly released the **Decision on the Approval of the Protection Forests, Protected Areas and Production Forests No. 273/NA, on 21 August 2014**. It acknowledged of the rights of people living in or adjacent to the three categories of forests to use lands for agriculture production. This NA Decision requested the Government to re-delineate the boundaries of the three categories of forest, to exclude land being used for agriculture or other non-forest purposes, and to replace it with suitable forest land. Methods for undertaking this re-delineation have been piloted in two areas, but there is not yet agreement on how to proceed. Thus, this re-delineation has not yet been proposed. Having more clear boundaries of the three categories of forests would facilitate implementation of REDD+ and the Forest Strategy.

The **Wildlife and Aquatic Law No. 07**, dated 24 December 2007, specifies the management of wildlife and aquatic resources, and controls their harvesting. It promotes conservation of biological diversity, including rare and endangered species. The Department of Forest Inspection (DoFI), created in 2007, has responsibility nationwide for enforcement of both the Forestry Law and the Wildlife and Aquatic Law.

The **Regulation on the Control of Pesticides** (Lao PDR, 2860/MAF, 2010) provides details on the use of pesticides, as well as the ways to collect and destroy the pesticides, to avoid negative impacts to people, animals and environment according to the Article 23 and 24. This was followed by the **Decree on Pesticide Management**, No 258 /GOV, 24 August 2017. This defines the principles, regulations and measures regarding the use of pesticides, management and monitoring of pesticide activities to ensure the quality, efficiency and safety for humans, animals, plants and environment with the aim of allowing the agricultural and forest production to be carried out in line with clean, green and sustainable agriculture, capable to ensure regional and international integration, and contribute to the national socio-economic development.

### **3.2 WORLD BANK SAFEGUARDS POLICIES TRIGGERED**

As a recipient of REDD+ financing, in particular FCPF and its Carbon Fund of which the World Bank is the designated channel for Lao PDR, REDD+ activities in the country are bound to follow the World Bank Safeguard Policies, which are widely regarded as the international standard for the environmental and social management of government financed development projects<sup>27</sup>. The World Bank undertakes environmental screening of proposed projects and

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<sup>26</sup> All 51 national Production Forest Areas (PFAs) had approved forest management plans by the end of 2016. The logging ban, however, has not yet been lifted. Currently, since the implementation of PMO No. 15, more logs and timber are available than the national wood processing industry needs.

<sup>27</sup> Private sectors usually apply internationally recognised Performance Standards of the International Finance Corporation (IFC) of the World Bank Group.



classifies each project into categories depending on its type, location, sensitivity, and the nature and magnitude of the impacts on communities and the environment.

A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. The environmental assessment (EA) for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives, and recommends any measures needed to prevent, minimise, mitigate, or compensate for adverse impacts and improve environmental performance. The DoF/REDD+ Division is responsible for preparing a report, normally an Environmental Impact Assessment (EIA) or an Environmental and Social Impact Assessment (ESIA). In the unlikely case that the results of project screening or assessment determine that a sub-project/activity to be supported under the GFLN-NL is a Category A, the DoF/REDD+ Division will contact the World Bank to determine whether such a sub-project/activity is eligible based upon significance of potential impacts and risks.

A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmental important areas – including wetlands, forests, grasslands, and other natural habitats – are less adverse than those of Category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for Category A projects. The scope for environmental assessment for a Category B project may vary from project to project, but is narrower than that of Category A. Like Category A, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimise, mitigate, or compensate for adverse impacts and improve environmental performance.

If the likely environmental and social risks and impacts are determined through the screening process to be very low or negligible, the sub-project/activity is a Category C and no further environmental review and assessment is required. However, results of the safeguard screening should be attached to the sub-project/activity documents.

The World Bank safeguards policies that are expected to be “triggered” in the National REDD+ Program and the ER-P are shown in Table 14. Recognising the World Bank safeguards triggered under the implementation of the ER-P, the Government will use the ESMF to ensure the relevant monitoring and reporting systems for safeguards are in place. The Government will also use the existing institutional setting and draw on relevant climate change response programs, and international agreements and obligations to ensure the ER-P's social and environmental integrity.

While the aim of the ER Program (and REDD+ more generally speaking) is to improve environmental, social, and governance conditions, the interventions could have potential negative impacts if the social, environmental and gender considerations and issues are not well-designed, implemented, and monitored. Of concern are any possible negative environmental impacts of activities aiming to reduce pressure on forest lands, as well as any possible negative social impacts on local communities, especially any ethnic groups, women, or poor people that

may be particularly disadvantaged with respect to the ongoing access to land and natural resources.

The ESMF provides a direct link to the relevant safeguard policies and procedural requirements of the World Bank. These safeguard guidelines are to be followed by all REDD+ projects within the National REDD+ Program, including the ER-P.

Mainstreaming environmental and social management measures in development programs across all sectors is part of the Government's priorities. The budget presented in the ERPD outlines several potential sources of funding from various development partners and global funds: hence the ER-P activities may take many forms, and may be implemented by a wide range of actors within the accounting area. However, the GoL notes that the Methodological Framework is more explicit in Criterion 24 requiring that "the ER Program meets the World Bank social and environmental safeguards" and no distinction is made on the basis of funding sources and implementation actors.

The GoL recognises the importance of retaining ER-P consistency irrespective of the source of funding and implementation actors. Hence being a signatory to the UNFCCC and having a national legal framework, in addition to potential donor specific safeguard measures, the Government will have a broad oversight on safeguards compliance and will also undertake necessary due diligence such that proposed intervention activities meet not only the World Bank safeguards, but also the national legal framework, other donor and UNFCCC REDD+ safeguards requirements. As a preamble to the Government intention to eventually develop an integrated country approach to safeguards, Table 15 provides an overview of the three safeguard systems to be addressed in the national and sub-national REDD+ programs.

Section 3.3 of this ESMF identifies gaps between the World Bank and Lao PDR social and environmental safeguards. For instance, while the Government has determined that none of the 50 ethnic groups living in the country is designated as "indigenous" per se, it recognises that 41 ethnic groups, or one-third the national population, meet the criteria of the World Bank definition of indigenous people as defined in OP 4.10. Thus, the National REDD+ Program and the ER-Program will ensure compliance with the relevant World Bank Safeguard Policies, using the ethnic group policy framework. The gaps identified will form the basis for capacity building within relevant institutions and those responsible for activity implementation.

Work has already started on REDD+ environmental and social safeguards at the national and international levels, including the UNFCCC Cancun REDD+ and the World Bank requirements. In 2015, the CliPAD project commissioned an important desk review of national safeguards for REDD+, identifying national policies, measures, and gaps. The SESA process of stakeholder engagement and other analysis has built upon the CliPAD study, using similar relevant safeguards and FPIC experience from the SUFORD-SU, PAREDD and F-REDD projects. In addition various NGOs such Village Focus International's (VFI) promotion of legal literacy and RECOFTC (training on REDD+ and FPIC) have also been active in supporting REDD+; etc. The SESA process has examined not only drivers of deforestation and degradation, possible key strategic interventions, but also key environmental and social issues, risks, and impacts.

DoF is now working on the REDD+ national safeguard plans, i.e., the ESMF. The approach to safeguards aims to stress the complementarity among the government's own safeguards with those from the World Bank and the UNFCCC REDD+ safeguards. Thus, the emphasis is on national ownership of safeguards, with further support and reinforcement from those of the World Bank and UNFCCC.

**Table 14 Applicable World Bank safeguard policies**

| <b>WB Safeguard Policies</b>         | <b>Triggered</b> | <b>Proposed approach</b>  |
|--------------------------------------|------------------|---|
| Environment Assessment<br>OP/BP 4.01 | Yes              | The environmental and social risks from project activities would arise in the event that the strategies fail to achieve their objectives, thereby creating unexpected direct and indirect adverse impacts on forest, land use, forest dependent communities, and landowner rights. The potential social and environmental impacts of the GFL have been assessed in detail in the SESA; and will be managed through the ESMF that has been completed.  |
| Natural Habitats<br>OP/BP 4.04       | Yes              | This policy has been triggered as the project will work both within existing protected areas and other forest habitats of varying significance, although it is not expected to involve conversion of critical natural habitats. The ESMF includes provisions to assess possible impacts prior to actions being undertaken on the ground following OP4.01 and Lao PDR environmental assessment legislation. This policy will ensure that the interventions in the area take into account biodiversity conservation and critical natural habitats. During the implementation phase, monitoring activities will be established to ensure that biodiversity conservation and critical natural habitats are not adversely affected and that risk of displacement of forest conversion, both planned and unplanned, to regions outside the project area is monitored.                 |
| Forests<br>OP/BP 4.36                | Yes              | The overall program objective includes reduction of deforestation and forest degradation and interventions are expected to have significant positive impacts on the health and quality of forests. This policy is triggered due to the potential changes in the management, protection, or utilization of natural forests or plantations that could arise from REDD+ activities may indirectly affect the rights and welfare of people and their level of dependence upon or interaction with forests. GFL includes activities affecting management, protection, or utilization of natural forests and/or plantation forests. Potential impacts and proposed enhancement and mitigation measures have been included in the ESMF. Community based forest management plans are planned to be prepared during implementation and will conform to OP 4.36 and include use of NTFPs. |
| Pest Management<br>OP/BP 4.09        | Yes              | This policy is triggered since it is conceivable that some forestry, agricultural and livelihood activities supported by activities under GFL may involve the use of pesticides. Impacts and risks of any potential use of chemicals in forest management and other activities, if needed, will be analysed and mitigated through actions contained in forest and landscape management plans. The ESMF provides guidance on development and implementation of an Integrated Pest  |

| <b>WB Safeguard Policies</b>                  | <b>Triggered</b> | <b>Proposed approach</b>   |
|---|------------------|--|
|   |                  | Management (IPM) plan which provides principles on prevention, early detection, damage thresholds, and design, mechanical and biological control methods rather than chemical pesticides.  |
| Physical and Cultural Resources<br>OP/BP 4.11 | Yes              | This policy is triggered as the activities proposed in the project could indirectly affect areas containing sites with physical and cultural resources. Ethnic groups often have close connection with forest areas, including spiritual connections, and, it is possible that in isolated cases project activities could interfere with community-defined sacred forest sites. The ESMF includes ‘chance find’ procedures and guidance on development and implementation of a Physical and Cultural Resources Management Plan.  |
| Indigenous Peoples<br>OP/BP 4.10              | Yes              | <p>The OP/BP 4.10 on Indigenous Peoples is triggered. The project area covers six provinces in Northern Laos. The implementation of the program interventions is expected to affect ethnic groups and other forest dependent communities. Program implementation may also, in some cases, lead to restrictive land zoning processes throughout the area that may put ethnic groups’ livelihoods at some risks. The EGPF has been prepared in compliance with the Bank’s OP/BP 4.10 on Indigenous Peoples.</p> <p>The EGPF takes into consideration emission reduction interventions that could impact on ethnic groups lands and livelihoods. The EGPF will be used during the implementation of the project under the principle of free, prior and informed consultations that will lead to the development of Village Forest Management Agreement (VFMA). Extensive consultations with broad community support were carried out during the SESA and ESMF preparation in the project area.</p> <p>These consultations included the engagement of mass organizations such as the LWU and LFND. In addition, NGOs, and CSOs who work with ethnic groups supported the consultation processes and promoted meaningful participation of ethnic groups in the consultations.</p> <p>A Feedback and Grievance Mechanism (FGRM) for the project has been developed that will receive, identify and resolve concerns and grievances. The FGRM is developed consistent with Laos’ laws and fully encompasses the need for free, prior and informed consultations of affected ethnic groups. In addition, a Social and Environmental Safeguards Unit (SESU) with staff and resources at the national and provincial levels will be established to build capacity, monitor safeguards, and track and resolve grievances, including maintaining data and records.</p> |
| Involuntary Resettlement<br>OP/BP4.12         | Yes              | With the interventions of the GFLP potential impacts could include land acquisition, economic or physical displacement or restriction of access to natural resources. OP/BP 4.12 on Involuntary Resettlement is triggered to ensure affected persons -- including land owners, land users and forest dependent communities and/or individuals -- are properly consulted and not coerced or forced to accept or commit to   |

| WB Safeguard Policies                 | Triggered | Proposed approach   |
|---------------------------------------|-----------|---|
|                                       |           | <p>REDD+ activities or other forest management/reforestation activities involuntarily, and that best practice approaches as informed by OP/BP 4.12 are adopted.</p> <p>A Resettlement Policy Framework (RPF) has been prepared which lays down the principles and objectives, eligibility criteria of displaced persons, voluntary land donation (VLD), modes of compensation and rehabilitation, participation features and grievances procedures that will guide the compensation and potential resettlement of program-affected persons. The RPF will guide the preparation of site-specific Resettlement Action Plan (RAP).</p> <p>There is higher potential for an involuntary restriction of access to fuelwood collection and NTFPs from legally designated production and protection forest areas, and protected areas resulting in adverse impacts on the livelihoods of affected persons. The Process Framework (PF) has been prepared to guide procedures to identify, assess, minimise and mitigate potential adverse impacts on local livelihoods by restriction of access. The PF is to ensure adequate consultations are undertaken with specific communities in specific locations for proposed interventions for the preparation of process plans.</p> |
| Safety of Dams<br>OP/BP 4.37          | No        | This policy is not triggered as the program will neither support the construction or rehabilitation of dams nor will it support other investments which rely on services of existing dams.  |
| International Waterways<br>OP/BP 7.50 | No        | The program does not have any investments that will be located on international waterways, so this policy is not triggered.   |
| Disputed Areas<br>OP/BP 7.60          | No        | Neither the program nor related investments will be located in disputed areas as defined in the policy.   |

### 3.3 GAP ANALYSIS

There are differences between the GoL's Laws, policies, regulations related to land acquisition/resettlement, and the World Bank's OP 4.12 on Involuntary Resettlement. Table 15 highlights the key differences to establish a basis for the design of the principles to be applied for compensation, assistance and livelihood restoration support for the affected households, which will be applied under this project.

The application of environmental assessment policies in Lao PDR, as well as various efforts directed to policy harmonization between GoL and donors, have gradually narrowed the gap between the two systems. However, differences remain between GoL environmental safeguard policies and those of the World Bank (OP 4.01). These differences in specific policies and procedures and proposed gap filling measures to be used under this program are listed in Table 16. When there are gaps between national policy and Bank safeguards, Bank safeguard policies prevail.

Most of the 8<sup>th</sup> NSEDP targets complement REDD+ objectives, i.e., achieving economic growth for Lao PDR to graduate from the group of “least developed countries (LDC)” status by 2020, and to provide balanced development by incorporating analysis of the current interactions between economic decisions and environment soundness in each sector. They also contribute towards the new “green growth” approach being supported by the Government. [The Government and the World Bank recently have agreed to a Green Growth Development Policy Operation (DPO).]

Key gaps and challenges in the policies, laws, and regulations regarding safeguards has been analysed by the REDD+ technical working groups. The key points are as follows:

#### Social aspects:

- To meet policy directives on “Three Build (*Samsang*),” which outline the development roles at the provincial, district, and local levels, more support is still needed at the local level to increase the local authorities’ capacities and support their decision-making, including access to information.
- Rural land tenure security and customary rights remain problematic, as not much land has land titles issued for households, especially in the rural areas leading to land tenure insecurity.
- Beside the Constitution and the Law on the Lao Women’s Union, gender has been mentioned in very few legal documents related to forestry and environment. The relative rights, roles, and knowledge of women vs. men in the forest management are not well acknowledged, especially in the rural areas.
- Public consultation is mentioned in most of the laws, but the procedural aspects of participation are not well defined. Public consultations mostly rely on project holders, in particular with the IEE and ESIA preparation and implementation process; thus, promotion of stakeholder engagement is a prerequisite for all development. All ethnic groups and women should be engaged through proper consultations and awareness raising.
- Grievance redress mechanisms are not clear enough or known to citizens, at the local level people usually only use the village mediation unit for conflict resolution.
- Benefit-sharing has been primarily done through development projects.

#### Environmental aspects:

- The existing delineation of the three forest categories at the national and provincial level was done on maps and covered other land use types, such as barren land, village forest and others. In practice, it has not yet been feasible to achieve the complex process of delineation of all three forest types according to the Article 15 (3<sup>rd</sup> item) and Article 16 of the Forestry Law, due to insufficient human resources and inadequate coordination among relevant sectors at central and local level on the management of different forest categories. Moreover, no clear criteria exist for delineation of agriculture areas and classification of village forest according to sections 3.1.2.2 and 3.1.2.3 of the Forestry

Strategy 2020. The non-forest lands can be identified after the delineation for other purposes, including concessions for agriculture expansion. The 2014 request of the National Assembly to re-delineate the forests has not yet been achieved.

- Increasing poverty and rapid population growth has led to the conversion of forest land to various forms of agriculture and shifting cultivation, which have resulted in degradation and destruction of forest. The government has focused on the eradication of poverty to reduce the adverse impacts of these agricultural practices on forest and forest resources;
- The use of land and forest under the forest land allocation process has been found to be unsustainable. Land allocated to villagers was often insufficient to sustain their livelihoods. Local villagers have not acknowledged their responsibilities and efforts in eliminating pioneering shifting cultivation practices, based on the set goals and objectives in the Forestry Strategy 2020.

**Table 15 Comparison of GoL and World Bank policies related to Involuntary Resettlement**

| <i>Subjects</i>  | <b>World Bank OP 4.12</b>  | <b>GoL Policies</b>  | <b>Program Measures</b>  |
|--|--|--|--|
| <b>1. Land Property</b>  |  |  |  |
| <i>1.1. Policy objectives</i>  | PAPs (Project/ Program Affected Persons) should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of program implementation, whichever is higher           | Law on Resettlement and Vocation sets out principles, rules and measures regarding the resettlement and vocation including allocation of persons who affected from the development project to ensure that they have place to stay, place to earn a living and sustainable vocation.  | Livelihoods and income sources will be restored in real terms, at least, to the pre-displacement levels or to levels prevailing prior to the beginning of program implementation, whichever is higher.                         |
| <i>1.2. Support for affected households who have no recognizable legal right or claim to the land they are occupying</i> | Financial assistance to all program affected persons to achieve the policy objective (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of program implementation, whichever is higher) | Affected person without documents for the land use rights will not receive compensation for the loss of their land, but for the loss of their buildings, trees and produces according to the pre-set substitute value.   | Financial assistance of an agreed amount will be given to all PAPs, regardless of their legal status, until their livelihoods and standards of living restore in real terms, at least, to pre-displacement levels.             |
| <i>1.3. Compensation for illegal structures</i>  | Compensation at full cost for all structures regardless of legal status of the PAP's land and structure.   | No regulation on compensation for illegal structures.  | Compensation at full replacement cost will be given for all structures affected, regardless of legal status of the land and structure.   |
| <b>2. Compensation</b>   |  |  |  |
| <i>2.1. Methods for determining compensation rates</i>   | Compensation for lost land and other assets should be paid at full replacement costs,  | Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the value for compensation for land, constructed facilities, crop products, livestock and potential incomes and organise consultations with affected people by selecting the right and appropriate options based on prices applied by the state, market prices or average prices applicable for period of compensation and based on the types of properties and locations. | Independent appraiser identifies replacement costs for all types of assets affected, which are appraised by land appraisal board and approved by committee for compensation and resettlement to ensure full replacement costs. |



| <i>Subjects</i>  | <b>World Bank OP 4.12</b>   | <b>GoL Policies</b>   | <b>Program Measures</b>  |
|--|---|---|--|
|  |   | The prices applied by the state (middle prices) are the prices specified in a separate regulation which are identified and regulated by the Ministry of Natural Resource and Environment from time to time.                 |  |
| <i>2.2. Compensation for loss of income sources or means of livelihood</i>       | Loss of income sources should be compensated (whether or not the affected persons must move to another location)  | The loss of trees, crops, livestock or income shall be compensated based on the substitute value.   | All income losses are to be compensated and, where necessary to achieve the objectives of the policy, development assistance in addition to compensation will be provided.   |
| <i>2.3. Compensation for indirect impact caused by land or structures taking</i> | It is good practice for the borrower to undertake a social assessment and implement measures to minimise and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups.  | Not addressed.  | Social assessment has been undertaken and measures identified and being implemented to minimise and mitigate adverse impacts, particularly upon poor and vulnerable groups.  |
| <i>2.4. Restriction on resource use</i>  | In projects involving involuntary restriction of access to legally designated parks and protected areas, the borrower prepares a Process Framework, describing the participatory process by which communities potentially affected by restricted natural resource retain access to the protection forest. | Not addressed   | A Process Framework (PF) has been prepared. The PF provides guidelines for the development of Action Plans during project implementation that: i) Define the restrictions of access to natural resources in protected areas; ii) Identify and quantify the impacts that those restrictions may have on different segments of the local communities; iii) Propose, implement and monitor remedial measures to compensate for the loss of those assets and the income associated with them; and iv) Provide grievance redress mechanisms to resolve any issues that may arise due to restrictions of access to resources over the course of the program. |
| <i>2.5. Livelihood restoration and assistance</i>                                | Provision of livelihood restoration and assistance to achieve the policy objectives.  | The project owner shall rehabilitate the livelihood of affected persons during transition period and ensure the followings:<br><br>1. To provide assistance during transition period according to livelihood rehabilitation | Provision of livelihood restoration and assistance measures to achieve the policy objectives. These will be monitored as detailed in the RAP.  |

| <i>Subjects</i>                              | <b>World Bank OP 4.12</b>  | <b>GoL Policies</b>   | <b>Program Measures</b>  |
|--|--|---|--|
|  |  | <p>plan to improve living standard of affected person such as provide food, necessary consumer products;</p> <p>2. To allocate or provide necessary equipment for production to affected person.</p> <p>The project owner shall pay special attention to the livelihood rehabilitation for disabled persons to help them overcome poverty.</p>  |  |
| <i>2.6. Consultation and disclosure</i>      | Participation in planning and implementation, specially confirming the eligibility criteria for compensation and assistance, and access to Grievances Redress Mechanisms | Persons receiving resettlement have the rights to participate in the consultation meeting and discuss on the resettlement plan, compensation and livelihood rehabilitation, and to participate in other meetings as invited.  | Consultation and participation incorporated into RAP design, along with information sharing with PAPs and stakeholders.  |
| <b>3. <i>Grievance redress mechanism</i></b> |  |   |  |
|  | Grievance redress mechanism should be independent  | <p>The resolution of dispute on resettlement and vocation activities shall be escalated through the following methods:</p> <ol style="list-style-type: none"> <li>1. Conciliation or mediation;</li> <li>2. Administrative dispute resolution;</li> <li>3. Dispute resolution by the committee for economic dispute resolution; and</li> <li>4. Resolution by the people's court.</li> </ol>  | More effective Grievance and Redress mechanisms are to be established, built on the existing governmental system, with monitoring by an independent monitor  |
| <b>4. <i>Monitoring and Evaluation</i></b>   |  |   |  |
|  | Internal and independent monitoring are required   | Resettlement and vocation inspection authority is comprised of internal inspection authority and external inspection authority. Internal inspection authority is the same authority as resettlement and vocation supervisory authority. External inspection authority consists of national assembly, provincial people's council, Government inspection authority, state audit organization, Lao front for national development, mass organization, media and citizens. | Both internal and external (independent) monitoring is to be regularly maintained (on a monthly basis for internal and bi-annual basis for independent monitoring). An end-of-program/ project report will be done to confirm whether the objectives of OP 4.12 were achieved. |

**Table 16 Comparison of GoL and World Bank policies related to EA Processes and proposed gap mitigation for the project**

| <i>EA Process Stage</i> | <b>World Bank OP 4.01</b>  | <b>GoL Policies</b>   | <b>Gap Filling Measures</b>  |
|-------------------------|--|---|--|
| <b>Screening</b>        | <ul style="list-style-type: none"> <li>- Categories (A, B, C, FI)</li> <li>- Non-prescriptive on a case by case basis for categorization, safeguards policies application, and EA instrument identification.</li> <li>- The World Bank will classify the project as category A, B, C, FI according to the nature and magnitude of potential environmental and social impacts. <ul style="list-style-type: none"> <li>▪ Category A: Full EA required</li> <li>▪ Category B: EA, ESMF, or ESMP required</li> <li>▪ Category C, no EA required.</li> </ul> </li> <li>- Category FI: EA or ESMF or both required.</li> </ul> | <ul style="list-style-type: none"> <li>- Categories: I, II of Decree 21/2019.</li> <li>- Prescriptive, fixed regulated in Ministerial Agreement 8056/2013/MoNRE– List of investment projects and activities requiring for conducting Initial Environmental Examination (IEE) or Environmental and Social Impact Assessment (ESIA).</li> <li>- All projects are not listed.</li> <li>- GoL will classify the project as category I, II according to the nature and magnitude of potential environmental and social impacts. <ul style="list-style-type: none"> <li>▪ Category I: IEE required</li> <li>▪ Category II: Full EIA required</li> </ul> </li> <li>- Decision on Strategic Environmental Assessment (SEA) 0483/2017/MoNRE followed by SEA guidelines 3063/MoNRE.DEQP/2018 sets out mandate and procedure for social and environmental impact assessment associate with the development of government sectors' policies, strategic plans, and programs.</li> <li>- The line sector determines if an SEA is needed based on Environmental component checklist provided in SEA guidelines.</li> </ul> | <ul style="list-style-type: none"> <li>- Use the World Bank's discretionary (on a subproject-by-subproject basis) approaches in screening projects the significance of its impacts, and subsequently to ascertain the project's EA category.</li> <li>- Examine the magnitude and significance of the project impacts based on the project type and scale, project location, sensitivity of environmental and social issues, and nature and magnitude of potential impacts.</li> </ul> |
| <b>EA instrument</b>    | <ul style="list-style-type: none"> <li>- Depending on the project impact, a range of instruments are used to meet the World Bank's requirement, these include: ESMF, specific ESIA; ESMPs, sectoral &amp; regional EA; SEA; hazard or risk assessment; environmental audits. The World Bank provides general guidance for implementation of each instrument.</li> </ul>  | <ul style="list-style-type: none"> <li>- EA instruments such as SEA, EIA or IEE and environmental and social management plan and guidance to prepare for these instruments are provided in Decree 21/2019 on EIA and Decision 0483/2017 on SEA.</li> <li>- For full EIA, along with Environmental Monitoring and Management Plan (EMMP), a standalone Accumulative Impact Assessment, Trans-boundary Impact Assessment, Disaster Risk Assessment, Gender Assessment, and Ethnic Assessment may be required on a case by case basis.</li> </ul>  | <p>Follow the World Bank requirements on the type of EA instrument needed</p>  |

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|----------------------------|---|--|---|
| <b>Scope</b>               | <ul style="list-style-type: none"> <li>- The World Bank helps Borrower draft the TOR for EA report and identify the scope of EA, procedures, schedule and outline of the EA report.</li> <li>- For Category A projects, ESIA TORs is required, and scoping and consultation are conducted for preparation of the TORs for the EA report.</li> </ul>   | <ul style="list-style-type: none"> <li>- For Category I projects, TORs for IEE is not required.</li> <li>- For Category II projects, TORs for EIA is required, and scoping and consultation are conducted for preparation of the TORs for the EA report.</li> <li>- For SEA, the line sector determines and details TORs for EA in consultation with relevant sectors including MoNRE and localities.</li> </ul>   | <p>TORs for REA, SEA, ESMF, ESIA, and ESMP are a good practice to follow.</p> <ul style="list-style-type: none"> <li>- Follow the World Bank's TORs, scoping, and consultation requirements.</li> </ul>   |
| <b>Public consultation</b> | <ul style="list-style-type: none"> <li>- During EA process, the Borrower consults project affected groups and local NGOs about the project's environmental aspects and takes their views into account.</li> <li>- For Category A projects, the Borrower consults these groups at least twice: (a) shortly after environmental screening and before the TORs for the EA are finalised; and (b) once a draft EA report is prepared. In addition, the Borrower consults with such groups throughout project implementation as necessary to address EA-related issues that affect them. For Category B project at least one public consultation needs to be conducted.</li> <li>- For meaningful consultations, the Borrower provides relevant project documents in a timely manner prior to consultation in a form and language that are understandable and accessible to the group being consulted.</li> <li>- Minutes of the public meetings are included in the reports.</li> </ul> | <p>During the EA process, the project owner shall consult with the potential project affected people and relevant stakeholders about the project development, IEE or EIA, and EMMP.</p> <ul style="list-style-type: none"> <li>- During the preparation of IEE or EIA, the project owner involves these groups in data collection, project development information dissemination including potential impacts and benefits.</li> <li>- During the revision of IEE or EIA, the project owner involves these groups in IEE or EIA verification consultation.</li> </ul> | <ul style="list-style-type: none"> <li>- EA consultation as per government EA regulation is not enough and the Borrower and its consultant need to follow the World Bank's requirements on consultation and disclosure of information during EA process.</li> <li>- Good consultation brings benefits to the project design and contributes to project environmental outcomes.</li> </ul> |
| <b>Disclosure</b>          | <p>Before the World Bank proceeds to project appraisal the EA report must be made available at public place accessible for project-affected groups and local NGOs. Once the World Bank officially receives the report, it will make the EA report in English available to the public through the Bank's external website.</p>   | <ul style="list-style-type: none"> <li>- The Project Owner shall publicly disclose the information relating to the Project Owner; the social and environmental impacts; obligation and mitigation measures of environmental and social impact, ESIA report including other reports that the Project Owner has prepared and submitted to the Governmental Organizations.</li> <li>- The information that the Project Owner shall disclose to the public shall be prepared in Lao and local languages to the fullest extent.</li> </ul>                                | <ul style="list-style-type: none"> <li>- Follow the World Bank's Policy on Access to Information Policy in disclosure of project information, including EA instruments.</li> </ul>  |

|   |  |   |  |
|---|--|---|--|
| <b><i>Independent Expert</i></b>                                | <ul style="list-style-type: none"> <li>- For category A project, the Borrower retains independent EA experts not affiliated with the project to carry out EA.</li> <li>- For category A projects of high risk or multi-dimensional environmental concerns, the Borrower should also engage an advisory panel of independent, internationally recognised environmental specialists to advise on aspects of the project relevant to EA.</li> <li>- Experts/consulting firm will be selected through bid process under strict observation of the World Bank.</li> </ul> | <ul style="list-style-type: none"> <li>- IEE and EIA shall be conducted by environmental service providers approved by MoNRE. An environmental service provider shall acquire these following qualifications: 1) having technical staff members with environmental experience; 2) having capitals, and equipment with sufficient tools and environmental technologies; 3) showing environmental morality; and 4) fulfilling other requirements in accordance to regulations.</li> <li>- There is a list of independent experts approved by MoNRE. These independent experts are responsible for reviewing, providing written feedback on EIA and IEE; and participating in projects field visit and consultations. The selection of these experts are against some of the criteria include holding a certificate of related field; having 5 years of related work experience. The list is updated every 5 years or sooner.</li> </ul> | Follow the World Bank requirements to avoid conflict of interest                                       |
| <b><i>Clearance procedure</i></b>                               | Review responsibility is internal to the World Bank. If the EA report is satisfactory, the World Bank will issue its clearance memo. If the EA report needs to be improved the World Bank will issue a conditional clearance with the understanding that the Borrower will revise the EA to satisfy the World Bank for the final clearance.  | <ul style="list-style-type: none"> <li>- MoNRE in coordination with relevant sections and local authorities issues environmental compliance certificates.</li> <li>- For concessional projects, environmental compliance certificate will be issued before the approval of concession agreement.</li> <li>- For mineral exploration projects, environmental compliance certificate will be issued before the approval of technical and economic feasibility studies.</li> <li>- For projects under controlled list, environmental compliance certificate will be issued before investment approval.</li> </ul>  | - In addition to the Government requirements, follow the World Bank's review and clearance procedures. |
| <b><i>Number and language of EIA required for appraisal</i></b> | <ul style="list-style-type: none"> <li>- Number of copies not specified.</li> <li>- Language requirement: English with an Executive Summary in English for a Category A project.</li> <li>- No requirement for feasibility survey; the World Bank does not advance discussions on any investments without the preparation by the Borrower of the minimum required technical studies that prove the investments are feasible from socio-economical and technical point of view.</li> </ul>  | <p>For EIA:</p> <ul style="list-style-type: none"> <li>- First round submission: 3 copies to check for completeness</li> <li>- Second submission: 15 copies for technical review</li> <li>- Third submission and until EIA is approved during technical revisions: 5 copies of revised sections with a summary page specifying which sections have been revised.</li> </ul>   | Follow the World Bank's guidance and the Government requirements                                       |

|                              |  |   |   |
|------------------------------|--|---|---|
|                              |  | <ul style="list-style-type: none"> <li>- Final submission: 15 copies after EIA certificate has been received.</li> </ul> <p>There is no requirement for IEE.</p>                                      |   |
| <b>Content of EIA report</b> | <p>Category A project contains the following major contents:</p> <ul style="list-style-type: none"> <li>- Should be in line with OP 4.01, Annexure B - Content of an Environmental Assessment Report for a Category A Project.</li> <li>- Category B EIA reports typically follow similar table of contents as Category A.</li> </ul>  | <p>EIA report should be in line with Technical Guideline on the Development of EIA report of Investment Projects and Activities adopted by MoNRE. DESIA in 2017.</p>                                  | <p>For first year's subprojects: prepare both ESIA's and ESMPs for WB and EIA/EPP for Lao PDR.</p> <p>For remaining subprojects:</p> <ul style="list-style-type: none"> <li>- Category B subprojects: ESIA's or ESMPs for WB and EIA/EPP for Lao PDR.</li> <li>- Category A subprojects: two options exist: i) follow two separate EIA outlines of the World Bank and the Government; ii) follow the government EIA format with incorporation of the World Bank requirements in alternative analysis, cumulative impact assessment, public consultation and disclosure, and ESMP requirements.</li> </ul> |
| <b>EA supervision</b>        | <ul style="list-style-type: none"> <li>- During project implementation, the World Bank supervises the project's environmental aspects on the basis of the environmental provisions and the Borrower's reporting arrangement agreed in any loan/ credit agreement and described in the other project documentation, to determine whether the Borrower's compliance with environmental covenant (primarily with ESMP) is satisfactory. If compliance is not satisfactory, the World Bank will discuss with the Borrower action necessary to comply.</li> </ul> | <ul style="list-style-type: none"> <li>- MoNRE, PoNRE and DoNRE are responsible for managing EA.</li> </ul>   | <ul style="list-style-type: none"> <li>- Project environmental management system needs to be established to monitor and supervise safeguards compliance during implementation.</li> <li>- Follow requirements in project Loan ERPA Agreement, ESMP, and contract with contractor to monitor and supervise safeguards compliance.</li> </ul>   |
| <b>Subject</b>               | <b>World Bank OP 4.04</b>  | <b>GoL Policies</b>   | <b>Program measures</b>   |
| <b>Natural Habitats</b>      | <ul style="list-style-type: none"> <li>- The conservation of natural habitats is essential to safeguard their unique biodiversity and to maintain environmental services and products for human</li> </ul>   | <ul style="list-style-type: none"> <li>- The protection and development of forest and other natural resources focus on management and development of forest categories such as: protection</li> </ul> | <ul style="list-style-type: none"> <li>- Related national regulations and requirements of the World Bank OP/BP 4.04 are to be followed in the</li> </ul>  |

|                       | society and for long-term sustainable development.  | forest, conservation forest, production forest, including watershed forest; tree species and NTFPs, in order to promote sustainable supplies of timbers and forest products and other natural resources, protection of soil quality and prevention against erosion, protection of water resources, aquatic and wild animals, and environment, and to promote income generation for state, organizations and individuals via forestation, restoration and protection of forests and other natural resources (Environmental Protection Law 2012).   | specific program interventions and reflected in the subproject safeguard instruments prepared during implementation.  |
|-----------------------|---|---|---|
| <i>Subject</i>        | <b>World Bank OP 4.36</b>   | <b>GoL Policies</b>   | <b>Program measures</b>   |
| <b><i>Forests</i></b> | <ul style="list-style-type: none"> <li>- Assist Borrowers to harness the potential of forests to reduce poverty in a sustainable manner, integrate forest effectively into sustainable economic development and protect the vital local and global environmental services and values of forests.</li> <li>- Use of appropriate economic, environmental and social assessments to identify the economic, environmental significance of forests</li> <li>- Use in project design of assessments of the adequacy of land use allocations for the management, conservations and sustainable development of forests in forests, including identification of any additional allocations needed to protect critical forest areas.</li> <li>- Use of clear standards for certification of forests management to guide any investment support for harvesting operations</li> <li>- Ensure sustainable forest management and give preference to small-scale, community level management approaches</li> </ul> | <ul style="list-style-type: none"> <li>- Forestry Law specifies that the preservation of Production Forests is to maintain the abundance of forest for satisfying the requirement of the national socio-economic development and poverty eradication of the multi-ethnic people.</li> <li>- Environmental Protection Law and Forestry Law regulate forest management, protection, development and use; and rights and obligations of natural resource users.</li> <li>- Commercial and plantation forests are strictly regulated.</li> <li>- The state acknowledges legal operation of forestry-related businesses by developing certification system for forest and wood product, and timber legality assurance system and in accordance with the international forest management standard.</li> </ul> | <ul style="list-style-type: none"> <li>- Related national regulations and requirements of the World Bank OP/BP 4.36 are to be followed in the specific program interventions and reflected in the subproject safeguard instruments prepared during implementation.</li> </ul> |

- Some improvements to the legal framework on conservation of biodiversity have been made, but they are not fully integrated into the socio-environment assessment and the investment development processes, especially concerning genetic resources;
- Even though the business registration requirement and the IEE and/or ESIA process follow some guidelines, a proper consultation process with all stakeholders and information sharing and dissemination, including risks, impacts and measures, is still needed, as is follow-up monitoring and reporting on the IEE ESIA process;
- The conversion of barren land and degraded forest to agriculture land is supposed to follow the government's socio-economic development plan(s) and be based on the Article 70 of the Forestry Law. But the implementation at provincial level has often not followed the whole process, especially delineation of such areas on maps and into the planning of infrastructure development. Ongoing efforts to develop Provincial REDD+ Action Plans in pilot provinces, and/or work to promote provincial-level forest landscape management, may improve this situation, by better aligning provincial and national policies;
- The Ministry of Energy and Mines (MEM) updated the Mining Law and Electricity Law in 2017 as well as model concession agreements (CA) and Mineral Exploration and Production Agreement (MEPA) to require a complete Feasibility Study which includes an ESIA and ESMMP as part of the project review and approval. More details on the mine or site closures/rehabilitations as well as royalty and compensation payments were also described in these legal documents. Stringent law enforcement on these requirements by relevant agencies need further strengthening.<sup>28</sup> For instance, according to Article 31 of the PM Decree on Protection Forest, the development projects of hydropower and tourism companies are obliged to contribute at least 1% of their annual revenue towards rehabilitation of the disturbed forest areas, but this requirement has not been enforced systematically and is often subject to negotiation on a case by case basis. A few large-scale hydropower companies channeled their funds for watershed management directly to the provincial Government or the EPF. These significantly affect the revenue of the Forest Resource Development Fund which is expected to be sourced from the project developers. Sometimes forest land is misclassified as agricultural land, even though it is capable of regenerating as natural forest;
- PSFM has been implemented in PFAs and continued to be implemented in other forest types. The logging operational plans have followed the Sustainable Production Forest Management Plan, including identification of the key strict zones for species, habitats and/or ecosystems, and other requirements such as institution set-up for operational and management of forests through an equitable, fair benefit sharing mechanism, and set up the monitoring system on logging operations for rehabilitation for the next logging operation cycle;

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<sup>28</sup> Alternatively, Lao PDR could consider requiring the concessionaire to post a bond to cover the cost of reforestation, which would be forfeited if the concessionaire did not comply.



- Few Conservation Forest Areas or Protection Forest Areas have implemented the PSFM and prepared Sustainable Forest Management Plans. Support for development of such plans, with the participation of adjacent communities, is needed;
- Village Forest Management Plans are prepared based on the use of forest and forest products (medicinal plants) for community, household consumption and traditional, but still need to follow all procedures according to the Article 43 and 45 of the Forestry Law.
- A specific regulation on the restriction of slash and burn cultivation practices is needed, and this objective should also be specified in the strategies and action plans, including the need for awareness raising, cooperation and collaboration on the land use planning, across sectors for livelihood improvement. Improved regulation and monitoring measures, are required for land use planning and law enforcement with improved, practical realistic regulations on pioneering shifting cultivation, including monitoring of forest fires and erosion are required.

Key challenges found from the legal and regulatory framework review under social and environmental aspects include:

- No specific environmental and social provisions or guidelines exist for conducting consultations with different ethnic groups in ways that the groups consider appropriate. Although generic guidelines and regulations are available and shall be adapted to suit the conditions and existing ethnic groups of each areas;
- Unclear GRM beyond the village level as recently practiced under the Village Mediation Unit and limited ways for dispute resolution to occur;
- Procedural aspects of participation are not well defined and usually are not followed in the absence of donor-supported projects;
- Understanding and dissemination of information on safeguards is insufficient, particularly at the local level, and not always updated;
- Poor staff understanding of, and capacity to work, on safeguards issues;
- Weak or irregular collaboration between technical ministries and MoNRE as well as the local Government institutions;
- High and frequent demand for external support for both environmental and social aspects;
- Inconsistency among resources and financial support available vs. actual development needs;
- Insufficient or difficulty in enhancing the capacities of the government institutions and relevant stakeholders to strengthen forest protection and establish sustainable forest management in Lao PDR;
- Complex process of delineation of three forest categories has been found to be serious a challenge, in particular for where these forest categories overlap with village territories, village forests and concessions. In such areas, customary rights to use the forest remain

an important part of people's lives, and people rely upon customary means of dispute resolution; and

- Promotion of biodiversity conservation and sustainable use for all planning and implementation programs has also been found to be a big challenge for achieving the main goals of the Forestry Strategy 2020.

In 2015, the CliPAD program commissioned a study of policies, laws, and regulations in Lao PDR related to the REDD+ safeguards.<sup>29</sup> The author, Dr. Rita Gebert, argues that “significant gaps” exist in the policies, laws, and regulations (PLRs) of Lao PDR vis-à-vis the REDD+ safeguards. She notes that major weaknesses exist regarding security of land tenure for villagers, especially when confronted with the expansion of concessions for use of land traditionally used by villagers. Gebert argues that the existing legal framework does not consider the cultural differences among ethnic groups in how they use forests and forest resources. In addition to improving the Land and Forest Laws, she advocates improvements in benefit-sharing with local communities, transparency and dissemination of information, and means to lodge and resolve grievances. To achieve “full and effective participation” of stakeholders, Gebert recommends that greater responsibility be given to villagers and village authorities. This move would also involve communal titling of village forestry land, and giving villagers greater authority in managing their lands for village forests and for agriculture, including shifting cultivation. The report also provides recommendations for designing the REDD+ benefit-sharing mechanism (BSM) and the Safeguards Information System (SIS).

It is currently a major challenge to identify gaps and inconsistencies between the Land Law and the Forestry Law, however both laws have been undergoing a long and detailed revision and the revised Land Law is expected in October 2019. The revised Forest Law is expected to follow shortly afterwards and would normally be expected to be complementary and supplemental to the Land Law. The issue of full and effective participation will remain important for both laws to function at the local level. Improvements to the land title process particularly in rural is expected to be included in the Land Law and complementary improvements to allocation of forest land allocation process are also expected.

### **3.4 GENDER ISSUES**

The Gender Action Plan (GAP) is the basis for operationalising the results and recommendations related to gender issues. Hence, the GAP recommends effective gender mainstreaming and integration of a consistent gender perspective in the ER program, in order to maximise climate and development co-benefits. The proposed project aims to support the successful implementation of the Lao PDR ER-P through improved governance and sustainable forest landscape management. Based on the World Bank's guidance note and OP/BP 4.20: The World Bank recognises that gender issues are important dimensions of its poverty reduction, economic

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<sup>29</sup> Gebert, Rita. 2015. Policies, Laws and Regulations and the UNFCCC Cancun Safeguards: Frameworks and Gaps in the Lao PDR. Summary Report for CliPAD, Vientiane, Lao PDR, June.

growth, human well-being and development effectiveness agenda. The four outputs to achieve aim are:

**Output 1** Creation of an enabling environment for REDD + implementation will address barriers at the national and sub-national levels, including development planning, policy and regulatory environment, law enforcement, Measurement, Reporting, and Verification (MRV) activities, and sustainable financing for the forest and land use sector, and therefore contribute to the creation of an enabling environment for REDD+.

**Output 2** Implementation of deforestation –free agriculture will address key drivers of deforestation and degradation. It delivers emission reductions on the ground at scale through reducing the expansion of agricultural activities into forested landscapes. That will include the promotion of deforestation-free agricultural practices and value-chains, modernised technologies, and access to markets and financial means.

**Output 3** Implementation of SFM and FLR aims to reduce emissions through SFM and FLR, including the enhancement of carbon sequestration through the rehabilitation and restoration of degraded forest lands. Planned activities include systematic village forest and watershed management, support of national conservation forest management, and the promotion of private sector investments in community-based agroforestry.

**Output 4:** Project management, monitoring and reporting includes management activities and other services, as well as a contingency fund. The Gender Action Plan and stakeholder engagement activities are also planned under this output.

The main goal is therefore to determine how the project can respond to the needs of women and men in view of the addressed forest degradation and deforestation, and the proposed measures. Gender dynamics and related drivers of change will be identified to achieve the project goals in a sustainable manner and will be reflected in the proposed activities. The action plan has included stakeholder consultations.

The GAP will be executed by the different entities involved in the project management, including all concerned Government line agencies and development partners. The action plan proposes measures and actions against each of four outputs, as furnished below:

**Output 1:** Creation of an enabling environment for REDD + implementation

Measures and actions:

1. Gender –proof future regulations and guidelines to implement SFM, FLR and village forestry under the revised Forest Law and the PRAPs;.
2. Develop the capacities of line implementing Government agencies and the Lao Women’s Union to provide gender-sensitive facilitation of program activities in village communities;.
3. Review the potential for community –based women-led patrolling groups and support their creation with capacity development and awareness raising;.
4. Ensure fully inclusive land use planning process in the target communities; and

5. Capitalise on local women's extensive knowledge about community forests in making them an integral part of community contributions to the National Forest Monitoring System.

**Output 2:** Implementation of deforestation – free agriculture.

Measures and actions: Ensure women's equal and equitable access to and benefit from the promotion of new agricultural practices and value chains.

1. Integrate a gender assessment in every analysis for potential new agricultural practices and value chains;
2. Support the creation and capacity development of local women's collectives to venture into the production, processing and marketing of new value chains together; and
3. Microfinance institutions or funds are set up using an empowerment approach for local women to develop practical business skills alongside the loan-taking.

**Output 3:** Implementation of Sustainable Forest Management (SFM) and Forest and Landscape Restoration (FLR)

Measures and actions: Women are an active and equitable part of village forest management and watershed management.

1. Empower women to become members of Village Forest Management Committee and other forestry decision-making bodies on the local level;
2. Support the capacity development of female staff for all implementing Government agencies on all levels to improve the gender balance within the forest sector; and
3. Ensure that village consultations regarding potential private sector investments in community-based agroforestry enable all villagers equally to partake in the investment decisions.

**Output 4:** Project management, monitoring and reporting

Measures and actions: a. Ensure a gender-sensitive and gender-responsive M&E system; and  
b. Ensure gender-sensitive and responsive communication.

1. Collect and analyse sex-disaggregated data used for steering and correction of measures aiming to hold all partners accountable to gender equality and effective gender mainstreaming; and
2. Promote gender aspects of all activities through targeted and culturally sensitive awareness-raising and campaigning.

**Summary of gender issues in the ER-P area**

Awareness of REDD+ remains an issue particularly in rural areas and, Table 17 demonstrates that few rural women know much about government forestry related programs in the six ER-P Provinces. The province with the greatest awareness of REDD+, Forest Laws, some understanding of benefit sharing mechanisms, collaborative management, and other forestry programs is Luang Prabang. The province with the least awareness of REDD+ is Oudomxay.

The women, the Gender Integration and Development (GID) Team discussed the ER-P with, had never heard of REDD+, which clearly indicates the Provincial REDD+ Committee has had difficulties in reaching out to local communities either in person, or via other forms of dissemination. However, there also needs to be more commitment to reach out to village women. The SESA has clearly stated that forest-dependent women must be consulted and not just as passive participants.

**Table 17 Level of awareness amongst women of forestry related programs**

| Province      | Knowledge of REDD+ | Familiar with Forest Laws | Understanding of BSP for Forests | Awareness of Collaborative Management | Knowledge of Other Forestry Programs |
|---------------|--------------------|---------------------------|----------------------------------|---------------------------------------|--------------------------------------|
| Luang Namtha  | 10                 | 5                         | -                                | -                                     | 15                                   |
| Oudomxay      | -                  | 1                         | -                                | -                                     | 5                                    |
| Bokeo         | 5                  | 8                         | -                                | -                                     | 5                                    |
| Luang Prabang | 20                 | 15                        | 5                                | 2                                     | 25                                   |
| Huaphan       | 12                 | 10                        | 5                                | 5                                     | 15                                   |
| Sayabouri     | 8                  | 9                         | 8                                | 5                                     | 12                                   |

Source: GID Randomised Survey Results in December 2018 and January 2019

### **3.5 ER TITLE AND BSP**

#### **The Emission Reduction Title**

The assignment of MAF as the specific agency of the Government is expected to be issued through a decree by the Prime Minister or similar documentation of legal standing, within 2019, or at least before the signing of the ERPA. This legislation is expected to define and deliberate on carbon, carbon rights and related provisions at national level. This is supported through the Constitution 2015 (and the Land Law 2019) which refer to the State as manager of natural resources on land, on behalf of the national community and the Prime Minister Decree No. 06 of January 08, 2011, establishing MAF's role as the coordinator of the National REDD+ Task Force. Tasks to develop ER Title framework is given in Table 18.

#### **Benefit Sharing Mechanism**

A general outline of the areas requiring work relating to the Benefit Sharing Mechanism (which leads to the Benefit Sharing Plan (BSP) and will form part of the final Emission Reduction Program Agreement (ERPA)) is provided below in Table 19 and a summary is provided in the ER-PD in Section 15 and requires further development. A roadmap for the development of the BSP is provided below. The legal basis of the above proposed arrangements will be established through a benefit sharing arrangement, to be articulated in the Benefit Sharing Plan, for the ER-P. The State, and specifically MAF, on behalf of the national community as charged with the management of land and natural resources, will be responsible for ensuring a due process of consultation and adoption of such a Benefit Sharing Plan by the Government. Benefit sharing and the process of its formulation will also comply with the UNFCCC REDD+ safeguards as well as the Paris Agreement. The Presidential Decree, No. 001 (PMO No. 001, 2012) describes benefit-sharing in Production Forest Area among the entities engaged in participatory sustainable

forest management. Under this decree, 30 % of the all timber revenues go to the FPF from where 30 % is then distributed to PAFOs, 30 % to DAFOs, and 40 % to local communities involved. This decree, however, has not yet been implemented, due to the logging ban that has been in force for the Production Forest Areas. This decree increases the percentage of revenue going to local communities, from previous timber revenue benefit-sharing policies.

Table 20 It is important to note that all areas identified for deliberation under the Benefit Sharing Plan need to be fully consulted with stakeholders including those at the local levels, and also engaging non-government stakeholders such as civil society and private sector.

However, while it is noted that a BSP has yet to be developed even though Section 15 of the ER-PD outlines the generic BSP and there is currently very limited buy-in anywhere in the ER-P provinces although in some villages they are aware of how a potential BSP may work.

The Constitution (2015) and Land Law (2003, revised in 2019) stipulates, land and natural resources belongs to the national community (or population) and is managed by the State on its behalf. Under the Forestry Law (2007, revised in 2019) it is stipulated that natural forests belong to the national community, and are managed by the State, whereas planted trees belong to the individuals or entities that plant them. Both the Land Law and Forestry Law have provisions for land and forests to be acquired and/or titled to rights holders for a maximum of five rights, including the right to protect, use, usufruct, transfer and inherit. Carbon, like air, water, soil, and the space above land, is managed by to the State on behalf of the national community. The carbon right is linked to, but not automatically implied within land and forest resource rights, whether they are public or private land and forest resource rights. (See also Section 4.5 of the ERPD). Based on the above, and in the context of REDD+ in Lao PDR, and the ER-P in particular, the distribution of benefits from the ERs generated shall be based on a number of criteria including, but not limited to the rights holder rationale.

**Table 18 Tasks to develop ER Title framework**

|  |   |
|--|---|
| Definition and applicable scope of the legislation | <p><b>I Emissions Reduction (ER)</b> is the generic name for units of emission reductions or units of carbon removals</p> <p><b>II An ER unit</b> is one ton of carbon dioxide equivalent (tCO<sub>2</sub>e) which has been reduced or removed from the set reference level.</p> <p><b>III</b> The title to an ER unit is registered through transferable certificates issued by MAF on behalf of the State.</p> <p><b>IV</b> The applicable scope of this legislation is national and the scope of the ER Program per the terms of the ERPA.</p>   |
| ERs and the right to transfer ERs                  | <p><b>V</b> ERs, like air, water, soil, and the space above land, belongs to the national community, and is managed by the State on its behalf. Only the State can issue title to ERs.</p> <p><b>VI</b> The State will share benefits resulting from the transfer of titles to the ERs, based on criteria determined through the Benefit Sharing Plan. Such criteria takes into account land and/or forest resource rights, whether they are publicly or privately utilised, as an integral part of the set of eligibility criteria for i) rural forest-dependent communities, ii) State bodies, and iii) other stakeholders, such as private sector, civil</p> |

|   |   |
|---|---|
|   | society organisations, projects, and research institutions to benefit from the transfer of titles to ERs.   |
| Role of MAF   | <p><b>I Authority to manage the issuance of ERs:</b> MAF as coordinator of the NRTF, is appointed as the authority on behalf of the State, to coordinate with other sectors and actors as relevant, to manage the issuance of ERs.</p> <p><b>II Authority to set ER prices:</b> MAF, in consultation with the Ministry of Finance is authorised to set ER prices through entry into the ERPA negotiation with the Carbon Fund, or through any other methods as approved by the Minister, to be implemented in a transparent manner.</p> <p><b>III Authority to transfer ERs:</b> MAF is the authorised specific entity of the State to transfer ERs to the Carbon Fund, per the ERPA, and to other approved buyers.</p>   |
| Management of an ER registry and avoiding double counting | <p>I MAF is mandated with the responsibility to develop procedures for the registration of all ERs through a centralised ER registry. As a temporary measure, existing third parties registries may also be used. The ER registry should contain information including, but not limited to:</p> <p>II A unique trackable ID for each ER issued;</p> <p>III The entity generating the ER (for the ER Program, this will be the ER Program);<br/>The activity type of ER and any other relevant characteristics, such as price of ER and applicable duration; and</p> <p>IV The methodology for setting the reference level/baseline and accounting the ER.</p> <p>V The risks of double counting of ERs is avoided by applying the ER Registry and by establishing MAF as the sole entity with the role and authority to issue ERs.</p> <p>VI The ER Registry shall be open for free public inspection.</p> <p>VII MAF is mandated to coordinate to design procedures for resolving cases of double counting, in the event that such should occur, involving measures for immediate suspension of further transferring of ERs, notification to concerned parties, and establishment of an inspection committee including proponents of all related respective GHG-initiatives and third party experts to inspect and resolve the issue. If resolution cannot be sought through this process, the case shall be brought to court.</p> |
| Nesting of sub-projects                                   | <p>I MAF is mandated to coordinate to design a mechanism for nesting sub-projects within the ER Program; MAF is mandated to design based on consultations, publicise, and operate a procedure specifying steps and allocated maximum timeframe per step, for the approval of nested sub-projects.</p> <p>II Conditions for nesting is based on the principle of the sub-project's ability to adopt the ER Program design, namely, but not limited to carbon accounting methods (i.e. the reference level and MMR), safeguards requirements, the interventions, and benefit sharing design. Detailed conditions for sub-projects to be nested within the ER Program will be defined within the mechanism to be designed.</p> <p>Stand-alone REDD+ projects that are not able to adopt the ER Program provisions on carbon accounting and safeguards are to be precluded.</p>   |
| Seniority of the Carbon Fund to receive ERs               | The Carbon Fund reserves the right to access up to the amount to be determined in the ERPA (but likely to be no less than 8.4 M ERs) on a seniority basis, and beyond which, MAF reserves the right to either transfer further titles to ERs to the Carbon Fund, or to other buyers. In the unlikely event that less than the expected number of titles to be transferred to the Carbon Fund is generated by the ER Program as a total, Sub-projects will not have the option to be allocated title to ERs.   |
| Management of   | MAF creates an accounting system to record all monetization of ERs. Distribution of   |

|                                   |   |
|-----------------------------------|---|
| monetised ERs                     | such funds are exclusively on the basis of the benefit sharing arrangement as adopted in the Benefit Sharing Plan.  |
| Benefit sharing arrangement       | <p>I MAF is mandated to coordinate to design arrangements for benefit sharing for ERs generated under the ER Program (excluding those ERs or monetised benefits from titles to ERs that are allocated to sub-projects should such occur), which shall be incorporated into a benefit sharing plan. The benefit sharing plan will be developed through an open and transparent consultative process, and will be adopted by the National REDD+ Task Force to validate its effect.</p> <p>II Entitlement to receive benefits resulting from the transfer from ERs from the State is linked to, but not automatically implied within land and forest resource rights, whether they are publically or privately utilised land and forest resources. Benefit sharing of ERs takes into account land and/or forest resource rights as an integral part of the set of eligibility criteria for i) rural forest-dependent communities, ii) State bodies, and iii) other stakeholders, such as private sector, civil society organisations, projects, and research institutions to benefit from ERs.</p> <p>III Allocation of ERs to sub-projects nested within the ER Program is an integral part of the benefit sharing arrangement, and will be defined through the mechanism as mandated to MAF for designing.</p> |
| Instructions on carbon activities | I MAF is authorised to issue further legal guidance in order to issue, and transfer title to ERs  |

**Table 19 Benefit Sharing Plan Outline**

|  | <b>Thematic considerations</b>   | <b>Indicative questions for deliberation</b>   |
|--|--|--|
| <b>Fund and fund flows</b>   | <ul style="list-style-type: none"> <li>• Identification of suitable fund</li> <li>• Building operational guidelines for fund distribution</li> <li>• Transparency and audit provisions</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Can the Forest and Forest Resource Development Fund (FPF) house the REDD+ RBPs?</li> <li>• Will funds be channeled directly, or go through each administrative layer?</li> <li>• What are the costs for administering the fund?</li> </ul>                        |
| <b>Legal considerations</b>  | <ul style="list-style-type: none"> <li>• Legal basis for entitlement to benefit from transfer of titles to ERs.</li> <li>• Ensuring consistency across legislation regarding carbon and associated rights.</li> </ul>              | <ul style="list-style-type: none"> <li>• What are the implications for rights holders of land and forest resources?</li> <li>• How can customary rights holders be identified?</li> <li>• What legal basis is needed for sub-projects to reserve rights to benefit?</li> </ul>                             |
| <b>Effective, efficient and equitable distribution of benefits</b> | <ul style="list-style-type: none"> <li>• Deliberate on establishment of; <ul style="list-style-type: none"> <li>- performance-based window</li> <li>- proposal-based window</li> </ul> </li> <li>• Bundling of benefits</li> </ul> | <ul style="list-style-type: none"> <li>• Will the BS arrangement include a performance-based window to incentivise behavior change?</li> <li>• Will a proposal-based window need to be considered to ensure equitable opportunity to benefit?</li> <li>• What portion/ parts should be monetary</li> </ul> |



|  | <b>Thematic considerations</b>   | <b>Indicative questions for deliberation</b>   |
|--|--|--|
|  |  | vs. non-monetary benefits?<br><ul style="list-style-type: none"> <li>How can benefits be bundled with other benefits from PES etc.?</li> </ul>             |
| <b>Monitoring and reporting provisions</b> | <ul style="list-style-type: none"> <li>Develop rules for use of proceeds</li> <li>Developing monitoring and reporting protocol for use of proceeds</li> <li>Building capacity for monitoring across all administrative levels</li> </ul> | <ul style="list-style-type: none"> <li>How to ensure funds are channeled as planned?</li> <li>How to ensure funds are used appropriately?</li> </ul>       |
| <b>Grievance redress</b>                   | (Linkage with the work under safeguards)<br><ul style="list-style-type: none"> <li>Design through consultations, an effective GRM system</li> <li>Publicise the GRM at all levels</li> <li>Training in conflict resolution</li> </ul>    | <ul style="list-style-type: none"> <li>How can complaints be raised and effectively resolved?</li> <li>How can the GRM mechanism be socialised?</li> </ul> |

The legal basis of the above proposed arrangements will be established through a benefit sharing arrangement, to be articulated in the Benefit Sharing Plan, for the ER-P. The State, and specifically MAF<sup>30</sup>, on behalf of the national community as charged with the management of land and natural resources, will be responsible for ensuring a due process of consultation and adoption of such a Benefit Sharing Plan by the Government. Benefit sharing and the process of its formulation will also comply with the UNFCCC REDD+ safeguards as well as the Paris Agreement. The Presidential Decree, No. 001 (PMO No. 001, 2012) describes benefit-sharing in Production Forest Area among the entities engaged in participatory sustainable forest management. Under this decree, 30 % of the all timber revenues go to the FPF from where 30 % is then distributed to PAFOs, 30 % to DAFOs, and 40 % to local communities involved. This decree, however, has not yet been implemented, due to the logging ban that has been in force for the Production Forest Areas. This decree increases the percentage of revenue going to local communities, from previous timber revenue benefit-sharing policies.

**Table 20 Roadmap for BSP**

| <b>Activities</b>   | <b>Expected outputs</b>   | <b>Indicative date or time for development work</b> |
|---|---|---|
| Development of options and considerations per thematic areas for consideration (see above Table 19) | Options and proposals per thematic consideration, and an overview of all elements | Jan onwards 1-2 months                              |
| Planning and validation of stakeholder  | Stakeholder Consultation Action Plan  | Jan onwards 1-2 months                              |

<sup>30</sup> As is anticipated to be assigned by the Government through means of a letter by the Prime Minister (or similar), during 2018, or before the ERPA signature. The draft provisions for such are introduced under Section 17.

| <b>Activities</b>  | <b>Expected outputs</b>   | <b>Indicative date or time for development work</b> |
|--|---|---|
| consultation process and plans   | Approval of the Stakeholder Consultation Action plan  |   |
| Consultations of certain thematic areas with TWGs and with representatives from different stakeholder groups |   | Jan onwards 1-2 months                              |
| Consultation on thematic areas with NRTF members   | Comments on a draft model, and advise on stakeholder consultations planning                     | Jan onwards 1-2 months                              |
| Conducting consultation on a BS model with stakeholders at sub-national level in the accounting area         | Comments and suggestions from stakeholders at from sub-national for revising the draft BS model | 3 months March to May                               |
| Consolidation of BS model  | Draft revised BS model  | May June  |
| Consultation on the revised draft the BS model at sub-national level in the accounting area                  | Validation by sub-national stakeholders   | June July   |
| Construction of the BS model into a BSP  | Draft BSP   | August  |
| Present the proposed BSP to NRT and seek validation from the members   |   | August  |
| Approval of the BSP by MAF   |   | September   |

## **4 POTENTIAL IMPACTS AND MITIGATION MEASURES**

### **4.1 DESCRIPTION OF THE PLANNED ACTIONS AND INTERVENTIONS UNDER THE ER-PROGRAM**

All six provinces in the ER-P area have released their Provincial REDD+ Action Plans (PRAPs), in which anticipated activities are proposed to be implemented in the ER-P area and these are gradually being approved by the provinces. Drivers of deforestation and forest degradation have been identified in all six PRAPs and include:

- Planned conversion of mainly poor natural forests to rubber and other agricultural land uses;
- Planned conversion of mostly poor natural forests<sup>31</sup> to tree plantations;
- Unplanned conversion of forests due to encroachment;
- Impacts from hydropower and infrastructure development;
- Illegal and legal logging; and
- Other minor causes.

It is recognised that many drivers originate from outside the forestry sector and not all are tackled by the proposed activities in the PRAPs, and almost all activities are similar to those of the past forest management interventions. For example: land and forest land have been allocated for many years, but due to policy change and financial and human resources constraints; allocated lands are not physically demarcated leading to disputes among certificate holders. Small forest holders are incapable of protecting their forest, particularly if the forests are far away from their home. They are not trained to manage and use effectively forestland allocated to them, taking into account the fact that most natural forest allocated to the small holders are poor quality so that they are unable to benefit from the resources. For ethnic groups the situation is worse due to poor transportation links and limited access to markets.

On the basis of the consultations and the impact assessment, the main negative impacts are expected to be related to the following:

- a) Restricted access to forest;
- b) Insecurity of land tenure and ethnic groups in remote areas not having land title;
- c) Loss of livelihood and income due to changes in land use planning;
- d) Unequal distribution of benefit sharing;
- e) Lack of meaningful consultation and engagement in ER Program implementation;
- f) Gender inequality in land use rights, including forest land rights, has potential negative implications for women's abilities to benefit under REDD+ on the same scale as men;
- g) Potential loss of critical natural habitats;
- h) Conversion of natural forests into plantation;
- i) Loss of forest to infrastructure;

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<sup>31</sup> The forests having wood stock from 200 m<sup>3</sup> per ha or more are considered as rich forests; 100-200 m<sup>3</sup>/ha is medium and less than 100 m<sup>3</sup>/ha is poor forests

- j) Invasive species, forest fires and soil erosion;
- k) Health and safety issues due to the increased inappropriate use of dangerous pesticides and herbicides; and
- l) Soil and water contamination from dangerous pesticide-related wastes.

Lao PDR has signed a number of important multilateral agreements that pertain to human rights, and thus social safeguards. ER-P follows all laws and regulations provided in Section 3 and following safeguard documents have been prepared to counter and mitigate identified risks, negative aspects encountered: PF, RPF, and EGPF. The RPF and PF are prepared in line with Involuntary Resettlement OP 4.12 and EGPF in line with Indigenous Peoples OP 4.10.

#### **4.2 SUMMARY OF THE FINDINGS FROM THE SESA**

A number of the difficulties especially for ethnic people's active participation (and potential to benefit) in REDD+ relate to their overall livelihoods (which revolve around agriculture and forest related activities NTFP collection, timber harvesting etc.) and the limited number of viable options they have to improve them *in situ*. REDD+ is generally seen as a risky approach. The overall complexity of the approach of REDD+ (much inter-dependency between different departments and ministries on complex actions and activities and general cross coordination) itself makes consultations and FPIC difficult.

The data collected for the SESA through consultations, suggests that ethnic group people have few options at present to improve and/or diversify their livelihoods except with some added investment such as support for improved irrigation and agriculture – hence the involvement of the ADB and IFAD projects in the ER-P Region.. An example of agricultural change responses to markets and migrant labour are part answers for ethnic groups facing many challenges.

Table 21 presents the key findings from SESA and provides potential solutions. Some of the notable social impacts include:

- *Restriction of Access:* The activities for strengthening and implementing policies controlling conversion of natural forests and forest governance and law enforcement may have the potential for reduced access to forest and NTFP resources for forest dependent communities through improvements to forest governance; possible short term reduction in volume of NTFPs may result in food insecurity or less income for NTFPs that are sold; some possible impacts on livelihoods i.e. improved governance may not include unfettered or continued access to all forest areas. Involuntary Resettlement OP 4.12 is triggered and a Process Framework is prepared to mitigate any potential access restriction.
- *Land tenure insecurity:* ER-P conservation and reforestation interventions could lead ethnic group households and communities experiencing involuntarily resettlement issues, lose productive land (particularly lands which are customarily used) and/or access to natural resources. land availability and security varies across provinces and districts. However formal land allocation is the main mitigation for insecurity title. However, the land allocation is normally sporadic and is dependent on provincial or district level budgets. In addition, Ethnic group ancestral or other socio-cultural traditions related to land are not given constitutional or statutory recognition, making their tenure rights insecure in many areas where statutory rights have not been formally recognised. The lack of recognition of customary land rights is considered a safeguard issue.

- *Clarification of forest and land boundaries through demarcation:* ER activities that support clarification of land boundaries could adversely impact EM and reduce their possibility to use land on an ongoing basis, land boundary and usages of land could result in disputes and could also affect land tenure arrangements Indigenous Peoples OP 4.10 is triggered and an EGPF is prepared to mitigate adverse impacts on EGs.
- *Polices, Laws and Regulations Framework:* There is no definition of customary rights, limited recognition of community rights and any special rights for ethnic group peoples and different socio-cultural relations to forest and land management although the 2013 Land Law and the 2018 Forest Law is making good progress in recognising some of these customs. Indigenous Peoples OP 4.10 is triggered and EGPF is prepared to mitigate impacts on ethnic groups.
- *Livelihoods and Forest Dependency:* Food security, especially rice, is becoming increasingly problematic and the GoL programs to overcome food insecurity by providing rice for ethnic group households create passivity and dependency. There is also a high degree of cash income poverty among such households. Their livelihoods are highly land-dependent which is exacerbated by limited access to forest land resources. There is no system of compensation payable for restricting people's access to forest land resources. Firewood from the forests is still a major source of fuel for both most rural households and even many urban households. Indigenous Peoples OP 4.10 is triggered and EGPF is prepared to mitigate impacts on ethnic groups.
- *Gender/Social Exclusion:* ER activities implementation could resulted negatively on women in terms of: access to NTFP, access to land, participation in ER implementation, lack of consultations. Women are disadvantaged on access to and use of forest land and their land rights are less secure than those of men's. In particular ethnic group women have greater need for common property resources, especially related to forests. Their access to information is less than men's and are less likely to be actively involved in consultations. Poor persons irrespective of gender or ethnicity are less likely to receive adequate information. Indigenous Peoples OP 4.10 is triggered and an EGPF is prepared to mitigate impacts on gender and ethnic groups.
- *Cultural heritage:* ER-P activities proposed in the ER Program could indirectly affect areas containing sites with physical cultural resources. Ethnic groups often have close connection with forest areas, including spiritual connections, it is possible that in isolated cases REDD+ activities could interfere with villager defined sacred forest sites. Physical and Cultural Resources OP 4.11 is triggered and mitigation measure are in place to address impacts. The ESMF includes guidance for screening of ER-P activities for their potential impacts on physical cultural resources s such as loss or degradation of physical cultural resources, defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance, including sacred forest sites. The ESMF also includes 'chance find' procedures and guidance on development and implementation of a Physical Cultural Resources Management Plan.

### **Summary of findings from additional consultations (2019) to support the SESA**

Information and data collected in 16 villages of six provinces has been collected as part of the information and data collection process for the SESA and ER-PD to provide: ethnic balance,

demography, income generation, relevant development activities, empowerment of women, impact of external projects, governance and other relevant information.

Average income per family per year is approximately 24,000,000 kip (USD 2,825). The highest incomes are mainly from tapping rubber and sale of cardamoms that earns around 15,000,000 kip (USD 1,765) per family per year on average. Very few families earn their income from paddy (highland/lowland) cultivation. Food insecurity persists in most villages varying from around 3-4 months per year and in some villages the rice deficit is more than six months. Measures to ensure food security for the whole year is from sale of family livestock, NTFPs, tapping rubber, sale of cardamoms and long beans, and seasonal work as agriculture labor.

Ethnic groups that practice shifting cultivation continue to be identified as households that contribute to deforestation in the Northern provinces. Households practice shifting cultivation for a diversity of reasons a major one being the absence of assets and options as a byproduct of socio-economic factors, and the hilly remote region with limited infrastructure for mobility and access to markets.

The consultations confirmed this reality for many farmer households who mentioned insecure tenure, absence of land titles, and absence of options as factors that preclude investment in land that can enable transition away from shifting cultivation. Absence of improved inputs and inadequate agriculture extension remains a significant barrier to stabilization of shifting cultivation.

### **Summary of gender issues in the ER-P area**

1. Government staff at all levels while actively may try to integrate gender and ethnic considerations into their management and implementation approaches this is handicapped as the majority of staff are male.
2. Ethnic languages are often a barrier of communication which is not actively addressed. This strongly affects inclusiveness at the ground level, where women are often left out of planning and decision-making activities if not actively encouraged to participate.
3. The majority of interviewed village women had no or very low education. This lack of education was named - by men and women alike - as an important reason for the absence of women in village decision-making committees and groups.
4. Women traditionally work longer hours per day, whereas men's work is physically of higher intensity.
5. Women and men are supposed to have the same rights to land. However the reality is that a women's right to and use of land is still less secure than men. Village women all stated that the key decisions on land and forest are usually taken by their husbands and the village authorities.
6. Women are also often not actively included in decision-making steps involved in land use planning (LUP).
7. Women are often more hesitant to take on debts to protect their families, and use micro credits most often for health emergencies and children's education.

8. Village Development Funds are often managed by women, and many ethnic groups' women are responsible for the families' financial management.

**Table 21 SESA findings on the challenges and potential solutions in the GFLP provinces**

| Topic                             | Risks and/or challenges   | Potential solutions/ mitigations  |
|-----------------------------------|---|---|
| Land                              | Little to no recognition of customary or community property rights for agriculture or forest land;                | Changes to PLRs governing forest and land;<br>Assist local communities to have more awareness and understanding of forest laws and improve land tenure security   |
|                                   |   | Change PLRs to give more recognition to local communities' common property rights and management;   |
|                                   | Slow and difficult allocation of land to communities, individuals, HHs;   | Land allocation and recognition of a rural land title –this is long term solution   |
|                                   | Inadequate upland production land (reducing with implementation of agriculture and forest zones around villages); | Improve participatory land use planning (PLUP) and SFM (but may introduce additional SG issues)   |
|                                   | No participatory land use planning (PLUP);  | Improve and standardise PLUP processes (currently these are vary variable across provinces and districts)   |
|                                   | Land conflicts between different parties;   | Support for mediation, FGRM   |
|                                   | Natural forest land no longer allowed to be allocated as concessions any parties except organisations.            | Strictly limit allocation of concessions (already a stated GoL objective but there are differences in different provinces)<br>Improved PLUP agricultural and forest land zoning in upland areas so that farmers have adequate agricultural land of sufficient quality |
| Livelihoods and forest dependency | Food (rice) security remains problematic;   | Much improved extension system required (but limited mechanisms, capacities);   |
|                                   | Ethnic group livelihoods highly land-dependent  | Models suitable for upland farming systems need to be developed with small ethnic farmers, especially;  |
|                                   | Remote upland areas with few alternatives to current limited set of livelihoods activities;                       | Action research on value chain development with focus on uplands;   |
|                                   | Limiting access to forest land resources;   | Increased support for forest co-management models so that small farmers continue to have adequate access to forested areas;   |
|                                   | No system of compensation for limiting or cutting off people's access to forest land resources;                   | Resettlement safeguard must also include compensation for limiting access to forest resources (i.e., NTFPs, cattle grazing areas,   |

| Topic                                 | Risks and/or challenges   | Potential solutions/ mitigations  |
|---------------------------------------|---|---|
|                                       |   | etc.);<br>It will be necessary to identify sustainable income generation activities that enable affected persons to be at least no worse off as a result of limiting access to forest resources and ideally better off.<br>Should be change in PLRs to assist local communities claim against forest owners and others that limit their access to needed resources; |
|                                       | Cash poverty among semi-subsistence small farmers;  | Cash poverty intractable problem in the short run.  |
|                                       | Heavy reliance (rural and urban) on firewood  | Promotion of community woodlots with suitable species, promotion of alternative energy sources, fuel efficient stoves;  |
|                                       |   | More awareness needed of NPAs so that they ensure biodiversity in their areas for local HHs;  |
| Potential to benefit from forest land | Limited investment options for allocated forest land;   | Change rules on large forest owners' re-allocation of land to communities (if poor quality, they have to co-invest with small holders, or it has to be of certain minimum quality before handover);   |
|                                       | Limited inputs of poor quality available (e.g. lack of good quality seedlings and other agricultural inputs); | Good quality seedlings must be certified by a competent seed certification. Ensure that directions of use for other inputs are in Lao language  |
|                                       | PLRs (see below) do not promote smaller holder chances to benefit from forest;                                | Improve PLRs  |
|                                       | Timber harvesting only allowed under limited circumstances;   | Development of sustainable forest management models based on community-based forestry with simplified regulations;  |
| Gender/Social Exclusion               | Women disadvantaged on access and use of land;  | Any solution has to be long term, wanted by society and promoted by government (major challenge);   |
|                                       | Women's rights to land less secure than men's;  | Whole issue of land titles in rural areas needs to be updated to reflect the current in-security as well as women's rights to land (included as part of the review of and improvement of the land and forest laws underway at present) but is clearly a long-term solution  |
|                                       | Ethnic women have greater need for common property rights, especially related to forest;                      | Ensure that information is available in local languages and orally (use of radio and TV in local languages); where possible   |



| Topic                   | Risks and/or challenges   | Potential solutions/ mitigations   |
|-------------------------|---|--|
|                         |   | and practical. Some of the Mon-Khmer languages spoken by ethnic groups and the Hmong language do not readily lend themselves to written translation  |
|                         | Women's access to information less than men's;  | More attention to targeting women by facilitating if deemed necessary separate consultations with village women facilitated by a female facilitator in the language of women's choice  |
|                         | Women's active involvement in consultations less than men's;  | More attention to times of meetings  |
|                         | Poor persons (women and men) less likely to receive adequate information;   | More attention to targeting and focusing on involvement of poor households   |
| Institutional Framework | Extension services for forestry and upland agriculture very weak;   | Long term program to overhaul extension systems to reach uplands areas that are evidence driven and based on the specific needs of different localities;   |
|                         | Limited exposure to participatory approaches;   | ODA required to impart participatory approaches/techniques and/or work with local applied social research institutes that either have a demonstrated track record in participatory approaches or have signalled their ability and willingness to be involved with such approaches; |
|                         | Limited staffing and budgets;   | Staffing and budgeting another intractable issue (relates to larger civil service reforms, quotas, etc.);  |
|                         | Wrong models for wrong areas;   | Action research by university centres on participatory model development in uplands;   |
|                         | Lack of transparency in decision-making and little downward accountability;   | Major restructuring needed of monitoring and evaluation systems to improve data collection, analysis and reporting that must also be highly sensitive to the disaggregation of data by gender, ethnicity and poverty   |
|                         | Accurate data, adequate monitoring and evaluation processes still limited (negative impact on further decision-making for programming); | Changing administrative behaviours to embrace the concepts of transparency and downward accountability requires major will to reform   |
| Consultations           | How to do FPIC with adequate numbers of local communities, especially with ethnic people (no legal provision for FPIC in PLRs);         | Training and involvement of students and youth (especially from ethnic minority groups and especially of younger women) to help provide information and undertake at least some consultations;   |

| Topic         | Risks and/or challenges   | Potential solutions/ mitigations   |
|---------------|---|--|
|               |   | Always ensure translators are present at meetings with ethnic groups that do not speak Lao language  |
|               | REDD is seen as a risky approach. The overall approach of REDD+ itself makes consultations and FPIC difficult. Unclear performance related payments is not a realistic plausible way to convince smallholder farmers of any ethnicity or gender to participate;                               | A BSM and BSP not clear and little understanding at the village level. Inherent problem with the REDD+ approach                                |
|               | CSOs in Lao are small and seldom include ethnic group among their staff and face operational difficulties resource constraints etc.   | CSOs should be facilitated to participate in REDD+ (including capacity building for them), but only in limited areas                           |
|               |   | Train Lao women's unions to help facilitate women only meetings in the villages; Already happening training will help but quality is an issue. |
| PLR Framework | No real definition of custom; little recognition of customary rights anywhere in PLRs and limited recognition of community rights;  | Need to revise key PLRs and ensure that adequate implementation circulars are issued;  |
|               | Little recognition of any special rights for ethnic groups and different socio-cultural relations to land and forest management; The new Land Law is expected to make good progress in recognising customs and improving rural land tenure security and providing titles to rural communities | Slow progress on adopting new land and forest laws.  |
|               | Benefit sharing mechanism and BSP not defined or clear especially at village level  | Under preparation  |
|               | Carbon rights not yet included in the PLRs  | Carbon rights required   |

### Assessment of capacity at the provincial and district level

A questionnaire was administered to staff of DOF in each province/district to assess their knowledge on: REDD + activities, capacity on participatory land use planning (PLUP), shifting cultivation stabilization, climate smart agriculture, village forest management agreement (VFMA), etc.

Investigations confirmed that the capacity of provincial officials and other local authorities need considerable improvements relevant to social and environmental issues, including technical knowledge on climate smart agriculture. Knowledge on REDD+ has been accumulated, through participation in projects managed and supported by GIZ, JICA and WB supported SUFORD.

Training has been imparted on: land use planning, and GIS for the staff of DOF and LWU. SUFORD has established procedures in management of production forest areas for sustainable use and income generation activities and these can be up scaled and replicated. Each village had a land-use map, but information related to its application and utility was minimal. Additional awareness measures, and training would be required to ensure community engagement with sustainable management of land and forest resources, agro-forestry for improving forest cover/fallow land improvement, and shifting cultivation stabilization.

There are numerous social and environmental challenges in these communities driven by a diversity of factors. These include use of pesticides in shifting cultivation plots to enhance productivity; and in agriculture contract farming, rubber plantations. In addition, air pollution from processing of horticulture products and rubber factories. This is impacting pregnant women who are extra-sensitive to fumes. Awareness of long-term effects, mitigation measures and other benefits have not been introduced to communities and these will be included in the safeguard measures.

### **Climate Smart Agriculture (CSA)**

The responsibility to establish or improve the enabling environment to promote responsible, climate-smart agriculture (CSA) lies with MAF and more specifically the Department of Agriculture (DoA), the Department of Technical Extension and Agricultural Processing (DTEAP), and DALAM.

Strengthening policies and the legal framework, a number of technical areas of work are envisaged, including the development of policy and legal framework for CSA. For the CSA activity, the technical sectors of concern would be agriculture (including forestry) and investment. It is envisaged that with the functional technical lead under these two sectors, DALAM, DOA and IPD of MPI would collectively draw out a work plan and budget, for their technical areas of work (i.e. review or existing legal framework, conducting analysis and studies, drafting legal frameworks or programs, and conducting consultations), under the guidance of the Component lead technical agency. Under specific activities, broader stakeholders will be identified, which may be the forestry sector and the land use sector, among others. In terms of stakeholder types, private sector, civil society, and development partners may also be identified and engaged.

### **Impact of development projects**

Some villages encountered major external development projects such as railways/infrastructure/hydropower, construction, mines etc. In villages where development projects were executed, minimal participatory consultations were conducted. Inadequate awareness raising of communities and very few public consultations on the aims and objectives of the project took place. In addition, there was very little participatory planning and discussion of mitigation measures, and of benefit sharing arrangements.

In concession farming/contract farming, the villagers benefitted by having seasonal availability of labor that enhances the income of the family. Impact of excessive use of weedicides/pesticides for agriculture development was not explained to the beneficiaries and how the actions for mitigation should be addressed.

Early awareness raising, clear explanation of benefits and likely negative impacts, close collaboration with projects, participatory monitoring measures are importance mechanisms and these will be built into the ESMF.

### **Need to improve public consultation**

While forestry, land use, health, education initiatives seem to have a proactive approach to consultations with stakeholders the private sector that is involved with major development projects such as hydropower, mining, agriculture plantations, etc. are still in the process of improving public consultations procedures. Appropriate measures are included in this ESMF to improve the public consultation and community engagement process.

### **4.3 CHANCE FIND PROCEDURE**

Applicable law and regulations are:

- Law on National Heritage (Amended) No. 44/NA, dated 24 December 2013.

If the Contractor discovers archeological sites, historical sites, remains and objects, including graveyards and/or individual graves during excavation or construction, the Contractor shall follow the procedure (refer Annexure 3):

- Stop the construction activities in the area of the chance find.
- Delineate the discovered site or area.
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be arranged until the responsible local authorities or the Department of Culture and Information takes over.
- Notify the Construction Supervision Consultant who in turn will notify responsible local or national authorities in charge of the Cultural Property of Viet Nam (within 24 hours or less).
- Relevant local or national authorities would be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage; those include the aesthetic, historic, scientific or research, social and economic values.
- Decisions on how to handle the finding shall be taken by the responsible authorities. This could include changes in the layout (such as when finding an irremovable remain of cultural or archeological importance) conservation, preservation, restoration and salvage.
- If the cultural sites and/or relics are of high value and site preservation is recommended by the professionals and required by the cultural relics authority, the Program Owner will need to make necessary design changes to accommodate the request and preserve the site.
- Decisions concerning the management of the finding shall be communicated in writing by relevant authorities.
- Construction works could resume only after permission is granted from the responsible local authorities concerning safeguard of the heritage.

*Effective consultation and outreach:* lack of meaningful consultation and outreach could seriously impacted negatively on EG active participation in the ER implmentation, and monitoring. There is no legal provision for BDC/FPIC with adequate numbers of local people,

especially ethnic group people. REDD is a high risk program and people are worried that any payments based on results may or not be paid and are therefore difficult to convince that participation in the ER-P is worthwhile. There has been a lack of “clarity” and some “disinformation” and there are a very few CSOs that exist that can offer an independent voice and those that do exist do not employ many ethnic people. OP 4.10 is triggered and EGPF is prepared to mitigate impacts on ethnic groups.

#### 4.4 POTENTIAL ENVIRONMENTAL AND SOCIAL ISSUES AND MITIGATION MEASURES

Table 22 analyses the possible negative social and environmental risks and impacts associated with the ER Program interventions, and corresponding possible mitigation measures. Overall the following documents have been prepared for mitigation of potential social and environmental issues: PF, RPF, EGPF and ESMF.

**Table 22 Analysis of Environmental and Social Risks, Impacts and Mitigation Measures**

| ER-P Interventions  | Relevant WB Policies   | Potential risks and impacts   | Mitigation Measures  | Project SGs and documents applied   |
|---|--|---|--|---|
| <b>Component 1: Strengthening the enabling conditions for REDD+</b> |  |   |  |   |
| 1.1 Strengthening policies and the legal framework                  | <ul style="list-style-type: none"> <li>Environmental assessment</li> <li>Natural habitats</li> <li>Forestry</li> <li>Pest management</li> <li>Ethnic groups (<i>Indigenous Peoples</i>)</li> <li>Resettlement</li> <li>Cultural resources</li> <li>Gender</li> </ul> | <ul style="list-style-type: none"> <li>Deep integration on paper, but not in practice (as <i>sam sang</i> policy proceeds, more decentralization to provinces and districts).</li> </ul>  | <ul style="list-style-type: none"> <li>Aside from dialogues at different levels, difficult to mitigate.</li> </ul>   | Environmental Assessment<br>OP/BP 4.01<br>Natural Habitats OP/BP 4.04<br>Forests OP/BP 4.36<br>Pest   |
| 1.2 Improved forest law enforcement & monitoring                    |  | <ul style="list-style-type: none"> <li>Major delays continue to affect finalization and passing of key legislation which will delay updating of regulations.</li> </ul>   | <ul style="list-style-type: none"> <li>Difficult to mitigate, project duration may be increased to accommodate delays.</li> </ul>  | Management OP/BP 4.09<br>Indigenous Peoples OP/BP 4.10<br>Physical and Cultural Resources OP/BP 4.11<br>Involuntary Resettlement OP/BP 4.12 |
| 1.3 Improved provincial, district & village level land use planning |  | <ul style="list-style-type: none"> <li>Risk of targeting “little guys” instead of major actors; in short-term, some people will lose access to former (possibly illegal) livelihoods.</li> <li>Failure to recognise “legal” or “semi-legal” deforestation through concessions of any type.</li> </ul> | <ul style="list-style-type: none"> <li>Capacity building for offices of Forest Inspection at the district level is crucial, main sources of “risks to forests”.</li> <li>Must have detailed list of all existing and planned concessions (including 1+4</li> </ul> | As required: Ethnic group policy framework; Process Framework; Resettlement Policy Framework  |

| ER-P Interventions   | Relevant WB Policies | Potential risks and impacts   | Mitigation Measures   | Project SGs and documents applied |
|--|----------------------|---|---|-----------------------------------|
|  |                      |   | arrangements) in district with indicative mapping.  |                                   |
| 1.4 Enhanced land and resource tenure security through land registration and other processes |                      | <ul style="list-style-type: none"> <li>LUP (and VFMA) do not refer legal tenure security unless put into new laws and regulations.</li> </ul>   | <ul style="list-style-type: none"> <li>Will have to continue to dialogue on necessity of legal recognition (at all levels) of LUP/VFMA.</li> </ul>  |                                   |
|  |                      | <ul style="list-style-type: none"> <li>If not well implemented, people could lose access to land or natural resources that they have customarily used.</li> </ul>   | <ul style="list-style-type: none"> <li>FPIC and community engagement procedures that include ethnic groups, women and poor will help mitigate against land losses.</li> </ul>                         |                                   |
|  |                      | <ul style="list-style-type: none"> <li>Risk that different district development plans incongruous with forestry objectives – integrated spatial planning may increase confusion if it is completed, then ignored;</li> </ul>                                      | <ul style="list-style-type: none"> <li>Through participatory land use planning classify sufficient land for sustainable future rotational agriculture (reduce land use category “forest”);</li> </ul> |                                   |
|  |                      | <ul style="list-style-type: none"> <li>Related to point immediately above: Failure to recognise environmental values in local level land use planning and failure to recognise high conservation value (HCV) areas during land use planning processes;</li> </ul> | <ul style="list-style-type: none"> <li>LUP exercises will need to take the necessary time to ensure HCV and cultural value areas are protected;</li> </ul>  |                                   |
|  |                      | <ul style="list-style-type: none"> <li>Failure to recognise areas of cultural value;</li> </ul>   | <ul style="list-style-type: none"> <li>Program will have to establish VMU and administrative channels.</li> </ul>   |                                   |

| ER-P Interventions  | Relevant WB Policies   | Potential risks and impacts   | Mitigation Measures   | Project SGs and documents applied   |
|---|--|---|---|---|
| <b>Component 2: CSA and sustainable livelihoods for forest dependent people</b>   |  |   |   |   |
| <p>2.1 Establishment of an enabling environment to promote CSA and REDD+</p> <p>2.2 Implementation of climate smart agricultural models</p> | <ul style="list-style-type: none"> <li>• Environmental assessment</li> <li>• Natural habitats</li> <li>• Forestry</li> <li>• Pest management</li> <li>• Ethnic groups (<i>Indigenous Peoples</i>)</li> <li>• Resettlement</li> <li>• Cultural resources</li> <li>• Gender</li> </ul> | <ul style="list-style-type: none"> <li>• High pesticide use;</li> <li>• Risks of inequitable participation and benefits, i.e. elite capture;</li> <li>• Environmental risks from irrigation systems, cash crops, fodder and livestock production systems, including use of pesticides;</li> </ul> | <p>For all activities, there is a risk of the poor, especially women, being left out or not benefiting – the only way to mitigate this is to have special consultations with them to find out what is appropriate and then act accordingly; FPIC.</p> <ul style="list-style-type: none"> <li>• Ensure that pesticides (if required) are legal (not on any international banned lists); ensure local authorities able to monitor;</li> <li>• Ensure that proper safety measures are taken when pesticides are used (awareness creation as a start). GRM must be in place and known to all people.</li> </ul> | <p>Environmental Assessment OP/BP 4.01</p> <p>Natural Habitats OP/BP 4.04</p> <p>Physical Cultural Resources OP/BP 4.11</p> <p>Forests OP/BP 4.36</p> <p>Pest Management OP/BP 4.09</p> <p>Indigenous Peoples OP/BP 4.10</p> <p>Involuntary Resettlement OP/BP 4.12</p> <p>IEE/ESIA/ ESMP</p> <p>Pest Management Plan</p> <p>Chance finds procedure</p> |
|   |  | <ul style="list-style-type: none"> <li>• Small-scale irrigation could lead to land access losses for poorer families using land in higher parts of watershed.</li> </ul>  | <ul style="list-style-type: none"> <li>• Repeated, mentoring and participatory style capacity building to ensure understanding and practice of climate smart agriculture.</li> <li>• Ensure that irrigation infrastructure in accompanied by rigorous, inclusive LUP to make sure that poorer</li> </ul>  |   |

| ER-P Interventions  | Relevant WB Policies   | Potential risks and impacts   | Mitigation Measures   | Project SGs and documents applied   |
|---|--|---|---|---|
|   |  |   | households don't lose access to land while not gaining access to irrigation facilities.   |   |
|   |  | <ul style="list-style-type: none"> <li>Traders may demand feeder roads to fields; feeder roads in turn may lead to further DD.</li> </ul>   | <ul style="list-style-type: none"> <li>To promote "environmentally friendly" value chains, must engage in many dialogues and consultations with private sector traders/investors.</li> </ul>  |   |
| <b>Component 3: Sustainable forest management</b>   |  |   |   |   |
| <p>3.1 Establishment of an enabling environment to implement &amp; scale up SFM</p> <p>3.2 Implementing &amp; scaling up of village forestry</p> <p>3.3 Implementing &amp; scaling up FLR and sustainable forest plantations for forest carbon enhancement.</p> | <ul style="list-style-type: none"> <li>Environmental assessment</li> <li>Natural habitats</li> <li>Forestry</li> <li>Pest management</li> <li>Ethnic groups (<i>Indigenous Peoples</i>)</li> <li>Resettlement</li> <li>Cultural resources</li> <li>Gender</li> </ul> | <ul style="list-style-type: none"> <li>Risks of lands of communities under customary use being subject to reforestation efforts (thereby losing access to land and worsening livelihoods);</li> </ul>                     | <ul style="list-style-type: none"> <li>A review of forest categories (production, protection and conservation) as they overlap with village lands should be undertaken – it may be they are unreasonable in some cases;</li> <li>Through participatory demarcation and land use planning classify sufficient land for sustainable future rotational agriculture (reduced land use category "forest")</li> </ul> | <p>Environmental Assessment OP/BP 4.01</p> <p>Natural Habitats OP/BP 4.04</p> <p>Forests OP/BP 4.36</p> <p>Pest Management OP/BP 4.09</p> <p>Indigenous Peoples OP/BP 4.10</p> <p>Physical and Cultural Resources OP/BP 4.11</p> <p>Involuntary Resettlement OP/BP 4.12</p> <p>As required:</p> <p>Ethnic group policy framework;</p> <p>Process Framework;</p> <p>Resettlement Policy Framework</p> <p>IEE/ESIA/</p> |
|   |  | <ul style="list-style-type: none"> <li>Past forest law does not support villagers' selective harvesting for commercial purposes from production areas;</li> <li>Elite capture at expense of poorer households,</li> </ul> | <ul style="list-style-type: none"> <li>New forest law revision does not allow for local timber harvesting from production forests and Program must support implementation, with adequate benefit-sharing</li> </ul>   |   |



| ER-P Interventions | Relevant WB Policies | Potential risks and impacts   | Mitigation Measures  | Project SGs and documents applied                      |
|--------------------|----------------------|---|--|--|
|                    |                      | including women-headed households are unable become involved in SFM.  | mechanisms in place (or people will lose interest).  | ESMP<br>Pest Management Plan<br>Chance finds procedure |
|                    |                      | <ul style="list-style-type: none"> <li>• Too strict management denies local people customary harvesting of NTFPs; possible risk of denied access to cultural heritage sites</li> </ul>  | <ul style="list-style-type: none"> <li>• NPAs should be supported to work according to principles of co-management with local communities;</li> <li>• Project should advocate for access to cultural heritage sites in the project area to be respected in NPA management plans.</li> </ul>                    |  |
|                    |                      | <p>Risks from tree plantations (hydrology, pesticides);</p> <ul style="list-style-type: none"> <li>• Conversion of natural forests to other uses, including (mono-species) forest plantation;</li> <li>• Risk that investors do not recognise intangible cultural heritage of ethnic groups (such as spirit forests)</li> <li>• Risk that investors bring in external labour to work on plantations.</li> </ul> | <ul style="list-style-type: none"> <li>• Investors also have to be schooled in implementing environmentally friendly agroforestry and project should have eligibility criteria for working with investors;</li> <li>• Regulations so that investors rely on local labour for agroforestry projects.</li> </ul> |  |

#### 4.5 MITIGATION OF SOCIAL RISKS

As noted, one of the most important social and livelihood issues for many rural communities is improved and secure access to land. The following Table 23 provides a summary of the additional social risks and mitigations included in the ER-P.

**Table 23 Potential social risks and mitigation measures**

| ER-P Interventions   | Relevant WB Policies  | Potential risks and impacts  | Mitigation Measures   | Project SGs and documents applied  |
|--|---|--|---|--|
| Component 1: Strengthening the enabling conditions for REDD+                                 |   |  |   |  |
| 1.1 Strengthening policies and the legal framework   | <ul style="list-style-type: none"><li>• Ethnic groups (<i>Indigenous Peoples</i>)</li><li>• Resettlement</li><li>• Cultural resources</li><li>• Gender (OP/BP 4.10,4.11,4.12)</li></ul> | <ul style="list-style-type: none"><li>• Deep integration on paper, but not in practice (as <i>sam sang</i> policy proceeds, more decentralization to provinces and districts).</li></ul>         | <ul style="list-style-type: none"><li>• Aside from dialogues at different levels, difficult to mitigate.</li></ul>  | Indigenous Peoples OP/BP 4.10<br>Physical and Cultural Resources OP/BP 4.11<br>Involuntary Resettlement OP/BP 4.12 |
| 1.2 Improved forest law enforcement & monitoring   |   | <ul style="list-style-type: none"><li>• Major delays continue to affect finalization and passing of key legislation which will delay updating of regulations.</li></ul>                          | <ul style="list-style-type: none"><li>• Difficult to mitigate, project duration may be increased to accommodate delays.</li></ul>   | As required: Ethnic group policy framework; Process Framework; Resettlement Policy Framework                       |
| 1.3 Improved provincial, district & village level land use planning                          |   | <ul style="list-style-type: none"><li>• Risk of targeting “little guys” instead of major actors; in short-term, some people will lose access to former (possibly illegal) livelihoods.</li></ul> | <ul style="list-style-type: none"><li>• Capacity building for offices of Forest Inspection at the district level is crucial, main sources of “risks to forests”.</li></ul>          |  |
|  |   | <ul style="list-style-type: none"><li>• Failure to recognise “legal” or “semi-legal” deforestation through concessions of any type.</li></ul>  | <ul style="list-style-type: none"><li>• Must have detailed list of all existing and planned concessions (including 1+4 arrangements) in district with indicative mapping.</li></ul> |  |
| 1.4 Enhanced land and resource tenure security through land registration and other processes |   | <ul style="list-style-type: none"><li>• LUP (and VFMA) do not refer legal tenure security unless put into new laws and regulations.</li></ul>  | <ul style="list-style-type: none"><li>• Will have to continue to dialogue on necessity of legal recognition (at all levels) of LUP/VFMA.</li></ul>                                  |  |
|  | <ul style="list-style-type: none"><li>• If not well implemented, people could lose access to land or</li></ul>  | <ul style="list-style-type: none"><li>• FPIC and community engagement procedures that include ethnic groups, women and</li></ul>   |   |  |

| ER-P Interventions   | Relevant WB Policies  | Potential risks and impacts  | Mitigation Measures   | Project SGs and documents applied                             |
|--|---|--|---|---|
|  |   | natural resources that they have customarily used.   | poor will help mitigate against land losses.  |   |
|  |   | <ul style="list-style-type: none"> <li>Risk that different district development plans incongruous with forestry objectives – integrated spatial planning may increase confusion if it is completed, then ignored;</li> </ul> | <ul style="list-style-type: none"> <li>Through participatory land use planning classify sufficient land for sustainable future rotational agriculture (reduce land use category “forest”);</li> </ul>   |   |
|  |   | <ul style="list-style-type: none"> <li>Failure to recognise areas of cultural value;</li> </ul>  | <ul style="list-style-type: none"> <li>Program will have to establish VMU and administrative channels.</li> </ul>   |   |
| Component 2: CSA and sustainable livelihoods for forest dependent people   |   |  |   |   |
| 2.1 Establishment of an enabling environment to promote CSA and REDD+<br>2.2 Implementation of climate smart agricultural models | <ul style="list-style-type: none"> <li>Ethnic groups (<i>Indigenous Peoples</i>)</li> <li>Resettlement</li> <li>Cultural resources</li> <li>Gender</li> </ul> | <ul style="list-style-type: none"> <li>Risks of inequitable participation and benefits, i.e. elite capture;</li> </ul>   | For all activities, there is a risk of the poor, especially women, being left out or not benefiting – the only way to mitigate this is to have special consultations with them to find out what is appropriate and then act accordingly; FPIC.<br><br><ul style="list-style-type: none"> <li>Ensure that proper safety measures are taken when pesticides are used (awareness creation as a start). FGRM must be in place and known to all people.</li> </ul> | IEE/ESIA/ ESMP Pest Management Plan<br>Chance finds procedure |
|  |   | <ul style="list-style-type: none"> <li>Small-scale irrigation could lead to land access losses for poorer families using land in higher parts of</li> </ul>  | <ul style="list-style-type: none"> <li>Repeated, mentoring and participatory style capacity building to ensure understanding and practice of climate smart agriculture.</li> <li>Ensure that irrigation</li> </ul>  |   |

| ER-P Interventions  | Relevant WB Policies  | Potential risks and impacts  | Mitigation Measures  | Project SGs and documents applied  |
|---|---|--|--|--|
|   |   | watershed.   | infrastructure in accompanied by rigorous, inclusive LUP to make sure that poorer households don't lose access to land while not gaining access to irrigation facilities.  |  |
|   |   | <ul style="list-style-type: none"> <li>Traders may demand feeder roads to fields; feeder roads in turn may lead to further DD.</li> </ul>  | <ul style="list-style-type: none"> <li>To promote "environmentally friendly" value chains, must engage in many dialogues and consultations with private sector traders/investors.</li> </ul>   |  |
| <b>Component 3: Sustainable forest management</b>   |   |  |  |  |
| <p>3.1 Establishment of an enabling environment to implement &amp; scale up SFM</p> <p>3.2 Implementing &amp; scaling up of village forestry</p> <p>3.3 Implementing &amp; scaling up FLR and sustainable forest plantations for forest carbon enhancement.</p> | <ul style="list-style-type: none"> <li>Ethnic groups (<i>Indigenous Peoples</i>)</li> <li>Resettlement</li> <li>Cultural resources</li> <li>Gender</li> </ul> | <ul style="list-style-type: none"> <li>Risks of lands of communities under customary use being subject to reforestation efforts (thereby losing access to land and worsening livelihoods);</li> <li>Past forest law does not support villagers' selective harvesting for commercial purposes from production areas;</li> <li>Elite capture at expense of poorer households,</li> </ul> | <ul style="list-style-type: none"> <li>A review of forest categories (production, protection and conservation) as they overlap with village lands should be undertaken – it may be they are unreasonable in some cases;</li> <li>Through participatory demarcation and land use planning classify sufficient land for sustainable future rotational agriculture (reduced land use category "forest")</li> <li>New forest law revision does not allow for local timber harvesting from production forests and Program must support implementation, with adequate benefit-sharing mechanisms in place (or people will lose interest).</li> </ul> | <p>Resources OP/BP 4.11<br/>Involuntary Resettlement OP/BP 4.12</p> <p>As required:<br/>Ethnic group policy framework;<br/>Process Framework;<br/>Resettlement Policy Framework</p> <p>IEE/ESIA/ESMP<br/>Pest Management Plan<br/>Chance finds procedure</p> |

| ER-P Interventions | Relevant WB Policies | Potential risks and impacts   | Mitigation Measures  | Project SGs and documents applied |
|--------------------|----------------------|---|--|-----------------------------------|
|                    |                      | including women-headed households are unable become involved in SFM.  |  |                                   |
|                    |                      | <ul style="list-style-type: none"> <li>• Too strict management denies local people customary harvesting of NTFPs; possible risk of denied access to cultural heritage sites</li> </ul>  | <ul style="list-style-type: none"> <li>• NPAs should be supported to work according to principles of co-management with local communities;</li> <li>• Project should advocate for access to cultural heritage sites in the project area to be respected in NPA management plans.</li> </ul>                    |                                   |
|                    |                      | <ul style="list-style-type: none"> <li>• Risk that investors do not recognise intangible cultural heritage of ethnic groups (such as spirit forests)</li> <li>• Risk that investors bring in external labour to work on plantations.</li> </ul> | <ul style="list-style-type: none"> <li>• Investors also have to be schooled in implementing environmentally friendly agroforestry and project should have eligibility criteria for working with investors;</li> <li>• Regulations so that investors rely on local labour for agroforestry projects.</li> </ul> |                                   |

## 4.6 MITIGATION OF ENVIRONMENTAL RISKS

### Potential impact issues

Based on the proposed activities potential environmental impacts are summarised in Table 24 and are described as follows:

**Soil erosion:** The problem of soil erosion will be aggravated by steep slopes, and heavy rainfall such as that occurring in the provinces in September to October. On site, soil erosion leads to loss of top soil and soil fertility, reducing productive capacity of the site and in the following rotations. Off site, eroded soil results in siltation and sedimentation of reservoirs, rivers and streams may trigger a series of adverse consequences such as reduced water quality, lower water holding capacity, and impacts on aquatic life. *Soil erosion* triggered by poor management practices such as:

- Comprehensive vegetation clearance followed by burning during site preparation;
- Excavation of tree stumps/roots using machines in sloping areas;

- Cultivation, planting and harvesting of agricultural crops on sloping areas;
- Improper construction and poor maintenance of access tracks;
- Soil disturbances during harvesting operations and yarding of logs; and
- Cutting/removal of native vegetation along drainage canals and stream banks.

**Loss of soil fertility:** Loss of soil fertility as a consequence of soil erosion as described above, and by the burning of vegetation in site preparation, and removal of biomass in harvesting.

**Pest and disease infestation:** Risk of pest and disease infestation increases with the increasing area of monoculture plantations especially through the use exotic species which has the potential to bring new pests and diseases. The use of pesticides to control important pests and diseases could have several potentially adverse environmental impacts, including on the health of the workers applying them and community health, and adverse impact on biodiversity.

**Loss of biodiversity and habitat fragmentation:** Impact of smallholder planted forests on biodiversity and habitat will be small to moderate even if little biodiversity remains in small forested areas. It is essential to maintain what remnants of high conservation value (HCV) forest areas that provide important ecosystem services regardless of their extent. However, the ER-Program would have positive impact on biodiversity, if native species can be planted along with the fast-growing species.

**Invasive alien plants:** It is possible to have invasive alien species in the plantation if agroforestry or NTFPs species are introduced without proper control at planting stage. They are one of the greatest threats to biodiversity, impact adversely upon biodiversity, potentially resulting in a decline or elimination of native species - through competition, predation, or transmission of pathogens – and through the disruption of local ecosystems and ecosystem functions. This damage is aggravated by climate change, pollution, habitat loss and human-induced disturbance.

**Fire risk:** Risk to plantation damage caused by fire is expected to be minimal.

### **Plantation development and the conversion of natural forests**

The Northern region is home to a number of important national biodiversity conservation and protection areas that are known to host rare and endangered species including those in the IUCN Red list. There are seven national conservation areas in GFLP provinces covering more than one million hectares. These include Nam-Et Phou Leuy and Nam Xam NPAs in Huaphan Province; Nam Ha and Nam Khan NPAs in Luang Namtha Province; and Nam Phouy NPA in Sayaboury Province. An important environmental concern is the perceived risk of plantation development leading to the clearing of remnant natural forests which may in particular impact on the connectivity of regional biodiversity corridors and high conservation value forest. However, the risk to the corridors currently being addressed through a number of international donor funded projects such as WCS which focuses on protecting wild places in Nam Et-Phou Louey, one of the world's most important areas for biodiversity, the Greater Northern Annamites.

**Table 24 Potential environmental impacts**

| Interventions   | Relevant WB Policies  | Potential risks and impacts   | Mitigation Measures   |
|---|---|---|---|
| <b>Component 1: Strengthening the enabling conditions for REDD+</b>   |   |   |   |
| 1.1 Strengthening policies and the legal framework<br>1.2 Improved forest law enforcement & monitoring<br>1.3 Improved provincial, district & village level land use planning<br>1.4 Enhanced land and resource tenure security through land registration and other processes | <ul style="list-style-type: none"> <li>• Environmental assessment</li> <li>• Natural habitats</li> <li>• Forestry</li> <li>• Pest management</li> </ul> | <ul style="list-style-type: none"> <li>• Failure to recognise environmental values in local level land use planning and failure to recognise high conservation value (HCV) areas during land use planning processes;</li> </ul> | <ul style="list-style-type: none"> <li>• LUP exercises will need to take the necessary time to ensure HCV and cultural value areas are protected;</li> </ul>  |
| <b>Component 2: CSA and sustainable livelihoods for forest dependent people</b>   |   |   |   |
| 2.1 Establishment of an enabling environment to promote CSA and REDD+<br>2.2 Implementation of climate smart agricultural models  | <ul style="list-style-type: none"> <li>• Environmental assessment</li> <li>• Natural habitats</li> <li>• Forestry</li> <li>• Pest management</li> </ul> | <ul style="list-style-type: none"> <li>• High pesticide use;</li> <li>• Environmental risks from irrigation systems, cash crops, fodder and livestock production systems, including use of pesticides;</li> </ul>               | <ul style="list-style-type: none"> <li>• Ensure that pesticides (if required) are legal (not on any international banned lists); ensure local authorities able to monitor;</li> <li>• Ensure that proper safety measures are taken when pesticides are used (awareness creation as a start). GRM must be in place and known to all people.</li> </ul> |
| <b>Component 3: Sustainable forest management</b>   |   |   |   |
| 3.1 Establishment of an enabling environment to implement & scale up SFM<br>3.2 Implementing & scaling up of village forestry<br>3.3 Implementing & scaling up FLR and sustainable forest plantations for forest carbon enhancement.  | <ul style="list-style-type: none"> <li>• Environmental assessment</li> <li>• Natural habitats</li> <li>• Forestry</li> <li>• Pest management</li> </ul> | <ul style="list-style-type: none"> <li>• Risks from tree plantations (hydrology, pesticides);</li> <li>• Conversion of natural forests to other uses, including (mono-species) forest plantation;</li> </ul>                    | <ul style="list-style-type: none"> <li>• Investors also have to be schooled in implementing environmentally friendly agroforestry and project should have eligibility criteria for working with investors;</li> </ul>   |

As an indication of the scale of the potential impact, preliminary analysis of the period 2005-2011 time series data indicates that conversion of natural forest to plantations (Other Agriculture) accounted for 21,288 ha in the GFLP provinces. This represents about 0.6 % of the existing total natural forest in 2005. Since this period, stricter regulations on monitoring possible conversion of forests has been introduced, through PM Order No. 13/PM on moratoriums on concessions for mining, rubber and eucalyptus plantations, 2012; PM Order No. 31/PM on the temporary suspension of logging in all production forests, 2013; and PM Order No. 15/PM on intensifying strictness in the management and inspection of wood exploitation, timber removal and wood related businesses, 2016. These emphasise the actions to be taken to ensure the non-

conversion of natural forests for other land use purposes, including degraded natural forests to plantations and a ban on logging from natural forests. This highlights that the risk while locally severe is not likely to be significant overall.

**The following design features** will ensure that Forests OP 4.36 and Natural habitats OP 4.04 are complied with the development of new plantations only takes place in areas which are designated as bare land/non-forest. There is still the possibility that some areas of remnant natural forest will have a mixed mosaic comprised of natural forest (as well as bare/non-forest land), and therefore would have limited local potential risk of natural forest conversion. For this reason, the following mitigation approaches are to be applied at the stage of detailed intervention planning (during program implementation) and activity implementation and monitoring:

- **Land use planning and design of program field activities:** site-level activities are expected to cover new plantations. This design feature would be a safeguard as the main environmental concern is with the conversion of natural forests into large monoculture plantations.
- **Codes of practice for plantation development:** Guidelines (detailed guidelines will be developed in the PIM and summary guidelines are continued in this ESMF and these conform to Forests OP 4.36 and Natural habitats OP 4.04) will be used to support the development of plantations which promote good practice in the location, planning, establishment and management of plantations which can lead to improved plantation success and ensure the maintenance and where possible enhancement of HCV forest and environmental services. The detailed guidelines will prescribe environmental impact management measures in nine main areas: site selection, species selection; management regime, plantation establishment; plantation tending; integrated pest control; fire prevention and control; access and harvesting; and monitoring and evaluation. Site selection is of utmost importance as the primary means for mitigating the threat of natural forest loss. As part of site selection, village-level landscape planning is stipulated.
- **Independent monitoring:** The ER-P will support a comprehensive monitoring and evaluation system which will include processes for qualitative and quantitative bottom-up data collection from the commune for forest cover monitoring and reporting.

The potential environmental impacts mentioned above can be avoided/mitigated by taking the following land use planning and forest management measures:

(Additional references for guidelines on forest and plantation measurement including species selection land preparation and tending will be included in the Program Implementation Manual (PIM) this will also draw on lessons learned from manuals that have been developed for KfW, ADB and World Bank Forest Projects. These generally are extensive documents with much detail and, for example, the World Bank documentation conforms to OP 4.36 and OP 4.04 including the requirements for commercial and small-holder/community forestry. Also see Annexures for additional details.)

- *Selection of sites* to ensure high productivity and profitability of plantations with minimal impacts on the environment and the local communities.
- Implementation of *landscape level planning* in each participating village and compliance to the landscape plantation plan and design must be strictly monitored.



Forest cover must be maintained on very steep slopes, watercourses and ridge crests.

- Proper *selection of species* that matches the site and management objectives. Planting of native species in a mixture with exotic, fast growing species should be encouraged.
- Adoption of good *silvi-cultural practices* in plantation management. In this regard, extension and training should be strengthened.
- Development and adoption of *environment-friendly, non-chemical methods of pest management*, with primary reliance on prevention and biological and silvicultural control rather than on the use of pesticides.
- *Forest fire prevention and control* must be an integral part of the management plan for village or commune plantations.
- *Access tracks* must be designed, constructed and maintained with the least impact on soil erosion and the environment in general. Adequate and well-designed drainage is an important part of the design of any access track.
- *Harvesting* of wood and other forest plantation products must be done in a manner to minimise soil disturbance.

### **Environmental mitigation measures**

The environmental issues and mitigation measures for each proposed generic activity are presented below:

#### **Land/forest allocation to individuals, HHs and communities for plantation**

Forestland allocated to group for planting production forest, it is anticipated that the forest owners shall have rights to maximise the benefits from the forestland area. They have rights to decide on tree species, quantity and quality, as well as timing and techniques for planting and cutting trees based on market signals. If these forest owners have no or little knowledge on forestry, such as site selection and preparation, tree species and seedling choice, silvicultural methods for tree tending and cutting, etc., they may fail in getting benefits from the plantation and become poorer. Furthermore, without proper knowledge they may create adverse environmental impacts, such as 1) *soil erosion* due to wrong site selection on a steep slope; 2) *contamination of soil and water resources* by the improper application of pesticides and fertilisers, especially when in combination with the site selection next to upstream of a river/stream; 3) *biodiversity* reduction by monoculture and/or improper application of pesticides; and 4) *habitat fragmentation* if fire breaks are not designed properly.

Therefore, when allocating forestland for smallholders for forest plantation, concrete criteria should be based on the natural conditions (forest and soil types, site, etc.) and forest owner's ability of forest plantation in these conditions and includes the following:

- **Capacity building:** This is expected to be required for forest protection forces and improvements to management and development effectiveness including forest fire control or trail/road making in forest. It should be noted on issues of *erosion* and *habitat fragmentation* when designing fire breaks and/or silviculture infrastructure.

- **Implementation of grassroots coordination rules among government agencies:** When implementing coordination rules among Government agencies, due attention should be paid to the requirements of each agency. For example, patrol roads of border guards may cause *habitat fragmentation*. Therefore, the border guards and forestry agency of the area should consult each other and suggest the best possible design for the patrol roads.
- **Awareness raising and communication on forest protection and development law for local people:** No environmental issues are foreseen.
- **Plantation development:** Afforestation/Reforestation on public lands and village forest will be conducted by PAFO/DAFO using technical prescription and manual for SFM. Smallholders would be provided training on sustainable forest management including site selection, silviculture techniques, harvesting techniques, and tree species composition to avoid soil erosion, land degradation, water source contamination, habitat fragmentation and biodiversity reduction.
- **Risk of plantation development activities leading to the clearing of natural forests target areas:** An environmental concern is the perceived risk of plantation development activities leading to the clearing of natural forests; however, this risk is believed to be moderate and will be limited to a small area. Screening procedures within the ESMF will be strictly applied to mitigate for this.
- **Monitoring forest change:** The ER Program's monitoring system will identify and quantify any natural forest that is converted to plantations across the entire accounting area. The methodology applied for both the Reference Level and the monitoring system takes a forest inventory approach across the landscape that will measure all activities at the landscape scale, integrating changes from ER Program projects with all other changes taking place in the landscape. The monitoring system will follow the time series of change for each parcel, from the beginning of the reference period, and any change from natural forest to plantation will not be counted as Afforestation or Reforestation, and no credit will be claimed for removals.
- **Tending, regeneration and enrichment by indigenous tree species:** The activities are carried out in various sites in natural production and protection forests.
- **SFM development and implementation:** No environmental issues are foreseen, however, issues such as the identification and location of HCV forest will also be taken into consideration.
- **HHs livelihood improvement from forest gardens and dispersed trees:** Since the gardens and dispersed trees have much less area than production forest plantation, the issues and impacts may not be critical.
- **NTFPs development:** communities and households should be trained on sustainable NTFPs management and use and scientific exploitation.
- **Forest biodiversity assessment:** No environmental issues are foreseen. All National Parks, protected areas, etc., are required under MoNRE's Biodiversity Law to report on the status of the biodiversity of the NPAs. An impressive programme of wildlife and habitat surveys were conducted by the Centre for Protected Areas and Watershed Management (CPAWM), Department of Forestry in collaboration with the Wildlife Conservation Society and IUCN during the period 1993 until 1998. This intensive research programme used a number of leading regional biologists working in

collaboration with national counterparts. Wildlife and habitat survey reports were produced for no less than 16 National Protected Areas, covering mammals and birds (17 sites including all GFL area NPAs), bats (four sites, none in GFL area NPAs) as well as reptiles and amphibians (four sites including Nam Et – Phou Louey and Nam Poui, GFL area NPAs). There are gaps in the range and scope of biodiversity surveys conducted on GFL area NPAs and the probability of discovering new species in the future is relatively high. It should be acknowledged that some of the large mammalian species and other high conservation value species may have undergone decline or even extinction within the reserve over recent years, particularly those species targeted by the wildlife trade.

Table 25 provides a summary of wildlife assessment conducted within GFL area NPAs. It is anticipated that biodiversity assessment can be funded through the REDD+ fund to the extent possible and feasible. GFL will support through its resources and encourage Department of Forestry to undertake biodiversity assessment in all GFL NPAs.

**Table 25 Wildlife assessment conducted within GFL area NPAs**

| No. | Name                | Province  | District  | Area (ha) | Name of Wildlife and Habitat Assessment  |
|-----|---------------------|---|---|-----------|--|
| 1   | Nam Et – Phou Louey | Huaphan<br><br>Luang Prabang<br><br>Xieng Khouang | - Et<br>- Hiem<br>- Houa Meuang<br>- Viengthong<br>- Xam Neua<br>- Xone<br>- Pakxeng<br>- Phonthong<br>- Phonxai<br>- Viengkhan<br>- Phoukout | 256,112   | 1998, A wildlife and habitat survey of Nam Et and Phou Louey NBCAs, Huaphanh Province, Lao PDR   |
| 2   | Nam Ha              | Luang Namtha                                      | - Long<br>- Luang Namtha<br>- Nalea<br>- Sing<br>- Vieng Phukha   | 220,755   | 2013-2018, Biodiversity research by China Exploration & Research Society<br>1997, A wildlife and habitat survey of Nam Ha and Nam Kong Protected Areas, Luang Namtha Province, Lao PDR |
| 3   | Nam Poui            | Sayaburi  | - Paklay<br>- Piang<br>- Thongmixai   | 177,515   | Since 1997, Elephant conservation work by WWF<br>1997, Field training in wildlife techniques and large mammal survey at Nam Phui National Biodiversity Conservation Area, Lao PDR      |
| 4   | Nam Kan             | Bokeo<br><br>Luang Namtha                         | - Houayxai<br>- Meung<br>- Pha Oudom<br>- Long<br>- Vieng Phukha  | 145,440   | 2012, A survey of gibbons and other wildlife in the Bokeo section of Nam Kan National Protected Area, Lao PDR<br>2010, A scoping mission to Nam Kan National Protected Area, Lao PDR   |
| 5   | Phou Hiphi          | Oudomxay  | - La<br>- Xay   | 87,403    | 1999, A survey of habitats and mammals in Xe Pian National Biodiversity Conservation Area, Lao PDR   |

| No. | Name    | Province | District                              | Area (ha) | Name of Wildlife and Habitat Assessment   |
|-----|---------|----------|---------------------------------------|-----------|---|
| 6   | Nam Xam | Huaphan  | - Viengxai<br>- Xam Neua<br>- Xam Tai | 68,092    | 1998, A wildlife and habitat survey of Nam Xam NBCA, Huaphanh Province, Lao PDR |

## 4.7 GUIDELINES FOR MITIGATION AND ENHANCEMENT MEASURES

### General approach to mitigation measures

Where possible adverse impacts on habitats and species as a direct or indirect result of development must always be avoided. For example, it is normal to move the site boundary to avoid damaging a particular habitat feature, or to carry out works at a time of year when vulnerable species are least likely to be present. However, in many cases it is also necessary to design specific mitigation measures that will significantly reduce the impacts to the habitats in or next to the site and the wildlife species that they support.

Mitigation must be realistic and effective, and should aim to build on cumulative indigenous, local, national and international knowledge of habitats and species and the potential adverse impacts that may affect them. It is therefore advisable to engage the services of a biodiversity specialist and local people to advise and assist with the design of effective mitigation. Mitigation must be designed around the specific ecological systems on the site and impacts of the development, to maintain the environmental conditions that exist at the site, that are paramount to the existence of the habitats and species that the site supports e.g. temperature, slope aspect, availability of natural light, avoidance of light pollution, prevailing wind etc.

A monitoring schedule should be built into the design of mitigations that details how often and for how long the mitigation will be monitored. It must also include prescriptions for review of monitoring data and a mechanism by which the mitigation can be altered if found to be ineffective in any way. To do so, a specific and measurable goal must be clearly stated prior to the development of mitigation measures.

Activities should avoid or minimise loss, degradation, destruction and fragmentation of habitats, protect valuable habitat components; avoid rare or threatened species or communities. Habitat fragmentation is a common issue in the design of forest plantations and general principles to reduce the impact are:

- Avoid environmentally sensitive areas;
- Try to connect forest rather than plan fragments of forest;
- Identify the goals for any proposed mitigation;
- Mitigation measures should include a range of species and particular care is required for fauna and avifauna communities and ecosystems, mitigation measures should include biodiversity corridors to connect fragmented habitats and enable wildlife to move easily between habitats;
- Understand conditions and populations adjacent to structures;
- Conduct and support targeted research, and

- Monitoring should be an integral part of the construction and management process.

### Environmental screening

The Forestry Law (revised on 2018) classifies three categories of forests by for the purpose of management: 1) conservation, 2) protection and 3) production forest. Conservation forests are for the purposes of conserving nature, preserving plant and animal species, forest ecosystems and other sites of natural, historical, cultural, tourism, environmental and educational values and scientific research experiments. The protection forests are used mainly to protect water sources and land, prevent erosion and deforestation and contribute to regulating climate. The two forest types are maintained with the environmental protection purposes and if managed properly both of them contribute positively to the environment. However, where production forest occurs in the same landscape as protection forest areas any activity carried out in that area should be follow the environmental safeguards outlined below.

The production forest is used mainly for production in combination with protection and contribution to environmental protection. Most activities to be carried out in the production forest will need to be strictly designed, implemented and monitored to avoid/mitigate adverse environmental impacts, particularly in buffer zones of the special use forests. Environmental screening work will be conducted by the MoNRE.

### Environmental assessment procedures for the ER-Program area

Table 26 provides a summary of practical safeguard mitigation measures.

**Table 26 Environmental safeguards mitigation measures**

| No | Plantation management           | Environmental safeguards mitigation measures   |
|----|---------------------------------|--|
| 1  | <i>Site selection</i>           | (i) No plantation allowed on slope >25°; (ii) Suitable climatic and soil conditions.<br>(ii) Care and attention should be taken to identify HCV forest and any other area of forest with important biodiversity such as IBAs or KBAs   |
| 2  | <i>Plantation design</i>        | (i) On slope 20°-25°, planting density lower than normal one; (ii) If next to a stream, a stream protection reserve established >5m of each side of the stream bank where native vegetation retained, and not allowed any clearing, ground disturbance and/or timber harvesting; (iii) Promotion of planting mixture of species, three or more clones; and different age/structure of plantations.         |
| 3  | <i>Plantation establishment</i> | (i) Broadcasting burning not allowed in site preparation; (ii) Debris in site preparation and weeding be retained on site as sources of nutrients; (iii) Full cultivation allowed only on slopes >15°; (iv) Planting holes or strip cultivation on slopes 16°-20°; (v) Contoured planting holes in 20°-25° slopes; (vi) Intercropping allowed on slopes >20° and no intercropping root crops allowed >15°. |

| No | Plantation management                               | Environmental safeguards mitigation measures   |
|----|---|--|
| 4  | <i>Tending</i>                                      | (i) Spot weeding employed; (ii) Vegetation debris from weeding, pruning and thinning left on site as mulch; (iii) Thinning and pruning be carefully planned and implemented; (iv) Only spot fertilization using inorganic fertilisers will be allowed; broadcast fertilization is prohibited.  |
| 5  | <i>Pest control and invasive species management</i> | (i) Integrated Pest Management (IPM) be applied as much as possible with primary reliance on prevention, early detection, damage thresholds, and design, mechanical and biological control methods rather than chemical pesticides; (ii) Do not allow the use of pesticides that are unlawful under national and/or international laws; do not allow the procurement or use of pesticides and other chemicals specified as persistent organic pollutants under the Stockholm convention. Avoid the use of herbicides and pesticides near water sources and their contamination with pesticides residues when cleaning the equipment used. Only pesticides under World Health Organization Class II and Class III categories be used, specific to the particular pest, and have low toxicity to non-target organisms; (iii) Only workers and farmers trained on the safe handling, storage and use of the chemicals can apply pesticides. |
| 6  | <i>Fire prevention and control</i>                  | All plantation blocks over 100 ha shall have firebreaks of between 10-20 m wide and should utilise stream courses and fire resistant native vegetation wherever possible.  |
| 7  | <i>Harvesting</i>                                   | For slopes >15°, logging coupes not exceed 10ha with at least 60m between adjacent coupes logged the same year; (ii) For slopes < 15°, logging coupes not exceed 20ha, with at least 30m between adjacent coupes felled the same year; (iii) Ground vegetation be preserved as far as possible during logging and the site be re-planted in the year following logging.  |
| 8  | <i>Access road construction and maintenance</i>     | (i) Absolute minimum density of secondary extraction tracks; (ii) Tracks encroaching into stream protection corridors permitted only at points of crossing in areas of stable, moderate terrain; (iii) Stream crossings be rock-stabilised drifts, culverts be employed only in extreme cases where drifts are not practical; (iv) Tracks: a maximum width of 3 m, a maximum favorable grade of 15° and a maximum adverse grade of 10°; (v) Cut and fill slopes be avoided wherever possible; (vi) No yarding of logs be permitted on the surface of tracks; (vii) Track rights-of-way be lightly slashed and vegetation cover be maintained on the running surface wherever possible; (viii) All tracks on side-slopes be out-sloped or equipped with water drainage-bars to dissipate energy and disperse water onto stable areas down slope; and (ix) Tracks be properly maintained with drainage ditches.                            |

### Plantation development and the protection of natural forests

An environmental concern is the perceived risk of plantation development leading to the clearing of natural forests. However, this risk is believed to be moderate and will be limited to a small area. The ER-P will work through the regulations to ensure that plantation establishment follows SFM practices and does not replace natural forests. This will include support for mapping of

remaining forest areas, awareness and capacity building, linking plantation development to certification, and tying benefit sharing to the protection of natural forests.

The small-holder plantation activities have the potential to reduce pressures on remaining areas of natural forest, providing that the respective products are substitutable in the market. With provision of adequate extension services, proper choice of species, and environmentally sensitive cultural practices, the ER-P could also lead to the rehabilitation of many degraded lands and contribute to improvements to community livelihoods.

Plantation, seedling, and tendering may create site specific impacts due to types of activities and locations of the subproject areas. From safeguard point of views, it is important to ensure the followings during site selection, seedling, and tendering stages.

Species should be selected on the basis of their overall suitability for the site and their appropriateness to the management objectives. To enhance biodiversity conservation, native species are preferred over exotic species for watershed restoration programs and for some plantation situations. Exotic species should be used only if their overall performance over the long-term is demonstrably greater than that for native species. Exotic species shall be monitored to detect unusual mortality, disease or insect attacks and adverse ecological impacts. No new exotic species shall be introduced on a large scale until local trials and experience demonstrate that they are ecologically adapted, non-invasive and have no significant ecological impacts on other ecosystems.

As great a variety as possible of clonal materials (i.e. *Acacia* spp.) should be made available to planting sites. Where a range of clonal materials is not available, clonal plantations should be surrounded by blocks of other plantation species or by sanitation corridors of native vegetation.

### **Ethnic group development strategy**

The improved management of the protected areas may create opportunities for local people, but may also impact their use of natural resources. Special measures need to be taken to ensure that program activities are culturally appropriate to the needs of local communities. The overall design of the program needs to take into account the special needs of ethnic groups. This has been done in two ways: 1) social screening criteria have been designed for the review of inclusion of the EGPF and ensure compatibility with Indigenous Peoples OP4.10 and Involuntary Resettlement OP 4.12; and 2) a Resettlement Process Framework has been prepared to address the eventuality that reduced natural resource use is warranted for conservation of important biodiversity; and 3) an Ethnic Group Policy Framework to address any risks to ethnic people in local community during the implementation of ER P activities. It sets the rules of engagement between the forest management entities, local communities and negotiating acceptable Benefit Sharing Mechanisms. This framework is laid out in the Resettlement Policy Framework.

### **Restriction of access to natural resource used by local communities**

Improved management of forests may necessitate or result in restrictions of access by local people to forest areas and forest products (NTFPs) and land. MAF has prepared a Process Framework and a Resettlement Policy Framework, in accordance with Involuntary Resettlement

OP 4.12. The Resettlement Policy Framework applies in cases where restriction of access leads directly to curtailed options of resource use and limiting access to forest resources. The RPF is supported by a Process Framework which provides additional information and guidance on the issue of changes to or restrictions of access to forest. The Process Framework contributes to the program objective of conserving important natural forest and biodiversity.

The purpose of the Process Framework is to establish a process by which communities potentially affected by restricted resource access and the management authority engage in a process of informed and meaningful consultations and negotiations to identify and implement means of reducing or mitigating the impact of restricted resource access. It further describes the planning and documentation requirements for such activities under the project.

The Ethnic Group Development Framework is also prepared in accordance with Involuntary Resettlement OP4.10 to apply in cases where restriction of access to natural resource use results in any social risks to ethnic people and local communities.

### **Pest Management**

The ER-P will not procure large amount of pesticides or other agrochemicals. The program, however, triggers this policy as it is likely that the support of seeding activities and the protection and/or plantation of forests and the livelihood development activities (under Components 2 and 3) may involve the purchase of small amounts and/or increase in use of pesticides and/or other agrochemicals related to livelihoods activities (e.g. fishery, agroforestry, crop production etc.).

The ESMF describes below when the regulations/institutional frameworks related to pest management when a Pest Management Plan (PMP) has been prepared and/or adoption of good practices such as application of an integrated pest management (IPM) approach will be considered during the preparation of the subproject. Safeguard training and capacity building will be designed to increase knowledge of farmers on safe use of pesticides including safe storage and disposal of used packages.

To mitigate potential impacts as the program will prepare and implement a mitigation plan aiming to increase farmer's knowledge on Government regulations, policies, and/or technical guidelines related to safe use (application, storage, and disposal) of pesticides and agrochemicals likely to be used by farmers. This will include the application of an IPM practice that are appropriate for the agriculture productions (rice, shrimp, aquaculture, etc.) in the subproject area through training and other capacity building activities.

The activities will be incorporated and implemented as part of the ESMF. There are many IPM programs and on-farm pilot activities aiming to reduce the use of pesticides and fertilisers therefore knowledge and implementation experience including some training manuals and/or other communications tools (radio/TV program, public materials, etc.) are available. If preparation of a PMP is required the following principles should be considered:

- The program activity will not finance the purchase of fertilisers, pesticides, or other toxic agrochemicals. In normal conditions, if pesticide use is considered to be the necessary option, only pesticides registered with the government and the international recognition



will be used and the program will also provide technical and economic information for the type and amount of the chemicals. The program will also consider other options (including the management of non-harmful chemicals) that can also reduce reliance on the use of pesticides. The measures will be incorporated into the subproject design to reduce risks related to the handling and use of pesticides by farmers.

- During the preparation of the ESMF for a subproject, the subproject owner will identify the need for training and capacity building in close consultation with the local authorities and other key stakeholders including chemical suppliers to enhance close cooperation and understanding among them. The subproject will apply IPM practices in line with the national IPM program and aquaculture/shrimp farming management programs being implemented by MAF as a means to minimise the potential negative impact of the increased use of fertilisers, pesticides, and toxic chemicals. Main activities may include training, sharing of knowledge and experience in the use of fertilisers and chemicals through research surveys, study visits, and/or selecting safe use of non-chemicals, other techniques.
- The PMP will identify the agency responsible for implementation including fund flow and reporting arrangements. DAFO will be responsible for planning and implementation of PMP activities while farmers will be responsible for active participation during the planning and implementation. PAFO will be responsible for supervision and monitoring of the ESMF. The activities will be planned and implemented in close consultation with farmers, local authority, and local community organization especially women. The implementation budget will be included as part of the ESMF cost and the activities, outputs, and impacts will be monitored as part of the ESM implementation.

### **Invasive species**

Forest operators should not intentionally introduce any new alien species (not currently established in the country or region of the project) unless this is carried out in accordance with the existing regulatory framework for such introduction, or is subject to a risk assessment to determine the potential for invasive behavior. Following Forests OP 4.36 and Natural Habitats OP 4.04 in view of the potential for plantation projects to introduce invasive species and threaten biodiversity, such projects must be designed to prevent and mitigate these potential threats to natural habitats. Operators will not deliberately introduce any alien species with a high risk of invasive behavior or any known invasive species and will exercise diligence to prevent accidental or unintended introductions. Operators should also take precautions to prevent the spread of existing exotic species as a result of forestry operations. Management techniques include procedures to ensure that equipment (e.g. trucks) are power washed prior to moving from an infested area to an un-infested area.

*Mimosa Pigra* is a widespread and difficult to deal with invasive species and is already well established in many areas. The intentional or accidental introduction of alien, or non-native, species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and out-competing native species.

Potential invasive species found in national parks include the following: shrubs and plants *Mimosa pudica*, *Mimosa diplotricha*, *Mikania micrantha*, *Chromolaena odorata*, *Bidens pilosa*, *Pennisetum polystachyon*. MoNRE has a list of 25 invasive species with a further 15 species under consideration to be added. The 25 include in addition to most of the previous list common plant species such as *Eichhornia crassipes* (Water hyacinth), *Lantana camara*; *Callisia fragrans*; *Parthenium hysterophorus*. Aquatic/ invasive fish species include: *Gambusia affinis*; *Pygocentrus nattereri* (Red Bellied Piranha); *Hypostomus punctatus*; *Pterygoplichthys pardalis*; *Micropterus dolomieu*; *Micropterus salmoides*.

The list of potentially invasive alien species includes 15 species: Aquatic species 1. *Cherax quadricarinatus*; 2. *Pampus argenteus*; 3. *Peacock bass (Cichla)*; 4. *Oreochromis mossambicus* (Tilapia); 5. *Clarias gariepinus*; 6. *South American Cirrhinus*; Amphibians and mammals 7. *American bullfrog*; 8. *Hircus* (goats); 9. Plants, shrubs and trees: *Brackish water grass*. 10. *Mikania micrantha*; 11. *Ageratum conyzoides*; 12. *African Tulip (African Hibiscus) tree*; 13. *Leucaena leucocephala*; 14. *Eupatorium adenophorum*; 15. *Hedychium gardnerianum*.

### **Forest fire**

Most natural forests and plantations face significant fire risks at some time. In natural forests, the opening of the forest canopy through selective logging usually leads to an extra ground level vegetation. This is often accompanied by an increased ignition hazard due to the presence of forestry workers or members of the public who use forestry roads for access. Forest fire prevention and control activities must be an integral part of the operational plan for plantation area and complied with the country's forest regulation. This calls for a plan to establish a fire control unit, define roles and responsibilities, and detail prevention, public education, patrolling, enforcement and fire response programs. To avoid and/or mitigate the risk, the following measures will be considered:

- Selection of tree species and planting season are suitable with natural condition of the proposed areas to prevent habitat disturbance;
- Selection of suitable cultivation techniques with site conditions of the proposed areas;
- Applied silvicultural techniques to be trained;
- Selection of quality seedlings which are suitable with difficult site conditions;
- Mixed-species plantation should be prioritised; and
- Forest fire risks – assess the risk of wildfires caused by natural events (e.g. lightning strikes) or human.

### **Development of a fire risk monitoring system**

Preparation of a formal fire management and response plan supported by the necessary resources and training, including training for workers in the use fire suppression equipment and evacuation. Procedures may include coordination activities with local authorities.

### **Conducting training on the forest fire prevention plans**

Forestry operations should be equipped with fire suppression equipment appropriate for the size of operations and that meets internationally recognised technical specifications (e.g. fire beaters and knapsack sprayers, small portable water pumps and tanks, and water tankers).

Undertake regular removal of high-hazard fuel accumulations (e.g. through thinning and prescribed burns). Time thinning and prescribed burns to avoid forest fire seasons. Prescribed burns should adhere to applicable burning regulations, fire suppression equipment requirements, and typically must be monitored by a forest guard or dedicated fire protection plantation worker.

Establishment and maintenance of a network of fire breaks of less flammable materials or cleared land to slow progress of fires and allow fire-fighting access. The width of a fire break is normally from 10 - 15 m and needs to be maintained every year.

#### **4.8 PRINCIPLES FOR SUSTAINABLE FOREST MANAGEMENT**

The DAFO/PAFO will promotes the following processes and forest management activities:

- Forest management shall respect all applicable laws of the country, international treaties and agreements to which the country is a signatory and comply with all Principles and Criteria.
- Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.
- The legal and customary rights of indigenous peoples to own, use and manage their lands, territories and resources shall be recognised and respected.
- Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.
- Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.
- Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by doing so, maintain the ecological functions and the integrity of the forest.
- A management plan - appropriate to the scale and intensity of the operations - shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.
- Monitoring shall be conducted - appropriate to the scale and intensity of forest management to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.
- Management activities in high conservation value natural forest communities shall maintain or enhance the attributes that define such forests. Decisions regarding high conservation value natural communities shall always be considered in the context of a precautionary approach.
- While plantations can provide an array of social and economic benefits and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forest communities. Plantations should be planned and managed in accordance with the preceding nine principles

- The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the plantation management plan, and clearly demonstrated in plan implementation.
- The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods shall be used in the layout of the plantation, consistent with scale. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.
- Diversity in the composition of plantations is preferred so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and stand structures.
- The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. To enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only where their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease or insect outbreaks and adverse ecological impacts.
- A proportion of the overall plantation area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to return the site to a natural forest cover.
- Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rates of harvest, road and trail construction and maintenance, and the choice of species shall not result in long-term soil degradation or adverse impacts on water quality, quantity or substantial deviation from natural stream course drainage patterns.
- Measures shall be taken to prevent and minimise outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilisers. Plantation management should make every effort to move away from chemical pesticides and fertilisers, including their use in nurseries.
- Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessments of potential on-site and off-site ecological and social impacts (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being). No species shall be planted on a large-scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use and access.
- Plantations established in areas converted from natural forests (Natural forests are forest areas where most of the principle characteristics and key elements of native ecosystems,

such as complexity, structure and diversity are present, and include primary and secondary forest ecosystems.

#### **4.9 COMMUNITY FORESTRY MANAGEMENT**

Community forest management would be dependent on the local situation i.e. is there any community forest, and this would be managed through the VFMA. However, the program design takes the following into account:

- The extent to which the livelihoods of local communities depend on and use trees in the program and adjacent areas;
- The institutional, policy, and conflict management issues involved in improving the participation of indigenous people and poor people in the management of the trees and forests included in the program area; and
- Forest product and forest service issues relevant to indigenous people and poor people living in or near forests in the program area, as well as opportunities for promoting the involvement of women.

Proposed mechanism for benefit sharing among forest users include:

- Benefit sharing must be both equitable and transparent;
- Community forest management is considered as a livelihood development or poverty alleviation form of forestry, and the income generated from selling timber and non-timber forest products can be used for common community interests and as a direct form of compensation or income for communities;
- Based on the growth data over five years, benefits can be calculated for each stage of the 5-year plan; and
- Comparing the actual number of trees from each forest plot against the SFM guidelines, the community can calculate which trees can be harvested. SFM is therefore used as a control for determining harvesting rates and benefits to be shared.

SFM would be organised through the village meetings to decide on the following issues:

- The amount that households can harvest annually for their personal consumption; and
- The amount of surplus trees (if available) that can be harvested to contribute to the village fund for forest management.

The following Forests OP 4.36 requirements apply

- The World Bank does not finance projects that, in its opinion, would involve significant conversion or degradation of critical forest areas or related critical natural habitats areas. .
- The World Bank does not finance projects that contravene applicable international environmental agreements.
- The World Bank does not finance plantations that involve any conversion or degradation of critical natural habitats, including adjacent or downstream critical natural habitats. When the Bank finances plantations, it gives preference to siting such projects on un-forested sites or lands already converted (excluding any lands that have been converted in anticipation of the project). In view of the potential for plantation projects to introduce

invasive species and threaten biodiversity, such projects must be designed to prevent and mitigate these potential threats to natural habitats.

#### **4.10 DANGER FROM AND MITIGATION OF UXOs**

The parts of the program area were significantly affected by previous conflicts during the Indochina War and risk assessment of residue UXOs may need to be conducted in some areas. The program activities will be conducted only after completion of this assessment. This is not a rapid process. Are there any estimates of when the full area would be potentially available to the range of ER-P interventions? The Program would need to liaise with and provincial authorities and who in turn would be aware of the critical issues and areas from the local military and the de-mining NGOs which already operate in the program area where UXO's are found. It has been standard practice for many years for any construction activity to include a UXO survey these are by necessity very detailed. Therefore, it is anticipated that UXO risk assessment and survey will be conducted for all the subproject sites, once they are identified, and UXO clearance (if needed) will be carried out by qualified agencies, usually a specialised army unit. Construction activities will not be allowed prior to UXO clearance.

## 5 PROCEDURES FOR REVIEW, CLEARANCE AND IMPLEMENTATION OF SAFEGUARD INSTRUMENTS

### 5.1 SAFEGUARDS PROCESS AND PROCEDURES

The ER-P aims to support programs that would prevent adverse impacts and harm to local communities and to the environment. Any residual impacts will be addressed in line with the World Bank safeguards policies. Environmental and social screening and impact assessment will be carried out, together with the preparation of safeguards documents, mitigation measures including public consultations.

Table 27 outlines the process that is required for ER-P Subprojects to be compliant with World Bank and GoL safeguards. REDD+ Division/DoF will be responsible for review and approval of all activities/sub-projects.

**Table 27 Safeguards process for sub-projects**

| Step | Action  | Responsibility  | Tools   | Result  |
|------|---|---|---|---|
| 1    | Identify and describe Subproject                        | District or Village authorities, support from provincial REDD+  | Document results  | Well-defined Subproject. Continue to Step 2   |
| 2    | Check that the Subproject is eligible                   | District or Village authorities, support from provincial REDD+  | Non-eligible checklist (1)  | If Subproject not eligible: Return to Step 1 or stop<br>If Subproject eligible: Continue to Step 3  |
| 3    | Identify all stakeholders, and convene for consultation | District or Village authorities, support from provincial REDD+  | EGPF procedures, FPIC, Gender awareness   | If Stakeholders approve Subproject continue to Step 4<br>If Stakeholders do not approve, return to Step 1 or stop                             |
| 4    | Perform SG screening                                    | Registered Safeguard consultants supporting District or Village authorities. Additional support from provincial REDD+ | Site Sensitivity checklist (see Table 26), Environmental / social Checklist (2) See also ESMF Section 5.3.5 | Completed checklists. Continue to Step 5  |
| 5    | Determine Subproject SG category (WB and MoNRE)         | Safeguard consultants, Additional support from provincial REDD+   | OP 4.01, MoNRE IEE/ESIA requirements  | Categorization submitted to MoNRE for approval. If approved, continue to Step 6. If not approved, re-do previous steps and re-submit, or stop |
| 6    | Determine if GAP is required                            | Safeguard consultants, Additional support from provincial REDD+   | See ESMF section 8, OP 4.20 guidance, GAP for the ER-P  | GAP prepared Continue to Step 7.  |

| Step | Action   | Responsibility  | Tools  | Result  |
|------|--|---|--|---|
| 7    | If MoNRE does not require IEE or ESIA            | MoNRE ESIA Division. Safeguard consultants, Additional support from provincial or central REDD+   | Ministerial Instruction: Process of IEE of Investment Projects and Activities No. 8029/MoNRE, 17 December 2013 | Continue to Step 8  |
|      | If MoNRE requires IEE                            | Same as above   | Same as above, also ESMF   | Check WB requirements (Step 8) then prepare IEE (and ESMMP if required by MoNRE) to comply ESMF and MoNRE requirements                              |
|      | If MoNRE requires ESIA                           | Same as above   | See ESMF   | [Subproject not eligible. See Checklist 1]<br>Check WB requirements (Step 8) then prepare ESIA and ESMMP to comply with ESMF and MoNRE requirements |
| 8    | Category C                                       | Safeguard consultants, Additional support from provincial or central REDD+  | Document results   | Enter decision into the SIS<br>Continue to Step 9   |
|      | Category B                                       | Same as above   | MoNRE IEE guidance   | Prepare IEE and ESMMP, MoNRE for approval   |
|      | Category A                                       | Same as above   | MoNRE ESIA guidance  | [Subproject not eligible. See Checklist 1]<br>Prepare ESIA and ESMMP, and MoNRE for approval  |
| 9    | Continue on-going Stakeholder engagement process | Same as above   |  | On-going, documented stakeholder involvement  |
| 10   | Implement ESMMP                                  | Same as above, plus contractors   | ESMMP, ESMF  | Monitoring program accomplished   |
| 11   | Implement SIS                                    | Central REDD+ office. Registered Safeguard consultants supporting District or Village authorities. Additional support from provincial REDD+ | ESMF Section 6   | On-going SIS to include all safeguards documentation for the Subproject.  |
| 12   | Closure  | Same as above plus  | MoNRE guidance on  | Closure report submitted  |



| Step | Action | Responsibility | Tools           | Result   |
|------|--------|----------------|-----------------|--|
|      |        | MoNRE          | closure reports | and approved by MoNRE. If not approved, additional mitigation may be necessary |

Key steps to be taken in this section consist of:

- 1) Step 1: Safeguard screening and impacts assessment;
- 2) Step 2: Preparation of safeguard documents as required including development of mitigation measures and public consultation;
- 3) Step 3: Safeguard clearance and information disclosure.
- 4) Step 4: Safeguard implementation and monitoring.

## 5.2 SAFEGUARDS SCREENING AND IMPACT ASSESSMENT

### Purpose of Screening

Screening of REDD+ projects, subprojects, and activities takes place in two stages. The first screening stage takes place when a REDD+ project is first proposed, prepared, and assessed. The purpose of screening at this stage is two-fold: firstly, to assess the potential contribution of the proposed project; and secondly, to ensure that if approved and implemented, the proposed project would produce positive results and not harm the environment and communities. The second screening stage takes place during project implementation when its subprojects and activities are proposed for execution. The purpose of further screening during project implementation is to ensure that the subprojects and activities to be allocated with REDD+ resources would effectively contribute to the attainment of the REDD+ project development objectives without harming the environment and communities. A helpful tool for screening is to consider the sensitivity of the area where the activity or subproject will take place. Table 28 shows the types of issues that should be considered to determine this sensitivity, and therefore the level of safeguards and mitigations that are needed.

### Review, Approval, and Disclosure of Safeguard Documents

The National REDD+ Program and Provincial REDD+ Task Force groups are responsible for review of the subproject/activity safeguard documents and have them approved by the responsible government agencies before approval and commencement of subproject works.

**Table 28 Sub-project site sensitivity and World Bank Safeguards**

| Safeguard Policy or Site Characteristic      | SITE SENSITIVITY   |  |   |
|--|--|--|---|
|  | Low Sensitivity  | Medium Sensitivity   | High Sensitivity  |
| Environmental Assessment (OP 4.01) Screening | Screening determines WB Category C and no IEE or ESIA required by GoL. | Screening determines WB Category B and an IEE required by GoL. | Screening determines WB Category A and an ESIA required by GoL. |

| Safeguard Policy or Site Characteristic                                 | SITE SENSITIVITY  |  |  |
|---|---|--|--|
|   | Low Sensitivity   | Medium Sensitivity   | High Sensitivity   |
| Natural Habitats (OP 4.04)  | No natural habitats present of any kind   | No critical natural habitats; other natural habitats occur.  | Critical natural habitats present.   |
| Pest Management (OP 4.09)   | No chemical pesticides or herbicides required for the activity at this site, and no nearby sensitive areas or water features. | Possible need for minor use of chemical pesticides or herbicides required for the activity at this site. No nearby sensitive areas or water features likely to be contaminated.    | Possible need for significant use of chemical pesticides or herbicides required for the activity at this site. Presence of nearby sensitive areas or water features that would be likely to be contaminated. |
| Indigenous Peoples (OP 4.10)  | No indigenous population.   | Dispersed and mixed indigenous populations; mainstream (highly acculturated) indigenous populations.   | Indigenous territories and reserves; vulnerable indigenous populations.  |
| Physical Cultural Resources (OP 4.11)                                   | No known or suspected physical cultural resources as per OP 4.11 including sacred grove present.                              | No physical cultural resources (PCR) as per OP 4.11 including sacred grove present but has historical record from villagers or local authorities potential to chance find the PCR. | Physical cultural resources as per OP 4.11 including sacred grove present.   |
| Involuntary Resettlement (OP 4.12)                                      | No new sites are required. Project site is already acquired and is free of squatter; legal tenure is well- defined.           | Project site has tenant renters. Yet to be acquired.   | Project site will entail resettlement of vulnerable or required land more than 10% of agriculture land.  |
| Natural hazards vulnerability; floods, soil stability/erosion/ typhoons | Flat terrain; no potential stability/erosion problems; no known volcanic/seismic/flood risks.                                 | Medium slopes; some erosion potential. Medium risks to erosion.  | Mountainous terrain; steep slopes; unstable soils; high erosion and land slide potential; volcanic, seismic or flood risks.  |
| Gender and Development, OP/BP4.20                                       | Women and men in the area have relatively equal responsibilities for labor, access to land and decision-making.               | Men in the area have traditionally somewhat greater access to land and decision making than women.   | Men in the area have traditionally much greater access to land and decision making than women. Women have a disproportionate responsibility for labor.   |
| Forest (OP 4.36)  | No production, conservation and protection forest present of any kind.  | Production forest present but no conservation and protection forest present.   | Conservation and protection forest present.  |

## **Environmental Concerns of Screening**

The keywords of concern in the two-stage screening process are “REDD+ attainment” and “no harm to the environment and communities”. GoL has developed a screening process for the first stage, which applies to proposed REDD+ projects and takes into account the environmental concerns of development partners. This process is described in the immediately following section. As for the second stage when a REDD+ project is already under implementation, a simple way to screen out subprojects and activities is to apply a negative checklist of activities, i.e. a list of prohibited activities that will not be supported by REDD+ resources (e.g. human resources, financing, facilities, and time). Activities of major environmental concern have been identified in the Safeguards Framework and should be included in the negative checklist. They include but are not limited to the following:

- Destruction of natural habitats and forests, except those for priority national development that have been identified before the approval of the REDD+ project. It is the responsibility of GoL to identify the sites of planned deforestation and inform the process of preparing the REDD+ project.
- Expansion or relocation of settlements inside the natural habitats and forests of the REDD+ project area, except those for priority national development that have been identified before the approval of the REDD+ project. It is the responsibility of GoL to identify the sites of planned settlements and inform the process of preparing the REDD+ project.
- Displacement of communities and their livelihoods, except those for priority national development that have been identified before the approval of the REDD+ project. It is the responsibility of GoL to require the proponents of approved development projects to prepare and implement plans for mitigating the impacts of the displacement.
- Operations or activities that contribute to the vulnerability of communities to natural disasters.
- Forestry operations in the REDD+ project area, such as logging or processing of timber products and new roads, which are not accompanied by approved management and operational plans.
- Introduction of non-native species or genetically modified planned varieties into the forest area covered by the REDD+ project.
- Construction in the REDD+ project area of any scale that leads to significant negative environmental and social impacts.
- Development or procurement of facilities such as guns, chainsaws, dangerous chemicals, prohibited pesticides, and other investments that are detrimental to the environment.

## **Screening of Subprojects and Activities in On-going REDD+ Projects**

Screening of subprojects and activities when a REDD+ project is already under implementation is done for the purpose of ensuring that only acceptable subprojects and activities are allocated REDD+ resources, such as REDD+ funds, and that the mitigation of negative environmental

impacts and the enhancement of positive environmental impacts are provided for. Checklist 1 in Annexure 1 provides a list of ineligible and prohibited activities.

### **Conducting IEE or ESIA for Screening REDD+ Projects and Subprojects**

The Ministerial Instruction on the Process of Initial Environmental Examination of Investment Projects and Activities (2013), endorses a list of investment projects and activities that are required to prepare an Initial Environmental Examination (IEE) or an Environmental and Social Impact Assessment (ESIA). Investment Projects and Activities are classified into 5 sectors, namely: (1) Energy Sector, (2) Agriculture and Forestry Sector, (3) Industrial Processing Sector, (4) Infrastructure and Service Sector, and (5) Mining Sector. The Agriculture and Forestry Sector will be the focus of REDD+ projects, but there could also be proposals in the Industrial Processing Sector. Table 29 shows some relevant examples of investment projects and activities in these two sectors that are required to prepare either an IEE or ESIA.

**Table 29 Projects and activities required to prepare an IEE or ESIA**

| <b>Investment projects and activities</b>            | <b>Shall prepare an IEE</b>               | <b>Shall prepare an ESIA</b>           |
|--|---|--|
| <b>GoL Safeguards for relevant sectors</b>           | Moderate impacts or risks (WB Category B) | Major impacts or risks (WB Category A) |
| <b>2. Agriculture and Forestry Sector</b>            |   |  |
| 2.1 Planting and cutting industrial tree plantations | 20-200 ha                                 | >200 ha                                |
| 2.2 Growing industrial crops                         | 20-400 ha                                 | >400 ha                                |
| 2.3 Livestock raising                                | ≥ 500 heads                               |  |
| 2.4 Poultry raising                                  | ≥ 5000 chicks                             |  |
| 2.5 Pig raising                                      | ≥ 500 heads                               |  |
| 2.6 Aquaculture in industrial ponds                  | ≥ 10 ha                                   |  |
| 2.7 Aquaculture in cages along rivers                | ≥ 300 m <sup>2</sup>                      |  |
| 2.8 Crocodile raising                                | ≥ 100 heads                               |  |
| <b>3. Industrial Processing Sector</b>               |   |  |
| 3.11 Rattan and bamboo processing                    | All                                       |  |
| 3.12 Plywood processing                              | ≤ 100,000 m <sup>2</sup> /year            | > 100,000 m <sup>2</sup> /year         |
| 3.13 Paper processing                                | ≤ 30 tons/day                             | > 30 tons/day                          |

The Department of Natural Resources and Environmental Policy (DNEP) of MoNRE is designated as the central coordinator with relevant stakeholders and responsible for the review and approval of the ESIA, ESMMP and SESA documents as well as negotiating the environmental and social obligations of the project developers in the Concession Agreements (hydropower and infrastructure projects) or MEPA (for mining projects). The Department of Natural Resources and Environmental Inspection (DNEI) under MoNRE is responsible for the enforcement and reporting of IEE and ESIA preparation.

### **ESIA Process**

The 2015 ESIA guidelines provide the structure and requirements for ESIA preparation. The ESIA process includes the following phases, which cover all aspects from project screening, subsequent operations, and closure:

- **Phase I: Screening.** Screening is the first phase during which the project proponent must check if the project or activity is required to undertake an IEE, ESIA, or none. More details is provided in Ministerial Agreement on the Endorsement and Promulgation of List of Investment Projects and Activities Requiring for Conducting the Initial Environmental Examination or Environmental and Social Impact Assessment No. 8056/MONRE (2013). In most cases, this is a straightforward assessment, but when in doubt the project proponent should consult with MoNRE to determine whether or not an IEE or ESIA is required.
- **Phase II: Scoping and TOR.** In Phase II the project proponent through a registered environmental service provider defines the scope of the ESIA studies and prepares the Terms of Reference for these studies. MoNRE then gives comments and either requires some revisions or approve the scoping and TOR documents, which then provides the framework for the ESIA studies.
- **Phase III: ESIA studies and approval.** Phase III is the conduct of the ESIA studies covering 4 steps: Step 3.1 is the actual environmental and social assessment studies and investigations, which must be carried out by a registered environmental service provider on behalf of the project proponent. During this step the project proponent shall disclose information about the project or activity and conduct consultations at national, provincial, and local levels with concerned stakeholders. Step 3.2 is the review by MoNRE of the submitted ESIA studies including an Environmental and Social Management and Monitoring Plan (ESMMP). The review consists of an administrative review followed by a technical review. During the latter, MoNRE will call for comments from concerned stakeholders, arrange consultations at national and provincial level and conduct site visits. In the case of a complex project, MoNRE will appoint a panel of experts to provide technical opinions. Steps 3.3 and 3.4 MoNRE makes a decision on the final ESIA and its ESMMP and either requires further revisions to the ESIA and/or the ESMMP, or approves the ESIA and the ESMMP and issues an Environmental Clearance Certificate (ECC), or rejects the ESIA and its ESMMP. As a general rule, project operation may not commence without a valid and effective ECC for the ESIA and the ESMMP. Once the ECC is obtained, the project proponent must start the project within two years of ECC issuance and only one request for an extension will be allowed. A rejection will result if the proposed project is materially incompatible with GoL policies and strategies for natural resources and environment management, in which case the project will not be allowed to be implemented. MoNRE provides the timeline for the four steps.
- **Phase IV: ESMMP-Construction Phase preparation and approval.** Phase IV only applies to complex projects where MoNRE may require the project proponent to prepare and submit a separate ESMMP-CP, which must be approved before construction can start.
- **Phase V: ESMMP-Operation Phase preparation and approval.** Phase V is the operation phase of the project.

- **Phase VI: Project closure.** Should a project closure happen the project proponent must inform MoNRE, the project affected persons, and other stakeholders about the implementation of the closure plan. This is required whether the closure is planned or unplanned. A project closure report is then prepared upon completion of the closure. MoNRE will determine whether the project proponent has implemented the closure satisfactorily and in accordance with all legal requirements.

The ESIA Report consists of the following sections: Table of Contents; Acronyms and Definitions; Executive Summary; Endorsement of the ESIA; Project Context; Policy, legal, and Institutional Framework; Project Description; Project Alternatives; Description of the Natural and Social Environment; ESIA and Mitigation Measures; Risk Assessment; Cumulative Impact Assessment; and Consultations and Disclosure.

### **Application of the Screening Process to REDD+ Projects and Subprojects**

The requirements for conducting ESIA of proposed REDD+ projects may be stricter than the requirements under MoNRE regulations. For example, Category A projects proposed for World Bank funding or for funding support by other donors but following the World Bank process require the preparation of ESIA. The MoNRE process for preparing ESIA is robust and should be sufficient for the ESIA preparation purposes of donor projects. On the other hand, ESIA preparation following donor guidelines, e.g. World Bank, is also robust and should be sufficient for the ESIA preparation purposes as required under MoNRE regulations. It is important that MoNRE be engaged in the ESIA preparation from an early stage to ensure equivalence in the ESIA preparation process.

Risks associated with strategic REDD+ interventions, as well as the PRAP policies and measures (PAMs), which may result in negative environmental impacts are not expected to be serious as to warrant a separate Environmental and Social Management and Monitoring Plan as may be required by MoNRE in addition to what this ESMF already serves.

### **Approving the Use of REDD+ Resources in Subprojects and Activities**

In addition to the application of the negative checklist, for its approval by Project Management the proposal for the allocation of REDD+ resources in subprojects and activities shall include a subproject or activity description that includes the expected environmental impacts, if any, the significance of the impacts, and the mitigation measures in the case of significant negative impacts. A project monitoring officer within the Project Management Office shall check that this requirement is complied with.

These steps aims to confirm the eligibility of subproject and/or activities to be financed by the Project as well as identify the potential environmental and social impacts of the subprojects/activities including categorization of the subproject into A, B, or C, identification of WB safeguard policy to be triggered, and identification of safeguard documents to be prepared as required by Environmental Assessment OP/BP 4.01, Indigenous Peoples OP/BP 4.10, and Indigenous Peoples OP/BP 4.12.

- Screening process during project/activity design, preparation, and assessment, including:
  - o Assurance that it does not fall into the Non-eligibility and Prohibited Activities List

- Documentation of FPIC ongoing consultation with affected stakeholders
- The provision of appropriate mitigation procedures to address expected negative environmental and social impacts,
- Provision that prior to the implementation of activities they conform to the Safeguards Framework (both World Bank and GoL requirements).

**Environmental Impacts and mitigation measure** provides an indicative listing of expected environmental impacts resulting from the implementation of the proposed interventions to implement the ER project. Table 30 also associates the expected impacts with the environmental safeguards being prompted and points to the stage in safeguards management that the proposals and actual operations are made so that the negative impacts are mitigated and the positive impacts are enhanced. Further aspects of safeguards management are taken up in subsequent sections.

**Table 30 Environmental impacts and mitigation measures**

| <b>Environmental impact and safeguards prompted</b>   | <b>Strategic interventions or PAMs as possible cause</b>   | <b>Stage for proposing impact mitigation or enhancement</b>   |
|---|--|---|
| <b>On biodiversity and habitat</b> <ul style="list-style-type: none"> <li>• Biodiversity and its conservation.</li> <li>• Micro/macro habitat.</li> <li>• Alien/invasive species.</li> </ul> <b>On forest area and forest quality</b> <ul style="list-style-type: none"> <li>• Deforestation</li> <li>• Biomass</li> <li>• Forest quality</li> </ul> <b>On forest management and forest landscape management</b> <ul style="list-style-type: none"> <li>• Standard and sustainability of forest management.</li> <li>• Forest restoration and enhancement.</li> <li>• Protection from further fragmentation of the forest landscape.</li> <li>• Watershed and ecosystem conservation.</li> </ul> Potential for conversion of natural forest into plantations. <b>On other forest ecosystem services</b> <ul style="list-style-type: none"> <li>• Reducing the emission of carbon dioxide and methane.</li> <li>• Enhancing soil fertility.</li> <li>• Enhancing water retention of soils.</li> <li>• Protecting slopes from landslides and other hazards</li> </ul> | Potential <b>positive environmental impacts</b> resulting from: <ul style="list-style-type: none"> <li>• Moving to “green growth” policy, adopting a “zero deforestation” policy, and limiting feeder road incursion into forests.</li> <li>• Revising the Land Law and Forest Law and the laws on concessions and investments</li> <li>• Re-delineation of the three categories of state forests.</li> <li>• Allowing commercial village forestry enterprises.</li> <li>• Enforcement of policies, laws, and regulations specifically to stop the expansion of plantations into forest areas and enforcing salvage logging plans and state-only selling of salvaged timber.</li> <li>• Cross-cutting PAMs in PRAPs to strengthen and streamlining policies and legal framework, improved forest governance and law enforcement, sustainable forest landscape management, improved provincial, district, and village level land-use planning, and REDD+ alternative business model development and value chain integration.</li> <li>• Forest Sector PAMs in PRAPs to establish an enabling environment</li> </ul> | <ul style="list-style-type: none"> <li>• Measures for enhancing the positive environmental impacts included in preparing the project and in project screening.</li> <li>• Specifying the enhancement measures of positive environmental impacts in the operational guidelines and in training and extension materials.</li> <li>• Monitoring the application of enhancement measures of positive environmental impacts.</li> <li>• Reporting and inclusion in the Safeguards Information System.</li> </ul> |

| Environmental impact and safeguards prompted   | Strategic interventions or PAMs as possible cause  | Stage for proposing impact mitigation or enhancement  |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Providing for alternative energy sources.</li> <li>• Reducing grazing pressure</li> <li>• Enhancing the scenic, spiritual, and cultural value</li> <li>• Absorbing chemical and smoke pollution and solid waste.</li> </ul>   | <p>to implement and scale up sustainable forest management and forest landscape restoration.</p>   |   |
| <p><b>On biodiversity and habitat</b></p> <ul style="list-style-type: none"> <li>• Biodiversity and its conservation.</li> <li>• Micro/macro habitat.</li> <li>• Alien/invasive species (follow Natural Habitats OP/BP 4.04).</li> </ul> <p><b>On forest area and forest quality</b></p> <ul style="list-style-type: none"> <li>• Deforestation</li> <li>• Biomass</li> <li>• Forest quality</li> </ul> <p><b>On forest management and forest landscape management</b></p> <ul style="list-style-type: none"> <li>• Standard and sustainability of forest management.</li> <li>• Forest restoration and enhancement.</li> <li>• Protection from further fragmentation of the forest landscape.</li> <li>• Watershed and ecosystem conservation.</li> </ul> <p><b>On other forest ecosystem services</b></p> <ul style="list-style-type: none"> <li>• Reducing the emission of carbon dioxide and methane</li> <li>• Enhancing soil fertility</li> <li>• Enhancing water retention of soils.</li> <li>• Protecting slopes from landslides and other hazards</li> <li>• Providing for alternative energy sources.</li> <li>• Reducing grazing pressure</li> <li>• Enhancing the scenic,</li> </ul> | <p><b>Risks</b> associated with poor project implementation resulting in <b>negative environmental impacts</b>, such as the following:</p> <ul style="list-style-type: none"> <li>• Securing land-use rights and providing communal and collective land titles could provide opportunities to the land-use rights or title holders to exploit the forest resources on the land, especially with weak law enforcement and monitoring, leading to deforestation and reduction in biomass and quality of the forest, destruction of habitats and loss of biodiversity; setting back the practice of SFM leading to further forest fragmentation and degradation of watersheds and forest ecosystems; and degrading the capacity of forests to deliver forest ecosystems services thus increasing carbon emission, reducing soil fertility and water retention, increasing slope hazards, reducing the scenic, spiritual, and cultural values of the site, and reducing the absorption of pollution.</li> <li>• Commercial village forestry would be faced with some risks in terms of unsustainable harvesting of forest products and exacerbated forest degradation, hence, reduced biomass and forest quality.</li> </ul> | <ul style="list-style-type: none"> <li>• Measures for mitigating the negative environmental impacts included in preparing the project and in project screening</li> <li>• During project implementation and before REDD+ resources are allocated, excluding activities that are in the negative checklist.</li> <li>• Specifying mitigation measures of negative environmental impacts in the operational guidelines and in training and extension materials.</li> <li>• Monitoring the application of mitigation measures of negative environmental impacts.</li> <li>• Reporting and inclusion in the Safeguards Information System.</li> </ul> |



| Environmental impact and safeguards prompted  | Strategic interventions or PAMs as possible cause  | Stage for proposing impact mitigation or enhancement  |
|---|--|---|
| spiritual, and cultural value <ul style="list-style-type: none"> <li>Absorbing chemical and smoke pollution and solid waste.</li> </ul>   |  |   |
| <b>On forest area and forest quality</b> <ul style="list-style-type: none"> <li>Deforestation</li> <li>Forest quality</li> </ul>  | <b>Forest Landscape Management</b> is expected to result mainly in positive environmental impacts, but there are risks associated with poor land-use decisions leading to negative environmental impacts, such as when Forest Landscape decision-makers ignore good FLM decisions, and PLUP being improperly conducted leading the allocation of forests to non-forest uses like agricultural and forest concessions.  | <ul style="list-style-type: none"> <li>During project implementation, participation of Forest Landscape stakeholders in FLM to be promoted and supported for increased transparency in land-use decision-making.</li> </ul>   |
| <b>On forest area and forest quality</b> <ul style="list-style-type: none"> <li>Deforestation</li> <li>Forest quality</li> </ul> <b>On biodiversity and habitat</b> <ul style="list-style-type: none"> <li>Biodiversity and its conservation</li> <li>Micro/macro habitat</li> <li>Alien/invasive species</li> <li>Chemical and solid waste pollution.</li> </ul> | Using forest plantations as the means for <b>Forest Landscape Restoration</b> resulting in monocultures, risk in invasion of adjacent natural forest by non-native species, use of plantation species that are water demanding, exacerbating soil erosion, developing unsuitable habitat for local wildlife, and possible increase in chemical pollution and solid wastes in the environment from the use of pesticides and chemicals in plantations and later processing. | <ul style="list-style-type: none"> <li>During project preparation and screening, detailing the possible negative environmental impacts and specifying the mitigation measures.</li> <li>During project implementation and before REDD+ resources are allocated, excluding activities that are in the negative checklist, providing for mitigation in the training program, and monitoring the subsequent activities.</li> </ul> |

The ER-P, as well as in the PAMs indicated in the PRAPs of the six Northern ER-P provinces, have been formulated with environmental protection and conservation as a foremost consideration. However, there are risks associated with improper implementation, which may result in negative impacts. For example, when forest landscape restoration is implemented by promoting and establishing forest plantations, negative environmental impacts could result, for example on biodiversity and habitat as follows:

- Low potential for habitat and biodiversity conservation as the regenerating vegetation is replaced by monoculture crops.
- Risk of invasion of adjacent natural forest by fast-growing non-native species.
- Some plantation species are water demanding, may exacerbate soil erosion due to the dearth of on-ground litter, and may not provide suitable habitat for local wildlife.

Possible increase in chemical pollution and solid wastes in the environment particularly when pesticides and chemicals are used as part of the forest plantation management regime and subsequent wood processing.

### **Development of safeguard documentation**

Preparation of safeguard documents as required including development of mitigation measures and public consultation.

This step aims to prepare safeguard documents in line with the issues identified in Step 1. Guideline for the preparation of EIA and ESMP, while observing guidelines provided in RPF and EGPF. REDD+ Division/DoF will be responsible for preparation of safeguard documents. Consultation with WB safeguard specialists for complex subprojects is highly recommended.

From the environmental and social perspective, subprojects can become eligible for REDD+ funding after going through a process that involves:

- Identification and description of the subproject, including a rationale or justification for inclusion in the REDD+ program
- Development and implementation of a robust safeguards management process during the operation of the project or activity.
- Monitoring process to ensure that the environmental and social safeguards are addressed and that any negative environmental and social impacts are mitigated.
- Mediation and redress of grievances of concerned stakeholders.

Table 27 above outlines the process that is required for ER-P Subprojects to be compliant with GoL and WB safeguards. The WB will conduct due diligence, providing technical support and capacity building at the program level, not reviewing the sub-project /activity individual safeguards plan.

### **5.3 SAFEGUARDS CLEARANCE AND INFORMATION DISCLOSURE**

The PAFO/DAFO are responsible for review of the subproject/activity safeguard documents and to arrange for the documents to be approved by the responsible government agencies before final approval and commencement of subproject works.

All safeguard documents will be posted in the official website MAF and the project provinces, and hardcopies will be available at PAFO/DAFO, and the subproject sites in local languages. A notification will be published about the disclosure and comments will be sought within one month of the disclosure date. The English ESMF will be disclosed at the WB's external website.

### **5.4 SAFEGUARDS IMPLEMENTATION AND MONITORING**

#### **Purpose and Scope of Safeguards Monitoring**

Unlike the monitoring of project results, the monitoring of environmental and social safeguards is concerned mainly with the manner by which project results indicators are being attained. The purpose of safeguards monitoring is to provide answers to the following questions concerning a REDD+ subproject or activity at three different stages:

- Pre-operational or baseline stage
  - What harm or benefits to communities and the environment are anticipated?
  - What measures are introduced to mitigate the anticipated harm or enhance the anticipated benefits?
- Operational stage
  - Has capacity been built and resources allocated for undertaking the mitigation or enhancement measures?
  - To what extent are the measures being undertaken?
  - What are the problems encountered in undertaking the measures?
  - To what extent are the problems undermining the effectiveness of the measures?
  - What correction actions are being undertaken?
- Post operational stage
  - In spite of the measures, was there any harm done to communities and the environment?
  - What lessons can be drawn for subsequent or future undertaking?

Generic monitoring tools are not provided in this ESMF. Monitoring tools shall be developed by the REDD+ project concerned that are specific to the development objectives and the circumstances of the given project. Moreover, it should be understood that while monitoring tools are useful, their use should not be a substitute for proper training of the implementers, their appreciation of the anticipated results and the process being undertaken, and their capacity to undertake corrective actions in case problems arise. This is because the timeliness of corrective actions so that the desired results are attained is more important than the use of monitoring tools just to find and report the shortcomings or even the total failure of the undertaking.

### **Responsibilities for Safeguards Management and Monitoring**

Project Management shall endeavor to develop a Safeguards Management Operations Manual specific to the project that provides answers to the questions related to safeguards management and monitoring posed in Section 5.4. The questions are by no means exhaustive and Project Management can add further relevant questions to be addressed. Depending on specific project circumstances, e.g. project development objectives and scope, the safeguards manual may be an elaborate document or simply a few page guidelines concerning safeguards management and monitoring.

Depending on the size of the project, a Project Monitoring Unit may be established, which can look after the monitoring and evaluation of the results framework indicators of the project, as well as look after safeguards monitoring. It may be sufficient to have a project monitoring staff working within Project Management to go over a safeguards checklist, including the Negative Checklist, to be able to advice the Project Manager on the allocation of REDD+ resources to proposed project activities, as well as to go over the activity proposal to ensure that proper considerations have been given to safeguards.

### **Kinds of Safeguards Monitoring and the Development of Indicators**

Three kinds of monitoring shall be done:

- **Baseline monitoring.** Baseline monitoring provides information on the specific environmental and social circumstances of a REDD+ project at the time of its inception. A number of agencies are collecting data as part of their functions. Data related to environmental and social safeguards that are collected by an agency can be adapted to the baseline information needs related to safeguards of a given REDD+ project. There is no need for duplication of efforts in baseline data collection. For example, land-use data can be obtained from DOF-FIPD. Data on population and social indicators can be obtained from the Census and Statistics Office.
- **Operational monitoring.** Operational monitoring is concerned not only with the monitoring of the results framework indicators of a given project, but also with various indicators related to safeguards as a given project is being operationalised.
- **Impacts monitoring.** Impact monitoring serves to examine the effectiveness of mitigation measures, identify problems related to the application of the mitigation measures, and suggest corrective actions. Table 31 and Table 32 **below** provide a listing of environmental and social variables, respectively, together with the definition of positive and negative impact related to each environmental or social variable.

**Table 31 Environmental variables and impact**

| <b>Environmental variable</b>  | <b>Positive impact means:</b> | <b>Negative impact means:</b> |
|--------------------------------|-------------------------------|-------------------------------|
| Deforestation                  | Reduced rate                  | Increased rate                |
| Biomass                        | Increased biomass             | Reduced biomass               |
| Forest quality                 | Improved forest quality       | Degraded forest quality       |
| Standard of forest management  | Raised standard               | Lowered standard              |
| Tree planting                  | More trees and area planted   | Less trees and area planted   |
| Carbon and methane emission    | Reduced                       | Increased                     |
| Biodiversity conservation      | Improved                      | Degraded                      |
| Micro/macro habitat            | Conserved                     | Destroyed                     |
| Alien/invasive species         | Introduced                    | Removed                       |
| Forest landscape fragmentation | Reduced fragmentation         | Increased fragmentation       |
| Ecosystem conservation         | Improved                      | Degraded                      |
| Watershed conservation         | Improved                      | Degraded                      |
| Soil fertility/water retention | Increased                     | Reduced                       |
| Slope destabilization/hazards  | Reduced                       | Increased                     |
| Alternative energy sources     | More                          | Less                          |
| Grazing pressure               | Reduced                       | Increased                     |
| Scenic value                   | Enhanced                      | Degraded                      |

|                                |         |           |
|--------------------------------|---------|-----------|
| Chemical/smoke pollution/waste | Reduced | Increased |
|--------------------------------|---------|-----------|

**Table 32 Social variables and their impact**

| <b>Social variable</b>                     | <b>Positive impact means:</b> | <b>Negative impact means:</b>        |
|--|-------------------------------|--------------------------------------|
| Rights/access to land/products             | Improved rights/access        | Exclusion/displacement/elite capture |
| Market/price                               | Increased access/prices       | Reduced access/prices                |
| Benefit-sharing                            | Equitable benefit-sharing     | Exclusion/reduced/loss/elite capture |
| Supply of forest products                  | Increased supply              | Reduced supply                       |
| Livelihood/employment/income               | Increased                     | Reduced                              |
| Poverty                                    | Reduced                       | Increased                            |
| Food security                              | Increased                     | Reduced                              |
| Cooperative/ production group              | Organised/strengthened        | Dismantled/weakened                  |
| Social inclusion/gender balance            | Balanced                      | Unbalanced                           |
| Voice of women                             | Increased                     | Reduced                              |
| Workload and technology                    | Gender friendly               | Disadvantageous to women             |
| Social gaps                                | Reduced                       | Increased                            |
| Cultural norms/services                    | Enhanced                      | Degraded                             |
| Capacity for management                    | Strengthened                  | Stagnant/lost                        |
| Traditional/indigenous knowledge/practices | Increased use                 | Lost/forgotten                       |
| Participation/ownership                    | Increased                     | Reduced/token                        |
| Information                                | Increased access              | Lack of access                       |
| Environmental/social awareness             | Increased                     | Reduced                              |
| Local organizations                        | Strengthened                  | Politicised                          |
| Corruption/bribery/illegal acts            | Reduced/eradicated            | Increased                            |
| Conflict/violence                          | Reduced                       | Increased                            |
| Health                                     | Reduced risk                  | Increased risk                       |

### **Monitoring of drivers**

The discussions on monitoring of drivers and interventions are still in early stages, and stakeholder mapping and overall designing of the monitoring system is currently being undertaken. As discussed in the ERPD (Chapter 4 and 6), the importance of collaboration with the agriculture and investment sector are well recognised, and agencies such as DALAM and DOA under MAF as well as MPI will be engaged in monitoring activities and in the analysis of

the monitoring data. There are also potentials for collaboration with the forest monitoring of FLEGT VPA including adopting satellite-based methodologies for monitoring of illegal logging (EU Joint Research Center), and land concession monitoring (being proposed by CDE Bern University), among others.

### **Safeguards Information System**

The Safeguards Information System will be elaborated in a separate document to be prepared by the DOF REDD+ Division with internal and external consultants' assistance.

### **Training for Safeguards Management and Monitoring**

Safeguards management is a concern of all projects implementing the National REDD+ Program and the ER-P, as well as the REDD+ projects at sub-national and provincial levels. Capacity for safeguards management and monitoring needs to be built in each project, which can be facilitated by the DOF REDD+ Division through a Safeguards Management Training Program that is proposed to be undertaken by the division.

## **5.5 IMPACT MITIGATION AND ENHANCEMENT**

The PRAPs of the six Northern provinces have been formulated with environmental protection and conservation as a foremost consideration. However, there are risks associated with improper implementation, which may result in negative impacts.

REDD+ project activities shall endeavor to enhance the positive environmental impacts and mitigate the negative environmental impacts. The operational procedures for these purposes shall be embedded in the technical guidelines, manual of field operations, training manual, and activity-specific training materials that the REDD+ project will prepare. The implementation of sub-activities and measures that enhance the positive environmental impacts and mitigate the negative environmental impacts shall be included in given REDD+ activity and provided with resources including staff, materials, and funding.

Table 33 provides a number of examples of negative impact mitigation measures and positive impact enhancement measures that are embedded in REDD+ activities. The examples are from PSFM operations of SUFORD-SU in Production Forest Areas. Guidelines are included in the SUFORD-SU PSFM Operations Manual and further described in the project's PSFM training materials. Training of forest officers and participating village teams precedes the conduct of the field activities.

**Table 33 Illustrative mitigation or enhancement measures**

| Activity<br>[Safeguard<br>prompted]                                  | Environmental<br>impact   | Mitigation or enhancement measure   |   |
|--|---|---|---|
|  |   | Description   | Application   |
| <b>Logging in natural forest</b><br><br>[UNFCCC REDD+ Safeguards #5; | Loss of biodiversity from overcutting of preferred high value tree species. | Tree selection rules limiting the harvesting of preferred species to 40-50% of large trees. | Logging planning; tree marking; logging supervision; post-harvest assessment. |
|  | Displacement of   | Disperse the logging sites and  | Logging planning and  |

| Activity<br>[Safeguard<br>prompted]  | Environmental<br>impact                                     | Mitigation or enhancement measure   |   |
|--|---|---|---|
|  |   | Description   | Application   |
| Natural Habitats<br>(OP/BP 4.04);<br>Forests (OP/BP<br>4.36)]  | wildlife.   | shorten the duration to a day<br>in each site.  | supervision;<br>enforcement of hunting<br>rules.  |
|  | Degradation of habitat<br>and scenic and<br>cultural value. | Low-intensity selective<br>cutting with natural<br>regeneration.  | Logging planning;<br>logging supervision;<br>post-harvest assessment.                                     |
|  | Forest landscape<br>fragmentation.                          | Low-intensity selective<br>cutting and natural<br>regeneration.   | Logging planning;<br>logging supervision;<br>post-harvest assessment.                                     |
|  | Destruction of unique<br>forest ecosystems.                 | Zoning and not allowing<br>logging in HCVF3 zone.   | Zoning map; logging<br>planning; enforcement.   |
|  | Loss of biomass   | Low-intensity selective<br>cutting with natural<br>regeneration.  | Logging planning;<br>logging supervision;<br>post-harvest assessment.                                     |
|  | Soil erosion and<br>siltation.                              | Zoning and not allowing<br>logging in HCVF4 zone (steep<br>areas and riparian buffer);<br>good logging road location<br>and alignment; low-impact<br>logging; dry season logging. | Zoning map; logging<br>planning; logging<br>supervision; post-<br>harvest assessment.                     |
|  | Pollution from<br>improper disposal of<br>lubricants.       | Require logging contractors to<br>dispose used lubricants<br>outside the forest area.   | Logging contract; pre-<br>logging conference;<br>logging supervision;<br>enforcement.                     |
| <b>Forest restoration<br/>in fallow forests</b><br><br>[UNFCCC REDD+<br>Safeguards#3,4,5;<br>Forests (OP/BP<br>4.36);<br>Involuntary<br>Resettlement (OP<br>4.12)] | Increase in biomass;<br>carbon sequestration                | Tree planting; assisted natural<br>regeneration.  | Activity planning;<br>supervised<br>implementation  |
|  | Introduction of<br>invasive species.                        | Restricting tree planting in<br>natural forests to native<br>species.   | Species selection for<br>seedling production.   |
|  | Potential for<br>conversion of remnant<br>natural forest.   | Guidelines and control of<br>conversion and protection of<br>remnant natural forest.  |   |
|  | Displacement of<br>livelihood                               | Zoning areas used for<br>livelihood as agroforestry<br>areas; combining tree growing<br>with cash crop production.  | Zoning map; practice of<br>Free-Prior-Informed-<br>Consent (FPIC)<br>procedures; technical<br>assistance. |

## **6 IMPLEMENTATION ARRANGEMENTS**

### **6.1 IMPLEMENTATION INSTITUTIONS**

#### **National Level**

At the national level, DoF/MAF as the implementing agency will be responsible for the preparation and supervision of ESMF implementation. During ER-P implementation, the PAFO and DAFO at provincial and district levels will be responsible for preparing and ensuring the effective implementation of environmental and social safeguard measures and regularly liaising with local authorities and communities. Community level activities will mainly be implemented through the VDCs, with technical and related support from PMU/PPMU/CSOs, research and education institutions and other agencies as required. Inter-sectoral and inter-ministerial structure of the NRTF and the six TWGs will oversee coordination, cooperation and consultation across different sectors. The NRTF, REDD+ Division, and the six thematic TWGs all support the national REDD+ process, working with provincial level institutions.

#### **Ministry of Natural Resources and Environment (MoNRE)**

MoNRE has the primary responsibility for the oversight and facilitation of environmental quality standards, land administration and sustainable natural resources use and conservation, including land use planning and is responsible for preparing the strategy and action plans for natural resources and environment protection. MoNRE has the responsibility for managing the response to climate change and is the national focal point to the UNFCCC.

The PoNRE is the provincial focal agency for land use, natural resources, and climate change related projects and land allocation. PoNRE ensures that the PRAP is implemented in coordination with the PLUP and that the land allocation is conducted smoothly in line with forest allocation that is under PAFO. PoNRE leads and coordinates with PAFO to advise the respective committees at the district level to check and finalise procedures for land and forest allocation and issuance of land use certificates, and integrates REDD+ implementation in land use planning at different levels.

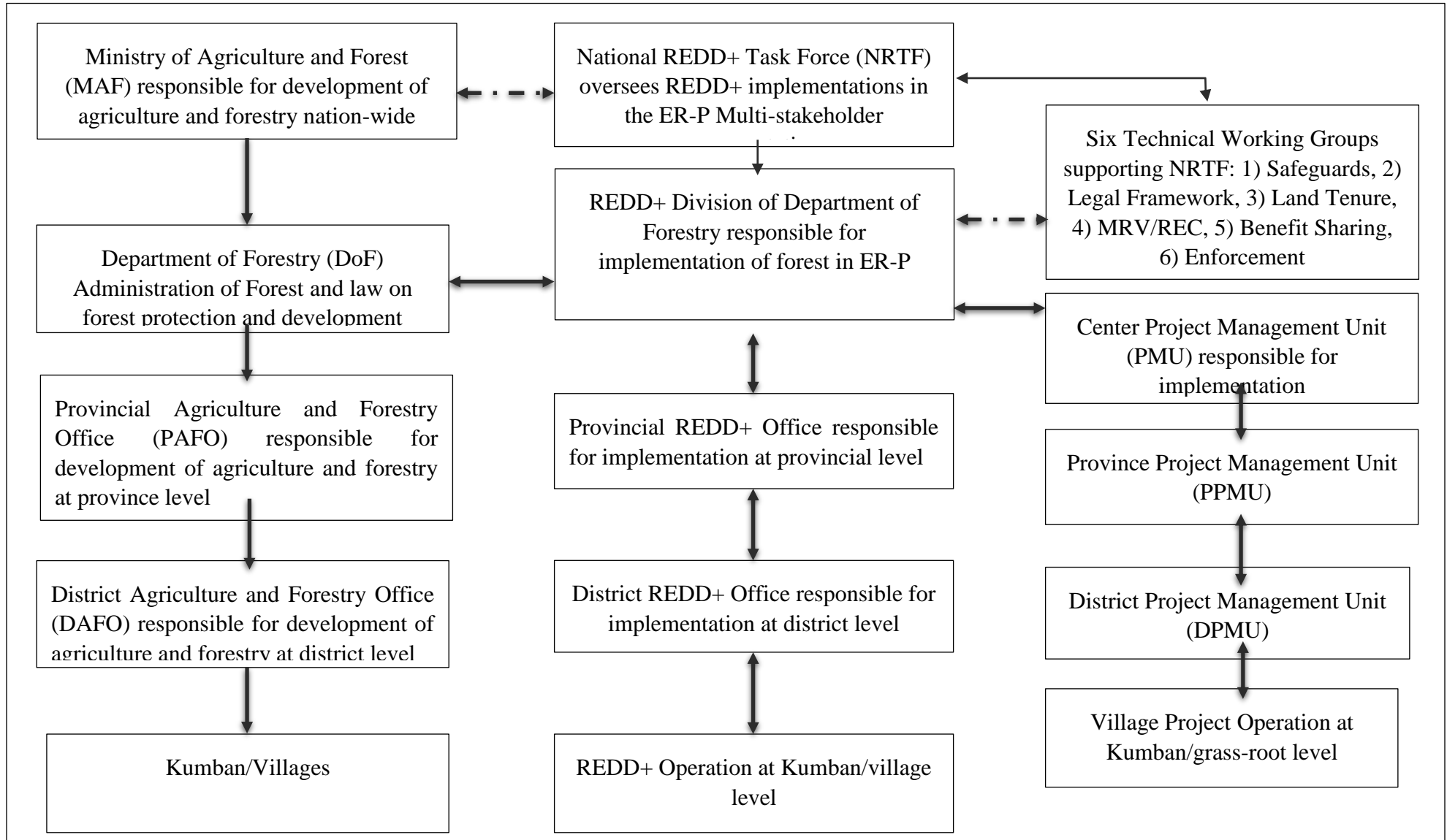
The SESA covers in greater detail the institutional framework concerning REDD+. The following sections focus on the institutional aspects that are relevant to ensuring conformance to the World Bank safeguards requirements and mitigating the environmental and social impacts that may result from the implementation of the National REDD+ Strategy and its programs, projects and activities. The organisational/institutional framework for implementing and monitoring REDD+ sub-projects and activities is depicted in Figure 4.

The REDD+ Division under DoF, will designate at least one staff member and hire a number of long term-full time safeguard consultants for providing oversight, advice and communication with the Safeguard Technical Working Group, relevant donor and implementing agencies, MoNRE and local REDD+ Units on safeguard issues to be considered as well as mitigation measures during the preparation, implementation, monitoring, evaluation of REDD+ sub-projects and activities. Training on safeguards will also be organised for the National REDD+ Task Force,



Safeguard Technical Working Group, Provincial and District REDD+ Units and other relevant stakeholders on a regular basis.

**Figure 4 Organisational Structure for implementation of the ER-P**



Members of the NRTF are presented in Table 34.

**Table 34 Members of the National REDD+ Task Force (NRTF)**

|           | <b>Members</b>  | <b>Relevance to the REDD+ agenda</b>  |
|-----------|---|---|
| <b>1</b>  | Deputy-Minister, Ministry of Agriculture and Forestry   | -ER-Program Entity<br>-Coordination of key sectors including agriculture, forestry, agricultural land management etc. |
| <b>2</b>  | Director General of Department of Forestry.   | -Forest management; REDD+ focal point.  |
| <b>3</b>  | Deputy Director General of Dept. of Forestry.   | -Forest management; REDD+ focal point.  |
| <b>4</b>  | Deputy Director General of Department of Agricultural Land Management and Development.  | -Agricultural land management planning, Land use planning   |
| <b>5</b>  | Deputy Director General of Department of Natural Disaster Management and Climate Change, Ministry of Natural Resources and Environment.   | -Climate change; UNFCCC focal point   |
| <b>6</b>  | Deputy Director General of Land Department, Ministry of Natural Resources and Environment.  | -Land governance; -Land use master planning, -Legal framework for land tenure security                                |
| <b>7</b>  | Deputy Director General of Foreign Currency Department, Ministry of Finance.  | -REDD+ fund mechanism;<br>-Government counterpart on World Bank financed projects                                     |
| <b>8</b>  | Deputy Director General of Ethnic Group Department, Lao Front for National Development.   | Ethnic group promotion; Social safeguards; Poverty reduction; Feedback and Grievance redress mechanism                |
| <b>9</b>  | Director of Europe-America Division, Department of International Cooperation, Ministry of Planning and Investment                         | National development planning, Concession management; Responsible investment promotion; Private sector engagement     |
| <b>10</b> | Deputy Director of Administration Division, Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment. | Environmental safeguards; ESIA monitoring of concessions and land leases.   |
| <b>11</b> | Director of Division of International Administration Law, Ministry of Justice.  | ER Program transactions; legal reform.  |
| <b>12</b> | Director of Energy Conservation and Saving Division, Ministry of Energy and Mines   | Sector-related drivers (e.g. hydropower, mining).   |
| <b>13</b> | Director of Party and Personnel Division, National Lao Women's Union.   | Social safeguards; Gender mainstreaming; Participation of women.  |
| <b>14</b> | Director of Planning and Cooperation Division, Department of Forest Inspection (DoFI), MAF.   | Forest monitoring and enforcement; FLEGT; Degradation (logging) monitoring.   |
| <b>15</b> | Deputy Director of Research and Technical Management Division, Faculty of Forestry Science, National University of Lao.                   | Forest sciences; Participatory forest management; Forest regulatory reform; etc.                                      |
| <b>16</b> | Deputy Director of Chamber of Industry and Commerce.  | Sector-related drivers (e.g. agriculture industry and concession).  |

### **Technical Working Groups**

At the TWG, functions are thematic and cross-cutting with technical staff assigned from relevant Government departments to provide technical advice to the NRTF. It is at the TWG that development partners provide technical support and targeted capacity building through multilateral and bilateral REDD+ program and projects covering the REDD+ thematic components. In addition to reporting the progress from respective thematic areas, the TWGs consult the NRTF on issues which require consultation and coordination among the TWGs as

well among different sectors. The NRTF also serves as a responsible entity for streamlining the approaches and thematic areas dealt by the six TWGs. Table 35 outlines the six TWGs.

**Table 35 Technical Working Groups supporting REDD+**

| <b>TWG area of work</b>                        | <b>Chair/Co-chair</b>   |
|--|---|
| <b>Legal Framework</b>                         | Chair: Department of Forestry, Ministry of Agriculture and Forestry<br>Co-chair: Department of Forestry, Ministry of Agriculture and Forestry   |
| <b>Land-use</b>                                | Chair: Land Department, Ministry of Natural Resources and Environment<br>Co-chair: Department of Forestry, Ministry of Agriculture and Forestry |
| <b>REL and MRV</b>                             | Chair: Department of Forestry, Ministry of Agriculture and Forestry<br>Co-chair: Department of Forestry, Ministry of Agriculture and Forestry   |
| <b>Safeguards</b>                              | Chair: Ethnic Department, Lao Front for National Development<br>Co-chair: Department of Forestry, Ministry of Agriculture and Forestry          |
| <b>Benefit Sharing</b>                         | Chair: Department of Forestry, Ministry of Agriculture and Forestry<br>Co-chair: Department of Forestry, Ministry of Agriculture and Forestry   |
| <b>Strategy Enforcement and Implementation</b> | Chair: Department of Forestry, Ministry of Agriculture and Forestry<br>Co-chair: Department of Forestry, Ministry of Agriculture and Forestry   |

### **Coordination Mechanisms**

MAF and DoF participate in the program to develop activities related to the forestry sector for institutional arrangements and policies.

The working relationship between NRTF, DoF, and PMU: NRTF is meant to provide guidance, coordinate and direct the DoF and PMU by monitoring the management and organisation of implementation of the program as a whole to achieve stated objectives, progress, quality and efficiency as set out in the current regulations on the Program Management and Implementation.

The PMU at central level, will deal with the cross-cutting issues, and facilitate the coordination between the different ministries, departments, general departments under MAF, MoNRE and MPI. This will enhance the synergy and the unified direction from central to grassroot levels. PMU, under the direct guidance of NRTF and DoF, carries out the tasks as assigned and will coordinate with other relevant organisations.

The working relationship between DoF and PMU is for the coordination in carrying out the program activities in a manner complying with targets, progress, quality and efficiency as set out in the program documents, agreements and relevant Laws.

The working relationship between PMU and PPMUs: PPMUs are under the guidance of PMU, which provide professional expertise, inspection, monitoring and evaluation for all the components and activities in a manner complying with all conditions specified in the ERPD.

The main responsibilities of ministries and management entities are given in Table 36.

**Table 36 Main responsibilities of ministries and main management entities**

| <b>Ministry or Management Entity</b> | <b>Main responsibilities in the ER Program</b>   |
|--------------------------------------|--|
| The Ministry for Agriculture and     | MAF is responsible for the promotion of agriculture, fisheries, forestry and irrigation in Lao PDR. MAF is the program owner, with the management and responsibility for |

| Ministry or Management Entity                         | Main responsibilities in the ER Program   |
|---|---|
| Forestry (MAF)  | <p>use funds.</p> <p>As part of this Program MAF is accountable to the GoL to ensure the following: (i) issuing Decisions to organise the program implementation; (ii) approving master plans for Program implementation; synthesising and approval of the annual work programs and implementation plans; (iii) issuing guidelines for the procedures for procurement in accordance with the current law on procurement; (iv) organisation of monitoring and evaluation of the program implementation to ensure that the Program is conducted in line with the progress, quality and objectives set out; (v) be responsible for the management and use of funds and preferential loans under its management; and (vi) fulfill its tasks and rights in accordance with the current law, implementation of international conventions.</p>   |
| Department of Forestry (DoF/MAF)                      | <p>DoF is tasked with advising and supporting the minister in managing the country's forests. Responsibilities include forest governance responsibilities for implementation of regulations issued by the Government; monitor natural forest resources and forest inventory; guide integrated production of agriculture, forestry, socio-economic development; improve forestry and forestry product exploitation; guide and govern forestry handing over, rent, reclaim, change use of forestry; perform governance responsibilities for forestry rangers; take the leading role in preventing deforestation and degradation; perform governance responsibilities for prevention of forest fires and other disasters; and deploy preventive and restorative measures.</p> <p>DoF is the focal agency for REDD+ and is responsible for coordinating all efforts and activities among government agencies, private organisations, NGOs, CSOs and international development partners in REDD+ implementation. DoF/MAF reports to the National Steering Committee on the progress of REDD+ activities.</p> <p>DoF coordinates and works with MoNRE to prepare national reports on Climate Change (national communication to the UNFCCC) and directly assists MAF in the development of policies related to the authorisation of ER-P and the transfer of carbon emission reduction rights.</p> |
| Ministry of Natural Resources and Environment (MoNRE) | <p>MoNRE has the primary responsibility for the oversight and facilitation of environmental quality standards, land administration and sustainable natural resources use and conservation, including land use planning and is responsible for preparing the strategy and action plans for natural resources and environment protection. MoNRE has the principality forcing responsibility for managing the response to climate change and is the national focal point to the UNFCCC.</p> <p>Within the Program, MoNRE (DoNRE) will support the process of forest land allocation and land use planning.</p>   |

### Key Stakeholder Roles and Responsibilities

At the national level, government agencies are responsible for the coordination of the ER Program, with specific roles and responsibilities. An assessment of capacity and gaps in each of these institutions has been carried out and the capacity development is to be enhanced for the implementation of the GFL. Roles and responsibilities of key stakeholders are given in Table 37.

**Table 37 Key stakeholder roles and responsibilities**

| Key Stakeholders | Capacity, roles and responsibilities |
|------------------|--------------------------------------|
|------------------|--------------------------------------|

| Key Stakeholders  | Capacity, roles and responsibilities  |
|---|---|
| National REDD+ Division   | Division within DOF responsible for the overall implementation and coordination of REDD+ activities throughout the country. Supports the PRO with capacity building, policy review and revision and in its provincial management duties.  |
| Ministry of Planning and Investment (MPI) – Department of Planning (DoP)                      | National level ministry responsible for the coordination and development of national development strategies and action plans. Ensures the cooperation and integration across ministries to achieve stated national socio-economic goals. Supports the capacity building of its provincial line agencies to ensure planning processes and development plans integrate spatial planning and forest land management. |
| Ministry of Agriculture and Forestry (MAF)  | National level ministry responsible for policy, management and protection of forestry and agricultural resources.   |
| Department of Forestry (DoF)  | Department within MAF responsible for policy development, management and protection of forest resources nationally. Conducts policy analysis, revision and alignment in support of PRAP objectives. Provides capacity building and technical support to PAFO for PRAP implementation.   |
| Department of Forestry Inspection (DoFI)  | DoFI responsible for the inspection and law enforcement of forest and wildlife laws and regulations. Provides technical support and capacity building to PoFI for provincial level law enforcement in support of the PRAP.  |
| Department of Forestry – Division of Village Forestry and NTFP Management                     | Division under DOF responsible for policy development, guidelines and technical support for the development of village-level forest and NTFP management. Provides technical support and capacity building for PAFO on the implementation of village forest management (VFM).  |
| Department of Agriculture (DoA)   | Department within MAF responsible for policy development, management and protection of agricultural resources nationally. Conducts policy analysis, revision and alignment in support of PRAP objectives. Provides capacity building and technical support to PAFO for PRAP implementation.   |
| Department of Agriculture Land Management (DALAM)   | Department within MAF responsible for agricultural land management and planning. Provides capacity building and technical support to PAFO for PRAP implementation of land-use plans and land allocation.  |
| Department of Irrigation (DoI)  | Department within MAF responsible for expanding access to irrigation infrastructure for agricultural cultivation, primarily for rice production. Provides technical support and capacity building for the expansion of paddy area in the province under the PRAP.   |
| Department of Technical Extension and Agricultural Processing (DTEAP)                         | Department within MAF responsible for the provision of agriculture and extension services and processing as well as the development of local-level cooperatives. Primarily a technical service provider. Provides technical support and capacity building to PAFO in support of PRAP implementation.  |
| Ministry of Natural Resources and Environment (MoNRE) – Department of Land Management Section | Department within the Ministry of Natural Resources and Environment (MoNRE) responsible for land-use planning and allocation. Supports PoNRE – Land Management Section with land-use planning and allocation under the PRAP.  |
| National Agriculture and Forestry Research  | National level institute that conducts policy, technical and market research and analyses in the agriculture and forestry sectors. Supports policy review   |

| Key Stakeholders          | Capacity, roles and responsibilities   |
|---------------------------|--|
| Institute (NAFRI)         | and research into innovative agricultural models for implementation under the PRAP   |
| Ministry of Finance (MoF) | National level ministry responsible for management and distribution of national and international sources of finance and funds. Supports the design, establishment and implementation of the financing scheme for PRAP agriculture and forestry investments. |

In addition, GFLL implementation will involve the following stakeholders and participants:

### **National REDD+ Task Force**

The NRTF will have oversight over the National REDD+ Fund policy making and decisions and will be responsible for effective inter-ministerial coordination.

### **Technical Teams**

The mandate of the Technical Teams would be to provide specific support for effective implementation of project requirements and components. These teams would be established by implementing agencies in the province, district, and village cluster, or kumban, village cluster levels. The technical teams would receive additional support from consultants and staff so that they can carry out community consultation and implement activities.

### **Beneficiary Communities**

Communities in the six program provinces are the most important stakeholders and beneficiaries of the sub-projects that promote sustainable management of different landscapes and natural resources and have a positive impact on livelihoods and wellbeing

### **Village Level Institutions**

The Village Development Committee (VDC) is the key representative of the community and will be a key stakeholder in village level planning, coordination and implementation of activities. The VDC will manage the village development fund and facilitate the establishment of the committees that will focus on livelihood development, law enforcement, and, monitoring and evaluation. Other committees will be established based on need and local context. These village level institutions will support community groups in the implementation of project activities.

### **Village Mediation Units**

Village Mediation Units (VMUs) are authorised to play a key role in resolving grievances based on negotiation and consensus in line with the legal framework and acceptable local tradition. The VMU will be accessible to the community and manage feedback and grievances.

### **Partner Institutions**

Partner institutions will provide diverse support to stakeholders based on their discipline and skills that will contribute to effective implementation of project activities and enhance benefits to communities. Partners will include staff of national and regional universities, non-profit associations, and mass organisations like the LFND and the LWU.

## 6.2 ESMF IMPLEMENTATION

### National and Sub-National Levels

Policy matters pertaining to the implementation of the National REDD+ Program including the ESMF will be the responsibility of the National REDD+ Task Force. The National REDD+ Office, is in the DoF/MAF REDD+ Division, serves as the Secretariat. The management responsibilities of the REDD+ Division for ESMF implementation will include:

- Screening of REDD+ projects, subprojects, and activities for NRTF.
- Coordination with MoNRE concerning ESIA processes including the review, approval and monitoring of proposed REDD+ projects
- Liaison with relevant GoL agencies including the National Assembly representatives at the central and local levels concerning the Feedback and Grievance Redress Mechanism
- Safeguards monitoring and evaluation during sub-project implementation and prior to closure
- Operationalisation and administration of the Safeguards Information System
- Capacity building concerning safeguards training and risk management
- Coordination with the different REDD+ TWGs, especially with the Safeguards TWG, pertaining to the implementation of ESMF

**The ER-P will be implemented at the sub-national level covering the six Northern Provinces of Bokeo, Huaphan, Luang Namtha, Luang Prabang, Oudomxay, and Sayabouri. Implementation of the ER- P will be undertaken by DoF and relevant divisions of DoF under the coordination of the REDD+ Division and REDD+ Offices. Refer to Figure 5 for institutional framework for safeguards implementation and monitoring and**

Table 38 - Institutional responsibilities for safeguards management.

### Social and Environmental Safeguards Units (SESUs)

At each REDD+ division and office, for facilitation of safeguards implementation, a Social and Environmental Safeguards Unit (SESU) would be established. At DoF/PMU, the SESU consists of two trained staff, a coordinator, supported by a communications officer. DoF/PMU will work with the six target provinces, through PPMU coordination of DAFO, PAFO, PoNRE and DoNRE in implementing the ER-P. In order to facilitate ESMF implementation, as well as for coordination of the implementation of the PRAP of respective provinces a SESU would be established at PPMU Luang Prabang to implement ESMF for the cluster of three provinces of Luang Prabang, Huaphan, and Sayabouri, consisting of two trained staff. A second SESU would be established in PPMU Luang Namtha, to carryout ESMF in the cluster of provinces of Luang Namtha, Bokeo and Oudomxay.

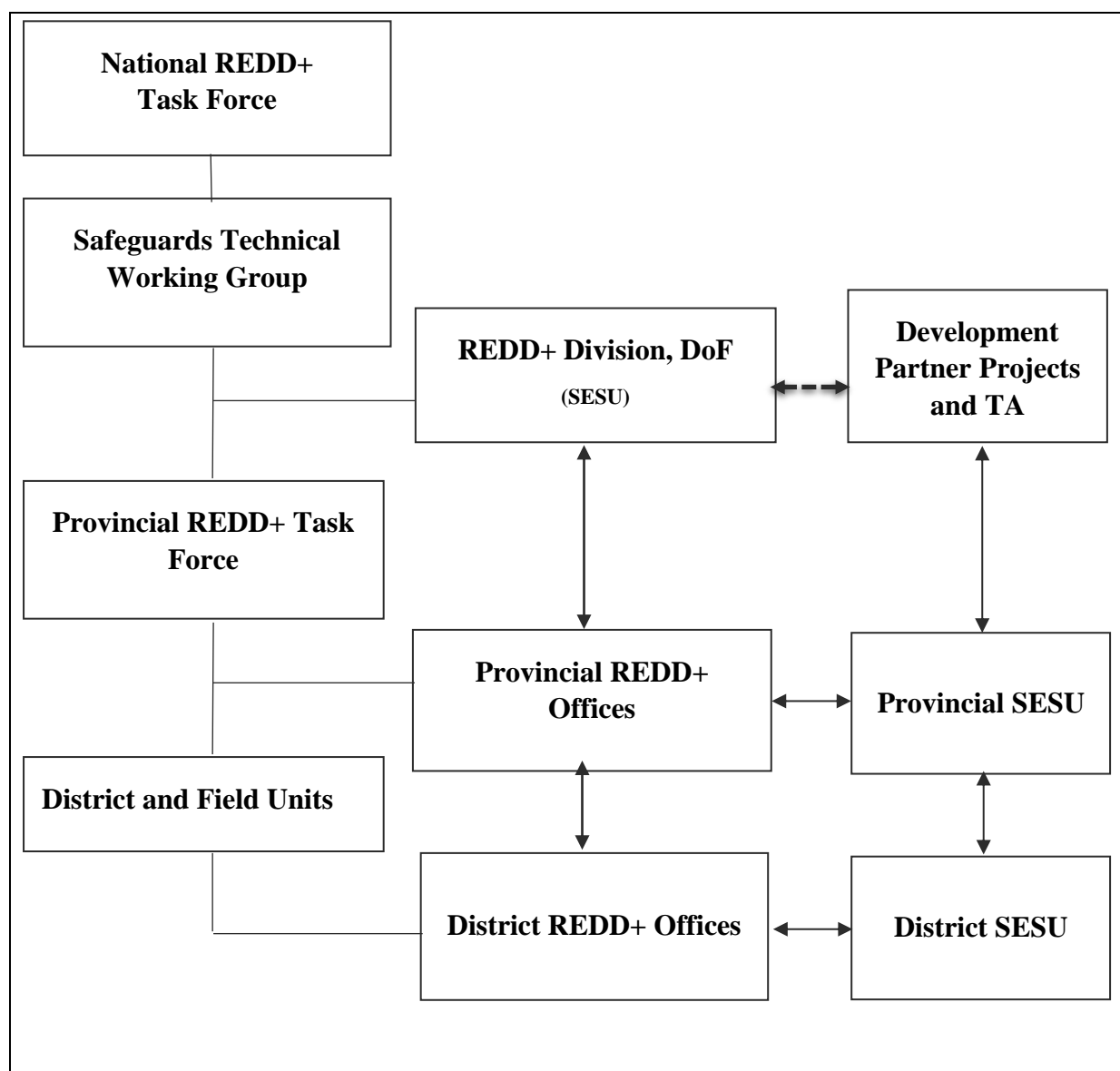
### Provincial Level

The institutional framework at the national level is mirrored at the provincial level. The Provincial REDD+ Task Force looks after policy matters, while the Provincial REDD+ Office serves as the Secretariat of the Provincial REDD+ Task Force. It will also provide coordination and oversight in the implementation of the PRAP. The functions of the



Provincial REDD+ Office pertaining to ESMF implementation are similar to those of the DoF REDD+ Division but scaled down to provincial level. Safeguards management goes down to the district and field levels through DPMU/SESUs. A similar implementation arrangement is applied for District REDD+ Offices and Task Forces in the ERPD Provinces. Actual implementation will be undertaken by the District REDD+ Offices through DPMU designated in the organisational framework indicated in the PRAP depending on the REDD+

**Figure 5 Institutional framework for safeguards implementation and monitoring**  
aspects being implemented in the district and lower levels.



**Table 38 Institutional responsibilities for safeguards management**

| Community/ Agencies   | Responsibilities  |
|---|---|
| Program Implementing Entity (DoF) and Project Management Unit (PMU)   | <ul style="list-style-type: none"> <li>- The DoF will be responsible for overseeing the Program implementation including ESMF implementation and environmental performance of the program.</li> <li>- PMU, representative of the DoF, will be responsible for monitoring the overall Program implementation, including environmental compliance of the Program. PMU will have the final responsibility for ESMF implementation and environmental performance of the Program during the construction and operational phases.</li> <li>- PMU will: (i) closely coordinate with local authorities in the participation of the community during the program preparation and implementation; (ii) monitor and supervise ESMF implementation including incorporation of ESMF into the detailed technical designs and bidding and contractual documents; (iii) ensure that an environmental management system is set up and functions properly; (iv) be in charge of reporting on ESMP implementation to the DoF and the World Bank.</li> <li>- To be effective in the implementation process, PMU will establish a Social and Environment Unit (SESU) with at least two safeguard staff to help with the environmental aspects of the Program.</li> </ul> |
| Social and Environmental Safeguards Unit (SESU) under REDD+ division at DoF (PMU), and REDD+ Offices at provincial and district levels. | <ul style="list-style-type: none"> <li>- The SESU is responsible for monitoring the implementation of the World Bank's environmental safeguard policies in all stages and process of the Program. Specifically, this unit will be responsible for: (i) screening subprojects against eligibility criteria, for environment and social impacts, policies triggered and instrument/s to be prepared; (ii) reviewing the subproject IEE/EIAs/ESMPs prepared by consultants to ensure quality of the documents; (iii) helping PMU/PPMU of DoF incorporate ESMPs into the detailed technical designs and civil works bidding and contractual documents; (iv) helping PMU incorporate responsibilities for ESMP monitoring and supervision and other safeguard consultants as needed; v) providing relevant inputs to the consultant selection process; (vi) reviewing reports submitted by the CSC and safeguard consultants; (vii) conducting periodic site checks; (viii) advising the PMU on solutions to environmental issues of the subproject; and ix) preparing environmental performance section on the progress and review reports to be submitted to the Implementing Agency and the World Bank.</li> </ul>                                    |
| PPMUs and PMU   | <ul style="list-style-type: none"> <li>- As the subproject/activity owner, PPMU/PMU is responsible for implementation of all the ESMP activities to be carried out under the Program, including fostering effective coordination and cooperation between contractor, local authorities, and local communities during construction phase.</li> </ul>   |

| Community/ Agencies  | Responsibilities   |
|--|--|
|  | PPMU/PMU of will be assisted by the environmental staff, safeguard consultants.  |
| Independent Third Party Monitoring (TPM)                   | <ul style="list-style-type: none"> <li>- The TPM will perform independent verification of self-reporting data provided by the DoF and annual audits of a sample of ER Program activities including safeguards documentation, consultation processes, effectiveness of management measures specified in the Safeguards Plans, and disclosure of information, among other important aspects.</li> <li>- The TPM will provide timely information to the DoF on specific issues of non-compliance or significant implementation problems so that the PE can take corrective actions, if needed.</li> <li>- The TPM will provide information to the World Bank on systemic safeguard performance issues which may require changes in management approach and/or additional financial or human resources.</li> <li>- The TPM will disclose the results of monitoring to inform concerned stakeholders about implementation experience under the ERPA Operation.</li> <li>- The TPM will have extensive knowledge and experience in environmental monitoring and auditing to provide independent, objective and professional advice on the environmental performance of the Program.</li> </ul> |
| Communities  | <ul style="list-style-type: none"> <li>- Community: According to Lao practice, the community has the right and responsibility to routinely monitor environmental performance during construction to ensure that their rights and safety are adequately protected and that the mitigation measures are effectively implemented by the PMU/ PPMUs. If unexpected problems occur, they will report to the CSO and/or PMU/PPMUs.</li> </ul>  |
| Social organisations, NGOs and civil society organisations | <ul style="list-style-type: none"> <li>- These organisations could be a bridge between the provincial and district communities, Contractors, and the PMU/PPMUs by assisting in community monitoring.</li> <li>- Mobilising communities' participation in the subprojects, providing training to communities and Participating in solving environmental problems, when they arise.</li> </ul>   |
| Province and District<br>PAFO/DAFO, PoNRE/DoNRE            | <ul style="list-style-type: none"> <li>- Oversee implementation of subprojects under recommendations of DoNRE and PPMU/PMU to ensure compliance of Government policy and regulations.</li> <li>- PoNRE is responsible for monitoring the compliance with the Government environmental requirements.</li> </ul>   |

**Project Implementation Arrangement at Kumban/Village Level** Based on Lao PDR's National REDD + program, community stakeholders are defined as actors within the following five major groups: government, local communities, civil society, private sector and development partners. Development is founded on the committees formed for design and

implementation of projects, ably assisted by provincial and district officials. It is well known that the capacity of officials working in the agriculture and forestry in the district and provincial levels should be enhanced for better management of REDD + projects proposed.

The piloting of village forestry was followed by the institution of participatory management of production forests for nation-wide application as an official government policy in the early 2000s.

Capacity assessments have indicated that a lower level of actual staff than required or planned across all departments and divisions.

Projects and programs implemented by SUFORD, LENS 2 and others have shown that community participation is the backbone of execution to attain success. Having analysed the experiences of those projects, Kumban/Village Cluster has been given full focus for use at implementation.

Each Kumban consists of four to six villages, considering the geographical situation and convenience of guidance by the District Project Management Unit (DPMU), adequately provided with specialised manpower, created to serve each and every Kumban.

Under the guidance of both provincial and district REDD + task forces, with trained personnel of district line agencies, project activities would be implemented with community participation. If the necessity arises, District Technical Coordination Center (DTCC) may be formulated, consisting of trained officials from line district agencies, specially trained personnel on income generation matters, to assist the Project Management Unit (PMU/PPMU/DPMU), under the guidance of the Village Development Committee (VDC).

The PMU is responsible for preparation of all different types of development plans, with the initial assistance of DPMU. Personnel at DPMU, and VDC would be imparted with sufficient knowledge and training for proper implementation of projects, identified as feasible, through community participation.

Each VDC is guided by a chosen Village Authority (VA), consisting of three to five members. VA is responsible for execution of rules and regulations of the GoL, but VDC is responsible for socio-economic development based on PRAP. Each VDC consists of five to seven appointed members (depending on the number of inhabitants), and with a minimum participation of 30-50 % of women.

At the very outset of project formulations, community engagement process commences at the grass-root level with the application of project cycle (reconnaissance/planning/design/implementation/monitoring, evaluation and mitigation and impact evaluation), to enable awareness raising, dissemination of aims and purposes, advantages and short comings to be known and seeking active participation.

Problems encountered, aims and objectives, training needs assessment etc. would all be given high importance. Community governance, including PMU/PPMU has to raise awareness of REDD+ activities at school and village levels, with the main aim of shifting cultivation stabilisation, and alternative income generation activities introduction to prevent harmful forest exploitation and destruction of forest. Specialised training relevant to alternative income generation activities would be imparted to staff at provincial and district levels, including members of PMU/PPMU.

The DPMU consists of seven members, with special emphasis for a member from the MoES, to enhance awareness on REDD + other matters, to school children and the youth. A person would be engaged with proper training on NTFP matters and income generation activities for stabilisation of shifting cultivation, smart agriculture development, especially for women.

Considering the population and poverty status in the six provinces of the target area of the project, with due emphasis paid to the land and forest cover in each province, a methodology would be jointly developed for benefit sharing, for encouragement of shifting cultivation stabilisation and conservation of forests.

Foremost, the persistence of the number of poor people in each province should be taken into account and pro-poor approach for poverty alleviation measures must be initiated. Encouragement should be for rational use of available forest resources, agro-forestry introductions and measures for fallow land conversion to sustainable productive agriculture land. Carbon sequestration and positive steps for proper land use plan implementation should be rewarded.

Figure 6 illustrates the implementation arrangements at the provincial/district and kumban/village levels. At the district level under the guidance of the PPMU, activities would be implemented through technical committees, with the help of village development committee, and sub committees on: livelihood, law enforcement, and monitoring and evaluation. Different groups of livestock development, paddy cultivation, handicrafts and others would be overseen by the VDC.

### **Responsibility for ESMF implementation by other projects**

Bank's safeguards policies apply to the entire ER-P irrespective of financing source (that is, all activities included in the ERPD follow WB policies). Since the ESMF and other safeguard frameworks provide clear guidance on how to comply with the safeguards of the program, the future projects that are financed by bilateral donors and are located within the program area and contributing to the program objectives need to adopt and follow the safeguards of the ER-P. This can be done by signing a memorandum of understanding (MOU) between MAF as the PE and the project owner. The MoU will cover background of the ER-P and the project, common objective, commitment to compliance with the safeguards of the program, implementation arrangement, and monitoring, evaluation, and reporting. An alternatively, the World Bank, as Trustee, should conduct due diligence as part of appraisal to confirm that there are systems in place to screen/evaluate project activities that may later be included in the ER Program to ensure that they will be implemented in a manner consistent with the ESMF. For the bilateral donors' projects that are ongoing at the time of ERPA signing, the World Bank, as Trustee, should conduct due diligence as part of appraisal to determine whether these activities are being implemented in a manner consistent with the ESMF. Such due diligence may include, for example, site visits and communications with the financiers of those activities to understand the safeguards that have been applied to such activities. This level of due diligence would be necessary to ensure that, at the time of ERPA signing, the ER Program only includes the ER Program activities that are consistent with the ESMF.

For other projects financed by the government budget and located within the ER-P area and contributing to the achievement of the ER-P objectives, they will need to adopt and implement the safeguards of the program.

For the similar projects that are financed by the Bank they will need to follow their own safeguards requirements which are relevant to the ER-P.

### **Payment for Emission Reductions Generated Before the Signing of Emission Reductions Payment Agreements**

Carbon Fund of the Forest Carbon Partnership Facility (FCPF) allows for the accounting of and payment for emission reductions (ERs) generated under the ER Program before ERPA signature. The ERs generated before ERPA signature are required to meet the requirements of the FCPF Methodological Framework. Potential payments for such ERs are subject to the General Conditions Applicable to ERPAs for FCPF ER Programs. In order to receive potential payments under an ERPA for ERs generated before ERPA signature (retroactive ERs) an ER Program will have to meet the following five conditions:

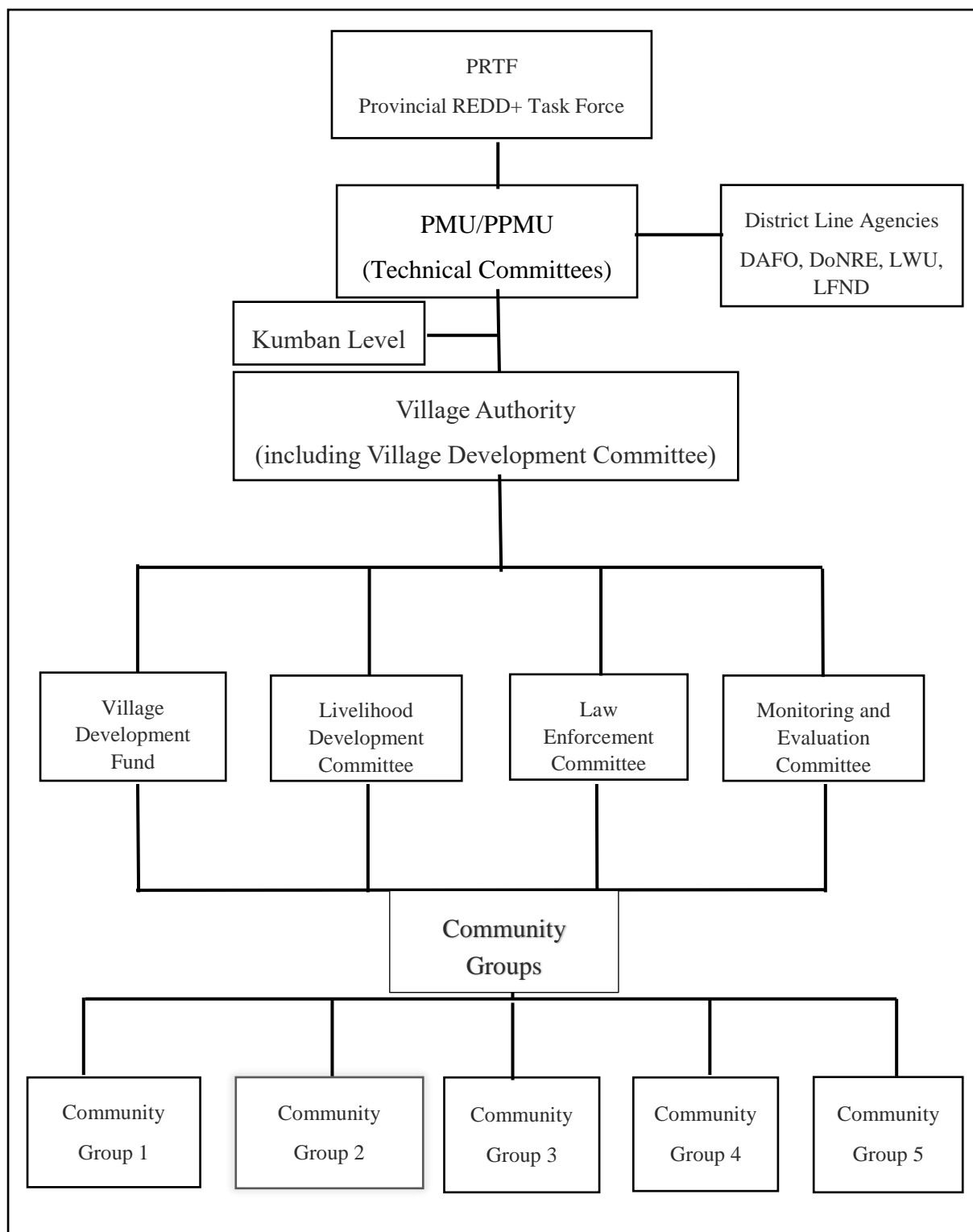
- 1) The ER Program has been selected into the Carbon Fund portfolio, and the implementation of at least one of the ER Program Measures has started. The first Reporting Period under an ERPA can start only after the ER Program has been selected into the Carbon Fund portfolio unconditionally or, in the case of provisional selection, after all conditions for selection have been met. This condition would ensure that the payments are made only for (retroactive) ERs that would not have been achieved without the ER Program.
- 2) The Program Entity has started to implement ER Program Measures in a manner consistent with the ESMF for the ER Program. The first Reporting Period under an ERPA cannot start before the time when the Program Entity has started to implement ER Program Measures in a manner consistent with the Environmental and Social Management Framework (ESMF) for the ER Program. Specifically, before signing ERPAs, the World Bank approves the ESMF for the ER Program. The Program Entity would then provide evidence, in form and substance satisfactory to the Trustee, to demonstrate that the ER Program Measures generating the (retroactive) ERs were implemented in a manner consistent with the approved ESMF, which reflects the requirements on safeguards under the Methodological Framework. This condition clarifies that (retroactive) ERs can only be paid for if the ER Program Measures meet the World Bank social and environmental safeguards.
- 3) Forest Monitoring System is operational. The end of the first Reporting Period can only be at a time after the FMS for the ER Program is operational. This condition would allow for (retroactive) ERs to be measured, monitored, and reported in accordance with Section 3.4 of the FCPF Methodological Framework
- 4) **Benefit Sharing.** All payments for (retroactive) ERs are subject to the final Benefit Sharing Plan for the ER Program, as approved by the World Bank. This condition clarifies that payments for ERs generated before ERPA signature also have to be shared in accordance with the approved BSP.
- 5) **Titles to ERs.** All payments for (retroactive) ERs are subject to the Program Entity's demonstrated ability to transfer title to such ERs. This condition clarifies that payments for (retroactive) ERs cannot be made before the Program Entity has demonstrated its ability to transfer title to such ERs

The World Bank has approved the ESMF for the ER Program. The MAF as the Program Entity will conduct due diligence of the donors' projects contributing to ERs to provide evidence, in form and substance satisfactory to the Trustee, to demonstrate that the ER Program Measures generating the (retroactive) ERs were implemented in a manner consistent

with the approved ESMF. This condition clarifies that (retroactive) ERs can only be paid for if the ER Program Measures meet the World Bank social and environmental safeguards. All ERs generated prior to ERPA signature are expected to comply with World Bank social and environmental safeguards, in accordance with the FCPF Methodological Framework and the General Conditions Applicable to ERPAs for FCPF ER Programs.

World Bank will conduct due diligence of ERs generated before ERPA as part of the qualifying process for retroactive payment to ensure that they meet the five conditions above. Specifically, the due diligence will confirm that there are systems in place to screen/evaluate project activities to ensure that they were implemented in a manner consistent with the ESMF. Such due diligence may include, for example, site visits and communications with the financiers of those activities to understand the safeguards that have been applied to such activities

**Figure 6 Implementation Arrangements at Provincial/District and Kumban/Village Levels**





### **6.3 WORLD BANK OVERSIGHT**

During the implementation period of an ERPA Operation, the World Bank has the mandate to supervise the project in line with internal World Bank procedures and directives to ensure effective implementation and compliance of the Program Entity (PE) with agreed management measures. The Bank's primary responsibility for oversight would be to assess whether the environmental and social management systems established by the PE address and respect all aspects of the Safeguard Plans that apply to the ERPA Operation.

The Bank's focus is not to troubleshoot or resolve individual ER-P activity issues, but to take steps to demonstrate that the Safeguards Plans continue to function effectively at the systems level. This includes confirming aspects such as, adequacy of budgets and staffing to support the implementation of the Safeguards Plans; that the PE can demonstrate credibly that environmental and social assessments and management plans are prepared in accordance with the safeguard frameworks; mechanisms for self-reporting and that Third Party monitoring are in place and functional. Additionally, that grievance redress and dispute resolution mechanisms are established and functional and that the implementing entities have the demonstrated ability to solve issues of non-compliance. The Bank will establish a clear timetable for supervision and implementation support missions. In the early years of an ERPA Operation, oversight would typically need to be robust and conducted regularly to verify that systems are functioning as agreed.

#### **Third-party monitoring**

In addition to self-monitoring and World Bank oversight, an important aspect of performance and compliance monitoring is the use of independent Third Party monitors. Third Party monitoring can take various forms but typically would involve a combination of independent verification of self-reporting data provided by the PE and annual audits of a sample of ER-P activities to confirm procedural compliance as well as timely preparation of key documents, post-review of the quality review of safeguards documentation which has been prepared, consultation processes, effectiveness of management measures specified in the Safeguards Plans, and disclosure of information, among other important aspects. Third Party monitoring can serve at least three purposes. First, to provide timely information to the PE on specific issues of non-compliance or significant implementation problems so that the PE can take corrective actions, if needed. Second, Third Party monitors provide information to the World Bank on systemic safeguard performance issues which may require changes in management approach and/or additional financial or human resources. Third, the disclosing the results of monitoring will inform concerned stakeholders about implementation experience under the ERPA operation. In practice, Third Party monitors will typically be private consulting firms, individuals or teams recruited from universities or colleges, government institutes not affiliated with the operation, or NGOs with knowledge and experience in safeguards.

#### **Safeguard reporting arrangements**

Progress towards achievement of the program development objectives including safeguards will be measured through a monitoring and evaluation system and reporting on the ESMF will be an integral part of that and will be supported under the program (refer to Table 39).

**Table 39 Summary of main monitoring and reporting arrangements for the ESMF and related information**

| <b>Monitoring of the ER-Program, safeguards and non-carbon benefits</b>  | <b>Responsibility</b>                  |
|--|--|
| Overall monitoring of the performance of the ER-P, meeting the required activities in the overall program M&E results framework and, checking the reports for monitoring of emissions reductions   | PMU, DoF, MAF                          |
| Overall monitoring of safeguards, the implementation of the regional ESMF  | PMU, PPMU, DoF                         |
| Completion of information monitoring for the SIS for UNFCCC reporting  | PMU, DoF, MoNRE                        |
| Establishment of monitoring systems that can highlight deforestation and forest degradation threats  | PMU, PPMU, Provincial REDD+ Office     |
| Review and monitoring of LUP, PRAP   | PMU, PPMU, Provincial REDD+ Office     |
| Training in data collection, analysis, monitoring  | PMU, PPMUs.                            |
| Community based systems for monitoring   | PMU, PPMUs, VDC                        |
| Independent monitoring of the implementation of the Social Screening Reports of the REDD+ Needs Assessments  | PMU, PPMUs,VDC, independent monitoring |
| Independent monitoring of the implementation of the Process Framework by visiting a representative sample of communities that are experiencing restrictions of access to natural resource use at the end of each year from the second year of project implementation | PMU, PPMUs, independent monitoring     |
| Performance of individuals in terms of improved forest management and business and finance management and performance  | PMU, DAFOs                             |
| - Afforestation, reforestation, transformation for short to long rotations   | PMU, DAFOs/VDCs                        |
| - Forest protection, collaborative management, community forest management   | PMU, DAFOs                             |
| - Biodiversity maintained  | PMU, PPMUs,VDC                         |
| - Avoided deforestation and degradation  | PMU, PPMUs,VDC                         |
| - Improved forest landscape planning changes in forest planned and unplanned conversion  | PMU, PPMUs                             |
| - Dissemination of effective models for collaborative of natural resources as measured through named examples of Natural Resource Use Agreements   | PMU, PAFOs,                            |
| Monitoring of the Resettlement Framework Policy  | PMU, PPMUs, independent monitoring     |
| Monitoring of safeguards and proposed investments in benefits by PPMU and VDCs to help ensure that ERs generated by projects/programs comply with safeguards   | PMU, PPMUs, independent monitoring     |

Monitoring and evaluation (M&E) will be an integral part of the program management and decision-making processes, e.g. to feed lessons learned quickly into revising systems, guidelines, and procedures, as well as the training program of the project. Participatory monitoring and evaluation tools will be used at the village level. For sustainability, M&E at

higher levels will be developed as a routine function of government agencies at those levels, rather than as a project-specific M&E. It is expected that safeguards performance reports will be submitted to the Bank on a yearly basis. The report will describe program progress and compliance with the ESMF. The World Bank will conduct periodic systems supervision including spot checks in the field to ensure that the safeguards are being implemented in compliance.

M&E will cover both program performance monitoring and effectiveness monitoring. Program performance monitoring will determine the progress in program implementation against established benchmarks and milestones indicated in the program document and work plans.

To encourage broad-based participation and to particularly target the poor and vulnerable, participation will be monitored and disaggregated in terms of gender, ethnicity, and household socio-economic status. The following guidelines will be considered when developing the full M and E system and for identifying potential indicators:

- Disaggregate information by gender, ethnic group, and household socio-economic status;
- Involve villagers in designing the monitoring program, collecting data, and drawing conclusions;
- Continue feedback meetings after fieldwork and incorporate recommendations into systems development;
- Biodiversity monitoring;
- Keep disaggregated records of involvement and participation in different activities at village level and also in the databases;
- Note successful and unsuccessful strategies for future reference in curriculum development, field implementation, and other project areas; and
- Identify indicators and tools to measure the project's impacts on women, ethnic groups, and the poor.

M&E will cover both program performance monitoring and effectiveness monitoring. Program performance monitoring will determine the progress in program implementation against established benchmarks and milestones indicated in the program document and work plans.

### **Safeguards Information System (SIS) and progress**

A consultative, multi-stakeholder SIS design process has begun, building on a draft technical proposal for the establishment of a SIS in Lao PDR. The development will initially be the integration of GFL with the SIS and will be established in the six ER-P provinces with the other 12 provinces of central and southern areas following later. Refer to Figure 7 for the technical proposal for Lao SIS.

In the proposal for the development of the SIS, the objectives for the SIS are described as follows:

- The objective of the SIS initially should be to provide information on how the country specific safeguards are being addressed and respected throughout the implementation of REDD+ activities. The short-term objective of the SIS is therefore, to meet UNFCCC safeguards reporting requirements and produce the Summary of

Information (SOI). It is also proposed that the SIS should gather and provide information on safeguards implementation for the proposed Forest Carbon Partnership Facility Emissions Reduction Program, in the Northern six provinces.

- The objective for the system will be to support monitoring of priority activities in the forestry sector, and contributing to the enhancement of governance in the forestry sector, by supporting the monitoring of policy implementation, and law enforcement in the forestry sector.

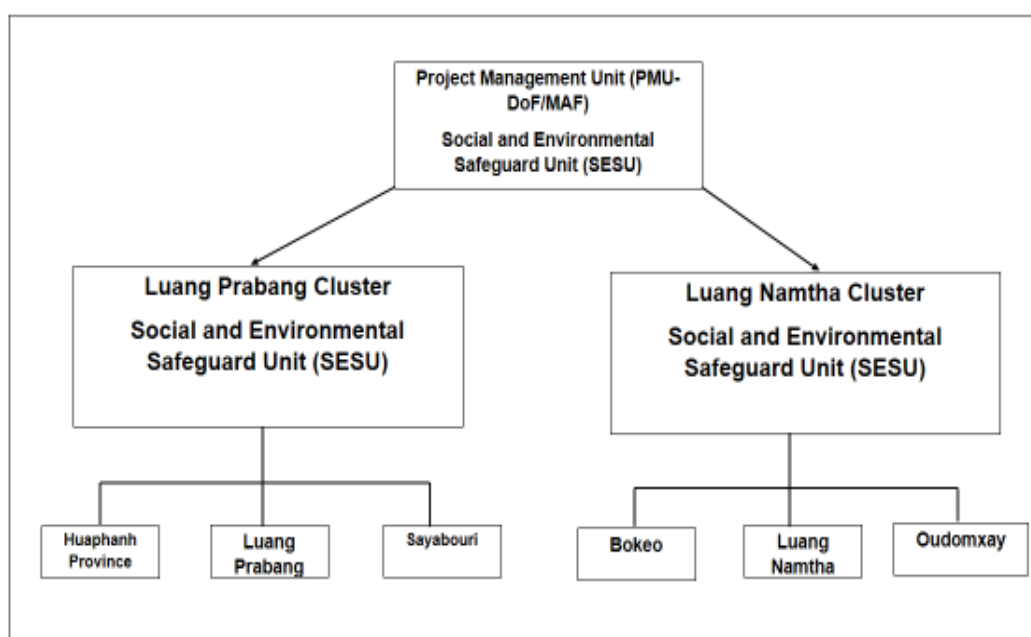
Based on the identified objectives for the Lao SIS, the system and its main outputs (e.g. webpage, SOI) will have target audiences at both the international and national level. Initial discussions suggest the following target audiences:

- **International:** the international REDD+ community, potential donors for REDD+ implementation, and potential purchasers of results-based payments (e.g. Green Climate Fund, bilateral financiers).
- **Domestic:** government staff involved in REDD+ implementation and M&E at national and provincial level, and other relevant agencies of MAF; other government agencies involved in REDD+ implementation, such as MoNRE, MPI and others; national civil society organisations interested in REDD+ implementation and its social, environmental and economic impacts; provincial and local level government agencies involved in REDD+ implementation and M&E.

The SIS-SOI Working Group of the National Sub-Technical Working Group on Safeguards to be established by the DoF/MAF, including key government agencies likely to be involved in providing data/carrying out SIS functions and tasked with submitting the SOI. The National Technical Working Group on Safeguards, will be a multi-stakeholder working group including government and non-government organisations relevant to REDD+ safeguards work is also being guided through consultations.

**Figure 7 Technical Proposal for Lao PDR SIS**

## SIS of GFL



## **7 CAPACITY BUILDING AND TECHNICAL ASSISTANCE**

### **7.1 CAPACITY ASSESSMENT**

#### **Human Resource Capacities**

Currently, the DoF REDD+ Division is comprised of 18 staff and volunteers. The National REDD+ Focal Point is a Deputy Director of the Department of Forestry, who oversees all governmental REDD+ work. The Division is headed by a Director, and four Deputy-Directors. Senior staff members have experience and are fluent in English, and have participated in many regional and international meetings and workshops related to REDD+ over the past decade. However, many of the junior staff members have limited English language skills and have limited experience in REDD+ issues. For preparation of the National REDD+ Program and the ERPD, the staff are currently supported by technical advisers from the REDD+ Readiness Project, CliPAD, and F-REDD, and FAO.

At the provincial level, the Provincial REDD+ Task Forces are comprised of representatives from different sectors, and the PRTF is chaired by the Vice-Governor. The Provincial REDD+ Office is staffed by a few government employees working in the PAFO. Provincial and district staff members, villagers, and other stakeholders have limited understanding of REDD+ issues, but various projects are working to enhance stakeholder capacities in this regard. For example, since mid-2016, the REDD+ Readiness project has supported numerous consultations and workshops. Refer to Table 40 for capacity gaps identified.

#### **Generic institutional REDD+ functional and technical capacity**

REDD+ institutional capacity at both national and sub-national levels is variable and has predominantly been influenced by development partner funding flows. The main priority has been focused on supporting central-level institutional capacity development within MAF and MoNRE.

Many national consultants and local authorities do not have adequate knowledge of GoL and WB safeguard requirements. Therefore, a safeguard training program will be necessary during the implementation of the ER-P. It is expected that safeguard staff of the PMU/PPMU and Social and Environmental Safeguard Units (SESU) are capable of providing training on the ESMF process. However, the assistance of local qualified specialists will be necessary to enhance the capacity of district and community levels to adequately address specific social and environmental issues and scope of the safeguard documents.

In terms of institutional capacity building, organisational development requires further work, with clear mandates, terms of reference for personnel, staff development plans, and so forth. In addition, although the country has received a lot of official development assistance for the forest sector, the sector still remains under-staffed, under-trained, and under-equipped. Forest management centers, and/or extension centres closer to villages, have been proposed as one means to improve extension and forest management.

### **7.2 CAPACITY BUILDING FOR SAFEGUARD APPLICATIONS**

Capacity building in safeguard applications in ER-P and forest management will focus on staff and other stakeholders at the local level where most decisions on resource management are taken.

The REDD+ Needs Assessment will lead and provide inputs for the improved management plans for the ER-P management entities. The management plans will include an analysis of

the roles of institutions and the capacities of all entities involved to implement safeguards and work with communities in implementing ER-P sub-projects. Operational Management Plans of PAFO/DAFO/PoNRE/DoNRE will include capacity building and training on work with communities, training on EGPF, forest law enforcement, infrastructure and human resources development, sustainable and scientific forest exploitation and NTFP management to improve revenues, coordination of the implementation plan, and community based forest protection. All management plans including capacity building would be reviewed and endorsed by the PMU.

Overall the ER-P is expected to help with improving the flow of information on forest management and use of information by DoF/PAFO/DAFO, and national information centers such as the National Forestry Management System (NFMS) database. Central to this will be the Provincial Forest Management System (PFMS) which is being incrementally introduced in all six ER-P provinces and involves forestry communities and village communities in reporting on forest cover and will feed into Forest Inventory and Planning Division's system of monitoring at all levels.

### **7.3 SAFEGUARD TRAINING**

The objective of safeguard training and technical assistance is to ensure that staff and local communities have adequate knowledge and understanding of GoL regulations as well as of safeguard requirements and take action in relation to those in a timely manner. PMU will mobilise consultants to provide training on safeguard policy, monitoring and reporting on performance of safeguard policy to DoF. PMUs will mobilise safeguard consultants (individuals or organisations) to support them in the implementation of safeguard measures for the subprojects, independent monitoring consultant to supervise the implementation of ESMF (if needed). The safeguard staff and consultant will ensure that safeguard measures (ESMF, EGDP etc.) will be fully integrated into the subproject planning and implementation cycle as well as helping PMU/PPMUs to prepare safeguard monitoring reports as required. The consultants will also ensure that technical assistance on environment and social safeguards is provided to local communities to enable perform their functions effectively.

In order to ensure proper and systematic implementation of safeguards, three SESUs have been located at the central PMU level, Luang Prabang PPMU (covering HPN, LP, SAI) and Luang Namtha PPMU (covering BKO, LN, ODX). SESU at the PMU will be staffed with one coordinator, two trained staff members and a communications officer. Each SESU at the PPMU is staffed with one coordinator and one trained staff member.

Safeguards training will be provided to the PMU, SESUs, PPMU, DPMU, PAFO/DAFO and other staff engaged at all levels. An intensive environmental and social aspects training program, focusing on the information in the ESMF and requirements for preparing ESMP, EGDP etc., will be delivered prior to program implementation. This training will ensure that adequate knowledge of GoL regulations and World Bank safeguard requirements are imparted to implementing staff in order to make sure that safeguards are duly implemented in compliance with the demands/requirements.

At provincial level, local authorities lack adequate knowledge on GoL and WB safeguard requirements; therefore safeguard consultants will be hired and a safeguard training program will be executed during the implementation of the ER-P. Local qualified specialists will be required to enhance the capacity of staff to adequately address specific social and environmental issues and scope of the safeguard documents.

At the community level, PAFO/DAFO would assign technical staff with in-depth experience on forestry/social forestry, to be trained by safeguard specialists from PMU/PPMUs.

The local communities generally understand and are aware of the importance of protection of forests for reducing natural disasters and the possibility for them to increase their income. However, there are many existing constraints for local communities before they can play an active role in forest management given their limited knowledge, poor living conditions, and lack of financial resources. Nonetheless, as the ER-P aims to promote the application of the process and concept of community forest management for ensuring sustainable management of forests, it is necessary to provide guidance on safeguard actions to ensure that adequate training (technical and management) on forests will be provided during the implementation. In addition, training on issues related to safeguards such as on safe use, storage, and disposal of pesticides and on other specific activities necessary for prevention and management of forest fires, possible impacts of invasive species, related GoL regulations and obligations to international conventions, and other safety issues will be required and necessary.

In addition to the training explained above, specific training will be required at the PMU, PPMU, DPMU and other levels and would include the following in relation to the effective implementation of the ESMF:

- Conduct training courses for the working group members on the details of the process of collaborative management arrangements;
- Carry out stakeholder analysis;
- Analyse livelihood constraints of communities in the survey villages are facing as a result of competing interests by different stakeholders, unfavorable policies and power differentials;
- Develop sensitisation of all officials to gain an understanding of local people's perception of socio-economic and environmental changes over the past decades, impact on their livelihoods, local people's coping strategies and expectations for the future;
- Conduct a natural resource use survey, that includes information on the identification of NTFPs to be used for human consumption and sale, on gender divisions on forest resource use, on time-schedules and methods applied for forest product harvesting, and an assessment of the long-term sustainability of the current forest use;
- Analyse indigenous knowledge systems and existing local common property arrangements;
- Organise discussions and assist local communities in selecting their representatives critical for the success of the sub-project implementation;
- Demonstrate ways to settle potential conflicts of interest e.g. over forest encroachment and potential conflicts on resources and access to forest;
- Active involvement of civil society organisations, such as NGOs, academic and/or research institutions that can facilitate the collaborative management process;
- Collaboration with local community members and forest users adaptive and potentially sustainable local management systems; and
- Conduct discussions, negotiations and draft potential natural resource use agreements under the Benefit Sharing Mechanism, i.e. examples of forest use agreements for future implementation.



Training courses which are expected to be conducted preparing benefit sharing agreements include sustainable use of forest resources, the training would provide:

- An introduction into the ESMF, EGPF and Resettlement Policy Framework;
- An overview on the relationship between forest communities (ethnic groups), forest dependency, poverty and biodiversity conservation;
- An outline of gender issues related to forest protection and biodiversity conservation;
- The rationale for stakeholder identification in the context of BSM and BSP;
- Purpose and practical guidelines for carrying out Social Screening Reports; and
- On the job training for a Natural Resource Use Survey and Monitoring.

Table 41 outlines ESMF training requirements of the six Northern provinces.

### **The GCF Proposal Includes the Following Support for Training**

The following training, to be provided through the proposed GCF project, would impart knowledge to staff and workers engaged in application of social safeguards, implementation of sub-projects of ER-P and other projects, to carry out duties and implementation work effectively and efficiently.

**Training:** Additional training is necessary to improve the skills across government in monitoring and evaluation and in information and communications technology. The use of “training of trainers” approaches provides a lasting way to ensure that central government staff can pass on knowledge and skills to a wider number of staff at local levels.

**Information Systems:** there are increasing amounts of data that institutions need to analyse for reporting purposes and supporting policy processes. A cohesive system is required to collect, collate and manage data and information from across different sectors, which can be utilised by multiple departments and divisions.

**IT Infrastructure:** All institutions highlighted the lack of IT infrastructure (especially hardware such as servers). The capacity development approach should complement existing government priorities and offer cost-effective and sustainable solutions. The Government sees Information and Communication Technology (ICT) as a critical driving force of socio-economic development, especially regarding regional and international integration.

The choice of approach in IT infrastructure investment should be to match the future needs and trends. More devices are accessing networks as employees use smart phones, tablets and handhelds in an increasingly mobile working environment. The Government already has a number of initiatives to promote ICT (National ICT Policy 2015-2025 [draft]; National Broadband Plan 2012-2020; E-Government Master Plan 2013-2020, ICT Vision 2030, Strategy 2025 and Development Plan 2020. One of the main immediate targets for the government is to expand the fiber optic transmission network, both aerial and under- ground, by 10,000 km to reach Vientiane Capital and municipal districts of each province across the country as part of the infrastructure system to support e-governance. This means that cloud-based information systems will become the most cost-effective investment, as internal hardware-based systems become increasingly more expensive to maintain.

Management of land resource data and information such as VFMPs and other spatial data require long-term well sustained capacity and information systems. In particular, such systems must be future proofed against technology that is likely to become redundant and

obsolete. It will be important to ensure that capacity interventions at central and local levels are interlinked and advance simultaneously, otherwise there will be a time lag between central and provincial/district levels' readiness. Improving the data flow from local to central levels is essential.

**Training:** The following areas of training are required for effective management of safeguards:

- *English Language:* Improvements in the ability to speak and write English is necessary so that staff can communicate and network with international donors and development partners. Comprehension of social and environmental safeguards reports and documentation.
- *Financial Management:* The ability to account, budget, administer and report on funds for projects requires improving.

**Table 40 Institutional capacity gaps including safeguards and capacity response**

| Institution   | Capacity Gaps  | Capacity Response  | Priority |
|---|--|--|----------|
| Department of Agricultural Land Management            | Land use plan implementation and extension services              | Support for a survey to understand how land use plans are implemented on the ground  | Medium   |
| Department of Forestry Inspection                     | Informing stakeholders of their rights and responsibilities      | Increase support for awareness-raising activities  | Medium   |
|   | Monitoring and evaluation  | Support for data collection system; data-sharing systems established; IT infrastructure including cloud-based systems to ensure that data maintenance, security and access; Standard Operating Procedures and training | High     |
|   | Staff turnover   | Support for training staff   | Low      |
| Department of Technical Extension and Agro-Processing | Inadequate staff to support field program and extension services | Provide staffing support through the provision of five contractors/ consultants; support for training staff  | Medium   |
| Division of Land Use Planning                         | Land use plan implementation                                     | Support for awareness-raising and enforcement  | Medium   |
|   | Monitoring and evaluation  | Training on the existing land use information system   | High     |
| Forest & Forest Resource Development Fund Office      | Managing workloads   | Provide staffing support through the provision of five contractors/ consultants  | Medium   |
|   | Understanding of REDD+ ...                                       | Further workshops and training in REDD+; secondment to REDD Division   | Low      |
|   | Operating policies and guidelines                                | Support to establish formal and transparent operating processes around project selection, appraisal and approval   | High     |

| Institution                                 | Capacity Gaps   | Capacity Response   | Priority |
|---|---|---|----------|
|   |   |   |          |
|   | Monitoring and evaluation                             | Data-sharing systems established; IT infrastructure including cloud-based systems to ensure data maintenance, security and access; Standard Operating Procedures and training | High     |
|   | Understanding of budgets                              | Improved accounting systems   | High     |
| Forestry Promotion,                         | Managing workloads                                    | Provide staffing support through the provision of seven contractors/ consultants  | Medium   |
| Plantation & Reforestation Division         | Extension services                                    | Support for providing seedlings and training to local communities   | Medium   |
|   | Understanding of REDD+                                | Further workshops and training in REDD+; secondment to REDD Division  | Medium   |
| Production Forests Management Division      | Monitoring and evaluation                             | GIS software and training   | Medium   |
|   | Communication with international donors               | English language training   | Low      |
| Protected Areas Management Division         | Managing workloads                                    | Provide staffing support through the provision of eight contractors/ consultants  | Medium   |
|   | Limited and unpredictable budgets                     | Support in establishing income-generating activities, such as payment for ecosystems services (e.g. eco-tourism)  | Medium   |
|   | Monitoring and evaluation                             | Data-sharing systems established; IT infrastructure including cloud-based systems to ensure data maintenance, security and access; Standard Operating Procedures and training | High     |
| REDD+ Division                              | Managing workloads                                    | Provide staffing support through the provision of six contractors/ consultants  | Medium   |
|   | Understanding of REDD+ across government institutions | Increase support for education and awareness raising activities, to promote REDD+ across government   | Low      |
| Village Forests & NTFPs Management Division | Monitoring and evaluation                             | Data-sharing systems established; IT infrastructure including cloud-based systems to ensure data maintenance, security and access; Standard Operating Procedures and training | High     |

| Institution | Capacity Gaps  | Capacity Response   | Priority |
|-------------|--|---|----------|
|             | Capacity to establish village forest management plans throughout the country | Support to continue work to establish village forest management plans |          |

**Table 41 ESMF training requirements of the six Northern provinces**

| Activity No.   | Priority Actions   | Capacity Building Training Requirements   | Number of training by province according to the PRAPs |          |              |               |           |            |       |
|--|--|---|---|----------|--------------|---------------|-----------|------------|-------|
|  |  |   | Bokeo   | Hua phan | Luang Namtha | Luang Prabang | Oudo mxay | Sayab ouri | Total |
| Sub-component 1.1 Strengthening & streamlining policies & legal framework  |  |   |   |          |              |               |           |            |       |
| Activity 1.2.5   | Infrastructure project for environmental & social management & monitoring  | Training of governmental staff Environmental & Social Management & Monitoring plans for sub-projects (2 training annually per year over 4 years)                                | 8   | 8        | 8            | 26            | 8         | 8          | 66    |
|  |  | Training on participatory consultation & feedback and grievance mechanisms establishment & operation (2 combined district training and 1 provincial training/year over 4 years) | 12  | 12       | 12           | 26            | 12        | 12         | 86    |
| Sub-component 2.1. Establishment of an enabling environment to promote deforestation free & climate-smart agriculture                  |  |   |   |          |              |               |           |            |       |
| Activity 2.1.1   | Development of alternate livelihood opportunities that address the drivers of deforestation & forest degradation & improve livelihoods of the rural population | Training courses on development & implementation of alternative livelihood opportunities  | 6   | 6        | 6            | 6             | 6         | 10         | 40    |
| Sub-component 3.2. Implementing & scaling up sustainable forest management & the sustainable use of forest resources (including NTFPs) |  |   |   |          |              |               |           |            |       |
| Activity 3.2.4.  | Implementation support for national protected area (NPA) management focusing on deforestation hotspots & buffer zone management plans                          | Training course on effective bio-diversity and NPA management   | 9   | 9        | 9            | 9             | 9         | 9          | 54    |
| Total training directly related to the ESMF  |  |   | 35  | 35       | 35           | 67            | 35        | 39         | 246   |

Note: Some training was not indicated in some of the PRAPs so additional events are shown in the table to be consistent from province to province. Estimated cost per training is USD 2,500.

#### **7.4 TECHNICAL ASSISTANCE**

It is recommended that a technical assistance program be implemented to provide day-to-day support in the implementation of the ESMF. This would consist of the following:

- International Safeguards Specialist – full time for the first year then half time for the rest of the program.
- National Safeguards Specialist – full time for the duration of the Program
- Vehicle and office support

Training courses with the participation of REDD+ Coordinators/staff at the central, provincial and district levels could include sustainable use of forest resources, the training would provide:

- An introduction to the ESMF, EGPF, Resettlement Policy Framework and Process Framework;
- An overview on the relationship between forest communities (ethnic groups), forest dependency, poverty and biodiversity conservation; and
- An outline of gender issues related to forest protection and biodiversity conservation.

Considering the training plans of PRAPs to meet requirements at each province and staff at PMU/PPMUs/SESUs, a total number exceeding 250 persons would be imparted training on social and environmental safeguards applications of the ER-P.

## 8 IMPLEMENTATION BUDGET FOR ESMF

A budget has been estimated for the implementation of the ESMF. This budget covers the specific resources needed for staffing and capacity building efforts to implement specific safeguard aspects. This does not include the mitigation costs that may be associated with specific subproject activities especially dealing with infrastructure. Those costs will be estimated and budgeted at the time that the specific activities are defined, and the mitigation costs will be incorporated into the individual activity costs. The estimated costs<sup>32</sup> are shown in Table 42 and include funding for: (a) cost for consultants and capacity building for PMU; (b) cost for consultants and capacity building for PPMUs; (c) cost for conducting training courses for the improving the involvement of ethnic groups; (d) Training courses with the participation of REDD+ Coordinators at the provinces and (e) the estimated budget and sources for safeguards and independent third party monitoring.

Funding sources for the implementation of the ESMF will include international finance through results-based payments from the FCPF Carbon Fund for emission reductions and also from the proposed GCF project.

**Table 42 Budget for implementation of ESMF**

| Output   | Activities | Year and Budget in USD |      |      |      |      |      |         |
|--|------------|------------------------|------|------|------|------|------|---------|
|  |            | 2020                   | 2021 | 2022 | 2023 | 2024 | 2025 | Total   |
| Technical assistance (national and international consultants over five years)          |            |                        |      |      |      |      |      | 500,000 |
| Local SG consultants team  |            |                        |      |      |      |      |      | 70,000  |
| M and E consultant four months per year  |            |                        |      |      |      |      |      | 70,000  |
| Forester SG compliance consultant four months per year                                 |            |                        |      |      |      |      |      | 70,000  |
| Environmental and Biodiversity SG compliance consultant                                |            |                        |      |      |      |      |      | 70,000  |
| International SG and Monitoring and Evaluation compliance adviser, two months per year |            |                        |      |      |      |      |      | 70,000  |
| ESMF Updating and Auditing   |            |                        |      |      |      |      |      | 40,000  |
| General ESMF Expenses  |            |                        |      |      |      |      |      | 40,000  |

<sup>32</sup> Costs are based on the May 2018 GFC Funding Proposal for: “Promoting Climate Resilient Food Systems for Improved Food and Nutrition Security among the Most Vulnerable Communities in Lao PDR”, with additional costs for technical assistance and training.

| Output   | Activities | Year and Budget in USD |      |      |      |      |      |                  |
|--|------------|------------------------|------|------|------|------|------|------------------|
|  |            | 2020                   | 2021 | 2022 | 2023 | 2024 | 2025 | Total            |
| Ecological monitoring (number of sites-two assessments per year)       |            |                        |      |      |      |      |      | 50,000           |
| Water Quality Monitoring   |            |                        |      |      |      |      |      | 50,000           |
| Water Quality Sample Laboratory Analysis                               |            |                        |      |      |      |      |      | 50,000           |
| Sediment Sample Field Testing  |            |                        |      |      |      |      |      | 50,000           |
| Sediment Sample Laboratory Analysis                                    |            |                        |      |      |      |      |      | 50,000           |
| Erosion, Drainage, and Sediment control (silt curtains etc.)           |            |                        |      |      |      |      |      | 30,000           |
| Stakeholder Engagement and Ethnic Groups Workshops                     |            |                        |      |      |      |      |      | 100,000          |
| Feedback and Grievance Redress Mechanism                               |            |                        |      |      |      |      |      | 50,000           |
| Third Party Monitoring   |            |                        |      |      |      |      |      | 30,000           |
| Qualitative studies: Surveys on livelihoods, ethnic group impacts etc. |            |                        |      |      |      |      |      | 100,000          |
| Contingencies  |            |                        |      |      |      |      |      | 300,000          |
| <b>Sub-Total</b>   |            |                        |      |      |      |      |      | <b>1,750,000</b> |
| Gender Action Plan (GAP)   |            |                        |      |      |      |      |      | 200,000          |
| Contingencies  |            |                        |      |      |      |      |      | 50,000           |
| <b>Grand Total</b>   |            |                        |      |      |      |      |      | <b>2,000,000</b> |



## 9 GENDER ACTION PLAN

Consultations have shown that women are considered the important users of forest resources and possess important knowledge of their surrounding natural habitats and their status of degradation, but rarely participate in forest management and monitoring due to lack of education and traditional norms.

GAP include clear targets, quotas, gender design features and quantifiable performance indicators to ensure women's participation and benefits. Key aspects of the GAP are incorporated into program assurances to encourage buy-in from executing agencies and other project partners. Refer to Table 43.

**Table 43 Summary of Gender Action Plan**

| Action   | Interventions   | Pre-ERPA   | Post-ERPA   |
|--|---|--|---|
| <b>Action 1<br/>Agreement on<br/>Participatory<br/>Approaches to<br/>ER-P<br/>Implementation</b> | <p><b>Targeted Interventions:</b> National REDD+ Program secures agreement with each of the ER-P Provinces that where possible and practical a formal commitment will be made to the adoption of participatory approaches to ER-P implementation that will also be socially and gender inclusive, especially of marginalised forest-dependent village women.</p> <p><b>Stakeholders:</b> Lao People's Revolutionary Party, National and Provincial REDD+ Offices, Ministry of Agriculture and Forestry, (Department of Forestry and Division for the Advancement of Women), Provincial and Department of Forestry in six ER-P provinces, Lao Front for National Development and Lao Women's Union. If possible civil society groups or organisations with a knowledge of and experience in participatory approaches that could be replicated for the ER-P will be invited to participate.</p> <p><b>Estimated Cost:</b> It is proposed that the National REDD+ Office facilitate a 2-day workshop in Luang Prabang with one participant from each of the Vientiane-based ER-P entities, four representatives from each of the six ER-P provinces, and ten women including five ethnic women from each of the ethnic group groups in the ER-P provinces. (Travel expenses: surface and air of approximate USD 3,500; Accommodation and Meal Expenses for 40 participants of approximately USD 8,000; and, Facilitation and Miscellaneous</p> | Buy-in based on GAP is necessary from all implementing agencies but ERPA not contingent on this except where safeguard issues are triggered. | For the 12 months following the signing of ERPA it will be necessary to analyse what agreements have been reached to ensure they are gender responsive. |

| Action  | Interventions   | Pre-ERPA  | Post-ERPA  |
|---|---|---|--|
|   | <p>Expenses of USD 5,000 for a total of USD 16,500 plus contingencies of 5 %: USD 17,350 to be sourced from the existing FCPF-REDD+ grant from the WB to the GoL).</p> <p><b>Monitoring Indicators:</b> 1) Targeted representatives participate in the workshop of whom 70 % should be women; 2) Districts and villages identified for the Socio-Economic and Environmental Resource Needs Assessment (SERNA)</p>   |   |  |
| <p><b>Action 2</b></p> <p><b>Facilitation of SERNA at Selected Localities in the ER-P Accounting Area</b></p> | <p><b>Targeted Interventions:</b> Identify at least one district in each of the six ER-P provinces where it would be practical based on existing processes of land management (both agricultural and forestry) to undertake a Socio-Economic and Environmental Resource Needs Assessment that targets local forest-dependent villages and especially women within these villages and households headed by women.</p> <p><b>Stakeholders:</b> The Lao People's Revolutionary Party at district, village cluster and individual level, DAFO, LFND, and LWU who will work with all village households to ensure socially inclusive SERNA.</p> <p><b>Estimated Cost:</b> Two facilitator's fees and expenses for 30 days at approximate USD 9,000; participation fees of local official and mass organisations for 5 days at approximate USD 2,500; participation fees of villagers (for loss of income) based on 150 villagers over 16 years of age for 15 days of approximate USD 15,000 (includes meals and travel), miscellaneous expenses of approximate USD 1,500 and contingency of 5 %: USD 17,115 for each SERNA. Thus, total for six SERNA would be approximately USD 102,690. It needs to be noted that in neighbouring Vietnam each SERNA leading to the establishment of a Forest Management Entity has cost between USD 45,000 and USD 110,000). This is to be sourced from the existing grant to the GoL by the FCPF-REDD+ from the WB pre-ERPA and post-ERPA from the advance paid to the GoL by the Carbon</p> | <p><b>Pre-ERPA</b></p> <p>Villages to be identified will be undertaken at the Luang Prabang Workshop based on an assessment at to which villages have the demonstrated "absorptive capacity" for women to be actively involved.</p> | <p><b>Post-ERPA</b></p> <p>Villages to be identified will be contingent on meetings at the provincial, district, village cluster and individual village level with the most important criteria in the context of gender a demonstration that women are able and willing to participate in the SERNA.</p> |

| Action  | Interventions   | Pre-ERPA   | Post-ERPA   |
|---|---|--|---|
|   | <p>Fund supported by the WB.</p> <p><b>Monitoring Indicators:</b> 1) SERNA involving all women in the villages identified during the Luang Prabang Workshop; 2) Women involved in deforestation activities targeted to see what interventions could reduce such activities; and, 3) Agreements to establish forest management entities in 18 sites within 12 months.</p>  |  |   |
| <b>Action 3<br/>Establishment<br/>of Local Forest<br/>Management<br/>Entity</b> | <p><b>Targeted Activities:</b> On the assumption that there is an agreement based on the SERNA reached between forest managers and forest users a local forest management entity will be established to ensure that the objectives of the ER-P are achieved. As part of this process benefit sharing plans will be prepared to take advantage of carbon payments based on the MRV process that local women members of the management entity will also participate in. It is anticipated that such payments will be made for a range of ER-P related activities including forest protection activities, targeting households, groups or villages contributing to deforestation and degradation to a greater extent than other households, groups or villages, and resolving issues such as poor demarcated boundaries.</p> <p><b>Stakeholders:</b> The Lao People's Revolutionary Party at district, village cluster and individual level, DAFO, LFND, and LWU who will work with all village households that agree to participate in the forest management entity. If possible, a civil society organisation could assist with developing this entity but it would need to demonstrate very clearly from past performance that it understands gender and forestry issues and it is able and willing to work with other stakeholders to ensure the highest possible degree of gender responsiveness.</p> <p><b>Estimated Costs:</b> For Pre-ERPA entities there should be additional cost of approximately USD5,000 on a per annum basis with Year 1 being funded by the</p> | <p><b>Pre-ERPA</b></p> <p>It may not be possible to achieve the outcomes of this activity prior to the ERPA for all six sites selected but ideally at least one should be completed.</p> | <p><b>Post-ERPA</b></p> <p>Dependent on the outcome of the Pre-ERPA forest management entities within 12 months of the ERPA being signed there should be at least 3 of these entities in each of the 6 ER-P Provinces</p> |

| Action  | Interventions  | Pre-ERPA  | Post-ERPA   |
|---|--|---|---|
|   | <p>FCPF-REDD+ WB fund. However, for Post-ERPA entities they will initially be funded by the Advance Grant that the GoL has requested from the Carbon Fund. Thus, realistically the estimated cost over the first 12 months for the six SERNA village sites would be USD 30,000 and Post-ERPA for the other nine villages the approximate cost would be USD 60,000. Total cost USD 90,000.</p> <p><b>Monitoring Indicators:</b> 1) Number of Benefit Sharing Plans initiated by local village women signed; 2) Effectiveness of measures such as boundary demarcation; and, 3) Percentage of women involved in ER-P activities including forest protection work and MRV activities.</p>   |   |   |
| <b>Action 4<br/>Identification<br/>of Climate-<br/>Smart<br/>Agricultural<br/>Interventions</b> | <p><b>Targeted Activities:</b> It is necessary to identify climate-smart agricultural interventions that not only ensure a greater degree of food security but also the possibility of generating income that cannot be generated at present while also simultaneously reducing the pressure to clear existing forest cover for agricultural cropping. The intention is also to reduce on a voluntary basis the forms of shifting cultivation that are still undertaken in upland areas. However, it is also necessary to identify with women what are “climate-smart” interventions as these are often vaguely defined and are of a more generic nature.</p> <p><b>Stakeholders:</b> All women who agree to participate in the ER-P should be involved but where women do not agree to be involved initially for whatever reason they should have the option to participate if at a later date they think the ER-P interventions could work for them. However, initially with grant financing the ER-P needs to identify those households that contribute for whatever reason to deforestation for agricultural cropping purposes and work with them. The Lao People’s Revolutionary Party at district, village cluster and individual level, DAFO, LFND, and LWU who will work with women. It also</p> | <p><b>Pre-ERPA</b><br/>Villages to be identified will be undertaken at the Luang Prabang Workshop based on an assessment at to which villages have the demonstrated “absorptive capacity” for women to be actively involved. But post SERNA also based on agreement to participate in the local forest management entity.</p> | <p><b>Post-ERPA</b><br/>Villages to be identified will be contingent on meetings at the provincial, district, village cluster and individual village level with the most important criteria in the context of gender a demonstration that women are able and willing to participate in the SERNA.</p> |

| Action   | Interventions  | Pre-ERPA   | Post-ERPA  |
|--|--|--|--|
|  | <p>necessary to identify a specialist with a demonstrated working knowledge of climate-smart agricultural interventions in the upland areas of Mainland Southeast Asia.</p> <p><b>Estimated Costs:</b> Approximately USD 2,000 per village is likely to be required as an upfront investment that would serve as a revolving fund to target all women in the village. A specialist would need to be mobilised at an estimated cost of USD 12,000 per person month worked for up to 6 months and thus USD 72,000. The advance payment from the ER-P could be utilised for such purposes although at six of the villages if they have agreed to be part of a forest management entity could draw on the existing FCPF-REDD+ grant to fund such activities. Post ERPA and once advance payment is made the ER-P would cover these costs. Initial total of USD 132,000 plus 5 % contingency. Thus, USD 138,600.</p> <p><b>Monitoring Indicators:</b> 1) Impact of grants on livelihoods of women involved in non-sustainable forest activities; 2) Percentage of women electing to practice climate-smart agricultural and forestry activities; and, 3) Replication and up scaling in villages over the initial 12 months of the Action Plan (excluding pre-ERPA phase).</p> |  |  |
| <b>Action 5<br/>Strengthening<br/>Village's Legal<br/>Rights to Use<br/>and Benefit<br/>from Forest<br/>Land</b> | <p><b>Targeted Activities:</b> The new "Land Law" that has now acquired the status of a LPRP Resolution is likely to recognise and protect land use rights held by individuals, legal entities, collective entities and customary rights including in relation to non-allocated forest land. However, all proposals to date do not clearly specify that women possess the legal right to use and benefit from forest land as this is vested in the Village Leadership, which for the most part with the exception of the LWU involve very few women. It is being proposed that all different types of land tenure explicitly and legally establish the rights of women not just the village to avoid the continuing capture of forest land by primarily men at the village level.</p>  | <p><b>Pre-ERPA</b><br/>Process begins during the SERNA in the targeted villages but ERPA not contingent on legal recognition because at present there is no legislative or political authority to legitimise</p> | <p><b>Post-ERPA</b><br/>Whether the LPRP Resolution on the "New Land Law" will be accepted by the Central Committee within the next 12 months is somewhat problematic. However, by the end of 12 months in the ER-P villages it will be possible</p> |

| Action   | Interventions   | Pre-ERPA  | Post-ERPA  |
|--|---|---|--|
|  | <p>How tenure reforms and certifications can have an impact on women's rights and access to forest resources</p> <p><b>Stakeholders:</b> Lao People's Revolutionary Party (proposed new Land Law likely to be a Party Resolution rather than a "law" passed by the National Assembly), MoNRE (Department of Land Administration), MAF (Department of Forestry and Division for the Advancement of Women), Provincial and District (those in the ER-P Accounting Area) Administrations in each of the six ER-P provinces, Village Clusters, Village Households, LFND and LWU.</p> <p><b>Estimated Costs:</b> There are no initial costs involved because this is a longer-term intervention although as part of the SERNA it will be necessary to assess existing forms of land, both forestry (especially forest production) and agricultural land.</p> <p><b>Monitoring Indicators:</b> 1) Quantitative assessment of different types of land tenure in ER-P villages and 2) Recognition by LPRP of recommendations made by ER-P for strengthening female villager's rights to use and benefit from forest land.</p> | such legal rights.  | to quantify what rights women have to use and benefit from existing forest land (especially production forest land) in anticipation of this "New Land Law" being accepted by the LPRP.   |
| <b>Action 6<br/>Enhanced<br/>Gender<br/>Responsiveness<br/>in ER-P<br/>Management<br/>Activities</b> | <p><b>Targeted Activities:</b> The ER-P PMU at the national and provincial levels will need to ensure that gender inclusive actions that will benefit women based on the GAP are actually implemented. It will also be necessary to ensure that the suite of safeguards (Resettlement Policy Framework, Ethnic Group Planning Framework, Environmental and Social Management Plan and Process Framework) are implemented in ways that also safeguard specific gender interests. To this end each of the PMUs should have a target of 30 percent of their staff being female with at least 10 percent of the female staff being from ethnic backgrounds.</p> <p><b>Stakeholders:</b> All female beneficiaries/participants of the ER-P in general but specifically women who are working in each of the ER-P PMUs.</p> <p><b>Estimated Costs:</b> The average monthly salary for managerial positions in PMUs is</p>   | <b>Pre-ERPA</b><br>No action because the ERPA yet to be signed. | <b>Post-ERPA</b><br>Initial 12 months any necessary site-specific Resettlement Plans and Ethnic Group Development Plans that are prepared demonstrate the necessary degree of gender responsiveness and reflect the provisions of the ER-P Gender Action Plan. |

| Action  | Interventions   | Pre-ERPA                                      | Post-ERPA   |
|---|---|---|---|
|   | <p>USD565 (excluding allowances) but ERPA there would be no payments made because the ER-P PMUs are yet to be established. But assuming at the national level there will be at least three female staff appointed and in each of the provincial PMUs one female staff appointed over 12 months following the signing of the ERPA the total estimated cost would be USD 59,245.</p> <p><b>Monitoring Indicators:</b> 1) Percentage of women appointed to managerial positions in the ER-PMUs; 2) Assessment of GAP outcomes in the first 12 months post-ERPA; and, 3) Resolution of safeguard grievances lodged by village women relating to the ER-P.</p>   |   |   |
| <b>Action 7<br/>Need to involve Women in Policy Processes and Decisions</b> | <p><b>Targeted Activities:</b> Need to improve ways how women are involved in policy processes and decisions related to climate mitigation and forest devolution; and how to support women movements as they work with emerging and evolving policy in projects. For example, improving women's standing in the proposed new Forest Law and Land Law so that they can be given equal rights.</p> <p><b>Stakeholders:</b> The ER-P at the national level working with the key GoL ministries (DoNRE, MOF, and MEM), the LPRP (because at present it is in direct control of the Land Law). But NAFES needs to be involved it developed the Forestry Strategy to the Year 2020 of the Lao PDR and this strategy is quite reasonable in the context of a gender-responsive approach to both agricultural and forestry land issues. It also sensible to have the LWU involved because GIP Team have noted that it has not demonstrated a deep understanding of gender and forestry issues.</p> <p><b>Estimated Costs:</b> Approximately USD 36,000 to cover researchers' expenses and meetings among key stakeholders both at the national level and in at least one of the ER-P provinces (possibly Luang Prabang or Luang Namtha)</p> <p><b>Monitoring Indicators:</b> 1) Development of Stakeholder Engagement Plan that</p> | No Action<br>Prior to the Signing of the ERPA | Initial 12 months the ER-P needs to embark on a series of iterative actions, including applied research by independent local researchers with a demonstrated capacity to understand gender and forestry issues. |

| Action   | Interventions   | Pre-ERPA                                      | Post-ERPA  |
|--|---|---|--|
|  | demonstrates how village women can be involved in ER-P activities associated with climate mitigation and forest devolution; 2) Evaluation of initial participation of village women in ER-P activities (per cent from different ethnic groups and poor households; and, 3) Specific clauses in the New Forest Law that effectively embody gender equality.  |   |  |
| <b>Action 8<br/>Women must be Involved in Discussions on Climate Variability</b> | <p><b>Targeted Activities:</b> Women are heavily involved in agriculture and need to find ways on how they should be involved in discussion on what are the gender impacts of climate variability (as opposed to climate smart crops)</p> <p><b>Stakeholders:</b> Women in selected villages ensuring that ethnicity and poverty criteria are utilised, village development committee, PAFO and DAFO, VWU, and where clusters of villages are targeted the Kumban</p> <p><b>Estimated Costs:</b> Based on 12 villages and stakeholder involvement (also includes village women who give up their time) the costs should be absorbed under Action 4 because they are related.</p> <p><b>Monitoring Activities:</b> 1) Village women's specific understanding of climate variability; 2) Capacity of PAFO, DAFO and VWU to understand climate variability; and, 3) Data disaggregated by district and province.</p> | No Action<br>Prior to the Signing of the ERPA | Initial 12 months consultations need to be facilitated among women from different ethnic groups in each of the 6 ER-P Provinces  |
| <b>Action 9<br/>Improve PLUP/LUP Processes</b>                                   | <p><b>Targeted Activities:</b> Women are often not actively included in decision-making steps of land use planning. Women and men have the same rights to land. Land tenure is often not secure in Lao and as an attempt to improve this LUP/PLUP aims to the try to add some form of security by assigning land through a land use plan. The reality is, however, that security of land tenure is not much improved in legal terms as no title is issued and women are not much involved in the PULP/LUP process. Therefore, need to introduce and improve ways to involve women in this important process.</p> <p><b>Stakeholders:</b> Women in selected villages</p>   | No Action<br>Prior to the Signing of the ERPA | In the initial 12 months the ER-P needs to identify 1 village in each of the 6 ER-P provinces to trial genuinely participatory land use planning and assess to what extent this can be replicated and up scaled. |



| Action  | Interventions   | Pre-ERPA                                      | Post-ERPA   |
|---|---|---|---|
|   | <p>ensuring that ethnicity and poverty criteria are utilised, village development committee, PAFO and DAFO, VWU, and where clusters of villages are targeted the Khumban</p> <p><b>Estimated Costs:</b> USD 25,000 per village based on GIZ estimates in Huaphan Province for a total of USD 288,000. Funding for this would need to come from the advance funding that the GoL will be seeking from the Carbon Fund as per the ER-PD.</p> <p><b>Monitoring Activities:</b> 1) Hectares covered by PLUP activities; 2) Number of plots registered either in the name of women or conjointly with spouse; and, 3) Number of land titles issued in targeted areas.</p>  |   |   |
| <b>Action 10<br/>Women's Involvement in Markets and how can Access to Markets be Improved</b> | <p><b>Targeted Activities:</b> Action to find out how to overcome the constraints (and what are the constraints) for women's involvement in markets and how can access to market be improved</p> <p><b>Stakeholders:</b> Village women either currently involved in trading activities, especially of NTFPs, and women who are seeking to be involved, trading intermediaries and wholesalers and retailers.</p> <p><b>Estimated Costs:</b> As this will involve some cross-border visits and intra-district and intra-provincial visits it is estimated for all of the 6 ER-P provinces upwards of USD 100,000 needs to be allocated. This could be sourced from the advance payment sought by the GoL but could be deducted from the payment of carbon credits during implementation of the ER-P.</p> <p><b>Monitoring Activities:</b> 1) Number of cross-border and intra-district and intra-provincial visits undertaken by village women; 2) Increase in quantities of NTFPs sold to trading intermediaries; and, 3) Price increase/decrease as a result of closer linkages with the market.</p> | No Action<br>Prior to the Signing of the ERPA | Activities to be undertaken that involve women from the villages, trading intermediaries and wholesalers and retailers in district, provincial and cross-border markets in Thailand, Vietnam and China. |
| <b>Action 11<br/>Need to Improve Women's</b>  | <p><b>Targeted Activities:</b> Find ways to improve management of NTFPs with women "collectors" having more of a say. What kinds of products harvested and overall</p>  | No Action<br>Prior to the Signing of the ERPA | As part of BSP that will be developed in the first 12 months  |

| Action   | Interventions   | Pre-ERPA                                   | Post-ERPA   |
|--|---|--|---|
| <b>Management of NTFPs</b>   | <p>access arrangements and do different proportions of men and women in user groups influence how forests are managed?</p> <p><b>Stakeholders:</b> Village women (and men) who are either directly or indirectly involved with the “collecting” of NTFPs.</p> <p><b>Estimated Costs:</b> To be absorbed under Action 3 because it is planned that the ensuing BSPs will include the more sustainable management of NTFPs.</p> <p><b>Monitoring Activities:</b> 1) Women perceive they have “greater voice” than in the past; 2) Kinds of NTFPs harvested and improvements to overall access arrangements; and, 3) Improved management of NTFPs than prior to this Action.</p>   |  | in 3 villages in each of the 6 ER-P provinces.  |
| <b>Action 12 Summarising Progress on Gender Issues – Taking Stock of the Situation</b> | <p><b>Targeted Activities:</b> Action to support a summary of the issues facing women and previous work in the ER-P provinces. What gender related topics and themes have been of interest in the past decade and what new investments are needed to keep abreast with new demands in the forest sector?</p> <p><b>Stakeholders:</b> MAF in general, PAFOs and DAFOs, VWU, National Assembly, and LPRP.</p> <p><b>Estimated Costs:</b> Lump sum of USD 30,000 to undertake and publish the independent research.</p> <p><b>Monitoring Activities:</b> 1) Similarities and differences in gender and forestry issues facing women; 2) Extant causes of changes in these issues and outcomes for women; 3) Changes necessary that reflect new demands in the forest sector.</p> | No Action Prior to the Signing of the ERPA | Independent research commissioned by the ER-P to provide an evidence-driven analysis of past, present and future issues |
| <p style="text-align: center;"><b>USD 200,000</b><br/><b>(LKP 1,700,000)</b></p>       |   |  |   |

## **10 BENEFIT SHARING MECHANISM**

### **10.1 THE PROPOSED BSP**

The design and implementation of the BSP has to comply with the laws of Lao PDR, including customary rights and agreements (as required by Criterion 33 of the FCPF Methodological Framework) to ensure policy and program implementation, and therefore incentivise stakeholders' participation in achieving ER targets and trigger ER payments.

Beneficiaries of the ER-P can be divided into three main beneficiary groups: i) rural forest-dependent men and women (including vulnerable groups), ii) state entities at all levels from central to provincial to local (district and village) and iii) other stakeholders, such as village-based organisations, businesses and cooperatives, and non-government actors (such as civil society organisations, academia and mass organisations).

Flexibility and adaptive management. Projects in rural areas with continually changing land uses will need to continuously adapt to the ever-evolving context of implementation and practical constraints. Hence, this BSP should be periodically revised and updated according to available information and actual progress made on the ground. This will ensure that the BSP stays relevant and functional.

#### **Institutional arrangements**

The ER payments will be channeled through the National Treasury at the Ministry of Finance to a National REDD+ Fund. The Net ER payments will then be distributed in two payment tranches to the beneficiaries (ER payments to support activities that address the drivers of deforestation in the ER-P area and to incentivise activities that generate additional ERs). The benefits can be distributed as direct allocations to budgets and plans and/or as performance-based allocations, or only as performance-based allocations. Furthermore, there is an option to establish a proposal-based allocation of benefits

The ER-P will work with the GCF project and the approach will apply an innovative approach that aims to empower local villagers, including women and members of different ethnic groups, by strengthening their capacities on REDD+ and sustainable land use management, and supports them not only in planning but also in the implementation, monitoring and enforcement of activities. The project will undertake proactive measures to ensure inclusion of the priorities of all village members and equitable sharing of ensuing project benefits. (See also Annexure 4 on Feedback and Grievance Redress Mechanisms).

### **10.2 FOREST PROTECTION FUND**

The Forest and Forest Resource Development Fund (FPF), under the Ministry of Agriculture and Forestry, has the legal mandate to collect and disburse forest sector financing to the district and village level. Though, it currently has limited capacity to manage and disburse significant amounts of financing that meet international fiduciary standards. The Environmental Protection Fund (EPF) (under MoNRE) is currently being use as the national financing institution to manage and disburse international grants for forest sector development and environmental protection. The government of Lao PDR aspires to channel the ER-P REDD+ results-based payments (as well as international donor funding) through the FPF, acknowledging that capacities are still lacking (See Chapter 5 of the GCF project

proposal on FPF capacity needs assessment). Unlike the EPF, the FPF is also legally mandated to collect and disburse forest sector revenues (see technical evaluation below), thus it should be pre-destined to become the National REDD+ Fund if sufficient capacities are in place. However, such collection and disbursement has been limited to date, primarily due to lack of capacity. KfW's Integrated Conservation and Biodiversity project has initiated capacity development of the FPF and channels small grants to village groups in proximity to the National Protection Areas (NPAs). In short, FPF has the legal mandate and tools to make it the central financing actor in the forest sector – but it is currently unable to fully exercise this capability.

The GCF project will build upon these existing experiences and will enable the EPF to become the National REDD+ Fund to receive, manage and disburse REDD+ results-based payments, other international sources and the enhanced national forest sector revenues streams to the province, district and village level. The FPF will play a role in managing specific activities under the EPF and will have its capacity built up in this manner.

- EPF will be the direct recipient of GCF funds for a number of project activities. With the input of the NPMU, EPF will then disburse and monitor funds to project beneficiaries. Details on how the EPF and its interaction with the FPF are found in the Project Implementation Manual. Additionally, a Project Financial Operational Manual will be developed within the first few months of the project.
- FPF will be supported in redesigning its governance structure, developing standard operating procedures (SOPs), manuals and internal guidance documents that meet international fiduciary and safeguards standards. This will also require the introduction of IT infrastructure that allows FPF to operate professionally and to undertake financial transfers managed on an electronic basis.
- Based on the standard operating procedures, FPF staff will be provided with training and capacity development support to build the needed skills. The capacity building will be provided by on-the job coaching.
- The NPMU will annually transfer small grants to the FPF and slowly increase these based on good performance. FPF will be responsible for providing villagebased grants for forestry activities in the target villages in the framework of Activities 3.1-3.3 and in compliance with the eligible activities of FPF Decree PMO No 38 (2005). There are three distinct different scenarios for the ways in which the EPF and FPF could interact in the future to become the National REDD+ Fund.
- If the FPF meets more ambitious milestones during the project duration (for example passing a GIZ due diligence), then the FPF can take on more responsibility from EPF, and eventually the entire National REDD+ Fund can be transferred to EPF.
- Another scenario is that the EPF and FPF are merged in order to take advantage of the synergies between the two institutions.
- A final scenario is the REDD+ window will remain with the EPF. FPF may still receive funding from the EPF to manage smaller transactions, if it meets EPF standards.

The GCF project will support transformation of the Forest and Forest Resource Development Fund (FPF) towards a National REDD+ Fund and finance forest sector development as follows:

1. The FPF started to receive manage and disburse international financing from KfW in 2018/2019 to support ICBF project implementation (EUR 1.6 million until 2022).
2. In 2017, EUR0.18 million were collected and disbursed from national forest sector financing (nationally)

Target funding:

1. FPF is operational (according to developed SOPs) and at least EUR 5 million international finance channeled finance to the districts whilst meeting international fiduciary standards.
2. FPF increased governmental revenues collection (to at least EUR 1 million/year) (>400 % increase) and disbursement to support REDD+ implementation (compared to baseline).

## 11 FEEDBACK AND GRIEVANCE REDRESS MECHANISM

### 11.1 REDD+ AND FGRM

To comply with safeguard requirements and to grievance ensure that stakeholders receive adequate benefits and avoid impacts, the REDD+ project must set up a Feedback Grievance Redress Mechanism (FGRM) to deal with potential issues that may arise from project implementation. The FCPF Carbon Fund's methodological framework in development also requires that a country has a FGRM in place to be eligible to access finance from the Carbon Fund.

FGRMs are **intended to complement, not replace**, formal legal channels for managing grievances. These mechanisms are not intended to replace the judiciary or other forms of legal recourse. FGRMs act as recourse for situations in which, despite proactive stakeholder engagement, some stakeholders have a concern about the organisation's actual or potential impacts on them<sup>33</sup>.

Potential issues and FGRM may have to deal with could include:

- Allegations of non-compliance with safeguards and standards
- Financial, fiduciary and benefit sharing disputes;
- Land tenure and customary rights;
- Rights to carbon;
- Participation and FPIC;
- Access to information; and
- Adequacy and the independence of reporting from project implementers and local, provincial and national governments including on information provided to the SIS

### 11.2 FEEDBACK AND GRIEVANCE REDRESS MECHANISMS IN LAO PDR

Lao citizen's access to justice is guaranteed by Section 41 of the 2015 revised constitution. This states that any dispute should be resolved amicably using existing "customary and traditional" practices and mutual agreement involving the concerned disputing parties and other concerned stakeholders with, where appropriate, the assistance of the village administration, traditional authorities, and GoL officers as third parties<sup>34</sup>. If the "traditional and customary" approach in resolving the dispute fails, there are three possible paths that a citizen can follow to redress any grievance they may have through the Lao State institutions including administrative, judicial and legislation. A fourth path is through Party internal audit and mass organisations. Usually grievance systems in Lao PDR follow administrative structure from grassroots to the central level. The initial point of contact between a grievant and the project consists of village officials, the second level is district level, provincial level and finally central level. Refer to Figure 8 for a possible pathway for FGRM in Lao PDR.

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<sup>33</sup> Joint FCPF/UN-REDD Program Guidance Note for REDD+ Countries: Establishing and Strengthening Grievance Redress Mechanisms, June 2015

<sup>34</sup> 2014 Guidance Note for Environmental Impact Assessment Approvals for Agriculture and Forestry Plantations. Government of Lao PDR, Ministry of Natural Resources and Environment, Department of Environmental and Social Impact Assessment. If the "traditional and customary" approach in resolving the dispute fails the concerned parties should be able to use an Alternative Dispute Resolution process which should be documented under the project's Management Plan. This involves an escalating resolution process, incorporating negotiation, mediation, or arbitration before initiating any litigation process.

### 11.3 PRINCIPLES OF FGRM

Conflicts may result from project activities. They will be resolved following a grievance mechanism that is based on the following **key fundamentals**:

1. **Rights and interests** of impacted people, communities', workers and others associated with, or impacted by the project are **protected**.
2. **Concerns** of project participants arising from the project implementation process are **adequately addressed** and in a prompt and timely manner.
3. **Entitlements or livelihood support** for project participants are **provided on time** and in **accordance with** the Government and World Bank **safeguard** policies.
4. Project participants are **aware of their rights to access grievance** procedures free of charge.
5. The **grievance mechanism should be in line with existing policies, strategies, and regulations on grievances as defined by GoL**, which require project owners/developers to set up grievance mechanisms starting from the village level, and also follow recent legislation under Decision No. 08/MOJ, dated 22 February 2005 that seeks to strengthen conflict resolution at the grassroots level, by establishing Village Mediation Committee (VMC). GoL Decree 192/PM requires that the project owners/developers put in place a fair and equitable grievance redress mechanism. Specific requirements are described in Part VI of the Decree's Implementing Regulations, and as part of the Technical Guidelines in more detail. Decree 192/PM determines that the prime responsibility for grievance resolution lies with the Project proponent, that are responsible for carrying out the project which may be the source of grievances (such as the access restrictions, entitlements, etc.) and as such, they are best placed to respond to and resolve grievances in the most timely and acceptable method.

During Readiness, the approach to grievance redress should focus on two activities:

1. Addressing complaints that relate to the policy preparation process and other Readiness activities; and
2. Supporting REDD+ countries to build capacity to address potential disputes that are likely to arise during the Carbon Fund, or Implementation phase.

### 11.4 FGRM STAKEHOLDERS

#### Individual (Grievant/Complainant)

The **complainant** is an individual or group who submits a grievance. A grievance is an issue, concern, problem, or claim (perceived or actual) that an individual or group wants the REDD+ project to address and resolve. Once the grievance is submitted it is called a complaint, and the person or group called a complainant.

#### Village Mediation unit (VMU)

The VMU will be the first level that receives grievances from individuals or groups related to the REDD+ project. Other VMU roles include: to assist the village administration to enhance knowledge of and compliance with state laws, act as the disseminator of laws and regulations in the village, encourage people of all ethnic groups within the community to respect and comply with laws and regulations. It is linked with the judicial and other bodies involved.

#### District focal point

DAFO, DoNRE, vice-governor

## **PRO**

PRO is secretariat for PRTF and plays a coordination role for implementation of REDD+.

## **PRTFs**

PRTF is consisted with multi sectors, chaired by vice provincial governor to coordinate 15 agencies concerned on REDD+ and to provide guidance and advice for REDD+ at Provincial level. Established in Bokeo, Huaphan, Luang Namtha, Luang Prabang, Oudomxay and Sayabouri, in six northern provinces by vice governor; planning and investments. Deal with grievance if not solved send back to PROs that send to NRO.

## **11.5 GRIEVANCE MANAGEMENT**

It needs to be noted that the FRGM has to be readily accessible to all stakeholders including older ethnic group people who are not competent in the use of the Lao language, poorer village persons who cannot afford expenses associated with the cost of seeking grievance redress including litigation in a court of law, and on an individual, group or collective village basis.

Lao Law No 035 dated 30/01/2015 on Handling Petition, Article 13, Clause 2 has specified that the plaintiff /complainant has the rights: She/he is protected, prevented from coercion and secretly kept, including anonymous name, family name and residence.

At central/provincial/district levels, the SESUs will be established to be responsible for all safeguards matters, including FGRM. Section 6, Implementation Arrangements outlines the details of implementation mechanism, including the functioning of SESUs.

Each PRTF will appoint a safeguards focal point, responsible to the NRTF appointed official to take charge of social safeguards matters.

In order to incorporate lessons learnt and close loopholes of FGRM and other social safeguards matters, an item in the agenda will be included in regular meetings of REDD+ Task forces. At regular meetings, lessons learnt would be tabulated for actions and appropriate actions would be initiated against standing or recognised loopholes.

### **Village level**

A grievant (individual or group of villagers) who has been impacted (perceived or actual) from the REDD+ project implementation should directly fill up a complaint form and submit it to the Village Mediation Unit. (See **grievance registration forms/ complaint form A**). A formal submission of the grievance is the appropriate complaint mechanism therefore the grievance should be submitted in writing using the appropriate form. For ethnic group or non-literate people, a verbal grievance shall be documented by the VMU, using the form provided and signed/fingerprinted by the Grievant for processing.

After receiving the written complaint, the VMU will be in charge of documenting the grievance by using the Initial data collection form B provided and signed/fingerprinted by the grievant for processing. The VMU will keep the Village Grievance Logbook.



# FGRM

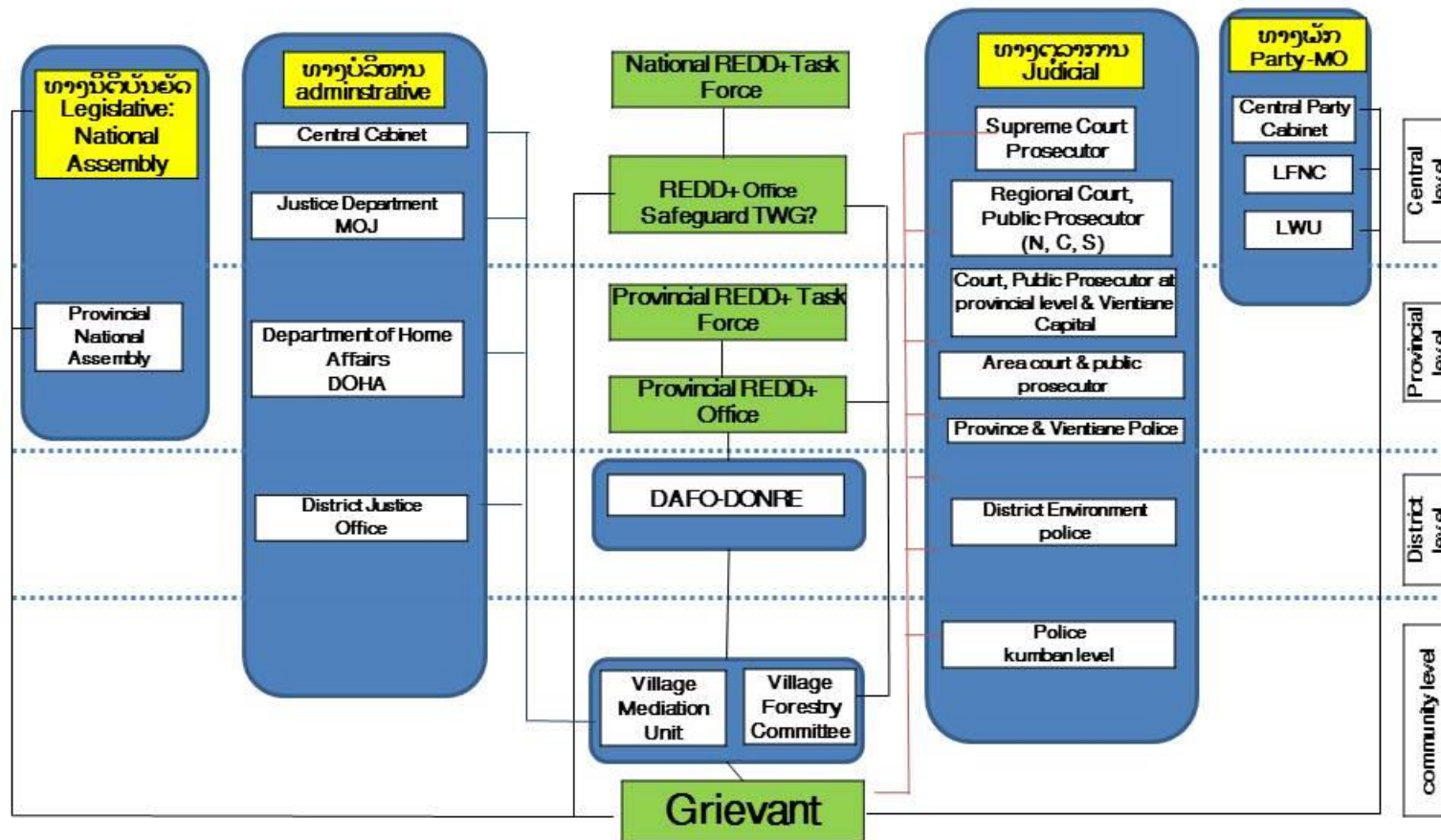


Figure 8 Possible path for FGRM in Lao PDR

The VMU will be required to provide immediate confirmation of receiving a complaint and should complete an investigation within 14 days of receipt. Then, within 5 days after receipt of the grievance the VMU should meet the Complainant to discuss (mediate) the grievance and will advise the complainant of the outcome. If the grievance is either a valid REDD+ grievance that requires investigation and action/compensation or if the Complainant is not satisfied with the response, the issue is transferred within one month to the next level, at the District.

The facts are then reviewed through a VMU hearing attended by the VMU Head and at least two members of the VMU, The Complainant and up to two witnesses provided by the Complainant.

In the event that a Physical Cultural Resource or a Culturally Significant Area or salvage logging, related grievance is submitted, the VMU shall report the grievance to the District Steering Committee (DSC) immediately.

### **District level**

Grievances that cannot be resolved at the village level will be brought to the District focal point or Grievance Committee DFP-DGC that will have 30 days after the receipt to review all available information from the investigation and analyse/ investigate each case. Within 30 days, the DFP-DGC invites the Complainant to discuss the grievance and the Grievant is informed of the outcome of the investigation and the decision.

If the Complainant is satisfied with the outcome, the issue is closed, and the Complainant provides a signature as acknowledgement of the decision. If the Complainant is not satisfied with the outcome, the Complainant may submit an appeal to the DFP-DGC if there is additional relevant information for reconsideration.

Within 14 days the DFP-DGC will both collect facts and reinvestigate and will invite the Complainant to discuss the appeal and the Complainant is informed of the outcome of the investigation and the decisions made. If the Complainant is still dissatisfied with the outcome, he/she can then submit his/her complaint to the Provincial Steering Committee. The DFP-DGC will also be in charge of compiling all grievances into a District Grievance logbook.

### **Provincial level**

In case of strong or unresolved grievances such as land grabbing cases will be referred to the Provincial REDD+ Office that acts as secretary and coordinating body for REDD+ issues at provincial level. The PRO will present the case to the REDD+ Provincial Task Force (PRTF) that will be chaired by the Vice Governor of the province.

Members of this committee will include the District Governors of participating districts, division heads of participating line agencies, and representatives of LWU and LNFC. The PRO will also be in charge of compiling all grievances into a Provincial Grievance logbook. If the Complainant is still dissatisfied with the outcome, he/she can then submit his/her complaint to the National REDD+ Task Force (NRTF).

### **Central level**

Grievances that cannot be solved at the provincial level will be sent to the National REDD+ Office. The NRO will send the National REDD+ Task Force (NRTF) chaired by the Vice Minister of MAF at the central level and, members will include DG/DDG level

representatives of participating agencies in various ministries (MAF, MoNRE, MOIC, MPI, etc.), as well as national leaders of mass organisations like LWU and LNFD.

It should be noted that at each level, the complainants are allowed to report their grievances directly to the administrative, judicial system, provincial or National Assembly.

## 12 ESMF CONSULTATIONS AND DISCLOSURE

### 12.1 CONSULTATIONS

For the preparation of the ER Program, stakeholder consultations have been conducted with a wide range of stakeholder representatives ranging from the central to the village cluster level. The objectives of the consultations were not only to identify drivers of deforestation and forest degradation, and possible measures to address the identified drivers and barriers for successful implementation, but also to enhance understanding on the aim of the ER Program and its designed activities, and pros and cons of implementing it under their jurisdiction. Consultations have been conducted based on the principles of Free, Prior and Informed Consent (FPIC), aiming for full and effective consultations for approval with particularly local level stakeholders.

The preparation of the SESA has taken place concurrently with the preparation of the ER-PD. To ensure synergy and efficiency in the parallel implementation of the two important processes, the two processes were carefully planned to synchronise their methods, schedules and outputs.

#### **Overall consultation strategy on REDD+**

The stakeholders in REDD+ for Lao PDR have been identified and grouped as the five main groups of: Government; civil society; development partners; communities; and private sector.

The consultation process for the National REDD+ Program, i.e., on the NRS, SESA, and other supporting elements were conducted primarily (but not exclusively) through the following channels:

- Intensive primarily technical level consultation with the six REDD+ Technical Working Groups (TWG) among Government and quasi-Governmental agencies/organisations (with participation of other non-Government participants as relevant to the thematic area of discussion), approximately one-third of the official TWG membership are women (see Section 6.1 for more information on the TWG);
- Strategic level consultations with the National REDD+ Task Force (NRTF) (see Section 6.1 for more information on the NRTF);
- Existing sector coordination mechanisms, namely the Forestry-sub-sector Working Group (FSSWG) under the Agriculture and Forestry Sector Working Group<sup>35</sup>, open to, and participated by a wide stakeholdership of organisations working in the forestry sector;
- Consultations with representatives of provinces, districts, and *kumban* (village cluster); and
- Focused consultation meetings with non-Government stakeholder groups of REDD+ of civil society organisations, private sector, and development partners.

Structures such as the FSSWG and the over-arching Agriculture and Forestry Sector Working Group listed above are stakeholder platforms also institutionalised in the Government, which solicit broad participation from wide ranging sector stakeholders operating across the country.

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<sup>35</sup> Organised as part of the annual Roundtable mechanism supporting the Government's strategic dialogues with development partners. These meetings are commonly delivered as bilingual meetings in Lao and English language.

Such structures will continue to be an important modality for broad stakeholder consultation on the ER Program, particularly as pertains to stakeholders engaged at the central level.

### **Consultations for the ER Program preparation**

It is important to mention that the development of the ERPD itself been a participatory process, done through a committee known as the ERPD Team. Under the leadership of National REDD+ Focal Point and the REDD+ Division, the ERPD was convened and participated by the partner organisations actively engaged in REDD+; namely, FCPF REDD+ Readiness Project, the Climate Protection through Avoided Deforestation (CliPAD) Project of GIZ funded by BMZ, the Sustainable Forest Management and REDD+ Support Project (F-REDD) of JICA, and the UN-REDD Programme support from FAO, along with the World Bank financed REDD+ Readiness operation. This committee met regularly (weekly meetings by default, and more intensively as required) to discuss and draft sections of the ERPD. In various instances, this committee was the venue for providing options for the ER-P formulation, which would then be consulted with other Government actors and non-Government actors through TWG meetings, consultation meetings, and through other venues.

From 2016, the six provinces engaged in their respective processes of developing their PRAPs. PRAPs are the provincial level instrument that identifies the strategic interventions to address drivers and barriers for REDD+. The PRAPs for the six provinces are the central instrument through which the ER-P interventions will be rolled out, and therefore are inherently linked to the ER-P development. For the PRAP preparation in the six provinces, consultation meetings were held in all 50 districts and 50 selected *kumban*<sup>36</sup>, engaging with provincial and district staff, and village representatives. The PRAP consultations intensively discussed and identified main drivers and barriers to REDD+ and priority interventions for the province.

Another regional meeting with these six provinces was organised in September 2016. In October 2017 all Northern provinces gathered together in Oudomxay province to discuss the SESA, Safeguard Plans and elements of the ER-P including on institutional arrangement, and benefit sharing.

Apart from the PRAP processes, consultations held with the provinces up to January 2018 discussed the issues and areas including the following, as pertains to the ER-P:

1. General introduction and awareness raising related to REDD+ and climate change;
2. Land and resources tenure arrangements;
3. Institutional arrangement for ER Program implementation;
4. Non-carbon benefits;
5. Assessment of negative environmental and social impacts from the ER Program interventions; and
6. Benefit sharing structures and principles – provisional ideas.

### **Summary of consultations**

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<sup>36</sup> Kumbans were selected based on criteria of (with adaptation to the specifics of each province): i) evidence of past deforestation or reforestation; ii) accessibility; iii) proximity to NPAs; iv) proximity to international borders; and v) presence of ethnic groups, along with other logistical and practical concerns.

A series of public consultations were carried out at the provincial, district and village levels during 2016-2019. These consultations provided valuable information for environmental and social assessment. Table 44 provides summary of consultations conducted during 2016 – 2019.

Additional consultations conducted in February are given in Table 45. Table 46 provides information on consultations with different ethnic group women from July 2018 to January 2019.

**Table 44 Summary of consultations 2016 to 2019**

| Period                                      | Province                          | District             | Villages             | Men                         | Women                         |
|---|-----------------------------------|----------------------|----------------------|-----------------------------|-------------------------------|
| Summary 2016-17                             | 86 in six provinces               | 54                   | 98                   | 2,038?                      | 600?                          |
| 2018  | 2                                 | 2                    |                      |                             |                               |
| Gender (GID) work<br>(Jul 2018 to Jan 2019) | 6                                 | TBA                  | 28                   | 100                         | 400                           |
| GCF Gender work<br>(Jan 2019)               | 2                                 | 2                    | 4                    | 79                          | 69                            |
| Additional consultations 2019               | 16 consultations in six provinces | 8                    | 16                   | 389                         | 311                           |
| Totals                                      | 112 provincial meetings           | 66 District meetings | 146 village meetings | 2,606 men attended meetings | 1,380 women attended meetings |

**Table 45 Additional consultations February 2019**

| ER Province   | District     | Village and village cluster | Different ethnic groups present during the consultations |
|---------------|--------------|-----------------------------|--|
| Bokeo         | Paktha       | Houaysua                    | Khmu   |
|               |              | Houaylamphaen               | Lao Loum, Hmong  |
| Huaphan       | Samneua      | Houykhong                   | Lao Loum, Khmu, Hmong                                    |
|               |              | Houykhog                    | Khmu   |
|               |              | Lak sao                     | Khmu   |
| Luang Prabang | Xieng Ngeune | Suanluang                   | Lao Loum, Khmu, Hmong                                    |
|               |              | Bouam Or                    | Khmu   |
|               | Chomphet     | Houykhair                   | Khmu, Hmong  |
| Luang Namtha  | Luang Namtha | Kokmi                       | Khmu, Hmong, Leu, Lantan, Sida, Phu Noi, Hor             |
|               |              | Namdeng                     | Lao Loum, Lan tan, Tai Dam, Tai Deng, Phu Noi            |
|               |              | Nateuy                      | Khmu, Tai Deng, Phu Noi                                  |
| Oudomxay      | Namor        | Namphaeng                   | Khmu   |
|               |              | Pangdu                      | Khmu, Hmong  |
| Sayabouri     | Sayabouri    | Namsong                     | Hmong  |
|               |              | Sa Ngaem                    | Khmu, Hmong  |
|               | Phieng       | Houyphor                    | Lao Loum   |

**Table 46 Consultations with different ethnic group women July 2018, January 2019**

| Province | Lao-Tai | Mon-Khmer | Hmong-Mien | Sino-Tibetan |
|----------|---------|-----------|------------|--------------|
|----------|---------|-----------|------------|--------------|

| Province        | Lao-Tai | Mon-Khmer | Hmong-Mien | Sino-Tibetan |
|-----------------|---------|-----------|------------|--------------|
| Luang Namtha    |         |           |            |              |
| Saleuang        | -       | 15        | -          | -            |
| Chomsi          | -       | 10        | -          | -            |
| Harddao         | -       | 15        | -          | -            |
| Hardnalong      | -       | -         | -          | 15           |
| Tha Luarnng     | -       | 15        | 15         | -            |
| Nam An          | -       | -         | -          | 15           |
| Namet           | -       | 15        | -          | -            |
| Bokeo           |         |           |            |              |
| Mu Nua Nam Lave | -       | 15        | -          | -            |
| Paung           | -       | 15        | -          | -            |
| Lin             | -       | -         | 15         | -            |
| Oudomxay        |         |           |            |              |
| Lao Phe         | -       | 15        | -          | -            |
| Na Houang       | -       | -         | 15         | -            |
| Denkon          | -       | 15        | -          | -            |
| Luang Prabang   |         |           |            |              |
| Long Lao Mai    | -       | 15        | 15         | -            |
| Long Lao Gai    | -       | 15        | 15         | -            |
| Densavang       | -       | 15        | 15         | -            |
| Phonsavat       | -       | -         | -          | -            |
| Yang            | 15      | -         | -          | -            |
| Hat Kam         | 15      | -         | -          | -            |
| Huaphan         |         |           |            |              |
| Buamphat        | -       | 15        | -          | -            |
| Ponexong        | -       | -         | 15         | -            |
| Long Ngua Pa    | -       | -         | 15         | -            |
| Nam Neun        | -       | 15        | -          | -            |
| Xa              | -       | -         | 15         | 15           |
| Muang Hom       | -       | -         | 15         | -            |
| Sayabouri       |         |           |            |              |
| Sala            | 15      | -         | -          | -            |
| Na Kok          | 15      | -         | -          | -            |
| Na Fai          | 15      | -         | -          | -            |
| Totals          | 75      | 205       | 150        | 45           |

### FPIC Process Documentation

Documentation of the FPIC process is important for a number of reasons. Recorded evidence of decision making and recorded evidence of grievances help protect the interests of communities and project proponents. Documentation is also useful for learning and sharing and reporting back to communities, project owners, other projects and external verifiers. The FPIC process will be verified during a social safeguard assessment that is externally conducted on a yearly basis.

### Good Practice Principles for FPIC

1. It is essential to develop a **good understanding of the local culture**, including factors such as social organisation and consultation systems, before engaging in FPIC. This could involve conducting targeted anthropological research, including training and

maintaining “local ethnographers” who could be teachers, students, or other community members.

2. **Information** provided should be as independent, comprehensive, and accessible as possible: this may imply translation into local languages and use of audio-visual materials.
3. Agreements should be **written and notarised**, in addition to the traditional form of recognition, and there should be video or photographic record of the process.
4. Free prior and informed consent should not be understood as a one-off, yes-no vote or as a veto power for a single person or group. Rather, it is a **process** by which indigenous peoples, local communities, government, and companies may come to **mutual agreements** in a forum that gives affected communities enough leverage to negotiate conditions under which they may proceed and an outcome leaving the community clearly better off.
5. Methodologies used in the consultation process need to be informed by knowledge of village **social organisation**. In this respect the consultation process might be described as a system for finding a system that is sensitive to the cultural setting.
6. Consultation is also a **feedback loop**. Information that emerges from the process in continually fed back into the process always evolving and adapting to a changing situation as villagers become more competent and confident in their abilities and capacity.
7. The structure of the consultation process must be **flexible** so that it can be carried out in culturally appropriate ways. The flexibility should imply that the process can be adjusted based on feedback obtained from the village participants.

## 12.2 PROTOCOL FOR COMMUNITY ENGAGEMENT

The protocol for community engagement consists in 10 principles that are to be applied by various stakeholders when going to the work at field level. It is divided into four phases: (1) organising phase; (2) preparation appointing and coordinating phase; (3) participatory facilitation phase; and (4) recording phase.

### Organising Phase

#### Tool 1: Adding women and ethnic group facilitators to the outreach team

- Outreach teams should each have at least one female staff member (and at least one male staff member). According to NCAW participation requirements, women must account for 35 % of staff for district level government staff
- In case of ethnic communities, the outreach teams should include a facilitator who speaks the ethnic language of that group. In case there are no staff members from the relevant ethnic group, the project will hire interpreters to have ethnic group speakers that can provide relevant cultural competency in ethnic communities

#### Tool 2: Preparing non-literal, visual materials and methods

- Many women and ethnic people cannot speak, read or write Lao language. It is important to have audio-visual training materials prepared that do not contain text but pictures or recorded messages. In villages where Lao language skills are limited, always work with local language facilitators. Use only methods that do not require writing, e.g. wealth ranking, sketch mapping, income and product priority ranking exercises, etc.



- The team members should explain key REDD+ related concepts during each field visit; this includes disseminating hands out and brochure to participants. When the team leaves the village at the end of a visit, documents or handouts must be handed to the community. This will ensure that the villagers have time to review the activity and capitalise upon what have been done

## **Preparation, Appointing and Coordinating Phase**

### **Tool 3: Preparing the field visit and dividing roles and responsibilities**

It is of utmost importance that the teams **prepare themselves well before** going to the field. They must know exactly, which ethnic groups are found in a particular village.

They must also prepare relevant material, documents, pens, tools that will be used during the field visit. Prepare flipcharts and bring sufficient markers, pens, tape and other materials for a large group of people to participate. If possible, bring a video recorder and microphones to be used in larger meetings.

Good facilitation teams divide roles and responsibilities to improve their efficiency. Before starting field work, the team should always hold a preparatory meeting to agree on:

- Who will join, what to bring, arrange for food and other materials in time
- Write a detailed agenda of activities on a flipchart, to be used and adhered to in the village;
- Appoint team members for each activity: who will facilitate, who will record and who will observe
- Schedule every day a short team review meeting to reflect on how the facilitation is going, to share ideas and feedback, and if necessary to adjust work for the next day

### **Tool 4: Inform the community prior to the field visit.**

- Before going to the field the team will make sure that the relevant stakeholder at district level has sent an invitation letter to villages and has included the one or two-page information sheet on the purpose of the visit and the requirement in terms of participation
- It is very important to make sure that women, ethnic groups and poor families are attending project meetings and join project activities
- Always make sure that women, ethnic groups and poor families are invited to village meetings. Write this explicitly in invitation letters and re-iterate this message when talking to village authorities
- Participation requirement for village meeting:
  - A minimum of 50 % households in each hamlet must participate in the village quarterly meeting
  - 50 % of the participants should be women
  - Customary leaders should be invited to participate
  - 60 % of the poorest households should also participate
  - Separate meetings should be held in hamlets which are 5km or more in distance from the main village settlements.

### **Tool 5: Adjust timing of visits to the convenience of villagers**

- For successful participation, it is important to plan work in villages at a time that is convenient to villagers, minimising disturbance to their daily work
- In terms of planning, the time of the meeting or community level activities must be flexible; starting early in the morning or extending late at the end of the day when the community is back from the field. The project should avoid key peak seasonal labor demand and ritual calendar to ensure that the community can fully participate in project activities
- Preferably, meetings should be held when villagers are having their Buddhist “moon” holiday (every fifteen days), in evenings after they come back from the field or other convenient moments
- The timing should be decided by the villagers, not by the district staff. Activities should not be too long, otherwise people get tired or bored.
- Group meetings should not last more than three hours
- Teams should make clear agreements with villagers when they will come and stick to their appointments, i.e., arrive on time

### **Participatory Facilitation Phase**

#### **Tool 6: Coordinating the field visit with village authorities when arriving in a target village**

- When arriving in a village, meet with the village chief to inform him about the objective of the visit, the number of people involved and present official letter from district/project
- Plan the accommodation and meal issues with the village chief. He will direct team members toward suitable place and plan cooking areas
- In collaboration with the village leaders select suitable area to gather all participants for the activities planned

#### **Tool 7: Participatory facilitation**

The most important tool for working successfully with vulnerable groups is participatory facilitation. Vulnerable groups can only participate effectively if they feel at ease, accepted, respected and trusted in project meetings. Project facilitators can do a number of things to build rapport and trust with participants from vulnerable groups, such as sitting together and talking, joining activities such as cooking, eating, with men and women, rich and poor, young and old. This type of behavior can be practiced in role plays.

Facilitation skills include:

- Listen more, speak less
- being friendly, interested, culturally sensitive, relaxed, open
- listening and probing
- build trust
- taking advantage of local events rather than staging events and activities
- engaging in conversations that have a two-way exchange of information
- being patient but proceeding at moderate pace
- seeking views of weaker, less powerful groups

- avoid monopolization of discussion by one person no matter his/her political position
- sharing information
- learning from people, not lecturing
- being nice to people, and avoid placing them in situations in which they feel uncomfortable
- giving people time to communicate and consider ideas

These skills can be learned from practicing in role plays, and through a number of games in the classroom. Team members need to be aware of these skills and give each other feedback on how they behave in village settings, to improve each other's skills over time.

### **Tool 8: Ensure equality of right to participate for women, ethnic groups and poor and voice their concerns**

Set up gender disaggregated focal group discussions when appropriate or if the villagers request them. Use interpreters to ensure that ethnic group fully understand information.

- The team will involve LFND and LWU to monitor and promote the use of the official ethnic labeling of 50 ethnic groups (avoid using the former Lao-Loum, Lao Theung and Lao Soung terms) in daily operations and project documents.
- In multi-ethnic villages the consultation should be organised for each ethnic group to avoid the dominance by the larger and advantaged groups that can express better their views
- Ethnic Groups – it is important to ensure adequate representation of ethnic groups in communities that are mixed Lao and ethnic groups. Ethnic groups manage areas in different ways, and may have different regulations or customary rights.
- It is important that culturally important individuals in the villages are allowed to play an advisory role where possible to assist facilitators in carrying out consultations in ways that are culturally appropriate.
- Ensure the participation of customary leaders (*chao kok chao lao*) including council of elders and clan leaders in consultation and during key activities such as village obtaining village concern, boundaries demarcation, the inventory of High Conservation Value areas and customary regulations.
- Indigenous knowledge, customary leadership and regulations in accessing resources must be acknowledged, and built upon.
- Ensure that the consultation should be proceeded in an appropriate way by taking into account the ethnic group peoples' capacity of understanding, not too fast not too slow), the presentation should be done in a respectful way;
- Use ethnic language. The LFND and the LWU could provide translation into the relevant ethnic language. It is their responsibility to ensure that villagers clearly understand project concepts. This task is not merely to translate but to bridge both linguistically and culturally the project and the local community. The team must be committed to provide exact and detailed translation adapted to the ethnic language and culture and to use simple words and try to find concept equivalent in local cultural configuration. In case the project teams cannot speak the language, recruit village level language facilitator to be used as interpreters.
- Allow enough time for the ethnic people to express their views and review the issues under discussion or provide their feedback.
- Use local categories for land and local ecological knowledge and ethnic group's classification of landscape, knowledge of positions of power within the local

structure is fundamental, as well as local seasonal and ritual calendar, sexual division of labor, and livelihood characteristics, main taboos, customary practices, laws and institution. The cultural awareness of the local configuration is the prerequisite for conducting an effective and cultural informed village engagement.

**Tool 9: Ensure all participants understand key issues.**

- The team has to measure to which extent the participants really understand. Can they explain main concepts? If not facilitator must re-explain with simple (and perhaps different) words.
- The outreach team will use ethnic language in ethnic community to ensure that the whole interface allow the ethnic group to fully understand and take informed decision, in case nobody in the team speaks the relevant language, the team will hire a local interpreter to bridge the language gap.

**Recording Phase**

**Tool 10: Recording voices, processes and concerns**

- In each outreach team, the members should play different roles during each activity: one to serve as the facilitator, one as the observer and one as the recorder. Larger meetings should be recorded electronically.
- **Attendance lists** should be taken before the meeting begins. Ensure that age, gender, ethnicity and social position are recorded on the attendance list for each participant.
- The team should also **record people's concerns**, the content of the activity, main decisions made, plans agreed, etc.

**12.3 COMMUNITY PARTICIPATION**

There are four main modalities of participation in the community, as discussed below.

**Village Meeting**

Location: village authorities will help project team to select the most suitable location for the village initial meeting. Village authorities select the time (the suitable date avoiding peak seasonal labor demand and also religious festival and the ideal time of the day) and also the ideal location.

Participation requirements for village meeting:

1. A minimum of 50% households in each hamlet must participate in the village quarterly meeting
2. 50% of the participants should be women
3. Customary leaders should be invited to participate
4. 60% of the poorest households should also participate
5. Separate meetings should be held in hamlets which are 5km or more in distance from the main village settlements.

**Working in Small Focal Groups**

The best way to give vulnerable groups a chance to be heard is to work in small groups.

To implement an exercise it is often suggested to form small groups of five or six people. One or two persons work as recorders, summarising the groups' output, and reporting to the

larger group afterwards. **The facilitator does not interfere or write down the group's findings**, but monitors progress of the groups and offers guidance and content suggestions.

Working in small groups is a very effective participatory training method increasing farmers' participation and commitment. In small group people have less chance to hide or to get lost. Participants speak more freely than in large groups where people feel little or no personal responsibility. Working in small groups offers the opportunity to:

- Stimulate individual inputs;
- break the ice;
- gather opinions and identify preconceived ideas;
- rank order items and create an agenda; and
- collect questions and issues and promote feedback.

5-6 member groups can be focused on:

- putting similar people with same background together, e.g. all poor families, all women, or all people from one ethnic group;
- Putting people with shared interest together: e.g. all NTFP collectors, people who are interest in setting up a producer group, people who are interested forest boundary delineation etc.

During the exercises, the facilitator may also need to promote group discussion or assist groups to accomplish the activity assigned. To be able to promote group decision-making process you need to use a variety of facilitation skills. Some basic facilitation skills are summarised below.

- **Listening.** Listening is the most fundamental skill for facilitation. Effective listening will allow you to single out problems if there is one, to understand the main point expressed by a farmer or a group, help speakers to develop competence and motivation to solve her or his problem.
- **Observing.** This skill involves seeing without judging what happens. Within a group people interact in different ways, they interact not only through what is being said but also through how it is said; use of voice, facial expression, attitude, and gesture. Body language gives a clue to feeling and can convey strong messages.
- **Questioning.** For a group to work together effectively, everyone ideas must be heard. Effective questioning is a necessary facilitation skill to get everyone involved in learning. Questions are one of the most valuable tools for assessing understanding, making points; promote farmer-to-farmer exchange, using available knowledge in the group to answer a question.
- **Summarising.** Summarising what a group of people have said, or summarising decisions taken by the group will help all the participants in the meeting to have a clear understanding of the main point discussed and agreed.

### **Gender / Ethnic Disaggregated Focus Group Discussions**

Women's empowerment is a key component for the sustainable use and management of forest resources as well as for upholding principles of social justice and human rights. REDD+ is therefore committed to mainstreaming gender perspectives into policies and programs to promote equality and rights in project implementation.

- Recruit 8-12 people in collaboration with the village authorities;
- Representatives from each hamlet should participate in the FGD;
- The team must ensure that vulnerable groups are included;
- In multi-ethnic villages, hold multiple discussions;
- For each focus group discussion, LWU/LFND act as facilitator; there is one recorder and one observer. The recorder ensures that each main idea is summarised, and records the content on a large paper with a marker. Then the results are compiled on A4 format tables;
- Women are often reluctant to share their opinions and voice concerns in meetings. In ethnic villages, women will not speak out when outsiders are there and when men and women are mixed in one group. Separate groups are needed to be organised. Women FGD should be conducted in a suitable environment; often informal places under the canopy of a tree or away from formal authority areas (house of the village chief, village office) usually associated with literacy and power; and
- Avoid that some individuals monopolise the discussion. Each participant should contribute to the discussion.

### **Village Delegates**

Village delegates will be elected in each community and will serve as village representative during kumban or district consultation. A total of 5-6 people should be elected including 50 % of women as gender balance is one of the non-negotiable principles. In village with significant presence of different ethnic groups, a corresponding percentage of village delegates must come from those ethnic groups. One representative from the customary leaders should also be involved.

## **12.4 PUBLIC DISCLOSURE OF INFORMATION**

The ESMF, in both English and Lao, will be disclosed on the MAF website. The Lao versions will also be disclosed at the project provincial, district, and Kumban level. The ESMF will also be disclosed on the WB's external website for public disclosure.

## **ANNEXURES**

### **Annexure 1. Checklists for subprojects**

#### **Checklists for environmental and social screening**

This annexure provides technical guidance for safeguard screening to be conducted by the subproject or the activities owner to ensure that: 1) the subprojects and activities to be carried out under the Project are eligible to funding under the ERPD; 2) the subprojects or activities are properly categorised under OP 4.01 of the World Bank (environmental and social criteria for category A, B, or C projects) so that appropriate measures and/or safeguard documents are prepared; and 3) appropriate results are recorded appropriately.

Annexure 1 presents the screening forms to be signed by relevant directors, the impacts assessment and preparation of safeguard documents and preparation of EIA/SIA as required by GOL's EIA regulation. The subproject or activities responsible organizations (PAFO/DAFO/DoF for implementation of these procedures.

Screening and impacts assessment of the subprojects or activities will be conducted during implementation of the Program and the reports will be submitted to DoF for review and if required also reviewed by WB.

#### **Technical Criteria for Eligibility Screening and Categorization**

##### **Eligibility screening**

The purpose of the eligibility screening of subprojects and activities is to avoid adverse social and environmental impacts that cannot be adequately mitigated by the program or that are prohibited by the national legislation, the WB's safeguard policy, or the international conventions. The 'principle of avoidance' usually applies for subprojects and activities that can create significant loss or damage to nationally important physical cultural resources, critical natural habitats including natural forests. Such subprojects and activities would not likely be eligible for financing under the project. However, the ineligibility criteria and screening should not be used to avoid doing beneficial subprojects, simply because one wants to avoid triggering a WB safeguard policy.

The following OP/BP 4.36 requirements apply for the ER-P:

- The ER-P does not finance projects that, in its opinion, would involve significant conversion or degradation of natural forest areas or related critical natural habitats areas
- The ER-P does not finance projects that would contravene applicable international environmental agreements.
- The ER-P does not finance plantations that involve conversion or degradation of critical natural habitats, including natural habitats, the ER-P it gives support to existing plantations.

## Checklist 1: Determination for eligibility for Subprojects

Note: Subproject not eligible for REDD+ funding if any items are checked “yes”

| #  | Subproject Description Characteristics:   | Yes | No |
|----|---|-----|----|
| 1  | New settlements or expansion of existing settlements outside the area defined by the PLUP or in any zone not gazetted for agriculture or habitation in the macro zoning of the NPA.   |     |    |
| 2  | Creation of adverse significant impacts on local people including ethnic groups that are not acceptable to them, even with the mitigation measures developed in their participation.  |     |    |
| 3  | Physical relocation and/or demolition of residential structures of households   |     |    |
| 4  | Use of PAW subprojects or activities as an incentive and/or a tool to support and/or implement involuntary resettlement of local people and village consolidation. Project finance can be used in villagers that were consolidated.   |     |    |
| 5  | Significant damage or loss to cultural property, including sites having archaeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.   |     |    |
| 6  | Construction of new roads, road rehabilitation, road surfacing, or track upgrading of any kind inside natural habitats and existing or proposed protected areas and in general any construction expected to lead to negative environmental impacts.   |     |    |
| 7  | Introduction of non-native species, unless these are already present in the vicinity or known from similar settings to be non-invasive, and introduction of genetically modified plant varieties into a designated project area.  |     |    |
| 8  | Forestry operations, including logging, harvesting or processing of timber and non-timber products (NTFP); however support to sustainable harvesting and processing of NTFPs is allowed if accompanied with a management plan for the sustainable use of the resources.   |     |    |
| 9  | Forestry operations on land or in watersheds in a manner that is likely to contribute to a villages increased vulnerability to natural disasters.   |     |    |
| 10 | Conversion or degradation of natural habitat and any unsustainable exploitation of natural resources including NTFPs.   |     |    |
| 11 | Production or trade in wildlife products or other products or activity deemed illegal under Lao PDR laws, regulations, or international conventions and agreements, or subject to international bans.   |     |    |
| 11 | The production, processing, handling, storage or sale of tobacco or products containing tobacco.  |     |    |
| 12 | Trade in any products with businesses engaged in exploitative environmental or social behaviour; or engaged in any unauthorised activities especially those related to natural resources.   |     |    |
| 13 | Purchase pesticides, insecticides, herbicides and other dangerous chemicals exceeding the amount required to treat efficiently the infected area and which are not on the national list of chemicals allowed to be used in country or if the pesticides are banned in line with WHO regulations. However, if pest invasion occurs, small amount of eligible and registered pesticides in Lao PDR is allowed if accompanied with a training of farmers or villagers to ensure its safe uses and World Bank's clearance is needed. If the use of pesticide is necessary, the DoF will refer to the Pesticide Management Plan. |     |    |

|   | Potentially Significant Impact | Less Than Significant with Mitigation | Less Than Significant Impact | None | Remarks<br><b>Note: The impact indications below refer to the potential REDD+ Subproject.</b> |
|---|--------------------------------|---------------------------------------|------------------------------|------|---|
| <b>I. AESTHETICS:<br/>Would the Subproject:</b> |                                |                                       |                              |      |   |



|  | Potentially Significant Impact | Less Than Significant with Mitigation | Less Than Significant Impact | None | Remarks<br><b>Note: The impact indications below refer to the potential REDD+ Subproject.</b> |
|--|--------------------------------|---------------------------------------|------------------------------|------|---|
| a) Have a substantial adverse effect on scenic vistas or resources?  |                                |                                       |                              |      |   |
| b) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?                  |                                |                                       |                              |      |   |
| <b>II. AGRICULTURE &amp; FORESTRY</b><br><b>Would the Subproject:</b>  |                                |                                       |                              |      |   |
| a) Negatively affect agricultural lands (terraced, irrigated, and others)?   |                                |                                       |                              |      |   |
| b) Affect community forests, National, Leasehold or Production forests, including any formally designated preservation categories?     |                                |                                       |                              |      |   |
| c) Lead to forest conversion to other uses?  |                                |                                       |                              |      |   |
| <b>III. BIODIVERSITY</b><br><b>Would the Subproject affect:</b>  |                                |                                       |                              |      |   |
| a) Modified, natural and critical or sensitive habitats  |                                |                                       |                              |      |   |
| b) General terrestrial ecology and biodiversity zones, including any possible rare, endangered, threatened or endemic species/habitats |                                |                                       |                              |      |   |
| c) Ecosystem services, including provisioning, regulating, cultural or supporting services   |                                |                                       |                              |      |   |
| d) Formally designated protected categories (Ramsar sites, National Protected areas, other conservation/preservation categories)       |                                |                                       |                              |      |   |
| <b>IV. CULTURAL RESOURCES</b><br><b>Would the Subproject affect:</b>   |                                |                                       |                              |      |   |
| a) Cultural resources (archaeological, paleontological, historic, touristic or other)  |                                |                                       |                              |      |   |
| <b>V. PHYSICAL RESOURCES</b><br><b>Would the Subproject negatively affect:</b>   |                                |                                       |                              |      |   |
| a) Geo-physical and flooding risk, seismic instability, erosion, soil stability, landslides  |                                |                                       |                              |      |   |
| b) Air Quality and Noise   |                                |                                       |                              |      |   |
| c) Water Quality   |                                |                                       |                              |      |   |
| d) Water Resources   |                                |                                       |                              |      |   |

|   | Potentially<br>Significant<br>Impact | Less Than<br>Significant<br>with<br>Mitigation | Less Than<br>Significant<br>Impact | None | Remarks<br><br><b>Note: The impact indications<br/>below refer to the potential<br/>REDD+ Subproject.</b> |
|---|--------------------------------------|--|------------------------------------|------|---|
| e) Hazardous materials and waste  |                                      |  |                                    |      |   |
| f) Greenhouse Gas Emissions   |                                      |  |                                    |      |   |
| <b>VI. GENDER ISSUES</b><br><b>Would the Subproject:</b>  |                                      |  |                                    |      |   |
| a) Have gender dimensions: marginalization; access to justice, education and social services; domestic violence, property rights, and political representation? |                                      |  |                                    |      |   |
| b) Create conditions that may introduce or exacerbate Trafficking in Persons (TIP)  |                                      |  |                                    |      |   |
| <b>VII. HEALTH AND SOCIAL SERVICES</b><br><b>Would the Subproject:</b>  |                                      |  |                                    |      |   |
| a) Restrict access to health care facilities  |                                      |  |                                    |      |   |
| b) Restrict access to educational facilities or other social services   |                                      |  |                                    |      |   |
| c) Introduce general health hazards (noise, air, water pollution) for local populations   |                                      |  |                                    |      |   |
| d) Create conditions that might have an impact on the incidence of HIV/AIDS, for example, through influx of “foreign” labor                                     |                                      |  |                                    |      |   |
| <b>VIII. LAND USE</b><br><b>Would the Subproject:</b>   |                                      |  |                                    |      |   |
| a) Affect land use and land use planning (urban, agriculture, pastoral, production forest, barren land, and other types)  |                                      |  |                                    |      |   |
| b) Adversely affect subsistence farmers, forest users and other vulnerable groups   |                                      |  |                                    |      |   |
| <b>IX. POLITICAL ISSUES</b><br><b>Would the Subproject:</b>   |                                      |  |                                    |      |   |
| a) Provide opportunities for participation by civil society organisations and NGOs?   |                                      |  |                                    |      |   |
| b) Affect local government activities?  |                                      |  |                                    |      |   |
| c) Provide opportunities for empowerment of women, and the poor, disadvantaged, and vulnerable?   |                                      |  |                                    |      |   |
| <b>X. SOCIO-ECONOMIC CONDITIONS</b>   |                                      |  |                                    |      |   |

|  | Potentially<br>Significant<br>Impact | Less Than<br>Significant<br>with<br>Mitigation | Less Than<br>Significant<br>Impact | None | Remarks<br><br><b>Note: The impact indications<br/>below refer to the potential<br/>REDD+ Subproject.</b> |
|--|--------------------------------------|--|------------------------------------|------|---|
| <b>Would the Subproject:</b>   |                                      |  |                                    |      |   |
| a) Create conditions that would have an adverse impact on the poverty profile of local communities?          |                                      |  |                                    |      |   |
| b) Affect local households/communities?  |                                      |  |                                    |      |   |
| · Provide opportunities for employment and service provision   |                                      |  |                                    |      |   |
| · Adversely affect socioeconomic structures, such as in dividing settlements, introducing foreign labor      |                                      |  |                                    |      |   |
| · Adversely affect land tenure for affected people   |                                      |  |                                    |      |   |
| c) Physically or economically displace populations, particularly the poor, disadvantaged and vulnerable      |                                      |  |                                    |      |   |
| d) Adversely affect the socioeconomic and cultural activities of ethnic groups and Indigenous Peoples        |                                      |  |                                    |      |   |
| e) Affect cultural mores and activities of communities in the area of influence                              |                                      |  |                                    |      |   |
| f) Affect the ability of local persons to access forest resources  |                                      |  |                                    |      |   |
| g) Introduce changes to economic activities of local communities   |                                      |  |                                    |      |   |
| h) Increase the vulnerability of local populations to natural disasters (flooding, landslides, etc.)         |                                      |  |                                    |      |   |
| i) Lead to forest degradation  |                                      |  |                                    |      |   |
| j) Create hazardous conditions on roads in transport of goods and materials to Subproject sites              |                                      |  |                                    |      |   |
| <b>XI. VULNERABLE GROUPS<br/>Would the Subproject negatively affect:</b>                                     |                                      |  |                                    |      |   |
| a) Vulnerable communities  |                                      |  |                                    |      |   |
| b) Poverty and inequality: characteristics; access to education and employment; progress in social mobility; |                                      |  |                                    |      |   |
| c) Child labor incidence, prevention   |                                      |  |                                    |      |   |

|  | Potentially Significant Impact | Less Than Significant with Mitigation | Less Than Significant Impact | None | Remarks<br><b>Note: The impact indications below refer to the potential REDD+ Subproject.</b> |
|--|--------------------------------|---------------------------------------|------------------------------|------|---|
| d) Changes in population, governance, institutions or practices, traditional territorial rights, land use, and economic activities |                                |                                       |                              |      |   |

Note: “**X**” indicates impact significance choice. “**+**” indicates that a potential positive impact is expected.

| Category Description  | Applies? | Remarks                                    |
|---|----------|--|
| Is this a Non-Eligible or Prohibited Activity? See Checklist 1  |          |  |
| <b>A:</b> Subproject has the potential to have significant adverse environmental and social impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.           |          | [Subproject not eligible. See Checklist 1] |
| <b>B:</b> Subproject’s potential environmental and social impacts are less adverse than those of Category A Subprojects. Typically, these impacts are site-specific, few if any of them are irreversible, and mitigation measures are more readily available. |          |  |
| <b>C: Subproject</b> is unlikely to have adverse environmental and social impacts.  |          |  |

## **Annexure 2. Pesticide Management Plan**

The Pesticide Management Plan (PMP)<sup>37</sup> aims to provide basic knowledge to the national, provincial and district government, the REDD+ team, consultants, Kumban (KB) staff, village officials, private and public sector agencies with adequate guidance for effectively addressing the safeguard issues in line with World Bank's OP 4.09. The process will be implemented as part of the REDD+ program and fully integrated into the subproject selection, approval, implementation, and monitoring and evaluation process. The REDD+ program does not include procurement of pesticides, but the ESMF identifies key issues related to the existing use of pesticide and chemical fertilisers and identified mitigation measures required in relation to prohibited items, training, and guidelines on safe use and disposal of pesticides. The PMP will be applicable for all REDD+ activities related mostly to **Component 2 on agriculture and sustainable livelihoods development**. Agriculture is the default livelihood of the rural population and the most direct pressure on forests. As such, the ER Program will offer direct measures for value chain integration, and agro-technological solutions for improved yields. Engaging the private sector for climate-smart and responsible investments is critical for ensuring sustainable decisions on land use. Activities under this component aim to support a private-public dialogue on REDD+ and climate-smart agriculture, and to directly invest in scalable models that sustainably engage with local communities including ethnic groups, and supporting alternative livelihood options. Chemical based fertilisers and pesticides are currently being used in the project areas, particularly in instances where monoculture is practiced.

All responsible agencies at central, provincial, and local levels will be responsible for implementation of the PMP and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank.

This PMP document is considered a living document and could be modified and changed as appropriate. Close consultation with the World Bank and clearance of the revised PMP will be necessary.

### **Section I. Policy and Regulations**

#### **World Bank's safeguard policy on pest management (OP 4.09)**

The policy requires projects involving procurement of pesticide to prepare and implement a Pest Management Plan to ensure that the handling, transportation, usage, disposal of pesticide be safe for both human and the environment. The REDD+ will not promote the procurement of any chemical pesticides or herbicides. However, if pest invasion occurs, small amount of eligible and registered pesticides in the project provinces is allowed if supplemented by additional training of farmers to ensure pesticide safe uses in line with World bank's policies (OP 4.09). And, given that the project is designed to promote the reduction in chemical pesticide and fertiliser use in existing farm land by enhancing sustainable farming practices, this simplified Pest Management Plan was prepared, along with a negative list. While the project will not procure and promote use of chemical pesticides and fertilisers, which are included in the non-eligibility list, it may be unrealistic to completely prevent all farmers from applying chemical inputs. Specifically, rehabilitation of irrigation, building of small

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<sup>37</sup> Based on: Lao PDR Agriculture Commercialization Project (LACP), ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (DRAFT), October, 2017

irrigation/agriculture production, and/or control of infestation of diseases may involve the use of pesticides, herbicides, and insecticides. To mitigate this potential impact, this simplified PMP has been prepared outlining clear regulations and procedures for management of pesticides and/or toxic chemical as well as providing knowledge and training on health impacts and safe use of pesticides and/or, when possible, promotion of non-chemical use alternatives such as organic farming.

The simplified PMP is informed by the Decree on Pesticide Management, No 258 /GOV, 24 August 2017, the Regulation on the Control of Pesticides in Lao PDR (2014), as well as guidelines on Integrated Pest Management (IPM) provided by the Food and Agriculture Organization of the United Nations (FAO).

### **Government regulation related to pest management**

In March 2000, with support from Japan International Cooperation Agency (JICA) and Food and Agriculture Organization (FAO), the MAF established the Regulation number 0886/MAF and updated it on June 11, 2010 into Regulation 2860/MAF (Annexure 3) on Pest Management in Lao PDR. The regulation was developed based on the WHO recommended Classification of Pesticide by Hazard and Guideline to Classification 1994-1995. The GoL had registered in January 2010 the companies who import pesticides, fertilisers and seeds into Lao PDR. The list of registered pesticides was adjusted in May 2010 based on the updated regulation. The regulation was uploaded to the Lao e-Gazette on July 11, 2014.<sup>38</sup> The list of prohibited or banned pesticides is found at the end of this Annexure. The Department of Agriculture (DoA) under MAF is mandated to oversee all pesticide use.

## **Section I**

### **Key Issues and Mitigation Measures**

#### **Key issues related to use of pesticide and chemical fertiliser**

The PMP is developed to support project community and a responsibility of all parties to support the implementation and proper applicability of the WB OP 4.09. Negative impacts from the use of pesticides and chemical fertilisers are expected to be minor and localised and could be mitigated during the planning and implementation of the project. Given that uses of pesticides and inorganic fertilisers are normal practices of some farmers, the REDD+ will promote IPM to avoid inappropriate use of them. However, it is important for MAF staff and local communities to understand the nature of such activities to encourage farmers to reduce the uses of pesticides and inorganic fertilisers. Implementation of subprojects related to increasing agriculture productivity (rice, corn and vegetables production) for commercialization as well as improving irrigation systems may lead to increase of pesticide, chemical, and fertiliser uses.

#### **Actions for mitigation**

The negative impacts from the use of pesticides and chemical fertilisers from REDD+ activities would be minor and localised and could be mitigated during the planning and implementation of the subprojects. During the consultation stage with villages, there are opportunities to enhance positive impact during the planning and selection of the subprojects.

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<sup>38</sup> [http://laoofficialgazette.gov.la/index.php?r=site/listlegislationcp&agencies\\_id=3&old=0](http://laoofficialgazette.gov.la/index.php?r=site/listlegislationcp&agencies_id=3&old=0)

Below is a summary of the activities to be carried out during the planning and implementation of REDD+ subprojects on pest management.

(a) Prohibition

To avoid adverse impacts due to pesticides, procurement of pesticides will not be promoted and this has been included in the “non-eligibility list”.

(b) MAF staff training

The REDD+ team will continue providing basic knowledge on alternative options for agriculture development and /or livelihood activities, including safe use of pesticides and other toxic chemicals. Budget would be allocated for project staff training to understand 1) overall policy on Pest Management (government and Bank policy); 2) basic knowledge on possibly negative impact on environmental and health from the use of pesticide and chemical fertiliser; and 3) basic knowledge on how to prevent these negative impacts including what are the prohibited items in the country for pesticide and chemical fertiliser, how to prevent or mitigate the negative impact from the use etc. (staff training could be done jointly with other topics). This training would be provided for subprojects that involve the use of fertiliser, pesticides, and/or toxic chemicals.

(c) Provide knowledge to farmers

Prior consultation would be provided to project KBs. Pest management will be included as one topic for village consultation meeting at the KB. Both for agriculture infrastructure and livelihood support, training on pest management should be provided in the following areas:

- Pest management training: The objective is to provide basic knowledge to the target farmer on prohibited pesticides, the negative impacts of the use of pesticides and chemical fertilisers both on environmental and human health, and how to mitigate their negative impacts if there is a need for using them. It is also to inform farmers that, the GoL is not intended to support the use of any pesticides and chemical fertilisers in any agricultural productivity but promote conservation agriculture instead.

However, the country has experienced severe pest invasions, and could lead to the usage of pesticides and chemical fertilisers in some cases to limit losses and damages to the agriculture products. The procurement of pesticide and chemical fertiliser will not be funded under REDD+ budget except for the special circumstances of the insect invasion occurred and the proper training has been provided to farmers.

- Training on GoL regulations: The country is experienced in the use of pesticides and chemical fertilisers and learnt from its neighboring countries. The REDD+ will train target farmers on Regulation number 2860/MAF on Pesticide Management before any subprojects are implemented, subject to compliance with the Bank’s safeguard policy OP 4.09 on Pest Management.
- Technical training: This training would aim at providing the target farmers to understand clearly the technical aspects of pesticides and skills in using them such as what are the eligible and prohibited items of pesticides in Lao, the level of negative impacts of each eligible item, how to use them, how to protect and minimise the negative impacts while using them, how to keep them before and after used etc. Thus, the trainers would be someone from

PAFO or DAFO who is knowledgeable on this. REDD+ will finance the training cost and per diem and transportation cost for the trainers.

- Procurement, storage, and usage of pesticide: the REDD+ will not involve procurement of pesticides. That said, any pesticides currently used in the project areas would require proper storage and usage monitoring throughout the course of the REDD+, and this responsibility will lie fully with the DOA. The DOA should strictly follow with articles 18 and 19 of the MAF's regulation number 2860/MAF for procuring the pesticide; articles 20, 21 and 22 for transportation, storage and trans-boundary transportation of pesticides; and articles 23 and 24 for the safety use of pesticide. The DOA or user may refer in addition to the article 25 and 26 for the storage and usage of pesticide.
- Continued monitoring of pesticide use: As part of the regular monitoring of project activity, the World Bank and REDD+ teams will continue to monitor changes in pesticides, insecticides and chemical fertilisers use in all project related activities. Programs and training will be specifically amended to address any such changes.

### **Promotion of non-chemical agriculture**

The REDD+ has been designed also to promote good agricultural practices and conservation of natural resources when possible. It is anticipated that linking the REDD+ agriculture activities with conservation agriculture techniques will be important for improving quality of life among farmers. Subprojects for REDD+ are still being determined, but for instances where subprojects are located in remote areas, the sustainable use of natural resources would be critical for farmers' livelihoods development and poverty reduction. If protected areas or critical natural habitats are located nearby, it is necessary to also take measures to minimise potential negative impacts and/or enhance positive impacts through community-driven processes. In this context, a "conservation agriculture technique" should be introduced for target communities, if and when applicable. During the planning process, actions will be carried out jointly between the REDD+ and DAFO to plan and train farmers.

### **Implementation arrangement and budget**

#### *(a) Planning and implementation*

In close cooperation with PAFO, REDD+ staff at central level will be responsible for providing training to REDD+ staff at province and local level during the consultation and planning stage. Budget for training will be included in the subproject cost or capacity building as appropriate.

#### *(b) Monitoring*

REDD+ staff at local level will work with DAFO staff for the monitoring of the use of pesticide in target community including: a) ensure the procured pesticide is not in the non-eligibility list below; b) ensure procured pesticides are properly kept and transported to the target area; c) ensure training delivery to the user before distribution; and d) monitor compliance usage of pesticide according to the MAF's regulation number 2860/MAF. The World Bank and REDD+ team at central will carry out a joint Implementation Support Mission in every six months period to review the compliance. The World Bank will use its Pest Management Guidebook as a standard to monitor compliance of the use of pesticide procured under the project.



**List of banned pesticides in Lao PDR, June 2010**

| <b>Insecticides<br/>acaricides</b> | <b>and</b> | <b>Fungicides</b>  |
|------------------------------------|------------|--|
| 1. Aldrin                          |            | 30. Binapacryl   |
| 2. BHC                             |            | 31. Captafol   |
| 3. Chlordane                       |            | 32. Cycloheximide  |
| 4. Chlordimeform                   |            | 33. Mercury and mercury compounds  |
| 5. Chlorfenvinphos                 |            | 34. MEMC   |
| 6. Chlorthiophos                   |            | 35. PMA  |
| 7. Cyhexatine                      |            | 36. Selenium compound  |
| 8. DDT                             |            | <b>Rodenticides</b>  |
| 9. Dieldrin                        |            | 37. Chlorobenzilate  |
| 10. Dimefox                        |            | 38. Sodium fluoroacetate   |
| 11. Dinitrocresol                  |            | <b>Herbicides</b>  |
| 12. Demeton                        |            | 39. 2, 4, 5 –T   |
| 13. Endrin                         |            | 40. Dinoseb  |
| 14. Endosulfan                     |            | 41. Dinoterb acetate   |
| 15. Ethyl Parathyon                |            | 42. Paraquat   |
| 16. EPN                            |            | 43. Sodium chlorate  |
| 17. Heptachlor                     |            | <b>Fumigants</b>   |
| 18. Hexachloro<br>cyclohexane      |            | 44. EDB  |
| 19. Leptophos                      |            | 45. Ethylene oxide   |
| 20. Lindane                        |            | 46. Methyl bromide   |
| 21. Methamidophos                  |            | <b>Others</b>  |
| 22. Methomyl                       |            | 47. Arsenic compound   |
| 23. Methyl parathion               |            | 48. Calcium arsenate – herbicide, rodenticide, molluscicide, insecticide |
| 24. Monocrotophos                  |            | 49. DBCP – Nematocidide  |
| 25. Polychlorocamphene             |            | 50. Daminozide – Plant growth regulators                                 |
| 26. Phorate                        |            | 51. Fluoroacetamide – Insecticide, rodenticide                           |
| 27. Schradan                       |            | 52. Oxamyl – Insecticide, acaricide, termiticide                         |
| 28. TEPP                           |            | 53. Phosphamidon – Insecticide, nematocidide                             |
| 29. Toxaphene                      |            | 54. Sodium Arsenite – Insecticide, fungicide, herbicide, rodenticide     |
|                                    |            | 55. Thallium (i) sulfate – Rodenticide, insecticide.                     |

### **Annexure 3. Chance Finds Procedure**

**World Bank's OP/BP 4.11 Policy** addresses physical cultural resources, which are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic or other cultural significance. Physical cultural resources may be located in urban or rural settings, and may be above or below ground, or under water. Their cultural interest may be at the local, provincial, or national level, or within the international community.<sup>39</sup> The following “chance find” procedures<sup>40</sup> are to be included in all civil works contract:

If the Contractor discovers archeological sites, historical sites, remains and objects, including graveyards and/or individual graves during excavation or construction, the Contractor shall:

- Stop the construction activities in the area of the chance find;
- Delineate the discovered site or area;
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be arranged until the responsible local authorities or the National Culture Administration take over;
- Notify the supervisory Project Environmental Officer and Project Engineer who in turn will notify the responsible local authorities and the Culture Department of Province immediately (within 24 hours or less);
- Responsible local authorities and the Department of Information and Culture (DIC) of Province would be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by the archeologists of the Department of Heritage and Antiquities under the Ministry of Information and Culture. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage; those include the aesthetic, historic, scientific or research, social and economic values;
- Decisions on how to handle the finding shall be taken by the responsible authorities and DIC of Province. This could include changes in the layout (such as when finding an irremovable remain of cultural or archeological importance) conservation, preservation, restoration and salvage;
- Implementation for the authority decision concerning the management of the finding shall be communicated in writing by relevant local authorities; and
- Construction work could resume only after permission is given from the responsible local authorities or DIC of Province concerning safeguard of the heritage.

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<sup>39</sup> Operational Manual, OP 4.11 – Physical Cultural Resources, Revised April 2013.

<sup>40</sup> Based on: Lao PDR Agriculture Commercialization Project (LACP), ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (DRAFT), October, 2017

#### Annexure 4. Feedback and Grievance Redress Mechanism

| Step   | Name  | Responsibility  | Details   |
|--------|---|---|---|
| Step1  | Receive and register grievance (REDD+ Office) | Village level: VMC<br>District level: focal point (DAFO-DoNRE)<br>Provincial level: PRO<br>Central level: NRO | <ol style="list-style-type: none"> <li>The REDD+ Office should enable complainants to communicate their grievances to the organisation through a variety of channels (e.g. phone, letter, email, Web site, meeting, etc.).</li> <li>Designated staff in the focal point in charge of receiving complaints should: <ol style="list-style-type: none"> <li>review all claims they receive;</li> <li>consider whether they should handle complaints or refer them onto another more appropriate expert body;</li> <li>undertake the review and respond to the complainant within a timely and efficient manner;</li> <li>provide advice and guidance for the complainant; and</li> <li>ensure access to justice.</li> </ol> </li> <li>Establish a <b>centralised database</b> supported by the <b>National REDD+ Office</b> and to require that all grievances received be logged into that database using a common protocol and means of recording grievances received. <ul style="list-style-type: none"> <li>Centralised logging and tracking is important both for accountability and for enabling continuous learning</li> <li>Many complaints may be resolved ‘on the spot’ and informally by project staff, there are still opportunities to encourage these informal resolutions to be logged into a GRM database to (i) encourage responsiveness; and (ii) ensure that repeated or low-level grievances are being noted in the system.</li> </ul> </li> </ol> |
| Step 2 | Acknowledge, Assess, Assign                   | Village level: VMC<br>District level: focal point (DAFO-DoNRE)<br>Provincial level: PRO<br>Central level: NRO | <p><b>2.1 Acknowledging receipt:</b></p> <ul style="list-style-type: none"> <li>The <b>focal point</b> which has received the grievance should provide a timely communication back to the complainant(s) that their grievance has been received, will be logged and reviewed for eligibility, and if eligible, will generate an initial organisational response.</li> <li>Normally, initial acknowledgement should come within 3-5 days of receipt, and can be in the <b>form of a standard letter or email</b>, with a clearly identified point of contact in the organisation, a brief description of the process that will be followed, and a reference name or number for the complaint.</li> <li>Acknowledge receipt and logging of the complaint, and inform the complainant of the procedure for assessing eligibility and generating an initial response.</li> </ul>  |

## **Annexure 5. Safeguards Procedures for Technical Specifications of Contracts**

Construction Contractor(s) are obliged to follow all requirements and documents as required in the ESMF and to implement all reasonable measures with regards to soil erosion, water and air quality, noise and vibration, solid waste, hazardous materials, wastewater discharges, health and safety hazards, labor and working conditions. In a similar way, the Construction Contractor(s) are obliged to implement risk management strategies to protect the beneficiary communities from 1) physical, chemical, or other hazards associated with sites under construction, 2) hazards associated with the increased traffic, and 3) communicable and vector-borne diseases associated with the population of workers.

Parallel plans and policies to be developed by Construction Contractor(s) as a part of Contractors' Environmental Management Plans (CEMPs) to implement mitigation measures specific for each construction site and ensure compliance with environmental and social requirements, may include but are not limited to the following:

### **(i) Site Establishment Plan (SEP)**

Following the Contractor's mobilization, the SEP is to be prepared in map format with relevant details to guide site preparation, management, and closure and restoration activities.

The SEP shall include site plans for each construction site and staging area, indicating the locations and arrangements of all storage areas and work sites subject to activities that may result in environmental impacts. At a minimum, the site plans must indicate the following:

- The Basic Site Organization. The basic site organisation shall be provided by a site plan at a scale of 1:1,000.
- Hard Surface Areas. Areas within the site where there is a regular movement of vehicles shall have an acceptable hard surface and be kept clear of loose surface material and shall be so indicated on the required site plan.
- Waste Disposal and Site Drainage Systems. The following conditions shall apply:
  - o Waste Disposal. All water and waste products arising on the site shall be collected, re-moved from the site via a suitable and properly designed temporary drainage system, and disposed of at a location and in a manner that will cause neither pollution nor nuisance, and is acceptable to the Engineer and the local authorities. The site plan shall indicate the system proposed and the locations of related facilities at the site, including latrines, holding areas, etc. There shall be no direct discharge of sanitary or wash water to surface water. Disposal of materials such as, but not limited to, lubricating oil onto the ground or water bodies shall be prohibited. Liquid material storage containment areas shall not drain directly to surface water. Liquid material storage containment areas equipped with drains shall be valued, and the valve shall be maintained locked in the closed position with supervisory control of the key. Lubricating and fuel oil spills shall be cleaned up immediately and spill clean-up materials shall be stocked and maintained at the storage area.
  - o Drainage. The site plan shall be devised to ensure that run-off from excavations in the different parts of the works is not deposited directly into any watercourse, stream, or canal and shall indicate the system proposed, including the locations of retention ponds and other facilities. There shall be

no direct discharge of sanitary wastewater, wash water, chemicals, spoil, waste oil or solid waste generated in connection with the Works to surface water bodies.

- Locations of Water Quality Monitoring Stations. Locations for surface water quality monitoring stations shall be indicated.
- Locations of Fueling Operations. Fueling operations shall occur only within containment areas
- Temporary Construction Facilities Relative to Watercourses. The site plans shall be devised to ensure that, insofar as possible, all temporary construction facilities are located at least 50 meters away from an existing water course, stream, or canal.
- Other Water-Related Facilities. Site Plans must indicate adequate precautions to ensure that no spoil or debris of any kind is allowed to be pushed, washed down, fallen or be de-positied on land or water bodies adjacent to the site.
- Location of Batching Plant(s). Dry mix batching shall be carried out in a totally enclosed area with exhaust to suitable fabric filters. The locations of these facilities should be clearly illustrated by the site plans.
- Location of Wheel Washing Facilities. The Contractor shall provide a wash pit or a wheel washing and/or vehicle cleaning facility at the exits from the excavation sites. The Contractor shall ensure that all vehicle are properly cleaned (bodies and tires are free of sand and mud) prior to leaving the construction site and entering public areas and ensure that water or debris from such cleaning operations is contained and not deposited into nearby drains and watercourses. The locations of these facilities shall be clearly illustrated by the site plans.
- Location of Sand and Aggregate Storage Provisions. The Contractor shall implement dust suppression measures that shall include, but not be limited to the following:

Stockpiles of sand and aggregate greater than 20 cubic meters for use in concrete manufacture shall be enclosed on three sides, with walls extending above the pile and two (2) meters beyond the front of the piles.

Cement and other such fine-grained materials delivered in bulk shall be stored in closed silos fitted with a high-level alarm indicator. The high-level alarm indicators shall be inter-locked with the filling line such that in the event of the hopper approaching an overfull condition, an audible alarm will operate, and the pneumatic line to the filling tanker will close.

Conveying Systems. Where dusty materials are being discharged to vehicles from a conveying system at a fixed transfer point, a three-sided roofed enclosure with a flexible curtain across the entry shall be provided. Exhaust fans shall be provided for this enclosure and vented to a suitable fabric filter system. Locations and essential details for these facilities shall be indicated on the site plan as warranted.

- Other Air Quality Features. Construction walls will be provided in all locations where strong winds could cause the blowing of dust and debris. The Plan shall indicate where such facilities are proposed.

- Conformance with the Montréal Protocol. All refrigerants and fire extinguishing materials shall be in accordance with Montréal Protocol which specifies acceptable materials for these purposes.
- Locations of Liquid and Toxic Material Storage Areas. The site plans shall specify the locations for the storage of liquid materials and toxic materials including the following such conditions to avoid adverse impacts due to improper fuel and chemical storage:
  - All fuel and chemical storage (if any) shall be sited on an impervious base within a bund and secured by fencing. The storage area shall be located away from any watercourse or wetlands. The base and bund walls shall be impermeable and of sufficient capacity to contain 110 % of the volume of tanks.
  - Filling and refueling shall be strictly controlled and subject to formal procedures, and will take place within areas surrounded by bunds to contain spills/leaks of potentially contaminating liquids.
  - All valves and trigger guns shall be resistant to unauthorised interference and vandalism and be turned off and securely locked when not in use.
  - The contents of any tank or drum shall be clearly marked. Measures shall be taken to ensure that no contaminated discharges enter any drain or watercourses.
  - Disposal of lubricating oil and other potentially hazardous liquids onto the ground or water bodies will be prohibited.
  - Should any accidental spills occur, immediate cleanup will be undertaken and all clean-up materials stored in a secure area for disposal to a site authorised for the disposal of hazardous waste.
- Explanations of Proposed Site Drainage Systems. Locations likely to be subject to water quality impacts or significant runoff (construction camps, staging areas, etc.) and an explanation of the proposed site drainage system shall be indicated on the site plans.
- Noise Monitoring Stations. The Contractor will carry out noise monitoring at such points within the site or outside the site and at times as shall be determined by the Engineer.

(ii) Health and Safety Plan (H&S Plan)

The Construction Contractor(s) are obliged to implement all reasonable precautions to protect the health and safety of workers. Construction Contractors(s) will be required to have a standalone Health and Safety Plan and associated procedures that will, as a minimum, adhere to the GoL H&S guidelines and ensure the health and safety of all workers employed during the construction phase of the project.

The Construction Contractor(s) shall establish an H&S Plan in accordance with the content and requirements specified in the OHS Plans. In addition to H&S Plan, Construction Contractor(s) shall also prepare HIV/AIDS program consistent with item (xii) below.

(iii) Emergency Response Plan (ERP)

In case of any accidents, the procedures contained within the ERP will be undertaken immediately. A copy of the ERP and the list of emergency contact numbers are to be posted in a highly visible place within the construction site area.

(iv) Traffic Management Plan

This plan covers local community vehicle movements, the access roads that they will take, safety issues, speed limits imposed on the vehicles as they move through areas, the need to cover dusty loads etc.

(v) Chance Finds Procedure (CFP)

The effective protection of cultural heritage is based on an understanding of the key issues, appropriate assessment and the correct action to minimise possible damage or loss. As unknown features/objects could be encountered during works, in particular earthworks, a “chance finds procedure” shall be in place to stop works and require investigation by an archaeologist in case of such findings and involvement of relevant state entities (see ESMF Annexure 3)

(vi) Stakeholder Engagement and Consultation Plan (SECP)

The stakeholders and communities are to be informed on the construction activities; including implementation timeline and grievance redress procedure. It is the responsibility of the Construction Contractor(s) to ensure proper awareness and disclosure of information in affected communities during project implementation. The SECP shall be consistent with the DPTSC stakeholder engagement framework.

(vii) Social Management Plan (SMP)

The Contractor shall develop and implement a SMP with four constituent parts that address the issues of access and mobility during construction, gender and social inclusion, trafficking in persons and (TIP), and HIV/AIDS. The Contractor shall assign resources and staff to implement and/or monitor the SMP.

(viii) Mobility and Access Facilitation Plan (MAFP)

Under the MAFP, the Contractor shall ensure that the mitigation of negative impacts of construction related works on the project population is planned in advance. The Contractor’s MAFP shall include the following:

- Addressing road safety issues by providing proper vehicle and pedestrian traffic management plans at project sites, both access points and internal movements.
- Providing measures in accordance with the construction schedule to avoid or minimise impacts of construction-related road closures and blocking of access to properties.
- Minimising impact of severance of utilities such as electricity, gas, water supply and sewerage during construction.
- Informing local population(s) about the schedule of construction activities and access route closures.
- Ensuring that any physically-challenged employees of the Contractor are provided means of access and movement appropriate to their disabilities.

(ix) Gender and Social Inclusion Plan (GSIP)

Under the GSIP, the Contractor shall perform the work in accordance with relevant sections of the EMP. The Contractor(s) shall ensure the exchange of information between Contractor(s) and the local population on planned and continuing works. The Contractor(s) will encourage the employment of qualified individuals among the local population(s) in project activities, with particular focus on women, youth, and disadvantaged groups. This may include small-scale supply contracts or services, with announcement of jobs published on project information boards or other means approved by the Engineer. The dissemination of information on potential employment and service provision opportunities must consider ways in which to maximise outreach, using all forms of media that may be appropriate. Where appropriate, the Contractor will provide training to enhance the skills of employees.

(x) Trafficking in Persons (TIP) Plan

Under the TIP, the Contractor shall complete the work in accordance with the relevant sections of the EMP. The Contractor(s) will:

- Ensure TIP will not be tolerated on the part of employees or contract workers and that engaging in TIP is cause for suspension or termination of employment or of the contract; accordingly, Contractor should include this provision in all subcontracts. <sup>[SEP]</sup>
- Raise awareness of employees, subcontractors and workers on the issue, including providing information on the risk areas and the penalties for involvement in TIP. The Contractor shall conduct training for the Contractor's staff and subcontractors and will report to Engineer on the number of training sessions conducted and number of participants.
- Set requirements and a system to report suspicion or knowledge of incidents of TIP to DPTSC and responsible Government of Lao PDR authorities dealing with TIP (including Police, etc.), and to refer potential victims to appropriate agencies and non-government organisations. The contact information of those authorities will be made known to all workers and other participants of the awareness campaign through the distribution of leaflets and posters with the contact information where to report TIP cases.
- Coordinate awareness-raising campaigns with national and local organisations present in the project area(s) that are actively involved in working toward the elimination of TIP.
- Ensure that labor camps, vehicle movements and community interactions are monitored, to the extent practicable, for potential TIP situations.

(xi) HIV/AIDs Plan

Under the HIV/AIDs Plan, the Contractor shall:

- Provide an HIV Awareness Program (preferably through an approved service provider) to the Contractor's personnel and the project-affected communities at construction sites as soon as practicable after the Contractor's personnel arrive at the site, and to repeat such an HIV Awareness Program at intervals not exceeding six months. Place and maintain HIV/AIDS awareness posters in areas that are highly trafficked by construction workers, or provide construction workers with a pamphlet,



in languages they understand, that reinforces the outcomes of the HIV Awareness Program.

- Encourage voluntary HIV/STD testing
- Provide information on services concerning counseling support and care of those that are or might be infected. The Contractor shall not be required to undertake or pay for treatment or medication for personnel found to be suffering from HIV/AIDS.
- Not discriminate against any personnel who have contracted HIV/AIDS, but are fully able to carry out their assigned responsibilities.
- Give any representative of the employer and the National HIV/AIDS Authority all reasonable access to the site in connection with the HIV Awareness Program.
- Notwithstanding the provisions of the General Conditions of Contract and relevant sections of the EMP, the Contractor(s) shall, throughout the duration of the Contract, include a pro-gram of education for site staff and labor and their families on sexually transmitted Infections (STDs), including HIV/AIDS, and prohibitions in engaging in TIP activities.
- Information, Education and Communication (IEC) campaigns shall be conducted at the project site, at least every 3 months, addressed to all site staff and labor (including all the Contractor's employees, all subcontractors and consultant's employees, and all truck drivers and crew members making deliveries to the site for construction activities) and to avoidance behavior with respect to STDs in general and HIV/AIDS in particular. The content for the IEC will be based on the Lao PDR National Strategic Plan on HIV and AIDS.

The Contractor shall, throughout the contract, liaise with the relevant Lao PDR agencies in drawing up and implementing the works' STD and HIV/AIDS program.

The Contractor shall subcontract NGOs as necessary for outreach and training activities. The Contractor shall report progress and coordinate the STD/AIDS measures on site with the national STD and HIV/AIDS program. The Contractor's personnel will be instructed to attend the HIV Awareness Program during the course of their employment and during their normal working hours or any period of overtime provided for in the relevant employment contracts, and use all reasonable endeavors to ensure this instruction is followed.

The above provisions shall be provided free of charge to the participants and the Contractor(s) shall ensure that not only all site staff but also members of adjoining communities have free access to attend the IEC campaigns.

## **Annexure 6. Format for an IEE Report**

An IEE's level of detail and comprehensiveness should be commensurate with the significance of potential environmental impacts and risks. For small scale infrastructure, forestry or livelihood subprojects expected under the REDD+ Project, a relatively narrow scope and depth of analysis should be sufficient.

### **A. Executive Summary**

This section describes concisely the critical facts, significant findings, and recommended actions.

### **B. Policy, Legal, and Administrative Framework**

This section summarises the national and local legal and institutional framework within which the environmental assessment is carried out. It also identifies subproject-relevant international environmental agreements to which the country is a party.

### **C. Description of the Subproject**

This section describes the proposed subproject; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the subproject (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the subproject's layout and components, the subproject site, and the subproject's area of influence.

### **D. Description of the Environment (Baseline Data)**

This section describes relevant physical, biological, and socioeconomic conditions within the study area, and may be based largely on secondary data if relevant and accurate secondary data is available. It also looks at current and proposed development activities within the subproject's area of influence, including those not directly connected to the subproject. It indicates the accuracy, reliability, and sources of the data.

### **E. Anticipated Environmental Impacts and Mitigation Measures**

This section predicts and assesses the subproject's likely positive and negative direct and indirect impacts to physical, biological, socioeconomic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media, and physical cultural resources in the subproject's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, transboundary, and cumulative impacts as appropriate. It is expected that an IEE will be based on less rigorous impact assessment methodologies than an EIA. For example, an EIA might be based on predictive modeling, while an IEE might utilise expert opinion.

### **F. Information Disclosure, Consultation, and Participation**

This section:

- (i) describes the process undertaken during subproject design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders;
- (ii) summarises comments and concerns received from affected people and other stakeholders and how these comments have been addressed in subproject design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and Indigenous Peoples; and
- (iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during subproject implementation.

#### G. Grievance Redress Mechanism

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

#### H. Environmental Management Plan

This section deals with the set of mitigation and management measures to be taken during subproject implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the subproject's impacts and risks):

- (i) Mitigation:
  - (a) identifies and summarises anticipated significant adverse environmental impacts and risks;
  - (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
  - (c) provides links to any other mitigation plans (for example, for involuntary resettlement Indigenous Peoples, or emergency response) required for the subproject.
- (ii) Monitoring:
  - (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
  - (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.
- (iii) Implementation arrangements:

- (a) specifies the implementation schedule showing phasing and coordination with overall subproject implementation;
  - (b) describes institutional or organisational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organisational changes; and
  - (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.
- (iv) Performance indicators:
- describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

#### I. Conclusion and Recommendations

This section provides the conclusions drawn from the assessment and provides recommendations.

## Annexure 7. Format for a Safeguards report

As part of the overall Project reporting to DoF and the WB, the central REDD+ Safeguards section will prepare semi-annual environmental progress reports that summarise the status of the subproject environmental assessment processes, subproject environmental monitoring, and any compliance issues and corrective actions. A sample outline which can be adapted as necessary is provided below. Ranking systems for compliance, mitigation effectiveness, etc., are indicative examples only and can be modified or disregarded as appropriate.

1. Introduction and Report Purpose
2. Subproject Environmental Assessment  
Status of subproject screening, categorization and environmental assessment.  
Identification of key issues encountered in the environmental assessment process (if any) and the means by which issues have been, or will be, addressed.
3. Environmental Monitoring
  - a. Summary of Compliance Monitoring Inspections Activities
  - b. Assessment of Mitigation Compliance<sup>41</sup>
  - c. Assessment of Mitigation Effectiveness<sup>42</sup>
4. Key Environmental Issues
  - a. Key Issues Identified
  - b. Action Taken
  - c. Additional Action Required

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<sup>41</sup> Overall compliance with mitigation implementation requirements could be described in qualitative terms or be evaluated based on a ranking system, such as the following:

1. Very Good (all required mitigations implemented)
2. Good (the majority of required mitigations implemented)
3. Fair (some mitigations implemented)
4. Poor (few mitigations implemented)
5. Very Poor (very few or no mitigations implemented)

Additional explanatory comments should be provided as necessary.

<sup>42</sup> Effectiveness of mitigation implementation could be described in qualitative terms or be evaluated based on a ranking system, such as the following:

1. Very Good (mitigations are fully effective)
2. Good (mitigations are generally effective)
3. Fair (mitigations are partially effective)
4. Poor (mitigations are generally ineffective)
5. Very Poor (mitigations are completely ineffective)

Additional explanatory comments should be provided as necessary.

### Forest Sector PAMs

-Establishment of an enabling environment to implement and scale up participatory sustainable forest management (PSFM) and forest landscape restoration  
-Implementation and scaling up of PSFM and the sustainable use of forest resources  
-Implementation and scaling up of forest landscape restoration

-Forest landscape restoration  
-Participatory Sustainable Forest Management (PSFM)

5. Conclusion

a. Overall Progress of Implementation of Environmental Management Measures.

Overall sector environmental management progress could be described in qualitative terms or be evaluated based on a ranking system, such as the following: 1) Very Good

2) Good

3) Fair

4) Poor

5) Very Poor

Additional explanatory comments should be provided as necessary.

## **Annexure 8. National REDD+ Strategy**

The National REDD+ Strategy that is under development and includes a number of key strategies and strategic interventions under them to address the drivers of deforestation and forest degradation. To be able to examine the possible environmental impacts of project- or activity-level interventions in implementing the National REDD+ Strategy, the array of possible strategies and interventions are first enumerated as follows:

**1. Address the gaps in policies, laws, and regulations**, including the Land Law and the Forestry Law to:

- 1.1 Move to national “green growth” policy
- 1.2 Adopt a “zero deforestation” policy for agricultural development
- 1.3 Limit feeder road incursion into forests by private investors and smallholders
- 1.4 Honor customary rights to use land and forest, including their expansion to include commercial activities that reduce poverty and provide economic incentives to local communities to protect forest by active and beneficial management
- 1.5 Provide communal and collective land titling, as well as communal and collective forest and land-use rights to provide tenure security for forest management and its outputs
- 1.6 Avoid infrastructure development in high value conservation forests
- 1.7 Provide for other environmental and social safeguards
- 1.8 Revise the laws or provisions of laws and related regulations on concessions and investments to be consistent with the above policies

**2. Strengthen the enforcement of policies, laws, and regulations**, including to:

- 2.1 Stop the illegal expansion of agricultural and forest plantations in natural forest areas
- 2.2 Require and enforce salvage logging plans based on the granted logging quota
- 2.3 Enforce state-only selling of natural forest timber from concession areas.

**3. Improve the monitoring of implementation, linking monitoring with law enforcement**, including:

- 3.1 Systematic enforcement of contracts and concessions of development projects
- 3.2 Systematic monitoring of infrastructure development, urbanization, hydropower, and mining projects
- 3.3 Systematic monitoring and reporting of forest fires
- 3.4 Near real-time monitoring and inspection of forest condition, including areas of illegal logging and deforestation.

**4. Improve the planning and use of land and forest resources**, including:

- 4.1 Forest landscape level spatial planning and zoning
- 4.2 Village level land-use planning and allocation
- 4.3 Active implementation of communal and collective land titling, as well as the provision of communal and collective forest and land-use rights to provide tenure security for forest management and its outputs

**5. Enhance research and development and extension services for agriculture, agroforestry, village forestry, smallholder plantation forestry, village participation in state forest management, and forest industry development, including:**

- 5.1 Value chain studies and market information monitoring on different products
- 5.2 Appropriate technology to improve or intensify agricultural production on forest lands
- 5.3 Identifying and promoting best practices for rotational agriculture, agroforestry, and livelihood diversification
- 5.4 Strengthening forestry and agriculture extension capabilities and services for intensifying agricultural production, agroforestry, village forestry, forest plantations and tree farms, and involvement in PSFM in state forest management units
- 5.5 Demonstrating models of forest plantation development based on private sector core plantations and satellite smallholder farms
- 5.6 Organising for and developing sustainable village forestry for timber and NTFP at subsistence or commercial level
- 5.7 Developing ecotourism in forest areas to increase benefits from forests

**6. Raising the standard of state, village, and private sector forest development and management operations , including to:**

- 6.1 Meet forest certification and FLEGT requirements
- 6.2 Promote the development of clustered and re-tooled forest industries for economic transport and value-added processing of forest products
- 6.3 Access export markets for certified forest products

**7. Institutionalise forest landscape management, including:**

- 7.1 Organising for provincial-scale forest landscape management planning and protection, piloting the engagement of the Provincial REDD+ Task Forces as the lead body
- 7.2 Developing a land-use decision framework based on integrated spatial planning
- 7.3 Strengthening inter-sectoral collaboration on investment planning linking all levels
- 7.4 Forest management planning for all types of forests in the forest landscape
- 7.5 Cooperation and coordination in forest landscape restoration

**8. Raise public awareness on key forestry issues, including on**

- 8.1 Forestry Law, Wildlife and Aquatic Law, Environmental Protection Law and other relevant policies, laws, decrees and regulations related to resource use
- 8.2 Proposed changes in land use, proposed logging quotas, and other proposed developments, and discussion of possible impacts involving the public before changes are agreed
- 8.3 Dangers of forest fires and how to fight and report forest fires
- 8.4 Environmental and social benefits of forests, especially non-monetary benefits



## **Annexure 9. Protocol of UXO Site and Safety Brief**

### **1. Site Brief**

The following is to be included in a site brief:

1. A brief history of the area around the site to include the effect of UXO contamination on the local community. Any accidents or incidents involving people or livestock should be covered.
2. The end use of land, including details of donors or other organisations supporting the work.
3. Clearance plan for the site to include:
  1. Area to be cleared.
  2. Depth of clearance.
  3. Quality of clearance.
  4. Methodologies and equipment used.
  5. Planned duration of task.
4. History of clearance on the site to date to include; days worked, area cleared, UXO removed, projected completion date and problems encountered.
5. Site layout to include:
  1. The site layout.
  2. The marking systems used.
  3. Locations of safety or access lanes.
  4. Cleared and uncleared areas.
  5. Location of the site medic.
  6. The location of toilets and rest areas.

### **2. Safety Brief**

The following is an example of the details that may be included in a safety brief:

During the visit you are to comply with the following rules:

1. You must obey all instructions given to you by myself or any personnel appointed to escort you.
2. You must remain with your escort at all times. You are not permitted to move around the site by yourself.
3. Only walk in the areas indicated by your escort.
4. Do not touch any items on the ground.
5. Smoking is only permitted in the rest area as previously indicated.
6. In the unlikely event of an accident or incident follow the instructions of your escort or myself.
7. If you have portable telephones or radios you are to turn them off.
8. While you are on the site the clearance technicians will be required by safety rules to stop work. Please attempt to keep your time on the site itself to a minimum, and to ask questions or carry out any discussion after you have moved off the site. Thank You.

## Annexure 10. UXO Visitor's Indemnity Form

### 1. Instructions to Clearance Worksite Supervisors

All authorised visitors who visit a clearance worksite are to be given a site and safety brief. On completion of this brief the visitors are to read the visitors disclaimer and are then to fill in and sign the table shown below. The clearance worksite supervisor is then to sign the block below the table certifying that the site and safety brief has been given, and that he/she is witness to the signatures of the visitors. At the conclusion of the visit copies of the completed forms are to be retained with the clearance worksite documentation.

### 2. Visitors Disclaimer

All visitors enter the clearance site at their own risk. The *organisation name* will not accept responsibility for any accident or incident that occurs during the visit, for any injury to visitors or damage to visitor's property that occurs during the visit or arising after the visit.

I the undersigned, certify the following:

1. I have been given a site and safety brief and understand the contents of the site and safety brief and agree to abide by the rules stated.
2. I indemnify *organisation name* for any accident or incident that may occur during this visit whether by the actions of another visitor, a clearance worksite employee or me.
3. I further indemnify *organisation name* for any injury to myself or damage to my personal property that may occur during the visit or arising after the visit, as a consequence of the visit. Should an accident or incident occur that causes injury to my person I authorise the clearance personnel to provide whatever medical treatment and evacuation necessary to sustain life and to minimise further injury.
4. I certify that to the best of my knowledge the information that I have provided in the table below is true and accurate.

| Ser. | Name & Initials | Organisation | Blood Group | Signature |
|------|-----------------|--------------|-------------|-----------|
| 1.   |                 |              |             |           |
| 2.   |                 |              |             |           |
| 3.   |                 |              |             |           |
| 4.   |                 |              |             |           |
| 5.   |                 |              |             |           |
| 6.   |                 |              |             |           |

I certify that the abovementioned visitors have been given a site and safety brief in accordance with the requirements of NS and that the signatures on the table above have been witnessed by me.

Name:.....

Appointment:.....

Signature:.....