

FP117

Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management

Annual Performance Report CY2021

APR CY2021 Section 1: General Information - v5 YYYY-MM-DD HH:mm

[APR CY2021] Section 1: General Information

Please note that this is section 1 of the five Annual Performance Report (APR) sections. APR will be considered valid only after all the five sections are filled with relevant details.

1.1 Please indicate if information provided in this APR is disclosable outside the Green Climate Fund. *

- Yes - The Accredited Entity agrees that the information reported is disclosable.
- No - The information reported is partly confidential. The disclosable version of the APR will be attached.

If you select the second option [No - The information reported is partly confidential. The disclosable version of the APR will be attached], please follow the below steps.

- Step 1: Fill in all the sections of the APR with disclosable information.
- Step 2: Save each section using the 'PDF' function provided in the top-right corner. (Do NOT submit an APR at this step).
- Step 3: Attach all of the disclosable sections to the attachment boxes below, which will be shown once you check the second option only.
- Step 4: Update all the sections of the APR with non-disclosable information.
- Step 5: Submit the non-disclosable APR which herein enclose the disclosable APR in PDF format.

1.2 Please indicate if this report has been shared with the relevant NDA(s) for this Funded Activity

Yes

Once the APR is created in the PPMS, please use the 'Open as PDF' function to download the report in PDF format and to share with relevant authorities (i.e. NDAs) before submission. Select 'Yes' only if shared to ALL the relevant NDA(s).

Please Indicate the date of submission to NDA(s)

2022-02-02

If the APR is submitted to multiple NDAs, please indicate the latest date of submission to NDA, and provide the other dates per NDA in the further explanation box below.

Please provide further explanation, if any:

1.3 Funded Activity Title (Project/Programme Title)

Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management

1.4 Funding Proposal Reference Number

FP117

1.5 Board Meeting Number

24

1.6 Accredited Entity contacts for this APR

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1.7 Executing Entity(ies)**Full Name of Executing Entity**

This value will be autopopulated from APR 2020.

Please write the name of the country where the Executing Entity is headquartered.

Full Name of Executing Entity

This value will be autopopulated from APR 2020.

Please write the name of the country where the Executing Entity is headquartered.

Full Name of Executing Entity

This value will be autopopulated from APR 2020.

Please write the name of the country where the Executing Entity is headquartered.

1.8 Project Duration**From**

To

Check if the extension request for the project duration was approved by the Secretariat during the reporting period.

Please reach out to the GCF portfolio managers if you need an extension

 Yes (it was extended)

 No
1.9 Current Year of Implementation

Indicate the year number, e.g., '2'

1.10 Annual reporting period covered in this report**From**

To

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 1 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 1 is complete and ready for submission.

APR CY2021 Section 2: Implementation Progress - v5 YYYY-MM-DD HH:mm

[APR CY2021] Section 2: Implementation Progress

Please note that this is section 2 of the five Annual Performance Report (APR) sections. APR will be considered valid only after all the five sections are filled with relevant details.

2.1 Overall (summary) project progress

This **Annual Performance Report** (APR) refers to the second year of the implementation of the Lao PDR Emission Reductions Program through improved governance and sustainable forest landscape management (Project 1), running at national level, in three Provinces, 15 Districts and 240 target villages. In the reporting year, there has been **substantial progress** with respect to relevant criteria and indicators. The approaches, steering and management structures as well as the systems developed are proven to be effective.

At **national and policy level**, the impact of COVID-19 did affect the planned activities, however there is still noticeable progress with respect to various aspects. The **Environmental Protection Fund** (EPF) has now fully taken on its role as National Executing Entity and Project Fund. The EPF has supported 22 Project Owners (POs) with trainings on implementation and the opening of bank accounts to receive funding for implementing Project 1 activities. The EPF has also made progress in the GCF Accreditation Process as national Accredited Entity, for which the EPF has received a second GCF Readiness Grant.

The **Forest Protection Fund** (FPF) is still not operational and despite of substantial support it is questionable if it will pass World Bank (WB) due diligence. Therefore, Project 1 will continue to follow the design, outlined in the Funding Proposal, and work with the EPF as the project fund and National Executing Entity.

Under the **forestry law**, Project 1 provided technical inputs for the development and formulation of sub-sequent legislations, especially regarding the National REDD+ Strategy which was approved by the Minister of Agriculture and Forestry in April 2021. The **Provincial REDD+ Action Plans** (PRAP) have been integrated into the 8th Provincial 5-Year Socio-economic Development Plans, and REDD+ related activities have been integrated into provincial and District annual development plans.

Overall, the implementation of field activities in all Outputs is substantially behind schedule because of the **COVID-19 restrictions** in Laos. In all three Provinces, field work was impaired by lockdowns and travel restrictions. Especially in Sayaboury and Luang Prabang the field work was delayed because District Agriculture and Forestry Office (DAFO) Teams and the project personnel were not able to go to the villages. Since work at village level forms the core of the program, Activities from all Outputs are directly affected.

In 13 new Districts, **Village Forest and Agriculture Grant** (VFAG) Teams were trained in implementation at village level, and the implementation has already started. VFAGs have been established in 121 villages. VFAG financial management training was completed in 72 villages, and 68 village bank accounts have been opened.

The **Provincial Deforestation Monitoring System** (PDMS) is operational and was applied in all of the three Provinces. The trained staff is now able to carry out the monitoring. In the first nine months of operation, the PDMS helped to detect forest encroachments in 24 villages Houaphan.

The new PLUP 2.0 guideline on **Participatory Land Use Planning** (PLUP), including mainstreamed principles for Forest Landscape Restoration (FLR) was finalized in December 2020 and is applied in all new target villages. The key implementers from DAFOs and District Offices for Natural Resources and Environment (DONREs) were trained in all three Provinces, and direct technical support has been given to the first villages from each District. Additional technical trainings on the use of geographic information system/mapping and on PLUP data management system (Land Use Information System, LUIS) were carried out in each target Province for the District Teams. In 2021, PLUP 2.0 has been conducted in 48 villages. In the target Districts of Paklay in Sayaboury and Xone in Houaphan Province, the GIZ Land Program enabled the PLUP 2.0 implementation in 14 villages. This covers a total village land area of approx. 220,000 ha out of which 65% are designated as village forest land. 25% of total village area is zoned as fixed agriculture areas, while shifting cultivation and fallow land make up about 10%.

The **National Forest Monitoring System** (NFMS) has been developed under the framework of the Forest Carbon Partnership Facility (FCPF) and was supported by the F-REDD project (JICA). The NFMS will be the main tool to do the carbon accounting for the Emission Reductions (ER) program under the FCPF Carbon Fund.

The **Free, Prior and Informed Consent** (FPIC1) consultation meetings were implemented from March to June 2021 and were completed in all 170 new target villages. FPIC Teams in the 13 Districts, consisting of District staff, the Lao Front for National Development (LFND) and the Lao Women's Union (LWU), were trained on the implementation process of FPIC. During the FPIC1 implementation a total of 16,328 votes from participants were cast, 16,292 Yes, 23 No-votes, and 13 abstentions. Initially, all 170 villages agreed to join, but one village withdrew later due to internal disputes about village forest areas.

The **Promotion of Sustainable and Deforestation-free Agricultural Practices and Value Chains** (PSAP) implementation is based on the results of the Participatory Land Use Planning 2.0 (PLUP 2.0) conducted in each target village. Trainings on the PSAP approach for provincial and District PSAP Teams were conducted in all three Provinces with a total of 63 participants (19% women). To date, the PSAP implementation has been completed in 34 villages and 984 households have officially registered to participate in the PSAP activities. 11% are youth-led and 7% are women-led households (identified as particularly vulnerable groups). PSAP households have dedicated more than 1000 ha to the implementation of the PSAP activities, and personalized investment plans were developed by assessing each agricultural field and the specific needs of each member.

The major **Whitelist** activities chosen by farmers include the establishment / rehabilitation / enlargement of paddy fields (47%), improved livestock grazing area and forage cultivation (27%), and the establishment / rehabilitation of fishponds (11%). The strong focus on paddy fields highlights the importance of food security (rice) at household level. Extension materials on the specific production techniques for whitelisted activities have been developed by the agriculture Team for 18 crops prioritized by beneficiaries.

The Agriculture Teams have carried out an analysis of **private sector companies** operating in the respective Districts. Additionally, selected companies from provincial and national level have been included. Information on 164 private or state companies involved in marketing agricultural products from the Districts

was collected. This initial private sector review showed that 14 agricultural commodities matched with the Whitelist.

The **Sustainable rural infrastructure watershed management** activity managed by ADB started implementation. The three Provincial Agriculture and Forestry Offices (PAFOs) in Houaphan, Xieng Khouang and Luang Prabang/Sayaboury initiated the process at provincial level and delivered inception reports in 2021. In addition, contracts were signed with consulting firms for Social Impact Assessment and Resettlement (SIA) and Independent Safeguard Monitoring (ISM). The Department of Irrigation (DOI) Team completed most of the updates of the safeguard documents. The DOI carried out surveys and held community meetings in each of the affected villages. Compensation schemes were reviewed, and the list of vulnerable households got updated.

The **IFAD Partnerships for Irrigation and Commercialization of Smallholder Agriculture Project (PICSA)** project started field activities, establishing District Nutrition Committees (DNC) with technical trainings and developing nutrition intervention packages. ToR for the Knowledge, Attitude and Practices (KAP) survey are being cleared by IFAD. The recruitment of a company to conduct the survey is on its way. It is foreseen that activities under the Nutrition Component will start during first quarter of 2022.

The practical trainings on **Village Forest Management Planning** were organized in the three Provinces for appointed technical staff of PAFO and DAFOs and completed in 2021. The DAFO Teams in all Districts have started the field implementation. Until December 2021, 25 Village Forest Management Plans (VFMPs) were developed in the 3 Provinces with close support and advice by the program through the forestry advisors. The majority of the plans (i.e. 22 VFMPs) were developed in Houaphan, because of less COVID-19 restrictions and because of more experienced PAFO and DAFO staff. In Sayaboury two plans were and in Luang Prabang one plan was developed. The total forest area of these plans cover about 63,000 ha. The **KfW Village Forest Management Project Laos** signed 24 VFMPs at village level in its target Districts (District Phiang in Sayaboury and District Phonexay in Luang Prabang).

Furthermore, in Houaphan, the **Annual Operational Plans (AOPs)** of the 70 existing CliPAD villages were updated (40 in Houameuang and 30 in Samnuea), covering a total forest area of 64,000 ha). These villages will be able to start the forest management activities and receive the respective *Cash for Work* payment in 2022.

In general, the **management activity in Production Forest Areas (PFAs)** is on hold since the logging ban is still in place. However, existing management plans in the two PFAs are reviewed in order to identify potentials for supporting activities.

The **Management Plans** of Nam Xam National Protected Area (NPA), Nam Pouy NPA and Nam Et-Phou Louey National Park were reviewed regarding the implementation approaches of conservation agreements from other programs like KfW Integrated Conservation of Biodiversity and Forests (ICBF) and the Second Lao Environmental and Social Project (Worldbank LENS II). In Nam Et-Phou Louey National Park, nine guardian villages completed their annual operational planning. Awareness raising on forest conservation was carried out in 10 villages.

Project Management Units at national level (NPMU), provincial level (PPMU) and District (DPMU) level have been set up. 22 Project Owners (POs, notably 4 Departments at national level, 3 PAFOs and 15 DAFOs) to implement activities are able to fulfill their functions in planning, implementing and reporting. Annual and Quarterly Plans have been developed and approved by PMUs and POs.

The **Cloud Database** follows an integrated approach, which does not only collect M&E-related data, but also includes the Environmental and Social Management Plan (ESMP) and Gender Action Plan (GAP) related information and checklists. The database is fully functional and is used to follow the implementation progress in real-time.

The biggest **challenges** Project 1 has faced involve **timing issues**, e.g. concerning the approval of quarterly plans, general bureaucratic procedures, financial clearance and impacts from the COVID-19 pandemic. While Project 1 management has taken measures to address these challenges, a 12-month no-cost extension will probably still be required, mainly due to impact of COVID-19. Other issues often concerned data quality and reporting from the village-level, which will continue to require attention and create additional workload. Finally, a number of challenges are related to particular technical areas, such a forest classification, selection of Whitelist products by villagers, none of which are seriously endangering the success of Project 1.

Provide a narrative report describing the overall progress on the implementation of the funded activity, focusing on implementation achievements, delays, and challenges according to the planned activities. As relevant, include references to other sections of this report (including Annexes or Attachments). Include a description of key milestones of the funded activity achieved during this reporting period including any deviations from original expectations. Also, describe challenges encountered and actions undertaken to resolve these challenges, and lessons learned during the implementation, including issues related to non-compliance with GCF standards or conditions, if any. In parallel, include positive achievements and better-than-expected results. If any issues have arisen in the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project, please provide a description of those items and how they have impacted the implementation period and final targets. Kindly make sure that this section just gives an overall summary and doesn't have overlap with other sections.

2.2 Performance against the GCF investment criteria (summary)

The project's **impact potential** aims at reducing 5.6 million tonnes CO₂eq emissions through REDD+. The latter is to be achieved by a well-balanced combination of PLUP activities, Village Forest Management, support to alternative livelihoods and law enforcement. The target areas comprise 15 Districts and a total of 240 villages (with 145,000 direct beneficiaries and 253,700 indirect beneficiaries), including 70 villages that benefited from the previous CLIPAD project, which will only be supported for Village Forest Management activities.

A new guideline on Participatory Land Use Planning (PLUP) with Forest Landscape Restoration (FLR) principles mainstreamed has been successfully implemented in 48 of the targeted villages. Moreover, 25 Village Forest Management Plans (VFMPs) have been implemented in the targeted Provinces.

In terms of the **Paradigm shift potential**, the integration of REDD+ into national and provincial development planning will contribute to the mainstreaming, and hence intrinsic scaling-up and replication, of the program interventions. The PRAP activity has successfully been integrated into the three provincial SEDPs and into the 33 Districts socio-economic development plans.

Guidelines for the Promotion of Sustainable and Deforestation-free Agricultural Practices and Value Chains (PSAP) approach have been developed, enabling a paradigm shift across different sectors and business activities. The project will also build capacities in the main environmental funds, facilitating the broader distribution of REDD+ finance beyond the GCF project target groups. The revised Forestry Law (2019) has finally opened the door for the commercial use of timber from village forests under certain conditions. The National REDD+ Strategy (NRS) approved in April 2021 will be incorporated into the Forestry Strategy 2030 and has been integrated into the 9th NSEDP 2021-2025 as well as in other relevant development plans. Since early 2021, the Provincial Deforestation Monitoring System (PDMS) was implemented in all the three Provinces, to strengthen law enforcement and monitoring compliance.

There are various **sustainable development potentials** regarding Project 1: **Economically**, the project aims at improving livelihoods and income for rural populations, supporting SME, and strengthening the mobilization of domestic resources through the promotion of good practices along the agricultural value chain. The development of the PSAP guidelines and the disbursement of VFAG funds are examples of the project's contribution to sustainable economic activities in targeted areas. Notably, in the last year, the project has successfully initiated the implementation of PSAP guidelines in 32 villages. From a **social** perspective, the project aims at reducing hunger, improving nutrition and enhancing health conditions of the targeted population. This is to be achieved through improved agricultural productivity, improved employment opportunities, and improved **gender** equality through economic, training and entrepreneurial activities. Monitoring data showed that members of the Lao Women's Union participated in almost all of the village level activities in 2021. Moreover, beneficiaries are now informed on how to submit grievances through the Grievance Redress Mechanism.

The project is oriented strongly towards the **needs of the recipient**, which are manifold, Lao PDR still being a landlocked least developed Country (LLDC). The overall **financial** crisis has been aggravated by the COVID-19 pandemic. Lao PDR's COVID-19 response in 2021 has become more stringent compared to the previous year. The GoL imposed several lockdowns, and limited mobility within the country. These limitations have led to slower operations by the public and the private sector. Due to COVID-19 vulnerable communities in the project's target areas are more vulnerable than they were at the time of the project's conception, as subsistence agriculture smallholders and small-scale foresters have lost access to other options for economic resilience. Moreover, many households have faced important income losses due to the decline of remittances from abroad.

The project seeks to remove **barriers** that currently prevent Lao stakeholders from accessing climate and REDD+ finance to help them addressing their financial, economic, social, and institutional needs. Some examples include easing the government budget's constraint by building capacities of government entities (EPF and FPF) to collect forest fees and taxes to diversify revenue sources and channeling grant resources to rural beneficiaries and building their capacities to apply for, deploy and report on financial resources.

Regarding coherence and **country ownership**, the project is well aligned with Lao PDR's climate policies and with other GCF country programs. The PMUs are operating well on all 3 levels (national, provincial and District) and project owners have shown full capacity to plan and implement activities. The project continues to be engaged with the NDA, who manages the Country Program 2020-23. CSOs and the private sector are actively participating in project planning and project implementation activities. Moreover, CSOs continues to be involved in village-level activities such as PLUPs and VFMA's.

Concerning the **efficiency and effectiveness**, a few changes in the co-financing of the project happened regarding the Funding Proposal approved in May 2019. BMZ has increased its funding by EUR 5,200,000, commissioning the CLIPAD IV / I-GFLL (Project 1) on April 22nd 2020. JICA's contribution and co-financing through its F-REDD II project, decreased from EUR 1.6 million to EUR 1.2 million. However, the provincial activities planned for JICA will be taken over by GIZ and carried out as planned. The GoL contribution, which is mainly through staff time contributions, has been overestimated during the project design phase. This is due to the current debt crisis, which caused a cut in monthly salaries which were used to estimate the contribution amount. The commitments of ADB and IFAD remained unchanged.

Provide a narrative report describing the progress on the funded activity's performance against the GCF investment criteria framework. The performance should be compared against the initial assessment provided in the Board-approved Funding Proposal (section E). The list of the investment criteria as per the current framework is provided below. For each investment criteria outlined below, please include an assessment of current status, changes, progress and impact of the project as well as any impact of project context on the project during this reporting period against the initial baseline scenario and planned activities as per the assessment presented in the approved Funding Proposal. This sub-section 2.2 is not applicable for REDD+ Results-Based Payments Projects. Please write 'Not Applicable' as the response.

Relevant Links

[The GCF investment criteria framework](#)

2.2.1 Impact Potential ?

The project aims to mitigate GHG emissions through REDD+. In its 4-year lifetime, the project expects to reduce or avoid 1.4 million tonnes CO₂eq annually and 5.6 million tonnes CO₂eq in total. The calculations are based on the detailed analysis undertaken as part of Lao PDR's engagement with REDD+ (the UNFCCC Forest **Reference Emission Level (FREL)**) and the FCPF Carbon Fund (the Reference Level (RL) of the ER-P). Based on available information from 135 villages, a total of approximately 145,000 direct beneficiaries can be estimated, increasing the original estimate by 10,000 people. 50% of all direct beneficiaries are female. Moreover, the project targets a total of 253,700 indirect beneficiaries.

The **project also aims to** achieve a reduction in deforestation by 6%, equivalent to 9,900 ha, reduce forest degradation by 10%, equivalent to 9,030 ha, and increase restoration and reforestation by 8% and 1%, respectively, equivalent to 3,160 ha of forest restoration and 1,850 ha of reforestation, respectively.

Furthermore, the **FREL** report has been submitted by DoF to UNFCCC. The Technical Assessment of the FREL has been completed, and the final FREL report and the Technical Assessment report were disclosed on UNFCCC's website in 2019. DoF has also completed the first national MRV (2015-2018) against the FREL in 2020, and the results are being assessed by the UNFCCC. The National Forest Monitoring System (NFMS), a harmonised and transparent monitoring system for REDD+, has been developed in collaboration with the F-REDD project (JICA), and the unit has started working on the first monitoring report for the FCPF Carbon Fund (results expected in early 2023).

The **northern region of Laos** is characterised by hilly topography, remote accessibility, limited public and industrial infrastructure, unique ethnic communities, and a persistent prevalence of poverty. This project addresses the three Provinces of Houaphan, Sayaboury and Luang Prabang since they contain the Districts with the **highest rates of deforestation and forest degradation** within the ER-P accounting area and contain those remaining forest areas most at risk to deforestation and forest degradation. In addition, the geographical locations of these three Provinces enable connectivity of forest ecosystems at a landscape level.

The final **selection of target areas** has defined 15 Districts and a total of 240 target villages have been selected based on the defined criteria and clustered by taking into account the Forest Landscape Management Approach. This constitutes an increase of 40 villages compared to the 200 villages as defined in the Funding Proposal (see 2.2.3).

As a result of the increased number of target villages, also the number of direct and indirect **beneficiaries** is expected to increase to 145,000 and 253,700, respectively. Additionally, initial information collection suggests that the area under sustainable forest management will increase significantly (but no precise data are available yet). The final target Districts are: (1) Houaphan Province: Hiem, Houameuang, Viengxai, Xam Neua, Xamtai, Xone, Sopbao, (2) Sayaboury Province: Hongsa, Paklay, Sayaboury, Thongmixai and (3) Luang Prabang Province: Nan, Phonthong, Viengkham, Xieng Ngeun.

In the **previous CliPAD target Districts** of Houameuang and Xam Neua, there are a total of 70 target villages, which are continued to be served in Project 1, however only for Village Forest Management activities. The Additional 170 target villages are equally distributed over the remaining Districts, amounting to 13 villages per District in average. Another 70 target villages in 2 Districts in Sayaboury and Luang Prabang Province are addressed by Project 1's KfW Village Forest Management Project, as part of the Funded Activity. Out of 170 new villages, 37 villages are located in/adjacent to national protected areas and are identified as so-called guardian villages. The implementation approaches for conservation agreements from the Integrated Conservation of Biodiversity and Forests (ICBF, KfW) and Second Lao Environment and Social Project (LENS2, WB) projects have been reviewed by the Project 1 and the new adapted concept is applied in the mentioned guardian villages.

The intended **impact** (mitigation of GHG emissions as well as reduction of deforestation and forest degradation) is to be **achieved by** a well-balanced combination of changed land use patterns through Land Use Planning, Village Forest Management, support to alternative livelihoods/income, as well as law enforcement. Until December 2021, PLUP has been completed in 48 villages (5 in Luang Prabang, 18 in Sayaboury and 25 in Houaphan).

The KfW supported CliPAD FC project (cooperation Project of GIZ CliPAD) was successfully completed in 2020. All 70 project villages in Sam Neua and Houameuang District received 100% of the possible bonus payments, for maintaining their village forestry area, as agreed in the **Village Forest Management Agreements**, signed between villagers and District authorities. Furthermore, DoF agreed to scale up the application of the CliPAD Village Forest Management Planning (VFMP) and Implementation Guidelines to all project villages, which were developed by CliPAD in the past (2009 – 2019).

Up to now, 25 **Village Forest Management Plans (VFMPs)** have been implemented in the 3 Provinces, covering a forest area of 63,000 ha. In addition, in Houaphan, the Annual Operational Plans (AOP) of the 70 existing CliPAD villages were updated (40 in Houameuang and 30 in Samneua). KfW VFMP Laos - according to their reporting in 2021 - signed 24 VFMPs at village level in its target Districts in the two Provinces of Luang Prabang and Sayaboury.

Sustainable and Deforestation-free Agricultural Practices and Value Chains (PSAP) investment plans have been developed in 32 villages. 7 villages requested budget from the EPF for implementing village investment activities.

Strengthened **law enforcement** is a key measure necessary to support Lao PDR's commitment to REDD+. Illegal logging and unauthorised clearing of forest land still exist and are a challenge for provincial and District authorities due to limited budgets, limited technical capacities and understaffing, but also due to a partly unclear legal framework.

The **Provincial Deforestation Monitoring System (PDMS)** is operational since February 2021 and is used in all three target Provinces. The information generated will be used for checking the deforestation results at District level and functions as early warning system for law enforcement. National and provincial staff were trained in using the system in specific workshops held in 2021.

Please note, that a number of **guidelines** (PLUP 2.0, PSAP, Whitelist, VFAG) are attached to this report for further reference.

2.2.2 Paradigm shift potential

Potential for scaling up and replication, and its overall contribution to global low-carbon development pathways

The integration of REDD+ into national and provincial development planning has contributed to the main-streaming, and hence intrinsic scaling-up and replication of the program interventions.

Social and Environmental Developments Plans (**SEDPs**) at the Province and District levels are being prepared as 5-year plans and are the primary strategic reference for government entities to fulfil their work. The Provincial REDD+ Action Plan (PRAP) activity has successfully been integrated into the three Provincial SEDPs and into the 33 Districts' socio-economic development plans.

The project enables a **paradigm shift across different sectors and business activities**. Agriculture, forestry and financial sectors in particular are targeted as key sectors for transformation. The project has developed guidelines for the "Promotion of Sustainable and Deforestation-free Agricultural Practices and Value Chains" (PSAP) approach and is implementing them on a broad scale. The PSAP approach aims at widely promoting sustainable agricultural practices with upland farmers in the project Provinces.

To access international climate financing, capacities are built in the main **environmental funds** (EPF and FPF), which facilitate the replication and scaling-up of the project as well as the broader distribution of REDD+ finance beyond the GCF project target groups. This is achieved through building the funds' capacities and enabling them to become fully operational regarding the management of funds for REDD+. The EPF has been supported in various institutional aspects, e.g., financial management, M&E, Environmental and Social Safeguards, Project Development and Management and has increasingly shown capacity to implement them. A significant decision made by GoL was the designation of the FPF as REDD+ Fund. GIZ still maintains the Climate Change Window under the EPF to channel the GCF proceeds to the final recipient, as stipulated in the Funding Proposal and the Grant Agreement.

Potential for Knowledge and Learning

The Governance of Forest Landscapes and Livelihoods (GFLL) program, as the umbrella program for I-GFLL, is currently being designed by the Department of Forestry. This includes several conceptual documents, amongst them the Project Operational Manual the Financial Management Information System and a Benefit Sharing Plan, all of which have been heavily influenced by the respective manuals of I-GFLL. This program will ensure that long-term financing for the forestry transformation is ensured by channeling funds from the World Bank FCPF program to rural villages.

Contribution to the creation of an enabling environment and regulatory framework and policies:

The project contains a strong enabling environment element, including policy and regulatory reform (Mainstreaming REDD+ into Socio-Economic Development Planning and Forest Legislation, support to regulatory enforcement and improved land use planning, as well as community-level support in the form of capacity building and strengthening of the DAFO agricultural extension system.)

The **Lao Forestry Law** from June 2019 established the legal framework for REDD+ in Lao PDR and has finally opened the door for the commercial use of timber from village forests under certain conditions. Article 39 gives villagers now the mandate for the management and protection of forests within the management area of their village. This article also stipulates that village forest management planning shall be regulated by a separate specific regulation to be developed by DoF.

In 2021, the so called "**Common Approach for Village Driven Forest Management Planning**" was approved by the Village Forestry and Non-Timber Forest Product Division of the Department of Forestry and will be applied nationwide. Due to close cooperation, relevant lessons learned by Project 1 are incorporated in the regulation, and the project gave support to its formulation. Article 65 governs the use of village forest timber and Non-Timber Forest Products (NTFPs) for commercial purposes by individuals, legal entities, or organizations to which the state has given rights for legal use. Such uses of the forest include timber, NTFPs, tourism, recreation, forest ecosystem services, carbon trading and the supply of timber to the wood processing industry. It is the first time that commercial timber use from village forests is permitted and has thereby the potential to provide economic sustainability for village forestry in Laos.

The National REDD+ Strategy (NRS), which has been supported by Project 1 and its GIZ predecessor projects over 10 years, was officially approved in April 2021. The NRS forms the basis for the development of the national REDD+ program. The NRS will be incorporated into the Forestry Strategy 2030, which is currently being drafted, and has been integrated into the 9th NSEDP 2021-2025 and other relevant development plans.

The project seeks to support the financing environment for REDD+ by helping to establish, operationalise and finance a **REDD+ Funding Window** (as described above). The project also explicitly aims to 'enable' REDD+ results-based payments through support to the FCPF Emission Reductions Program.

The project strengthens law enforcement and compliance monitoring. An implementation approach for forest cover monitoring through a Provincial Deforestation Monitoring System (PDMS), which is used in all three target Provinces since early 2021.

The project also supports land-use planning and measures to improve tenure security (PLUP guidelines have been developed, mainstreaming Forest Landscape Restoration) and will strengthen the forest and forest carbon MRV system (Technical Assessment of the FREL completed and submitted by DoF to UNFCCC, National Forest Monitoring System (NFMS), developed in collaboration with F-REDD project (JICA).

2.2.3 Sustainable development potential ?

The Project contributes to the 4 aspects of sustainable development:

Environmental co-benefits:

The project aims at reduced GHG emissions from the forestry sector and increased carbon sequestration from the atmosphere, and sustainable management and efficient use of natural re-sources (notably, forests and land). Project 1's paradigm shift objective is to reduce GHG emissions and enhancing removals from Lao PDR's Forest. Hence, all project activities directly or indirectly aim at GHG emissions reductions (addressing SDG-13: Climate Action).

Economic co-benefits:

The project aims at improving **livelihoods** and income for rural poor population groups (addressing SDG-1: No Poverty and SDG-2: Zero Hunger), supporting SMEs (addressing SDG-6: Decent Work and Economic Growth), and strengthening domestic resource mobilization (all addressing SDG-12: Sustainable Production and Consumption and SDG-17: Partnerships for the Goals).

Output 2 of the project targets the **agricultural sector** (including agroforestry) as a key driver of deforestation and will lower targeted barriers, enhance productivity, increase farmers' integration into agricultural value chains, and improve access to finance and private sector participation in deforestation-free agriculture. Deforestation-free value chains are those that can demonstrate that deforestation has not occurred throughout the value chain – from primary production to sale to the consumer. The Output consists of three Activities relating to promotion of good agricultural practices and agroforestry in identified deforestation hotspots (in the 15 Districts of the Project 1) to reduce expansion pressure into forested landscape.

In the past year, the project has initiated the implementation of the previously developed guidelines for the "**Promotion of Sustainable and Deforestation-free Agricultural Practices and Value Chains**" (PSAP) approach in 32 villages. PSAP is based on the results of Participatory Land Use Planning 2.0 (PLUP 2.0) conducted in each target village. PSAP is guided by a so-called "White List", a comprehensive list of 32 sustainable agricultural practices and crops to be promoted. The PSAP Teams have conducted comprehensive **private sector analyses** for their District.

Community-managed financial schemes offer considerable potential for outreach and financial inclusion. Each of the project target villages will, upon request, be supported in starting and operating a **Village Forest and Agriculture Grant (VFAG)** (addressing SDG-1: No Poverty). VFAG guidelines are consistent with GIZ and EPF financial guidelines. Currently, 170 villages have been selected in 13 Districts in which villagers are eligible for three types of VFAG funds: (1) cash for work (average EUR 2,000 per year), (2) up-front payments (investment payment, EUR 10,800), and (3) performance-based funds (Bonus payments, up to EUR 10,000).

Village forest management has been implemented in three forest categories (production forest without any commercial harvesting potential in the short-term, and protection and conservation forest), as well as in unclassified forests, following a landscape approach (addressing SDG-15: Life on Land).

The village selection reported in the previous APR was used for implementation. Only two villages were changed, as two selected target villages were merged into one and one village decided not to join the project after understanding its implications to the village.

Village Forest Management Plans have been completed in 25 villages, one in Luang Prabang, two in Sayaboury and 22 in Houaphan, and Annual Operational Plans in (former CliPAD) 70 villages in Houaphan have been updated. Within this process, forest areas were identified for sustainable forest management, eventually leading to increased forest cover.

Social co-benefits:

The project aims at reducing hunger and improving nutrition and health through higher agricultural productivity, improving employment opportunities, inclusive of women and ethnic groups, and improving gender equality through economic, training and entrepreneurial activities.

Up to now, PSAP implementation has reached 34 villages, and 984 households have registered for participation and have dedicated more than 1000 ha to the implementation of PSAP activities.

Overall, up to now, in all activities, ethnic groups have been included evenly into project activities, creating the precondition for even economic benefits for members of all ethnic groups.

Gender-sensitive development impact":

Overall, women and men have opportunities to participate in all Project 1 activities (addressing SDG-5: Gender Equality). Monitoring information show, that there is strong **participation of women in all village meetings and** in all key areas of intervention (e.g. FPIC 54%, PLUP 46%, PSAP 47%, VFAG 47%).

Furthermore, female-led households and young households are given priority in the selection of **PSAP participants**. Monitoring data show, that there are approximately 10 female participants in PSAP per village (27% of participants). 7% of PSAP beneficiary households are led by women, which is approximately double the ratio of female-led households in rural Laos. This proves that the prioritization has been implemented in practice.

In 80% of villages women are represented in **VFAG Committees**, thereby attaining financial management capacities and promoting women's inclusion in economic activities promoted by Project 1.

The consideration of gender aspects is also included as a component within the ESMP Checklist. Implementing partners and project staff have been provided with instruction materials and are required to consider gender aspects in the project's activities.

Also, the **Free, Prior, and Informed Consent (FPIC)** approach and the **Grievance Redress Mechanism (GRM)** ensure that both sexes and all ethnic groups can raise their voices. In 2021, the GRM mechanism was finalized, and beneficiaries and other stakeholders were informed how to submit grievances through various channels.

Importantly, the **Lao Women's Union (LWU)**, which in the Lao context represents the interest of women, participates in key village-level activities to make sure, that the gender perspective is put into practice. Monitoring data show, that in 87% of all village-level activities, the LWU participated (total of 1415 working days). Missing LWU participating mainly occurred in early stages of the implementation, while since Q3 2021 LWU participation is successfully mainstreamed in all village level activities.

2.2.4 Needs of the recipient

Financial, economic, social and institutional needs

Lao PDR is a landlocked least developed country (LLDC) that is ranked 137th out of 189 on the Human Development Index. Northern Lao PDR has historically been the poorest and most rural region of the country. Lao PDR's COVID-19 response has become stricter in 2021 than in the previous year, including several lockdowns, limited mobility within the country and limitations in the access of GoL staff to their offices leading to slower operations by the public and the private sector.

It is estimated that more than 200,000 migrants have returned to Lao PDR since the outbreak, most of them from Thailand. In May 2021, most remittance-receiving households (75%) faced a decline in remittances sent from abroad as Thailand faced a new outbreak. Half of the migrants in Thailand used to send at least USD 100 a month. Return migration means a complete loss of remittance income for households (source: World Bank Group. Lao Economic Monitor August 2021).

Overall Financial Situation

Total public and publicly guaranteed (PPG) debt has reached critical levels with PPG debt (external and domestic) rising from 67.3% in 2019 to USD 13.3 billion or 72% of GDP in 2020. China is the largest lender and accounted for 47% of total public external debt in 2020. The Lao economy is expected to gradually recover in the medium term but will remain below pre-pandemic levels of growth at 4.5% in 2022. However, the fiscal deficit is projected to remain above 3% of GDP, while total public debt is anticipated to remain above 60% of GDP between 2022-24, and meeting debt service obligations remain challenging.

Institutional Concerns

As identified by The World Bank Group, Laos' potential for sustainable economic development remains limited by low human resource capacity, as well as weak transportation infrastructure. Additionally, the justice sector remains highly politicized and subject to central control, with weak regulatory capacity endemic at all levels of government. Where regulatory capacity exists, it is often hindered by widespread corruption, which becomes a significant hurdle for external investors seeking entry to what could be a dynamic and fast-growing economy.

Laws are often written with extensive guidance from foreign donors and advisors, and often lack necessary implementing regulations at a granular level, a problem further exacerbated by the low level of technical understanding from government officials and relatively low levels of commitment to following the laws and implementing regulations which do exist. Although some improvements have been made on indices such as The World Bank's "Ease of Doing Business" ranking and Transparency International's "Corruption Perceptions Index", Laos remains a difficult operating environment for foreign investors, with significant physical and legal impediments to further investment.

The project seeks to remove barriers that currently prevent Lao stakeholders from accessing climate and REDD+ finance to help address their financial, economic, social and institutional needs:

Barrier: Government budgets are constrained and highly **dependent on donor support**, partly because collection levels of legally mandated forest-sector fees and taxes (e.g. income tax, timber harvesting taxes, land taxes) are low.

Response: Project 1 supports building the legal/regulatory enforcement and institutional capabilities of Government entities – notably the EPF and FPF – to collect forest fees and taxes, to diversify revenue sources and to unlock an entirely new revenue stream in the form of REDD+ results-based payments. **In the last year**, the EPF was supported in various institutional aspects, e.g., financial management, M&E, Environmental and Social Safeguards, Project Development and Management.

The FPF receives substantial support from the FCPF Carbon Fund of the World Bank. However, in 2021, the FPF did not pass the World Bank's Due Diligence to act as the REDD+ Fund under the ER-PA benefit sharing plan. The forms/activities of support to the capacity development of the FPF by Project 1 are currently being discussed with the World Bank and DoF.

Barrier: Lao PDR is a landlocked least developed country (LLDC) that faces a **high risk of external debt distress**. The fiscal space for additional Government borrowing is extremely limited.

Response: Project 1 channels considerable co-finance to the forestry sector, including grant support from the Governments of Germany and Japan, and concessional loans from ADB and IFAD. **In 2020**, the GCF grant (for Project 1) was approved, BMZ funds were commissioned, and ADB, IFAD and KfW Loan Agreements were agreed upon and signed, totaling the amount of the Funded Activity to EUR 66 million. These funds are now available to sustainably develop the Forestry- and Land-use sector of Lao PDR (Disbursement figures will be reported as part of the Financial Report, due 15th March 2022).

Barrier: The beneficiary groups - village foresters and subsistence farmers - are among the poorest population groups in Lao PDR, with a **high dependence on natural** resources and poor access to markets and financial services, and they have insufficient assets for the repayment of loans.

Response: Project 1 channels grant resources to rural beneficiaries and supports them building capacities to apply for, deploy, and report on financial resources.

Villagers are eligible for three types of VFAG funds: (1) cash for work (average EUR 2,000 per year), (2) up-front payments (investment payment, EUR 10,800), and (3) performance-based funding (Bonus payments, up to EUR 10,000). These funds support sustainable forest management and agricultural activities, and reward villages for protecting their forest areas.

In the past year, VFAG Committees establishment was completed in 121 villages. VFAG Financial Training to VFAG Committees completed in 72 villages. VFAG Bank Accounts were opened in 68 villages. 9 Investment Plans were submitted to the EPF for disbursement with a total value of close to EUR 100.000.

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

Response: Project 1 has set up and operationalized a Climate Change Funding Window under the EPF in compliance with international fiduciary, technical and management standards. Furthermore, the support by GIZ to the EPF in its endeavour to become the first national accredited entity (AE) to the GCF in Lao PDR is being continued. This Funding Window under the EPF is used as blueprint for the set-up of the FPF.

2.2.5 Country Ownership

Coherence with national climate strategy and plans and policies

The GCF project remains aligned with, and supportive of, Lao PDR's climate policies, including the elements contained within the 9th **National Socio-Economic Development Plan** (9th NSEDP, 2021-2025), including a heightened commitment to reduce greenhouse gas emissions to a net zero. Since December 2019, the **Forest Strategy 2035** (FS 2035) is being updated in line with the government's Vision 2030, and international initiatives are one of the top priorities for the Forestry Sector of Lao PDR. GIZ is contributing to the update of the FS 2030 through its various projects, including I-GFLL. The Lao PDR 2020 **Nationally Determined Contribution** update describes three national GHG emissions scenarios: Baseline, unconditional mitigation 2030, and conditional mitigation 2030 towards net zero 2050. It also gives updated and extended mitigation and adaptation targets and aims at increased transparency and consistency as well as strengthened monitoring and reporting and verification. The **Emission Reductions Payment Agreement** (ER-PA) between the World Bank and GoL was signed in December 2020, finalizing the process of REDD+ Readiness. Project 1 is the single most important investment project to implement the Lao Emissions Reductions Program. The National REDD+ Strategy of Lao PDR was approved by the Ministry of Agriculture and Forest (MAF) Minister in April 2021.

Coherence with GCF country program

"Supporting an increase and maintenance of national forest cover through forest restoration, conservation, improved forest governance and private sector investment" remains a priority area in the updated 2020-23 Lao PDR GCF country program. Project 2 in the I-GFLL program is part of the GCF country pipeline. The development of Project 2 has been started with the concept note drafting, which has been sent to the GCF secretariat. It is envisioned, that Project 2 will be endorsed by CIC2 in January 2022.

In the past year, the NDA has pro-actively organized several meetings (1) clarifying technical and geographic overlapping between Project 2 and the UNDP project "Promoting Climate Resilient Food Systems for Improved Food and Nutrition Security Among the Most Vulnerable Communities in Lao PDR" (2) the NDA Coordination and Consultation with Accredited Entities on Pipeline of GCF Projects in the Lao PDR GCF Country Program 2021 - 2023 (3) the Green Climate Fund (GCF) Annual Update Meeting. GIZ was invited and presented the progress of Project 1 and the status of the development of Project 2.

Capacity of Executing Entities to deliver

Established **Project Management Units** at national level (established in the REDD+ Division, Department of Forestry by MAF Minister Decision (September 2020)), at provincial level (established within the Departments of Agriculture and Forestry) and District level (established within the District Offices of Agriculture and Forestry) are mandated to coordinate between all stakeholders and are operating well. The National REDD+ Task Force which functions as Steering Committee, conducted its Annual Meeting in December 2021, in which all stakeholders were updated about the progress of REDD+ implementation, including Project 1.

In the framework of the drafting of the Operation Manual, **Project Owners** were defined and officially appointed as key implementing agencies, responsible for implementing Project 1 activities, including planning, financial management, monitoring and reporting. A total of 22 Project Owners were listed covering relevant aspects of Project 1: (1) At the national level, the Department of Forestry (MAF), Department of Forest Inspection (MAF), Department of Land (MoNRE), Lao Front for National Development, (2) at the provincial level, each in Luang Prabang, Sayaboury and Houaphan, provincial Agriculture and Forestry Offices (PAFOs), (3) and at the District level, in each of the 15 Districts, District Agriculture and Forestry Offices (DAFOs). Project Owners have shown full capacity to plan as well as implement activities (technically and financially), including the use of the online Cloud Database. By the end of 2021, the EPF as National Executing Entity of Project 1 has successfully taken up all assigned tasks (procurement, financial management of project 1 funds).

Engagement with the NDA, civil society organisations and other relevant stakeholders

The **NDA** is frequently updated about the project progress. Project 2, which is currently under development, is part of the Country Program 2020-23, which is managed by the NDA. Project 1 regularly organizes or participates in workshops to involve and inform Civil Society Organizations and other relevant stakeholders about the project's objectives and implementation progress (National REDD+ Task Force Meeting, Technical Working Group meetings, stakeholder consultation meetings on Forestry Strategy, NDC Update). Key stakeholders are also invited to the Annual and Quarterly Planning Workshops.

The government REDD+ Focal Point is a member of the project steering committee and part of the project steering structure.

The Civil Society Organizations (**CSOs**) and **private sector**, which have been consulted during the project preparation process are actively participating in project planning and implementation. CSOs are involved in village-level activities, including, for example, Free, Prior, and Informed Consent (FPIC), Participatory Land Use Plans (PLUPs) and Village Forest Management Agreements (VFMA), which will be subject to prior village-level discussion and agreement, with full CSO participation encouraged and facilitated. Village contracts will not be signed by Project 1 before at least 3 village-level consultation meetings have been held.

2.2.6 Efficiency and Effectiveness ?

The project will result in 5.6 million tonnes CO₂eq of emission reductions (i.e., effectiveness) over the 4-year project implementation period with an **investment by the GCF** of EUR 15,160,596. This equates to a mitigation cost to the GCF of EUR 2.7 per tonne of CO₂eq (i.e., efficiency). In addition to emissions reduction, also **other benefits** are created in target villages, such as income generation through supported agricultural activities, land security through Participatory Land Use Planning, increased Forest Areas, leading to watershed protection (against droughts and floods), increased availability of timber and non-timber forest products (NTFPs). Established village-level structures, such as the VFAGs, increase financial management capacities on the village level and villages benefit financially from the project's various grants (up to EUR 25,000 per village). The scale of the project (240 target villages in 15 District and 3 Provinces) leads to sizeable impacts on all levels and efficiencies in the design of approaches and systems.

Co-Financiers for the Project:

According to the Funding Proposal, the **Government of Lao PDR** is contributing co-financing of EUR 11.8 million to the implementation of Project 1. Key government inputs are staff time contributions by national-, provincial- and District-level staff. Financial estimates of staff-time value are based on an average government salary of EUR 330/month. The government co-financing contribution also includes EUR 2 million to implement land registration and land titling.

As reported previously (APR 2020), it is becoming obvious that the GoL contribution has been overestimated during the project design phase. While the number of GoL staff members and time allocated to Project 1 largely remains as expected, as a result of the current debt crisis, which led to a GoL budget cut, the monthly salaries are lower than the 330 EUR per month which was used to estimate the contribution amount.

According to the Funding Proposal, the **beneficiaries of Project 1** (related to village-level farmer and household time inputs as well as SME financial investments) will devote significant time and financial resources to the implementation of activities and participation in training in Outputs 2 and 3. Villagers' time input is valued using a EUR 2.6/day rate. This equates to a total labour input of approximately EUR 980,000 to Project 1. SME inputs equate to EUR 5.7 million. In total, therefore, beneficiary inputs amount to EUR 6.6 million.

According to the Funding Proposal, the total **BMZ financing** for the project amounts to EUR 10.0 million. Out of this amount, EUR 5,200,000 will be implemented through GIZ as an Executing Entity in Lao PDR. The remaining EUR 4,800,000 of BMZ financing will be implemented by KfW through its Village Forest Management Program (VFMP) in 2 Districts of two Project 1 target Provinces (Sayaboury and Luang Prabang).

As of now, BMZ has commissioned CliPAD IV / I-GFLL (Project 1) based on the amended offer for the ongoing module on 22 April 2020 and increased its funding by EUR 5,200,000. The new total budget of the BMZ commission is EUR 22,641,896 which includes EUR 1,300,000 (ongoing module), EUR 5,200,000 (increased BMZ funds) and EUR 16,141,896 (GCF Proceeds, incl. AE Fee). The KfW Village Forest Management Program (VFMP) has been commissioned as planned.

According to the Funding Proposal, **JICA** should provide EUR 1,600,000 co-financing, in the context of its F-REDD II project, for technical assistance to support law enforcement and land use planning (Activities 1.4 and 1.5), to support the implementation of the MRV system under Activity 1.6, and to support the implementation of Activities 2.1 and 3.1 in the Project 1 Province of Luang Prabang.

As previously reported, JICA contributions foreseen for Activities 1.5, 2.1 and 3.1 have been cancelled. (1) the provincial activities (1.5, 2.1 and 3.1) initially to be implemented by JICA, have been taken over by GIZ and will be carried out as planned as part of ongoing activities and without causing additional costs. (2) Activities at the national level (National Forestry Inventory, financed by JICA) will only be conducted in 2025 and are therefore beyond the project lifetime. As a result, JICA's contribution and co-financing through its F-REDD II project, is envisaged to decrease to EUR 1,200,000.

ADB is providing co-financing of EUR 12.3 million to implement Activity 2.3 (in conjunction with the Sustainable Rural Infrastructure and Watershed Management Sector project, SRIWSM), which is implemented in 4 Provinces. The co-financing contribution is based on the implementation overlap of Project 1 and Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWSM) in seven Districts in three of the Provinces (Houaphan, Sayaboury and Luang Prabang), where the project and SRIWSM will work together. The project implementation has started, however is delayed due to the impact of COVID.

The **IFAD** PICSA loan project with the Government of Lao PDR is co-financing Project 1 with EUR 7,700,000 to support the implementation of Output 2 activities in 10 target Districts in the Project 1 area. IFAD provides loans direct to the Ministry of Agriculture. The IFAD loan is a stand-alone, sovereign loan to the government, which is supervised on technical, fiduciary and procurement aspects. The implementation has started.

As of now, the commitment by ADB and IFAD remain unchanged.

Co-financing Summary:

- GCF budget: EUR 15,160,596
- Co-finance: EUR 48,830,495

• Co-finance ratio: 3.2

2.3 Project Outputs Implementation Status

Please note the below fields are mandatory but only a one-time activity. Please fill out the project output details regardless of any progress made so far, which will be auto-populated in the next APR and on wards.

Use 'Add Row' button to add multiple outputs and/or activities reported against one output

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Activity 1.1: REDD+ Funding Window and sustainable finance.

Status *

Activity started - progress on track

Implementation Progress *

70

%

Original timeline planned for this activity *

Q3 2020 to Q1 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

Based on the Forestry Law and according to GoL's decision, the Forest Protection Fund (FPF) should become the designated REDD+ Fund in Lao PDR. In the Emission Reductions Payment Agreement (ER-PA) between GoL and the FCPF Carbon Fund of the World Bank, the FPF was designated as main financing mechanism, however, the FPF still lacks institutional capacity and operational structures. Therefore, it was agreed in the ER-PA between GoL and the World Bank, signed in December 2020, that GoL has one year to build capacities in the FPF, to pass World Bank (WB) due diligence (see also Inception Report). A GoL- and WB-led assessment by end of 2021 revealed that the FPF does not meet the standard fiduciary WB criteria yet; hence more capacity building in the FPF is needed to enable the fund to handle substantial project funds.

Project 1 will, therefore, continue to follow the design, outlined in the Funding Proposal, and work with the EPF as the project fund and National Executing Entity. The EPF established the Climate Change Funding Window on 30 April 2019 to adopt funds from Green Climate Fund and related climate change funds. Hence, Project 1 operates under the EPF Climate Change Funding Window.

Project 1 hired an international finance manager to be based part-time in the EPF to provide advisory services to the project 1 fund, to build capacity among EPF staff to ensure alignment with GCF and GIZ requirements on commercial due diligence.

The EPF did support 22 Project Owners (POs) to open their bank accounts to receive funding for implementing Project 1 activities under the Climate Change Funding Window. The EPF trained 22 POs' finance officers on financial management for three times since the project started.

Moreover, EPF staff also conducted the Training of Trainers (TOT) on financial management to District Lao Women Union and District Agriculture and Forestry Offices staff, and set up District Village Forest and Agriculture Grants Teams to train village forest and agriculture grant committees.

Since March 2021, Village Forest and Agriculture Grant (VFAG) Bylaw, VFAG Committees establishment, and VFAG financial management formats were developed and finalized. The Training of Trainers on the process of setting up the VFAG at village level were organized in three Provinces. VFAG Teams were trained in 13 new Districts, consisting of District Lao Women Union and District Agriculture and Forestry Office (DAFO) staff. The TOTs were organized in April 2021 in Houaphan and in June 2021 in Sayaboury Province and in Luang Prabang.

The following gives a brief overview of the implementation progress:

VFAG establishment: VFAGs have been established in 121 (71%) villages while this was not the case in 49 (29%) villages. In Houaphan, almost all villages have established the VFAG (63), and in Sayaboury, the majority of villages has completed the process (45). In Luang Prabang only 13 villages have established the VFAG, to a large extent due the heavy impact of COVID-19 restrictions. Out of the VFAG committee 363 members (3 per village), 111 villages elected one woman and 10 villages selected two women.

VFAG Financial management training to VFAG Committees: VFAG financial management training on the operation of the VFAG, including fund requests, fund management and reporting was completed in 72 (42%) villages (Houaphan 30, Sayaboury 33 and Luang Prabang 9).

VFAG Bank account opening: 68 village bank accounts have been opened, (Houaphan 40, Sayaboury 17 and Luang Prabang 11).

Additionally, the VFAG training (revising VFAG committees and Bylaws and financial management and bank accounts) in the two "old" Districts (Houameung and Samneua) was carried out in August. After the training, villages committees, Bylaws, bank accounts were revised and VFAG committees were trained on the new financial management by DAFO staff.

VFAG Fund request: To date, 9 villages requested investment payment, and 24 villages (one new village and 23 "old ClipAD TC/FC" villages) requested budget for implementing village forest management plans (cash for work).

Risks: FPF institutional capacity and operational structures remain low, and it is in doubt if and when it could pass World Bank due diligence. Realistically, Project 1 will not be able to channel funds through the FPF.

The process for implementing VFAG is complex and particularly challenging for remote villages with low levels of financial literacy. Delays could be resulting. The project aims to simplify process where possible and puts particular emphasis making District Teams aware.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- REDD+ Funding Window is operational according to the developed SOP
- ongoing capacity building for FPF and EPF
- all VFAG established
- all Financial trainings to VFAG Committees completed
- all VFAG bank accounts opened
- Support to establish Green Credit Line: NAMA Outline developed and submitted to NAMA Facility

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 1.2 Mainstreaming REDD+ into the NDC and socio-economic development plans (SEDPs)

Status *

Completed

Implementation Progress *

100

%

Original timeline planned for this activity *

Q4 2020 to Q1 2021

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

Originally, the PRAP activity should have been integrated into the 9th Provincial and District 5-Year Socio-economic development plan (2021-2025), however, this was not possible due to delay in PRAP process. Therefore, PRAP activities have been integrated into Provincial and District Annual development plans. In this context, a national level workshop has been organized, in addition to 3 Province level- and 16 District level workshops. REDD+ is explicitly incorporated into Lao PDR's revised NDC, into the SEDPs for the 3 Provinces covered by Project 1 and into at least 12 Project 1 Districts SEDPs" Supporting documents on available concerning REDD+ integration:

NDC, 3 SEDPs and 3 Provincial REDD Offices reports on integration in all Districts.

The Provincial REDD+ Action Plan (PRAP) activity has been integrated into the 8th Provincial 5-Year Socio-economic Development plan (SEDP 2016-2020) of Luang Namtha and Houaphan Provinces in 2020 already. Provincial REDD+ Action Plan activities have been integrated into the 33 Districts socio-economic development plans. It can be shown that in Houaphan alone a total of 173 REDD+ relevant activities was integrated in the District SEDPs with a total value of LAK 184 billion (USD 16.3 million).

The Land Use Change and Forestry Sector has been integrated as the main contributor to climate change mitigation in the updated NDCs (Reduced emissions from deforestation and forest degradation, foster conservation, sustainable management of forests, buffer zones of national parks and other preserves, and enhancement of forest carbon stocks, average abatement between 2020 and 2030 (ktCO₂e/y): 1,100). Project 1 has actively been involved throughout the entire consultation process of the updated NDCs.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 1.3 Strengthening the regulatory framework

Status *

Activity started - progress on track

Implementation Progress *

85

%

Original timeline planned for this activity *

Q3 2020 to Q1 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

Following the revision of the forestry law, Project 1 provided technical inputs for the development and formulation of sub-sequent legislations, especially: The National REDD+ Strategy which was approved by the Minister of Agriculture and Forestry in April 2021. Additionally, "Technical Guidelines on Village Forest Management Planning" (Common Approach) was approved by the Director General of Department of Forestry in June 2021. The government had also issued the Decree on Forest Protection Fund (FPF) in September 2021.

However, the mentioned Strategy, Common Approach and Decree still needs to be properly disseminated at the sub-national level. This is foreseen for 2022. Furthermore, Project 1 continues to support ongoing revisions of the National Forestry Strategy 2035 and the Decree on National Protected Areas.

Risks: Making the revised forestry law operational, requires revising sub-sequent national regulations and guidelines (e.g., detailed regulations regarding the commercial use of timber from village use forests). The development and dissemination of these regulations does take time and often runs into administrative barriers. Consequently, implementation has to deal with conflicting interpretations at Province level and legal uncertainties, which in turn can delay progress at District and village level. The project tries to address this with open dialogue between the stakeholders and agreeing practical solutions.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Meetings with Government officials to facilitate cross-sectoral coordination organized
- Relevant regulations, strategies and policies disseminated to local government authorities

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 1.4 Law enforcement and monitoring

Status *

Activity started - progress on track

Implementation Progress *

50

%

Original timeline planned for this activity *

Q3 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The Provincial Deforestation Monitoring System (PDMS) has become operational in February 2021 in Houaphan (Districts Sam Neua and Houameuang) and was extended to the other two Provinces in the course of 2021. In cooperation with F-REDD I project (JICA), the SOPs on PDMS for provincial and District staff have been revised and a total of four trainings have been carried out at national level and in the three Provinces for appointed technical staff at national, provincial and District levels. The Terms of References (ToRs) for appointed technical staff were developed and agreed. Under SOPs and ToRs, the coordination, exchange and reporting channels were elaborated and clarified. Furthermore, necessary equipment for PDMS Teams were procured and distributed. Dissemination of regulations and guidelines regarding forest utilization is still ongoing. Now, the PDMS is applied in the three Provinces and the trained staff is able to carry out the monitoring, however, the support and supervision from national staff continues to be needed to ensure the quality and consistency of applying the PDMS and strengthen the subsequent law enforcement.

In the first 9 month of operation, the PDMS helped to detect forest encroachments in Houaphan in 14 villages of Samneua District and 10 villages of Houameuang District. The use of remote sensing data showed the changes in the forest cover, which was confirmed by DAFO Teams on the ground. Overall, the area affected was small with about 46 ha and the cases have been addressed according to the established processes.

Risks: While the PDMS is operational, overall structures for law enforcement in the forest sector remain weak. Pressure via government policies directed at increasing domestic agriculture production continues to drive conversion of forest land. However, while agriculture expansion remains a serious threat, the PDMS will help to deliver more transparency and could help to balance political priorities at Provincial level.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- PDMS is functioning in all three Provinces.
- Ongoing trainings for enhanced law enforcement and Implementation initiated

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 1.5 Land use planning and improved tenure security

Status *

Activity started - progress delayed

Implementation Progress *

30

%

Original timeline planned for this activity *

Q3 2020 to Q1 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The new PLUP 2.0 guideline on Participatory Land Use Planning (PLUP) including mainstreamed principles for Forest Landscape Restoration (FLR) was finalized in December 2020, after consultation with NPMU, relevant development partners and provincial authorities. The PLUP 2.0 guideline is applied during land use planning in all new target villages. The methodology is further integrated into land use planning activity under ADB funded SRIWMS project ensuring coherence of the implementation at landscape level.

Between March and June 2021, kick-off training workshops on PLUP 2.0 to key implementers from DAFOs and DoNREs were organised in the three Provinces. As most of technical staff from DAFOs and DoNREs lack hands-on experience in land use planning, on-site technical backstopping was subsequently provided by concerned authorities from Department of Land (DoL/MoNRE), DoF, PAFOs/PoNREs and project staffs. The specific technical support takes place in three villages per target District on average. Additional technical trainings on the use of geographic information system/mapping and on PLUP data management system (Land Use Information system or LUIS) were carried out in each target Province for the District Teams. In 2021, PLUP 2.0 was conducted in 48 villages (Houaphan 25, Sayabury 18, Luang Prabang 5). In the target Districts of Paklay in Sayabury and Xone in Houaphan Province, the GIZ/Land Program led the PLUP 2.0 implementation in 14 villages. This cooperation reduces the pressure on human resources and improves staff-availability in the shared target Districts. Volatile COVID-19 lockdown situations caused disruptions of the overall progress of PLUP 2.0 implementation. District PLUP Teams were not able to conduct fieldwork amid concern over the disease transmission to local communities. While Houaphan and Sayaboury were moderately affected, Luang Prabang underwent a lengthy lockdown of approximately two months (from September to October 2021). More than 14,000 villagers engaged in the consultation process of PLUP with 46% of total participants female. In about 80% of the completed villages, existing village land use plans were reviewed, updated or redone during PLUP 2.0 process. Most of previous land use planning activities in the target villages were supported by international development projects, NGOs and took place between 1996 and 2018.

The total village land area of approximately 220,000 ha is demarcated and under village land use plans, all the 48 village regulations are established and approved by villagers. 64% of the total land areas are designated as village forestland. 25.1% of total village area is zoned as fixed agriculture areas, while shifting cultivation and fallow land make up about 10%.

For guardian villages, i.e. villages with land area in National Protected Areas, PLUP 2.0 supported the implementation of land use plans on about 77,000 ha (especially Nam Et-Phou Louey and Nam Poui). Overlapping of NPA area and village land area remains a challenge since the interpretation of regulations is still not aligned between the involved authorities (NPA Division at DOF /National Park authorities and PAFO/DAFO).

Risks: Delays in the implementation of other activities might force the field works of PLUP to take place in rainy season which could lead to additional delay due to restricted accessibilities in some places during the wet season. In this case, additional but available and cost neutral human resources would implement more intensive and faster LUP during the following dry season.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Technical assistance for PLUP implementation provided
- Village land use plans monitored and evaluated
- 170 PLUP established & implemented

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 1.6 Implementation of the measurement, reporting and verification (MRV) system

Status *

Activity started - progress on track

Implementation Progress *

40

%

Original timeline planned for this activity *

Q3 2020 to Q4 2021

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The National Forest Monitoring System (NFMS) was developed under the framework of the FCPF and was supported by the F-REDD project (JICA). F-REDD was instrumental in establishing the operational NFMS and maintaining its functionality. JICA continues to support the improvement of the underlying methodologies and the technical operation, particularly to meet the carbon accounting requirements for accessing international REDD+ finance. The NFMS will be the main tool to do the carbon accounting for the ER program under the FCPF Carbon Fund. The preparations to calculate the results for the first reporting period for the FCPF Carbon Fund has started in 2021 and will intensify in 2022. DOF will be supported by JICA in delivering the results which are the basis for receiving the ER payments in 2023. In this context, the 4. National Forest Inventory (NFI) was initially planned to be implemented within 2021 as an "interim" inventory for the first monitoring event under the FCPF Carbon Fund. After discussions between the program and DOF, it was formally decided by DOF in November 2021 to postpone/cancel this interim inventory because of methodological issues that need to be resolved before spending significant resources. The revision of the NFI methodology will be done in the first half of 2022.

Risks: At this point, no potential risks were identified.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Provide support for national and international reporting requirements and procedures
- Prepare results for first Monitoring Report of the FCPF Carbon Fund
- Expert review of the methodology of the National Forest Inventory and field testing in Q3/4 2022
- Forest-Types Maps will be revised in 2022

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 1: Enabling environment for REDD+ implementation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 1.7 Knowledge management, FPIC, safeguards and gender

Status *

Activity started - progress delayed

Implementation Progress *

50

%

Original timeline planned for this activity *

Q1 2020 to Q4 2020

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The FPIC1 consultation meetings were implemented from March to June 2021 and were completed in 170 villages. FPIC Teams in the 13 Districts, consisting of District staff, the Lao Front for National Development and Lao Women Union, were trained on the implementation process of the FPIC. The implementation of FPIC1 at village level focused on explaining and discussing the consequences of climate change, the importance of forest and, most important on the implications of being part of the I-GFLL project information.

Key results from the FPIC 1 process were:

Population information: On average the population per village is 587 people among the 170 villages. Villages in Sayaboury (875 people/village) were larger than in Luang Prabang (528 people/village) and Houaphan (360 people/village). There is a strong variance in the size of villages, 21 villages had more than 1000 inhabitants (largest with 4340), 16 villages have less than 200 inhabitants (smallest with 115).

Villager voting: During the FPIC1 implementation a total of 16,328 votes from participants were cast, 16,292 Yes, 23 No, and 13 abstention. Initially, all 170 villages agreed to join the project during the FPIC1 consultation meetings, but one village in Phonethong District (Luang Prabang) withdrew later due to villagers' internal dispute on their village forest areas. The District Project Management Unit (DPMU) subsequently included an additional new village.

Gender participation: 8897 participants were female, representing 54%. The participation of women was highest in Sayaboury with 59%, in Luang Prabang 55% and in Houaphan 49% women participated.

Ethnic groups participation: 44% of participants in FPIC are Lao, 29% Khmou and 11% Mong. Tai represented 6%, and other groups were 10%. The share of Mong was highest in Houaphan other ethnic groups were only represented in Houaphan and Sayaboury.

Comments of FPIC Teams: Feedback from the implementation Teams was generally positive: villagers did understand and are interested in the project and in participating in the process. Some challenges arose from explaining the overall concept of environmental protection and ecosystem services. Logistical issues presented further challenges.

Details on Safeguards and Gender aspects can be found in the respective sections of this report

Risks: Some misunderstandings about the village forest management contracts have been reported during initial FPIC2&3. Especially, the bonus payments were understood as fixed payment per village leading to unrealistic expectation for smaller villages. The project will pay particular attention to expectation management and clearly explain the bonus payments depend on both performance and size of the forest area.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- FPIC agreements in the two new selected villages completed.
- FPIC2&3 or villages forest management contract negotiation and signing concluded in all villages
- ESMP update written and approved
- Household Survey (including ESMP and gender aspects) done and report available.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 2 Market solutions for agricultural drivers of deforestation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 2.1 Local incentives for good agricultural practices (GAP) and agroforestry

Status *

Activity started - progress delayed

Implementation Progress *

20

%

Original timeline planned for this activity *

Q2 2020 to Q1 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The guidelines for the "Promotion of Sustainable and Deforestation-free Agricultural Practice and Value Chains" (PSAP) were finalized and serve as basis for the implementation (translated into Lao and printed in early 2021).

The implementation of PSAP is based on the results of the Participatory Land Use Planning 2.0 (PLUP 2.0) to be conducted in each target village. The initial training on the PSAP concept was conducted for GIZ agriculture and VFAG (formerly VDF) advisors in early March 2021, by the international expert in charge of the development of the PSAP approach. Trainings on PSAP approach for provincial and District PSAP Team in 3 Provinces were conducted in July 2021 with 63 participants, 19% were women. It is worth to mention that the training was delayed almost 4 months since March 2021 because of COVID-19 lockdown.

Implementation of the first phase of PSAP at village level (awareness raising, identification of members, review of lands and individual investment planning) started in August 2021 and is ongoing. To date, PSAP implementation has been completed in 34 villages and 984 households are officially registered to participate in the PSAP activities. 10.5% led by youth and 7% led by women. These households have dedicated more than 1,000 ha to the implementation of the PSAP activities and the personalized investment plans have been developed after the assessment of each field and specific needs of each member.

The major Whitelist activities chosen by farmers are the establishment / rehabilitation / enlargement of paddy fields (47.5%), improving livestock grazing area and forage cultivation (27%), and the establishment/rehabilitation of fishponds (11%). The strong focus on paddy fields shows the importance of food security (rice) at household level. Some products in the Whitelist are not popular among smallholder farmers or less relevant. One of the difficulties during the village implementation of PSAP was the time-consuming on-site field/land survey and the overlap with restriction areas. Therefore, capacity building in the use of GPS for PSAP Teams is needed.

Extension materials on the specific production techniques for whitelisted activities were developed by the agriculture Team for 18 crops prioritized by beneficiaries. Training on these specific techniques for District PSAP Teams and farmers will be organized in the beginning of 2022.

Risks: Delayed implementation and so far, the focus of villagers on only a very small number of Whitelist products have the potential to result in lower impacts on the ground than anticipated. Low diversity of crops will have limited effect on changing land use patterns at village level. The implementation Teams will need to focus on providing clear arguments for integrating other Whitelist products in discussion with villagers and with the dissemination of improved farming techniques.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Implementation of PSAP at village level completed 170 villages
- Initiating upfront payments to the 170 villages
- Capacity building: Chosen whitelist techniques training to District PSAP Teams conducted;
- Training to farmers initiated
- the implementation at village-level investments begins
- Field exchanges between farmers in Districts and Provinces begin
- Exchange workshops to share lessons learned initiated

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 2 Market solutions for agricultural drivers of deforestation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 2.2 Catalysing private sector investment in value chains.

Status *

Activity started - progress delayed

Implementation Progress *

20

%

Original timeline planned for this activity *

Q2 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The PSAP Teams have carried out an analysis of private sector companies operating in the respective Districts, additionally, selected companies from the provincial or national level have been included. Information on private or state companies involved in marketing agricultural products from the Districts were collected. 164 companies (including individual traders) were interviewed and only 5% of them did not show interest to join the project. Most companies buy agricultural products from farmers directly at villages without a contract farming arrangement. This initial private sector review showed that 14 agricultural commodities matched with the Whitelist including broom grass, Job's tears, maize, cassava, rice, paper mulberry, bamboo, teak, rattan, tea, sesame, coffee, cardamom, and red beans.

Consultancy services have been hired to carry out a market study on 9 promising commodities such as Bong bark, Rattan products, Sacha inchi, Tung oil, Zanthoxylum rhetsa, styrax tonkinensis, Bamboo products, Mulberry paper, Sesame. The results are expected for April 2022 and will help to better link private companies with the PSAP farmers' products.

In addition, a second consultancy Team is now being hired to support matchmaking between the private sector and the PSAP farmers, as well as business development linking to the Agro-forestry matching grants. This consultancy will provide selection and safeguards vetting of the potential partners before formalizing agreements with the project and implementing the business development activities.

Risks: Farmers might continue to select white list products they know and feel are suitable for them, particularly for food security at household level. This will of course affect the engagement of the private sector in the agriculture production of smallholder farmers because it does not follow commercialized production methods.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- MSP on value chain development operational
- Match-making support for private sector and villages begins
- Market study on 9 promising commodities completed
- Business development support to farmers initiated
- Matching grants investments initiated

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 2 Market solutions for agricultural drivers of deforestation

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 2.3 Sustainable rural infrastructure watershed management

Status *

Activity started - progress delayed

Implementation Progress *

10

%

Original timeline planned for this activity *

Q1 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

Implementation is delayed mainly because of COVID-19, however, there has been significant progress in the procurement, mobilization, and implementation.

The loan implementation consultant for the Department of Irrigation (LIC:DOI) has developed the final report in a process with direct stakeholder participation. This was the basis for the three LIC-PAFOs in Houaphan (LIC:HP), Xieng Khouang (LIC:XK) and Luang Prabang/Xayaboury (LIC:LP/XY) to initiate the process at provincial level and deliver inception reports in 2021.

Dry season crop planning sessions were completed by the LIC-DOI with stakeholders of Nampoua RSP (Houaphan Province) and NamTong RSP (Xiengkhouang Province), along with the PPITs and LIC-PAFOs.

Market assessments by the LIC-DOI, with the assistance of the LIC-PAFOs and other Project stakeholders, in all four Provinces are ongoing. The International Water Resource Management Specialist and other Specialists (tea, livestock) in Xienkhouang Province have started working. Monthly financial reports for the SRIWMSM project are being presented in easy-to-understand reporting templates by the LIC-DOI financial management Team. The ACCPAC software system for computer-based, project accounting is connected to the various PAFO offices. The use of this system in the four Provinces will speed the flow of financial information on the project.

All preparation activities for the start of nutrition-sensitive agriculture in PRI communities were completed. A detailed workplan is being finalized for the implementation of "phase 1" and a standard approach was developed to ensure a consistent delivery of support across the 9 Districts selected. PICSA project (IFAD) started field activities-establishing District Nutrition Committee (DNC) with some technical trainings, developing nutrition intervention packages.

TOR for the Knowledge, Attitude and Practices (KAP) survey are cleared by IFAD. The recruitment of a company to conduct the survey is on the way. Activities under the nutrition component are expected to start in the first quarter of 2022.

Risks: There are many risks inherent to the SRIWMSM project, including climate and natural disaster risks that disrupt implementation, outside interests that inhibit land use change, inconsistent and inadequate project financial management systems and procedures, commodity price that incentivize upland cropping overriding PLUPs, insufficient government staff available to the project, and lack of capacity of government staff.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Contract awards for Representative Sub-Project (RSP) Batch 1 completed
- Construction of Sub-Project (RSP) batch 1 started
- Contract awards for Representative Sub-Project (RSP) Batch 2 started
- Market assessment ongoing
- Activities under nutrition sensitive agriculture in PRI communities ongoing

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 3 Climate change mitigation through forestry

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 3.1 Village forest management

Status *

Activity started - progress delayed

Implementation Progress *

20

%

Original timeline planned for this activity *

Q3 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

Overall, the implementation of Output 3 is behind schedule because of the COVID-19 restrictions imposed in Laos. In all three Provinces, field work was impaired by lockdowns and travel restrictions. Especially in Sayaboury and Luang Prabang the field work was delayed because DAFO Teams could not go to the villages.

However, the "Technical Guidelines on Village Forest Management Planning" that have been developed jointly by GIZ and KfW to guide the implementation of VFMP in Laos have been formally endorsed by DOF. The corresponding manuals and formats have been finalized and integrated in the trainings. The practical trainings on VFMP were organized in the three Provinces for appointed technical staff of PAFO and DAFOs and completed in 2021. The DAFO Teams in all Districts have started the field implementation.

Until December 2021, 25 Village Forest Management Plans (VFMPs) were developed in the 3 Provinces with close support and advice by the program through the forestry advisors. The majority of the plans with 22 plans were developed in Houaphan, because of lesser impact of COVID-19 restrictions and because of more experienced PAFO and DAFO staff. In Sayaboury two plans were developed, and in Luang Prabang one plan was developed. The total forest area of these plans covers about 63,000 ha.

It is worth noting that 1691 villagers including 733 women (43%) were involved during the development of VFMPs and out of 25 villages, 8 villages appointed women as the heads of forest patrolling Teams.

Furthermore, in Houaphan, the Annual Operational Plans (AOP) of the 70 existing CiPAD villages were updated (40 in Houameuang and 30 in Samnuea, covering a total forest area of 64,000 ha), and these villages will be able to start the forest management activities and receive the respective cash for work payment in 2022.

As a cooperation partner of Project 1, the Village Forestry Management Project (VFMP), funded by the (BMZ) through KfW, consists of three phases: (i) inception (1 year), (ii) implementation (4 years) and (iii) consolidation (2 years). The one-year inception phase began in July 2019 and was interrupted by COVID-19 impacts, what caused a delay of about 6 months. KfW VFMP Laos - according to their reporting in 2021 - signed 24 VFMPs at village level in its target Districts (Phiang District in Sayaboury and Phonexay District in Luang Prabang)

As agreed in the Cooperation Agreement between GIZ and KfW and an Interface Paper, the collaboration is well established and a regular exchange is taking place (e.g., sharing reports and lessons learnt, jointly developing guidelines and training materials, harmonizing approaches).

Risks: Further delays caused by COVID-19 restrictions both for PLUP and VFMP implementation will reduce the available time for active forest management at village level.

Low timber volumes in village-use forests and remaining unclarity surrounding the application of the revised Forestry Law 2019, allowing commercial timber use in village-use forests will, hamper the ability of villages to generate additional income.

To avoid the conflicts described, and to ensure forest integrity, Project 1 will continue to promote Non-Timber Forest Products (NTFPs). Complementary and increased regular patrols and forest cover monitoring (Activity 1.4) are accompanying measures to mitigate encroachment in forest areas.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Implementation of approved VFMPs begins
- VFMP for all target villages shall be completed; capacity building and backstopping at District level
- 100,000 ha of village forest managed under approved VFMPs

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 3 Climate change mitigation through forestry

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 3.2 Sustainable management of production forests

Status *

Activity started - progress delayed

Implementation Progress *

20

%

Original timeline planned for this activity *

Q3 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

In general, the management activity in production forest areas (PFAs) is dormant since the logging ban is still in place. However, Project 1 initiated the collection and review of the existing management plans of the Production Forest Area Keng Chok-Nam Ngim and Huayyang in order to identify potential for supporting activities. There are 17 villages located inside/adjacent to the PFAs in two Districts, 14 villages in Sayaboury and 3 villages in Hongsa. In this regard, the management activity of PFAs will be supported as a part of the implementation of the village forest management plans (VFMPs). Up to December 2021, around 10,000 ha of PFAs are managed through VFMPs.

Note: all procurement (coded under 3.2) were finalized in 2020 already.

Risks: The suspension of timber harvesting in production forests remains valid (Prime Minister's Order No. 31), and timber volumes in PFA remain too low for active management. PFAs are mentioned to be revitalized in the National Forest Strategy 2035, but realistically, sustainable harvesting is rather a mid- to long-term goal.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Existing Management plans have been reviewed
- Trainings for government staff initiated
- PFA areas are being integrated in VFMP of concerned villages (ongoing)
- Implementation of management plans initiated incl. village-level consultations

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 3 Climate change mitigation through forestry

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 3.3 National Protected Area management

Status *

Activity started - progress delayed

Implementation Progress *

30

%

Original timeline planned for this activity *

Q3 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

The first step was to review the management plans for the National Protected Areas (NPAs) and get the plans formally approved by the government. The management plans of Nam Xam NPA, Nam Pouy NPA and Nam Et-Phou Louey National Park were finally endorsed by the Department of Forestry in December 2020, December 2020, and January 2021, respectively.

The implementation of the activities specified in the management plans started with exchange and coordination meetings on forest law enforcement between NPA staff, POFI, police, military, and prosecution authorities. After the review of implementation approaches of conservation agreements from other programs like KfW ICBF and Worldbank LENS2, specific annual operational plans and conservation agreements for guardian villages, i.e. villages in or adjacent to the NPA, were developed. In Nam Et-Phou Louey National Park, 9 guardian villages completed their annual operational planning. Awareness raising on forest conservation was carried out in 10 villages: 5 in Nam Et-Phou Louey and 5 in Nam Xam NPA. Furthermore, the negotiation of village forest conservation agreements (VilFoCA) have started, and until the end of 2021 has been fully carried out in one village of Nam Et-Phou Louey NP.

Risk: Infrastructure development projects (e.g. mining, hydropower dams, etc) might hamper the management of NPAs and NPs. This issue is being raised at a higher government level, but the threat of uncoordinated planning still remains high in Lao PDR.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Implementation of management plans is ongoing
- Negotiation of village conservation contracts initiated

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

Project Output Name *

Output 4 Project Management, coordination, monitoring and reporting

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

Project Activity Name *

Project Activity 4.1 Project management, coordination, monitoring and reporting by the NPMU and PPMU

Status *

Activity started - progress on track

Implementation Progress *

50

%

Original timeline planned for this activity *

Q1 2020 to Q4 2023

Please refer to the Implementation Timetable in the log-frame

Progress for the relevant reporting period

Project Management Units at the national level (NPMU), provincial level (PPMU) and District level (DPMU) were set up and are functioning. 22 Project Owners (POs, notably 4 Departments at national level, 3 Provincial Agriculture and Forestry Offices and 15 District Agriculture and Forestry Offices) for the implementation of activities are able to fulfill their functions in planning, implementing and reporting.

Annual and quarterly plans were developed and approved by PMUs and Pos with support from Project 1.

The annual Steering Committee and two national PMU meetings with the involvement of all relevant stakeholders were organized in December. Project 1 management participated in IFAD and ADB implementation and supervision missions. Project 1 presented the project progress to the GCF Annual Update Meeting of the NDA.

These Project Owner Annual and Quarterly Plans are based on the Results Framework and include a Risk Management Log, which also integrates ESMP and gender-related risks. That is, a comprehensive, results-based planning and monitoring systems is in place.

The Cloud Database follows an integrated approach, which does not only collect M&E-related data, but also include ESMP and Gender Action Plan (GAP) related information and checklists. The Database is fully functional and is used to follow the implementation progress in real-time. Processes to ensure that all data required to monitor indicator fulfilment are collected are in place, and data for all indicators are available. Quality checks by M&E Officers in each PO and by the M&E Team are carried out for all data collected. In Q4, a refresh training was carried out by the M&E Team. This included the introduction of the system to newly selected PO M&E Officers. Monitoring data show, that all M&E Officers in place now have the sufficient knowledge to operate the system.

Monthly reports by POs have been introduced in September, in collaboration by the Financial- and M&E Teams. Monthly reports are a key element in the Financial Management System of Project 1.

Risks: It is expected that there will be further changes to M&E Officers' and other positions in POs, which will require continuous follow-up trainings.

Provided data are often low quality and will continue to require intensive quality checks.

Monthly reporting is still a challenge for POs and will require continuous training and coaching.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, the reason for differences between the planned implementation progress and actual implementation progress, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

Key milestones and deliverables for the next reporting period

- Annual Performance Report submitted
- Mid Term Review carried out

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

2.4 Progress Update on the Logic Framework Indicators

Values of Baseline, mid-term target and final targets should be the same from the approved funding proposals unless calculation methodologies were revised in agreements with the GCF. Please attach a supporting document(s) describing the calculation methodology of the current value of all the indicators in Section 5; the indicators cover core, impact, outcome, and output levels. If there is a change in the methodology, you need to include clear justifications for the change and changed values as compared to the previous year.

This sub-section 2.4 is not applicable for REDD+ Results-Based Payments Projects. Please write 'Not Applicable' as the response.

2.4.1 Core Indicators

Select applicable core indicators

- Mitigation Core Indicator 1 - Tonnes of carbon dioxide equivalent (tCO2eq) reduced as a result of GCF funded project/programme
- Mitigation Core Indicator 2 - Cost per tCO2eq decreased for GCF funded project/programme
- Mitigation Core Indicator 3 - Volume of finance leveraged by GCF funding (Disaggregated by public/private source)
- Adaptation Core Indicator 1 - Direct Beneficiaries of GCF funded project/programme
- Adaptation Core Indicator 2 - Indirect Beneficiaries of GCF funded project/programme
- Adaptation Core Indicator 3 - Number of total beneficiaries relative to total population

Mitigation Core Indicator 1 - Tonnes of carbon dioxide equivalent (tCO2eq) reduced as a result of GCF funded project/programme (Unit: tCO2eq)

Please provide the ex-post 'Current Value' on a cumulative basis. Please note that the values should be based on total funding (GCF funding and co-financing). The 'Final Target' is the amount of emission reduced up to the end of implementation. The 'Expected lifetime emission reductions overtime' is an estimate of emission reductions over the lifetime. If the end of lifetime coincides with the end of implementation then please provide the same value for 'Final Target' and 'Expected lifetime emission reductions over time'.

Baseline	Current Value	Mid-term Target	Final Target
9700000 tCO2eq		1900000 tCO2eq	5600000 tCO2eq
Expected lifetime emission reductions overtime			5600000 tCO2eq

Remarks (including changes, if any)

This section can only be filled with meaningful figures towards the end of the implementation, however interim results are expected for the next APR covering Y2022. Measurable mitigation impact (Emission Reductions) depends on successful implementation; there is a time lag between implementation and monitored Emission Reductions. The monitoring of the impact and the respective calculation is ex-post and tied to the national monitoring system and the monitoring report for the ER program. The project is not determining emission factors to estimate emission, i.e. ER for the target Districts but estimated activity data (forest cover change) based on the forest area determined when doing PLUP and VFMP. The utilisation of PDMS data to determine forest area changes at District/village level requires time for implementation on the ground. Implementation at village level has just started in 2021, the effects of village forest management will only become evident when the villages had some time to implement the forest management plans.

This applies to all indicators estimating the ER impact (subsequent sections).

Mitigation Core Indicator 2 - Cost per tCO2eq decreased for GCF funded project/programme (Unit: Cost per tCO2eq)

Total GCF Funding	Total Co-financing	Currency
15160596	49630500	eur

This value is auto-populated from 3.1.1. This value is auto-populated from 3.1.2. This value is auto-populated from 3.1.

Baseline	Current Value	Mid-term Target	Final Target
6.67949443298969		34.10057684210526	11.569838571428571

Estimated cost per tCO2eq reduced over lifetime
11.569838571428571

Calculation methodologies:

- The baseline is total project funding divided by baseline emission reduction.
- The current value is total project funding divided by the current value of emission reduction. This value is on a cumulative basis.
- The mid-term target is total project funding by the mid-term target of emission reduction.
- The final target is total project funding by the final target of emission reduction.
- The estimated cost per emission reduced over lifetime is the total project funding divided by expected lifetime emission reductions over lifetime.

Please confirm the aforementioned auto-calculated values and, if different, provide values and corresponding methodologies.

Mitigation Core Indicator 3 - Volume of finance leveraged by GCF funding (Disaggregated by public/private source) (Unit: Currency)

Please provide ex-post 'Current Value' on a cumulative basis, and include co-financing amounts as leveraged finance. Leveraged finance means investment resulting from the contribution associated with GCF involvement in investment.

Please refer to the Section 3 of Policy on co-financing B.24/14 for further information on leveraged finance by GCF funding.

[Policy on co-financing](#)

Currency

EUR

Total volume of finance leveraged by GCF funding

Volume of finance leveraged by GCF funding, from both public and private investors.

Baseline	Current Value	Mid-term Target	Final Target
0			150000000

Total private sector volume of finance leveraged by GCF funding

Volume of finance leveraged by GCF funding, from private sector investors only.

Baseline	Current Value	Mid-term Target	Final Target
0			77000000

Remarks (including changes, if any)

2.4.2 Impact Indicators

Select applicable impact indicators

- M1.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of increased low-emission energy access and power generation
- M2.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of increased access to low-emission transport
- M3.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of buildings, cities, industries and appliances
- M4.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of sustainable management of forests and conservation and enhancement of forest carbon stocks
- A1.1 Change in expected losses of lives and economic assets due to the impact of extreme climate-related disasters in the geographic area of the GCF intervention
- A1.2 Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options (including fisheries, agriculture, tourism, etc.)
- A1.3 Number of Fund funded projects/programmes that supports effective adaptation to fish stock migration and depletion due to climate change
- A2.1 Number of males and females benefiting from introduced health measures to respond to climate-sensitive diseases
- A2.2 Number of food secure households (in areas/periods at risk of climate change impacts)
- A2.3 Number of males and females with year round access to reliable and safe water supply despite climate shocks and stresses
- A3.1 Number and value of physical assets made more resilient to climate variability and change, considering human benefits (reported where applicable)
- A4.1 Coverage/scale of ecosystems protected and strengthened in response to climate variability and change
- A4.2 Value of ecosystem services generated or protected in response to climate change

M4.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of sustainable management of forests and conservation and enhancement of forest carbon stocks (Unit: tCO2eq)

Please provide the ex-post 'Current Value' on a cumulative basis. Please note that the values should be based on total funding (GCF funding and co-financing). The 'Final Target' is the amount of emission reduced up to the end of implementation. The 'Expected lifetime emission reductions overtime' is an estimate of emission reductions over the lifetime. If the end of lifetime coincides with the end of implementation then please provide the same value for 'Final Target' and 'Expected lifetime emission reductions over time'.

Baseline		Current Value		Mid-term Target		Final Target	
9700000	tCO2eq		tCO2eq	1900000	tCO2eq	5600000	tCO2eq
Expected lifetime emission reductions overtime							
5600000							tCO2eq

Remarks (including changes, if any)

This section can only be filled with meaningful figures towards the end of the implementation. The monitoring of the impact and the respective calculation is ex-post and tied to the national monitoring system and the monitoring report for the ER program. The project is not determining emission factors to estimate emission, i.e. ER for the target Districts but estimated activity data (forest cover change) based on the forest area determined when doing PLUP and VFMP. The utilisation of PDMS data to determine forest area changes at District/village level requires time for implementation on the ground. Implementation at village level has just started in 2021, the effects of village forest management will only become evident when the villages had some time to implement the forest management plans.

2.4.3 Project/Programme-level Outcome & Output Indicators

Please provide ex-post 'Current Value' on a cumulative basis. If you have multiple outputs to be reported against one outcome, you need to write down the same outcome name for every output. Likewise, if you have multiple indicators to be reported against one output, you need to write down the same output name and corresponding outcome name for every indicator.

Use 'Add row' button to add multiple outcomes, outputs and/or indicators.

Results Area Type	Outcome Name		
Please select	As the type presentation of the output indicators is very different from the Funding Proposal and the word template provided by the GCF for the preparation of the APR (rather text then bare numbers), this section cannot be filled in within this mask at the moment. The Output indicators will be attached as a pdf document to this report (Attachment 10).		
Output Name (under the afore-mentioned outcome)			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
Indicator Name			
Unit			
Baseline	Current Value	Mid-term Target	Final Target
Remarks (including changes, if any)			

If applicable, please submit a supporting document describing the calculation methodology for the current values provided.

2.5 Report on changes during implementation (include actual and expected changes)

As planned (see FAA), the **JICA Subsidiary Agreement** has been signed and has become effective within this reporting period. This was a pre-condition for the second GCF disbursement to GIZ.

As already reported in the APR covering 2020 and based on the Forestry Law and according to GoL's decision, the **Forest Protection Fund (FPF)** should become the designated REDD+ Fund in Lao PDR. In the Emission Reductions Payment Agreement (ER-PA) between GoL and the FCPF Carbon Fund of the World Bank (WB), the FPF was designated as main financing mechanism, however, the FPF still lacks institutional capacity and operational structures. Therefore, it was agreed in the ER-PA between GoL and the World Bank, signed in December 2020, that GoL has one-year to build the capacity of the FPF, to pass World Bank due diligence.

By the end of 2021 a GoL- and WB-led assessment revealed that the FPF has not passed the standard fiduciary WB criteria yet. Hence, more capacity building for the FPF is needed before the fund would be able to handle substantial project funds. Project 1 will, therefore, continue to follow the design, outlined in the Funding Proposal, and work with the EPF as the project fund and National Executing Entity. The EPF established the Climate Change Funding Window on 30 April 2019 to adopt funds from Green Climate Fund and related climate change funds. Hence, Project 1 operates under the EPF Climate Change Funding Window. This fact has, so far, no implications on costs.

The **4th National Forest Inventory (NFI)** was initially planned to be implemented within 2021 as an "interim" inventory for the first monitoring event under the FCPF Carbon Fund. After discussions between DOF, JICA and GIZ, it was decided to cancel this interim inventory because of methodological issues that need to be resolved before spending significant resources. This decision was formally endorsed by DOF. A revised NFI methodology is expected for mid2022, and it is planned that part of the initial budget will be used to support field testing of the revised approach in the dry season, i.e. late 2022 or early 2023. Hence, this budget became available for reallocation. On request of the implementing partner, the Department of Forestry, GIZ has proposed to the GCF to use these funds for construction measures (Ranger Stations for National Protected Areas). Implication on costs: Approval to this has been indicated by the GCF and it will be reflected in the revised budget of the Grant Agreement with the EPF.

In detail: The aim is to organize the construction measure during the first half of 2022, put it out to tender and adjust the budget of the EPF grant agreement accordingly (as already informed in an email conversation on November 25th 2021 and December 21st 2021 as well as confirmed by GCF on December 28th 2021). The buildings will be used as field stations in selected NPAs in Huaphan and Sayabouli where staff members of the subordinate agencies of DoF can stay for extended periods to improve the management and governance of the protected areas.

The reallocation of an estimated amount of 300.000 EUR from Activity 1.6 "Implementation of the measurement, reporting and verification (MRV) system" to Activity 3.3 "National Protected Area Management" for the construction of field stations is limited to the budget reallocation threshold defined in the FAA Clause 6.01. The amount of the subtotal of GCF proceeds for Output 1 is 3.655.531 EUR, hence the threshold for reallocation from Output 1 would be around 365.000 EUR. As discussed with the GCF, we are still below this threshold and FAA Clause 6.01(i) and 6.01(ii) are not applicable.

Further budget amendments to the EPF budget are currently being discussed with the EPF. GIZ will analyze potential effects on the overall budget and will consult with the GCF in case the budget reallocations lead to the need of prior approval by GCF.

There is a substantial **delay** in project implementation due to continued/repeated lockdown and travel restrictions due to the COVID-19 pandemic. It is estimated that the implementation of all activities will require 12 months more than originally planned. Implication on costs: Therefore, a no-cost project extension of 12 months will be requested to the GCF. This also has an impact on the EPF budget, as we would have to extend the contract with the EPF without affecting the value of the contract (no-cost extension of the grant agreement).

In the last APR it was reported that the internal project calculation is adapted to reflect needs and that we would consult the GCF in Q3 2021. Due to the above-mentioned changes to the budget of the EPF grant agreement we have not yet consulted with the GCF about an adaptation of the overall GCF budget.

There are **no further changes** in project governance structure such as changes in contract agreements, policies (national, donor, partner or GIZ policies) or foreseen budget implications such as reallocations of costs.

Describe changes to the project during the reporting period. In particular, the report should cover elements such as change of beneficial ownership structure, management changes of the Accredited Entity, policies and other elements relevant for the project, and any other material change that could influence the overall outcome of the project.

2.6 Implementation challenges and lessons learned

Challenge encountered

Quarterly Plans approval process is lengthy

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

Moderate

Measures adopted

Change of procedures discussed and plans for each District will be processed individually

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

PPMUs should not wait for plans from all Districts before forwarding to national level

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Please choose the severity of overall impact.

On track with no or minor impact

Description of levels of severity:

1. On-track with no or minor impact: No or minor impact on project implementation and corresponding annual activities.
2. Facing delays: Implementation progress faced delays in the timeline but did not require any substantial changes in the implementation plan.
3. A minor change(s) required: Changes that are not classified as Major changes but requires intervention from GCF.
4. A major change(s) required: As per paragraph 16 of the Policy on Restructuring and Cancellation - Board Decision B.22/14 paragraph (a). Please find the link to the policy document below.

[GCF Policy on Restructuring and Cancellation](#)

Select a type of the COVID-19 challenges encountered.

Others

Please describe if any support is required from the GCF to address the COVID-19 impact on your project/programme.

Challenge encountered

Partner processes and bureaucratic procedures are time-consuming

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

Moderate

Measures adopted

Attempt to align project procedures with government procedures

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

More direct engagement on higher levels is important

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Challenge encountered

Challenges with Financial clearance (EPF & PO)

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

Moderate

Measures adopted

In the past, coordination between the PO and the EPF was time-consuming. In the past, the EPF had to detect, correct and reconcile some errors in the PO's financial reporting. Therefore, the financial reporting templates were revised, and training sessions were organised in the Provinces to ensure timely financial reporting.

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

At the beginning of a project implementation, increased focus should be placed on training POs to ensure the preparation of financial reports. In addition, the staff in the Provinces should be strengthened to ensure that sufficient advisory capacities are available.

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Please choose the severity of overall impact.

On track with no or minor impact

Description of levels of severity:

1. On-track with no or minor impact: No or minor impact on project implementation and corresponding annual activities.
2. Facing delays: Implementation progress faced delays in the timeline but did not require any substantial changes in the implementation plan.
3. A minor change(s) required: Changes that are not classified as Major changes but requires intervention from GCF.
4. A major change(s) required: As per paragraph 16 of the Policy on Restructuring and Cancellation - Board Decision B.22/14 paragraph (a). Please find the link to the policy document below.

[GCF Policy on Restructuring and Cancellation](#)

Select a type of the COVID-19 challenges encountered.

Others

Please describe if any support is required from the GCF to address the COVID-19 impact on your project/programme.

Challenge encountered

ESMP framework has in parts shown to be difficult to implement

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Environmental and Social Safeguards (ESS)

Impact on the project implementation

Minor/Solved

Measures adopted

A revised ESMP will be designed for Project 1

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

During the implementation, it has been revealed that some activities demanded by the ESMP were not budgeted or are not implementable

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Challenge encountered

Data quality challenges

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

Moderate

Measures adopted

Duplicate quality control process by PO M&E Officers and by M&E Consultant Team

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

Quality control of data is very time-consuming

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Challenge encountered

VFAG Financial reports sometimes show inconsistencies

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

Moderate

Measures adopted

Virtual trainings and supporting VFAGCs and villagers at village level are provided.

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

Around 60% of VFAG Committees lack capacity on financial management

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Challenge encountered

Conflicting forest classification for PLUP 2.0, national vs. Village level

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Legal

Impact on the project implementation

Moderate

Measures adopted

Consultation with National and Provincial authorities

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

Clarification needed particularly for village areas in NPAs

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Challenge encountered

So far, focus of villagers on only a very small number of Whitelist products

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

Moderate

Measures adopted

Focus on providing clear arguments for integrating other Whitelist products in discussion with villagers and with the dissemination of improved farming techniques.

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

Farmers need substantial guidance in crop diversification

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Challenge encountered

Delays of field work due to lock-down and travel restrictions

Describe the challenge faced during the last twelve (12) months of implementation and critical risks that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and could impact other activities and final targets. N.B. Choose the most relevant type if the challenge is related to multiple types.

Challenge type

Operational

Impact on the project implementation

High

Measures adopted

Adaptive planning and implementation

Please check if the above-mentioned challenge(s) has been resolved during the reporting period

The challenge(s) has been resolved during the reporting period.

Lesson learned and other remarks

Planned activities for a particular quarter may be implemented in following quarters

Please check if this challenge is caused by COVID-19 pandemic.

Yes

No

Please choose the severity of overall impact.

Facing delays

Description of levels of severity:

1. On-track with no or minor impact: No or minor impact on project implementation and corresponding annual activities.
2. Facing delays: Implementation progress faced delays in the timeline but did not require any substantial changes in the implementation plan.
3. A minor change(s) required: Changes that are not classified as Major changes but requires intervention from GCF.
4. A major change(s) required: As per paragraph 16 of the Policy on Restructuring and Cancellation - Board Decision B.22/14 paragraph (a). Please find the link to the policy document below.

[GCF Policy on Restructuring and Cancellation](#)

Select a type of the COVID-19 challenges encountered.

Field Activities

Sample challenges for Field Activities:

- Delays in travels, planned training, workshops, conferences, events, and awareness-raising events
- Limited access to project sites especially outer islands
- Postponed field missions for collecting/validating information, and conducting consultations with local stakeholders
- Measures required to ensure the security and safety of workers
- Delays in pilot projects, feasibility/baseline studies

Please describe if any support is required from the GCF to address the COVID-19 impact on your project/programme.

2.7 Updated implementation timetable for the Funded Activity

Please submit the implementation time table for the Funded Activity**Confirmation and Acknowledgement of Information ***

* This is a required question to submit section 2 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 2 is complete and ready for submission.

APR CY2021 Section 3: Financial Information - v5 YYYY-MM-DD HH:mm

[APR CY2021] Section 3: Financial Information

Please note that this is section 3 of the five Annual Performance Report (APR) sections. APR will be considered valid only after all the five sections are filled with relevant details.

3.1 Approved Budget for entire project period as per FAA	Currency eur
GCF Funding (Equity)	
GCF Funding (Grants)	15160596
GCF Funding (Guarantees)	
GCF Funding (Loans)	
GCF Funding (Results-Based Payment)	
3.1.1 Total GCF Funding	15160596

3.2 Co-financing	Currency eur
Co-financing (Equity)	
Co-financing (Grants)	11104697
Co-financing (Guarantees)	
Co-financing (In-kind)	18481481
Co-financing (Loans)	20044322
Co-financing (Results-Based Payment)	
3.2.1 Total Co-financing	49630500

Please confirm the afore-mentioned values are different as per your knowledge. *

No differences to be reported.

3.3 Disbursements Details (Cumulative to this reporting period)

3.3.1 Total GCF Disbursement

7810261

Currency

eur

GCF Equity Disbursement

0

GCF Grants Disbursement

7810261

GCF Guarantees Disbursement

0

GCF Loans Disbursement

GCF Results-Based Payment Disbursement

0

GCF Loans Disbursement

0

GCF Senior-Loans Disbursement

0

GCF Subordinated-Loans Disbursement

0

GCF Grants Disbursement

7810261

GCF Non-reimbursable Grants Disbursement

7810261

GCF Reimbursable Grants Disbursement

0

Please confirm the afore-mentioned values are different as per your knowledge. *

No differences to be reported.

3.3.2 Co-Financing Disbursement

6589586.15

Choose currency

EUR

Provide the cumulative amount of disbursements from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.3.3 Total Project Disbursement

14399847.15

Choose currency

EUR

Provide the cumulative amount of disbursements from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

Please provide comments on sub-section 3.3, if any.

The amount for 3.3.2 "co-financing disbursement" consist of BMZ Disbursement (2,949,141.86 EUR) and the applied expenditures of Government (159,500.00 EUR) and Others (3,480,944.29 EUR).

Choose currency

EUR

3.4 Expenditure details (Cumulative to this reporting period)

GCF Equity Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Grants Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Guarantees Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Loans Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.1 GCF Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.2 Co-financing Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.3 Total Project Expenditures

6572002.93

Please provide comments on sub-section 3.4, if any.

The accounting basis of giz is "costs". Therefore, costs have been reported here for the giz instead of expenditures. The amount for 3.4.2 "co-financing expenditures" consist of BMZ costs (2,045,580.64 EUR), Government expenditures (159,500.00 EUR) and Others expenditures (3,480,944.29 EUR).

3.5 Investment & Other Income (Cumulative to this reporting period)

Reporting Level for investment

Please select the second option 'Accredited Entity Portfolio Level' only if AEs have more than one project where all GCF funds are held in a consolidated GCF Special Account.

 Project Level Accredited Entity Portfolio Level

Choose currency

EUR

Project Level Investment & Other Income

Please provide comments on sub-section 3.5, if any.

No Investment & Other Income

3.6 Report on AE fees (Cumulative to this reporting period)

Reporting Level for AE fees

Please select the second option 'Accredited Entity Portfolio Level' only if AEs have more than one project where all GCF funds are held in a consolidated GCF Special Account.

 Project Level Accredited Entity Portfolio Level

Choose currency

EUR

Project Level AE Fees

Please provide comments on sub-section 3.6, if any.

3.7 Annual Financial Performance Report

Please download the Financial Performance Report Template in Excel.

[Financial Performance Report Template](#)

This sub-section 3.7 is not applicable for REDD+ Results-Based Payments Projects. Please provide a separate 'Financial Progress Details' in Section 6.

Please attach the Annual Financial Performance Report here.

[FP117_Section 3_Financial Information_20220316_rev.xlsx](#)

3.8 Unaudited Financial Statement

Submit the Unaudited financial statement (as required by FAA)

[FP117_Section 3_Financial Information_20220316_rev.xlsx](#)

(Semi-)Annual Audited financial statement, Interim/Final Evaluation Report should be submitted via separate and dedicated submission channels.

Please provide comments on the attachment.

Due to the addition of the commitments, we have changed the "Utilization rate" calculation to "TOTAL / APPROVED BUDGET FOR ENTIRE PROJECT"

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 3 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 3 is complete and ready for submission.

APR CY2021 Section 4: Environmental and Social Safeguards & Gender - v5 YYYY-MM-DD HH:mm

[APR CY2021] Section 4: Environmental and Social Safeguards & Gender

Please note that this is section 4 of the five Annual Performance Report (APR) sections. APR will be considered valid only after all the five sections are filled with relevant details.

4.1 Implementation of environmental and social safeguards and gender elements

Please provide information on the project or programme on the following: (1) key risks and impacts as identified; (2) compliance with applicable laws and regulations including FAA conditions and covenants; and (3) progress in the implementation of environmental and social management plans and programs including monitoring activities undertaken during the implementation of the funded activity.

4.1.1 The information includes description on any changes in the key environmental and social risks and impacts as identified and arising from the implementation including any unanticipated risks and impacts (ex. from changes in laws and regulations) and, based on these if any change in the project's environmental and social risk category. In case of a change in the E&S risk category for the project, please provide an explanation.

There are NO notable changes to the identified environmental and social risks (including gender) during the reporting period, resulting in no change to the E&S risk category. ESMP and GAP for Project 1 will soon be revised.

4.1.2 The information should include status of compliance with applicable laws and regulations of the country as well as the relevant conditions or covenants under the FAA. This can be captured in the table below:

Status of compliance with applicable laws and regulations and the conditions and covenants specifically addressing ESS & Gender under FAA

Compliance Type Law / Regulation
Compliance Title & Description Law on Environmental Protection, No. 29/NA 2012, Update No. 84/NA, 2020
Status of compliance <i>Compliant</i>

Compliance Type Law / Regulation
Compliance Title & Description Forestry Law, No. 06 /NA 2007, Update No. 64/NA, 2019 For the forestry sector, the revised Forestry Law (No. 06 /NA 2007, Update No. 64/NA, 2019) gives increased rights to local villagers to manage their forests. This leads to increased opportunities for women to benefit from forest products, mainly from non-timber forest products (NTFPs), which are primarily collected by women and which creates income.
Status of compliance <i>Compliant</i> The project promotes villagers to sustainably use the timber and NTFPs according to the 5-year and annual forest management plans of their villages. According to the current draft timber legality definition, villagers would get 65% from the timber sales, however, currently no timber logging for commercial purpose takes place since the national logging ban is still in place. The framework of the forest law is also reflected in the final version of the benefit sharing plan for the Carbon Fund ER Program.

Compliance Type
Law / Regulation
Compliance Title & Description
Land Law No.04/NA 2003, Update No. 70/NA, 2019
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Law on Agriculture, No. 01-98/NA 1998
The Law on Agriculture has the objectives of encouraging, promoting, and expanding agricultural production in order to guarantee food supply and commodity production, while ensuring safety for the environment.
Status of compliance
<i>Compliant</i>
The project has the aim to promote sustainable deforestation-free agriculture and value chain PSAP associated with 32 Whitelist products.

Compliance Type
Law / Regulation
Compliance Title & Description
Law on Investment Promotion, No. 02/NA 2009, Update No. 32/NA, 2016
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Wildlife and Aquatic Law, No. 07/NA 2007 (Currently under revision)
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Penal Law No. 142 / PO 2005
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Customs Law No. 05 / NA 2005, Update No. 04/NA, 2020
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Law No. 24/NA on Transportation 2012
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Law on Local Administration No. 47/NA 2003, Update No. 68/NA 2015
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Law No. 46/NA on Enterprise 2013
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Law No. 01/NA on Contract and Tort 2006, Update 01/NA, 2008
Status of compliance
<i>Compliant</i>

Compliance Type
Law / Regulation
Compliance Title & Description
Law on Gender Equality, No.77/NA 2019
Status of compliance
<i>Compliant</i>

Compliance Type
Covenant
Compliance Title & Description
FAA Clause 10.02 (i)
Undertake and/or put in place any adequate measures in order to ensure that the management of the environmental and social risks and impacts arising from the Funded Activity complies at all times the recommendations, requirements and procedures set forth in the Environmental and Social Impacts Assessment ("ESIA") incorporating the Ethnic Groups Development Planning Framework and the Environmental and Social Management Plan ("ESMP"), which were provided by the Accredited Entity to the Fund before the Approval Decision.
Status of compliance
<i>Compliant</i>

Compliance Type
Covenant
Compliance Title & Description
FAA Clause 10.02 (j)
Ensure that all updates and further detailed assessments, studies, mitigation measures and site-specific management plans identified in the ESMP are undertaken by the Executing Entities and provide the Fund the results of such updates or detailed assessments, studies, mitigation measures and site-specific management plans prior to commencing any activities that are directly relevant to such studies and assessments. Acquire, or ensure that the Executing Entities acquire, consistent with the Resettlement Policy Framework which was provided by the Accredited Entity to the Fund before the Approval Decision, all land and rights in respect of land that are required to carry out the Funded Activity are available for the Funded Activity. Further, the Accredited Entity shall promptly furnish to the Fund, upon its request, satisfactory evidence that such land and rights in respect of the land are available for the purposes of the Funded Activity.
Status of compliance
<i>Compliant</i>

Compliance Type
Covenant
Compliance Title & Description
FAA Clause 10.02 (m)
Acquire, or ensure that the Executing Entities acquire, consistent with the Resettlement Policy Framework which was provided by the Accredited Entity to the Fund before the Approval Decision, all land and rights in respect of land that are required to carry out the Funded Activity are available for the Funded Activity. Further, the Accredited Entity shall promptly furnish to the Fund, upon its request, satisfactory evidence that such land and rights in respect of the land are available for the purposes of the Funded Activity.
Status of compliance
<i>Compliant</i>

<p>Compliance Type</p> <p>Covenant</p>
<p>Compliance Title & Description</p> <p>FAA Clause 10.02 (n)</p> <p>Prior to commencing any activities that have potential application of the Accredited Entity's safeguards or standards on indigenous peoples and cultural heritage, submit to the Fund (i) the relevant indigenous peoples plan for such activities; and (ii) upon the request of the Fund, evidence, satisfactory to the GCF Secretariat, that free, prior and informed consent from the relevant indigenous communities has been obtained for the purposes of the Project.</p>
<p>Status of compliance</p> <p><i>Compliant</i></p> <p>The project developed an 'Ethnic Groups development planning framework' attached to the ESIA as Annex 3. The framework forms the foundation for all interventions with relevance to ethnic minorities in Lao PDR, including FPIC processes. The framework has been operationalized by inclusion into the ESMP as Action 2.</p> <p>The main objective of the framework and the ESMP Action 2 is to ensure the inclusion of ethnic group members into program activities and to obtain their free and prior consent. The latter is ensured by FPIC being a mandatory requirement before further project implementation. The full inclusion of ethnic groups is monitored and can be confirmed by data available through the established database. Up to now, all major village meetings have included participants from all ethnic groups in the respective villages. Upon request the GCF may be provided with the database and all its entry points for the different activities/interventions.</p> <p>The inclusion of ethnic groups into all further village-level activities is further promoted by usage of an "ESMP checklist". Information provided by implementers (as part of the regular reporting process) confirms that full inclusion of ethnic groups into all monitored activities is ensured.</p> <p>Furthermore, the use of local languages is monitored by the project and it can be confirmed, that local languages have been used in village meetings concerning all activities (including FPIC) in relevant villages.</p> <p>Note: the word indigenous people is not commonly used in Lao PDR but instead the word 'ethnic groups' applies with the same meaning.</p>

4.1.3 Provide a report on the progress made during the reporting period in implementing environmental and social management plans (ESMPs) and frameworks (ESMFs) describing achievements and specifying details outlined in the tables below.

Implementation of ESMPs and ESMFs

Activities implemented during the reporting period, including monitoring

- ESMP Action 1a: ESMP Implementation and Enforcement
- Building ES-related capacities of implementation partners and use of ESMP checklist in the field

Outputs during the reporting period

The Safeguards Monitoring System of Project 1 is of highly integrated nature with safeguards measures in most cases being mainstreamed into other activities, completed by a number of stand-alone safeguards activities. This integration has been facilitated by the fact, that the same consulting firm was hired to implement both, the (outcome) monitoring system and the Safeguards Monitoring System. The system is operated through a Cloud Database, which is fully functional and can be well operated by all Project Owners. Most information in this APR has been retrieved from the Cloud Database.

The ESMP Checklist has been successfully introduced and has been used increasingly systematically and, over the whole reporting-year, for 85% of village level activities. ESMP trainings to 67 implementers have so far not yet resulted in sufficiently good understanding about ESMP concepts. Therefore, training materials have been improved and will continue to be implemented on a broader scale and integrated as part of other (technical) trainings. Integration of REDD+ Action Plans into Annual District Socio-Economic Development Plans (SEDPs) is being finalized.

Substantial parts of the ESMP have been translated into Lao and integrated into the ESMP training material and checklist used by the implementers (i.e. District field staff carrying out activities with the beneficiaries).

The ESMP training was accompanied by a pre-post testing of knowledge to assess the implementers' "competent understanding"

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Target: "ESMP Checklist is used before every activity - 50% after first year of program implementation, rising to 90% after third year of program implementation"
- Value to date: In 85% of relevant units, the use of ESMP Checklist prior to implementation was correctly reported (indicator target over-achieved).
- Target: "Staff complete questionnaire on ESMP, with at least 50% demonstrating competent understanding after 1st year, 85% understanding after year 2 workshop"
- Value to date: Only the implementers in Sayabouly Province have reached the 50% target so far. Training will continue to remedy this issue (indicator target not yet achieved).

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

Since ESMP understanding is still low, Project 1 has decided to improve the training materials and even more emphasize ESMP trainings and mainstream them into a number of other (technical) trainings.

Activities implemented during the reporting period, including monitoring

ESMP Action 1a: ESMP Implementation and Enforcement

ESMP update

Outputs during the reporting period

- The ESMP has been fully reviewed by the Safeguards Team
- E&S consultant has been hired to carry out the update of the ESMP

Key environmental, social and gender issues, risks and impacts addressed during implementation

In the review of the ESMP for the upcoming update, the Safeguards Team has provided comments on all ESMP actions in order to ensure its actions are financed and realistic in the context of the ongoing project.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 1b: ESMP Monitoring and Reporting

Training on use of monitoring and reporting system and assessment of usage

Outputs during the reporting period

- All PMUs have been trained and are regularly re-trained by the M&E and Safeguards Team on the usage of the monitoring and reporting system (online Cloud Database).
- Correct understanding of the data collection and input/reporting system by the DPMUs was assessed and is continuously checked by the M&E and Safeguards Team.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Target: "At least 50% of DPMU able to use system by the end of the first year; 85% success after year 2"
- Value to date: All POs are using the Cloud Database and related processes and forms according to the Operational Manual > "Percentage of DPMUs that can use the system fully = 100%" (indicator target over-achieved)

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 1c: Capacity Building for PMUs on ESMP

Implementation of ESMP training to the Project Owner Implementers by National Advisors.

Outputs during the reporting period

- ESMP trainings to PO implementers were provided in order to strengthen the understanding of the concepts and further improve their practical application in the field.
- So far, 67 field implementers have been trained on ESMP.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- All ESMP actions relevant to implementers are covered in the trainings.
- The trainings will be repeated over the lifetime of the project so to mitigate the risks caused by staff turnover as well as continuously improve the understanding by existing staff.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

After realizing that only integrating ESMP trainings into PSAP trainings did not allow to reach sufficiently enough implementers, the ESM Team has decided to include them into a broader range of technical trainings.

Activities implemented during the reporting period, including monitoring

ESMP Action 1d: Legal Knowledge - Ensure compliance with standard operation procedures (SOP), guidelines and law enforcement

REDD+ integration in SEDPs

Outputs during the reporting period

- The Provincial REDD+ Action Plan (PRAP) has been integrated into 33 District Annual District Socio-Economic Development Plans (SEDPs) in target Districts of the I-GFLL and FCPF projects.
- It can be shown that in Houaphan alone a total of 173 REDD relevant activities were integrated in the District SEDPs with a total value of LAK 184 billion (USD 16.3 million).

Key environmental, social and gender issues, risks and impacts addressed during implementation

Proper consideration of social and gender aspects was ensured during PRAP consultations. Groups were segregated by gender and village organizations (Village authority, LWU, and Lao Youth), and the women's group was led by the LWU.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 2: Ethnic Groups

Participation of Ethnic Groups in implementation

Outputs during the reporting period

- It can be shown that for FPIC, the participation of different ethnic groups was the same share as their respective share in the overall population, confirming that all ethnic groups had an equal opportunity to participate in FPIC. Levels of self-reported understanding of participants in all types of village meetings was "high" or "very high" for 90% of participants, also confirming that they could comprehend the language used in the meetings (in most cases Lao, but also using local languages wherever necessary).

- Monitoring data shows, that in the FPIC implementation, the participation of ethnic groups in FPIC has been exactly the same as in the overall population. However, a trend can be observed, that in other activities (PLUP, PSAP, VFAG and VFMP) ethnic minorities were represented with 39% in village meetings, while their share in the population is 51%.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Participation of different ethnic groups in FPIC was the same share as their respective share in the overall population, confirming that all ethnic groups had an equal opportunity to participate in the FPIC.
- The reasons for lower participation of ethnic minorities in other activities still needs to be understood and discussed.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 2: Ethnic Groups

Understanding of Community meetings & local languages

Outputs during the reporting period

In the context of the Ethnic Groups Action, it is of utmost importance to verify that also those ethnic group members who do not speak Lao well are able to understand the information conveyed in Community Meetings. This is measured through checking with a sample of participants, if they have understood the points discussed in the village meeting.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Target: "At least 80% of attendees are able to self-assess positive understanding"
- Value to date: self-assessed "positive understanding" = 90% from 2387 beneficiaries asked over 310 community meetings. (indicator target over-achieved)
- This was facilitated by the fact, that for one out of seven FPIC and PLUP community activities and for one out of twelve VFAG community activities, field work was held in 2 languages, including Lao and the most common local language. Since only a single time an implementor mentioned the need of a translator, it can be confirmed, that language was not a problem in the implementation of Project 1.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 2: Ethnic Groups

Crosscutting data

Outputs during the reporting period

- In order to retrieve information on ethnic groups, it needs to be made sure that implementers report on the relevant data-items
- Therefore, the accuracy and completeness of data collection and reporting on ESMP aspects by implementers after community meetings is assessed (see row above on relevance of village meetings for the Ethnic Group Action)

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Target: "Report forms are filled out accurately after 80% of meetings in the first year, with accurate reporting done in 95% of meetings by end of year 2"
- Values to date:

Out of 443 events concerned by ESMP / Gender collection,

- 1) In 98% of community meetings the Languages used was correctly reported.
 - 2) In 99% of community meetings, the Ethnic group of villager participants was correctly reported.
 - 3) In 85% of relevant units, the use of ESMP Checklist prior to implementation was correctly reported.
- (indicator target over-achieved)

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 3: FPIC Process + Action Input 1.7.2.6

"District-level consultation and training events, FPIC, awareness raising events (13 Districts, excluding Houaphan Districts, 2 consultations per District)"

Outputs during the reporting period

- FPIC 1 gives villagers an opportunity to anonymously vote out of Project 1 and has successfully been implemented in almost all target villages by the (independent) Lao Women's Union and the Lao Front for National Development. Women, men and all ethnic groups have been evenly represented amongst the 100 participants in average and 1 village has used FPIC 1 to opt out of Project 1, showing the effectiveness of the FPIC approach during which also awareness about ecosystem services has been promoted. FPIC 2 and 3, to confirm the Village Forest Management Plans processes have successfully been initiated in 2 villages. The Grievance Redress Mechanism (GRM) has been introduced to villagers, but only 2 out of 3 channels are so far being understood well. Since the number of participants in FPIC 2 is far higher (~100 participants) than in FPIC 3 (~30), in the future, the GRM will be introduced during FPIC 3, more strongly emphasizing the – so far little understood – hotline.
- All the District FPIC Teams have been established and trained on FPIC 1 concepts and practice along with the related gender and ethnic requirements for the first step of FPIC process.
- Training for provincial level staff on FPIC 2 & 3 process has been carried out.
- Training of District FPIC Teams on FPIC 2 & 3 processes has been completed in Houaphan Province only.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Risk of high staff turnover among government staff leading to implementation and knowledge gaps was avoided by training in two steps (one training before implementation of FPIC 1 and one training before implementation of FPIC 2&3).
- Gender balance was ensured as on a total of 124 participants registered for FPIC 1 training. 55 were women (44%).
- For the training on FPIC 2 and 3 for all provincial level staff, 42% of 31 participants were women.
- For the training on FPIC steps 2 and 3 for District Teams, completed in Houaphan Province, 37% of 30 participants were women.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 3: FPIC Process + ESMP Action 6 Biodiversity + Action Input 1.7.2.8

"Initial awareness raising campaigns, consultation in 100 villages" (FPIC 1)

Outputs during the reporting period

- Initial consultation meetings with villagers on FPIC (FPIC step 1) were completed with a positive result in all 170 villages, reaching 16,328 participants (almost 100 participants per village on average), of whom 54% were women.
- Project 1 does not work in villages (to be) relocated. Therefore, one village is being replaced because of relocation issues (Houaysong village replaced by Phoudokmay village in Hongsa District, Sayaboury Province) and FPIC process will be carried out once change is confirmed officially.
- All 16,328 participants, of whom 54% were women, were made aware of ecosystem services and environmental conservation, as an important part of FPIC 1, using appropriate visual media.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Implementation was carried out by the Lao Front for National Development (LFND) and Lao Women's Union (LWU), which are independent entities within the Lao state, separate from the executive. Thereby it is ensured that Project Owners (= the executive) would not try to influence villagers to join the project.

- It can be noted that one of the 170 villages (Namai, Phonthong District, Luang Prabang Province), that had initially accepted to join the project during the first step of FPIC, decided to opt out of Project 1 at a later stage during a community meeting on VFAG. This highlights the fact that villages have the freedom to opt out of Project 1, even after initial consent has been given.

The FPIC 1 data below come from 162 villages with available detailed data at the time of the analysis. The data show:

- High participation and broad consent of the villagers were achieved with an average of 95 attendees per village and a total of 15,425 positive votes to join the project.

- Fair representation of ethnic minorities in FPIC 1 was ensured. The comparison between ethnic composition of the target villages' population and the ethnic composition of the participants show highly similar ratios.

(With LaoLoum / Khmou / Hmong / "other ethnic groups" representing respectively:

48% / 23% / 13% / 16% of the villages' population and:

47% / 25% / 11% / 17% of the FPIC participants).

- Understanding by ethnic minorities was ensured by the use of local languages in the FPIC 1 when relevant. Evaluation of the self-assessed understanding by participants (indicating that also the language used was understood) shows very positive results (89% stated they understood "almost everything" and 11% stated they understood "everything").

- Participation of women in FPIC 1 was ensured and Focus Group Discussion were held for men and women separately.

- Anonymity in FPIC 1 consultations was ensured in all aspects, allowing villagers to freely speak up.

- Other comments and lessons learned on FPIC 1 by implementers:

1) Overall, most comments from implementers showed positive outcomes of the FPIC consultation (villagers agreed to join the project, cooperated well, villagers understand and are interested in the project).

2) Only in two cases, the implementers reported issues such as poor overall understanding of the process and the concepts of environmental protection and ecosystem services.

3) In only one case the implementers reported the need for a translator.

4) All other issues mentioned were practical aspects related to travel during the wet season or equipment.

These feedbacks confirm the absence of major issues during the FPIC 1 implementation.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

- The safeguards Team has analysed the sampling of villagers to give their self-assessment of understanding village meetings and found that random sampling, as required in guidelines, has not always been applied.

- Therefore, a certain positive sampling bias of results is expected. Randomization of sampling has been re-emphasized in follow-up trainings.

Activities implemented during the reporting period, including monitoring

ESMP Action 3: FPIC Process + Action Input 1.7.2.11

"Village forest management agreement consultation in target villages. Total number of villages in Phase 1: 200" (FPIC 2 and 3)

Outputs during the reporting period

- Review and validation of the Village Forest Management/Conservation agreements at village level have been carried out in two villages so far. ViFOMAs and/or ViFOCAs have been officially signed in two villages so far.
- The Grievance Redress Mechanism (GRM) has been presented and explained to the beneficiaries, during FPIC 3 in those two villages, and their understanding has been assessed by using a brief test for a randomized selection of 10 participants.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Implementation was carried out by the (independent) LFND and LWU and ensured that Project Owners would not try to interfere with villagers' decisions.
- Understanding of the consultation (FPIC 2) by the beneficiaries was confirmed as all the respondents report that they have understood "all" or "most" of what was presented/discussed.
- High participation of the villagers in the consultation (FPIC 2) was achieved with an average of 98 people per village.
- Participation of women was ensured in the consultation (FPIC 2) with 57% women over the 2 villages
- During FPIC 3, the GRM was presented to 61 people in the 2 villages combined, of which (only) 29.5% were women.
- The assessment of understanding of the GRM by villagers shows that only 2 out of 3 grievances submission channels have been well understood by the beneficiaries:
 - 1) the Village Mediation Unit (as regular Grievance mechanism on village level), was mentioned by 94% of the respondents.
 - 2) the possibility to report through the implementers was mentioned by 82% of the respondents.
 - 3) the hotline was mentioned by only 17.6% of the respondents.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

- Having realized that number of participants and gender ratio in FPIC 3 in those first 2 villages was not satisfactory, the project will from now on introduce the GRM in FPIC 2, which has a higher number of participants and an even share of male and female participants.
- The project will improve its communication regarding the hotline system, even though the fact that many beneficiaries may not own a telephone and therefore not consider this option has to be taken into account.

Activities implemented during the reporting period, including monitoring

ESMP Action 4: Social Inclusion and Meaningful Consultation + Action Input 1.7.2.5

"Implementation of gender action plan (integration of gender aspects in PRAP's, gender-proofing regulations in VFM/SFM/ FLR, village meetings, training material)"

Outputs during the reporting period

- Monitoring data show that both sexes as well as all ethnic groups have participated in Project 1 activities according to their share in the overall population. The Lao Women's Union's participation in all village-level activities to promoting women's interests, is by now fully ensured. The participation of the Lao Women Union (LWU) - which is responsible within the Lao context to ensure gender, is well considered in implementation and ensured in all major work areas.
- The online database registry system indicates clearly to Project Owners when the LWU is required to join an activity.
- The Safeguards Team keeps track of participants and implementers for all activities, disaggregated by gender.
- The Safeguards Team has also reviewed all guidelines for gender integration (see details in GAP crosscutting indicators table in 4.2.1)

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Inadequate inclusion of women in the program is avoided.
- Monitoring data show, that in 87% of all village level activities (634), the LWU has actually participated (total of 1415 working days), showing very high level of gender mainstreaming.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

Missing LWU participation mainly occurred in early stages of the implementation. Since Q3 2021, the Safeguards Team has successfully made sure, that LWU participation is mainstreamed in (almost) all village level activities.

Activities implemented during the reporting period, including monitoring

ESMP Action 4: Social Inclusion and Meaningful Consultation + ESMP Action 1d

Legal Knowledge - Ensure compliance with standard operation procedures (SOP), guidelines and law enforcement:

Crosscutting data

Outputs during the reporting period

Feedback on the "usefulness and relevance" of the trainings and workshops for the implementation of their practical work was collected from implementers and analyzed.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Target: "Annual post-workshop questionnaires indicating 80% of participants feel information is relevant and useful for their practical work"

- Value to date: "Percentage of workshop and training attendees stating that the information is relevant and useful to support their work = 89%". So far, this value was collected from 5 events only, however, the data will keep being collected for all trainings to come throughout the project's life, which will provide a clearer picture in the future.

(indicator target achieved)

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Conduct baseline socio-economic data collection in all target site village clusters.

Outputs during the reporting period

- All information management systems are fully developed (mostly integrated into activity reporting) and can be operated by all stakeholders, but data quality remains a challenge, requiring two data-quality checks and considerable human resources. There are many types of safeguards related data collected, e.g. NTFP, partner capacity, self-assessment of understanding by villagers, a donor mapping and many others. Results are fed back by the Safeguards Team to implementors through GIZ technical advisors.

- Socio-economic Baseline data-collection has been mainstreamed into processes for all activities (e.g., FPIC, Agriculture, Forestry, Land Use Planning) and is integrated into the M&E system and the Cloud database. (see data reported in this table)

Key environmental, social and gender issues, risks and impacts addressed during implementation

For each single step in the project's plan, the relevant ESM and Gender data is collect and integrated in our Database

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Create an NTFP inventory, including specific surveys for site-specific areas that highlight what is available locally.

Outputs during the reporting period

- Data on available non-timber forest products (NTFP) is collected as part of the PLUP implementation and is available in the online database.
- In addition, transect walks and "observation point" reviews carried out during the VFMP in village conservation and protection forests also allowed to gather information on the NTFPs by direct identification on site.
- Data relative to "main sources of income" were collected during PLUP activities and highlights the importance of NTFPs for target populations.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- The existing NTFPs and their level of availability in each village are taken into consideration by the PO implementers during the development of the PLUP in cooperation with the beneficiaries. This ensures that no decision made during the planning could affect NTFPs negatively.
- So far 38 NTFPs have been identified in 23 villages, with each village reporting between 2 and 7 available NTFPs.
- Monitoring data show, that NTFPs are a major income source (12 out of 27 villages). It is expected, that increased forest area as the main intended result of Project 1 will positively affect NTFPs and hence positively affect the income of villagers.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Conduct an economic investment survey in site-specific areas, to uncover the extent to which large-scale economic investment is planned in the SEDPs and to assess the impact on land and local environments.

Outputs during the reporting period

Six departments of the government have been surveyed on current and future large-scale investments that could impact land and local environment in the target Districts and villages.

Departments interviewed:

1. Natural Resources and Environment
2. Planning and Investment
3. Agriculture and Forestry
4. Energy and Mines
5. Industry and Commerce
6. Public Works and Transportation

Key environmental, social and gender issues, risks and impacts addressed during implementation

- A total of 41 villages with 1 or more investment projects were identified by the respondents.
- GIZ advisors and implementers (especially PLUP Teams) were made aware of these upcoming investments to take them into account in their planning activities for each relevant village.
- Investment related information is included in the village profile and accessible to all relevant stakeholder at any time.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Conduct District- and provincial-level resettlement and relocation surveys to uncover the extent to which villagers may be moved for administrative or investment purposes (including villages that may lose access to land but will not have to move household buildings).

Outputs during the reporting period

As a principle, Project 1 does not engage in villages to be relocated.

In order to retrieve this information, six departments of the government have been surveyed on potential relocation/resettlements that would affect the target villages.

Departments interviewed:

1. Natural Resources and Environment
2. Planning and Investment
3. Agriculture and Forestry
4. Energy and Mines
5. Industry and Commerce
6. Public Works and Transportation

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Two villages subject to relocation/resettlement were identified:
- One of them was removed as target villages (Houayong) was replaced by Phoudokmay, Hongsa District, Sayaboury Province).
- The second village, Lomg, in Xiengnern District, Louangprabang Province was kept as target village because resettlement will only affect a limited number of households and happens within the boundary of the village.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Conduct District staffing levels surveys, including assessing skill levels of District staff and volunteers, and ethnic language capabilities.

Outputs during the reporting period

- Assessments of District Team M&E Officers' capacity and availability was completed in all Districts for their technical ability to operate the (M&E and Safeguards monitoring system (but not including the ethnic languages capacities yet).
- Note: Ethnic language capacity might be assessed in future surveys, however might not be much useful, as implementers are selected through the government system, which the project cannot influence directly. However, it can be seen that for one out of seven of FPIC and PLUP community activities and for one out of twelve VFAG community activities, field work was held in 2 languages, showing that a number of government staff master some ethnic language and use it in the field.
- The Monitoring and Safeguards Team is continuously coaching District Monitoring Teams, so that any staffing level or skill-level issues (mainly because of government staff being transferred to other positions) are rapidly detected.
- Understanding of topics and work processes by all District Teams is also assessed after each training by using standard training forms and processes, including both, monitoring Teams and field implementation Teams.
- Provincial Deforestation Monitoring System (PDMS) trainings provided by JICA were assessed for their impact on the staff's knowledge (pre / post-tests) and showed clearly positive results, especially on detection of changes in forest cover.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Low staff availability or low understanding of work processes, when detected, are reported to the relevant DPMUs by the M&E and Safeguards Team, so that they can address these issues.
- In all (14) trainings analyzed so far, participants rated how much the training helped them understand their tasks as follows: 11% "very much", 65% "a lot", 24% "moderately", 0% "do not understand" over 269 respondents.
- As far as ensuring the understanding by villagers, for all village-level activities, the Safeguards Team systematically records the self-assessed understanding by villagers as well as the languages used, which would allow for prompt response in case issues were detected. So far there is 90% self-assessed positive understanding, no further action by the Safeguards Team has been necessary.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Create a District project directory, which lists the agriculture and forestry projects in a given area and provides details about beneficiaries and government staff working on each project to aid coordination and avoid duplication.

Outputs during the reporting period

A donor mapping of all current projects in the target Districts has been carried out.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Existence of currently active projects in the forestry and agricultural sectors was assessed. The donor mapping has also been used to detect any potential bottlenecks for staffing in District Agricultural and Forestry Offices (DAFOs).
- Only 7 projects, with potential overlaps with Project 1, have been identified over the 15 Districts of the project, and 4 of these would be closed either in 2021 or 2022. Therefore, risks of duplication may be prevented. However, staffing time could become a problem in some District with many projects, which are different in nature from Project 1, however also carried out by DAFO staff.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 5: Data Collection and Information Dissemination + Performance Standard 1

Update provincial land use maps, some of which have not been updated since 1995.

Outputs during the reporting period

An updating of maps is being done on village level in conjunction with the (village-level) Land Use Planning process. (note: no maps on provincial level are needed for the purpose of the project.”).

Key environmental, social and gender issues, risks and impacts addressed during implementation

- Monitoring data shows that out of 27 villages with data, 22 had previous Land Use Plans, which will be updated by Project 1.
- Note: Project 1 Land Use Planning always takes into consideration Gender and ESMP aspects.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 6: Biodiversity + ESMP Action 7 Health and Safety + Performance Standard 4 + Action input 2.1.1.22 (PSAP)

Promote 'environmentally-friendly' value chains as part of the project's work on deforestation-free agricultural value chains, raising the awareness of farmers, traders and investors

Outputs during the reporting period

- The Promotion of Sustainable and deforestation-free Agricultural Practices (PSAP) approach only promotes chemical free agriculture and avoids monocropping, both of which are continuously monitored. The prioritization of female headed households and other vulnerable groups is implemented successfully and data on various types of biodiversity aspects (e.g. NTFPs, old trees) is made available.
- The developed and ongoing PSAP approach (Promotion of Sustainable and Deforestation-free Agricultural Practices and Value Chains) uses chemical-free agriculture as one of its criteria. Basic education on the dangers of agro-chemicals usage for both the user and the environment is provided to the beneficiaries, as well as awareness on the drawbacks of monoculture. Woman-led and youth households are actively encouraged to join the activity.
- So far, 34 villages have been reached by the first step of PSAP and 984 households decided to join. Out of them 7% are women-led and 11.3% are youth.
- Study on chemical usage completed in all villages reached by the first step of PSAP to date.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- It is worth noting that "7% women-led households" is significantly higher than the 3% average in northern rural agricultural households (WB/ADB Country Gender Assessment, 2012). This shows that implementers proactively encouraged these households to join, as per the PSAP guidelines.
- Field data shows that virtually all PSAP participants do not have non-agricultural occupations. This shows that possible elite capture of the Village Forestry and Agriculture Grants (VFAG) within the villages was avoided.
- Irrigation is fairly common with more than half of villages having irrigated areas (covering approx. 1/3 to 1/5 of the agricultural lowland areas). However, selected PSAP farmers overall have very little irrigated land, suggesting that they are the more poor segment of the population and more prone to shifting cultivation and collection of NTFPs.
- Specific assessment of "main sources of income" for the selected PSAP farmers confirms the importance of NTFPs, and therefore conservation of forest, in their livelihood as 28% of them overall (and even 45% in Houaphan Province) listed it as main source of income.
- In 88% of villages, at least 1 out of 3 (VFAG) committee members is a woman ensuring that women are integrated in the decision making of investments and fund allocation.
- Chemical usage is fairly widespread in the target villages:
 - 1) 57% of villages declared using chemicals in agricultural activities not promoted by Project 1. Out of the villages reporting the use chemicals, 56% use chemical fertilizers, 69% use chemical herbicides and 44% use chemical pesticides.
 This emphasizes the risk, that also for promoted areas farmers might tend towards using chemicals.
- On-site assessment of the existing trees on lands chosen to carry on the PSAP production activities was done in presence of the land owners to ensure that future activities would not damage areas already covered by sizeable trees. Out of 854 fields reviewed, only 32 (3.7%) have regrowth aged between 6 and 10 years and 15 (1.8%) have trees aged 10 years and above, confirming that PSAP activities will not damage existing forest.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 7: Health and Safety

UXO risk mitigation

Outputs during the reporting period

- Project 1 does not work in villages with identified UXO risks, which is assessed at the village selection stage (see Action 6 for the chemical free agriculture aspect).
- Selection of all target villages was done according to the "Selection criteria for Clipad/i-gfl villages" which clearly states that only Low or No-Occurrence of UXOs areas can be selected.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- The project does not work in villages with identified UXO risk; therefore, no clearing activities are planned.
- UXO criteria is integrated in the village selection methodology and every selected villages has been validated by the government with the UXO risk being considered.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 8: Strengthening the EPF's Safeguards Capacity

Outputs during the reporting period

- Project 1 is focusing its capacity building to those aspects directly related to the project. Overall GCF Accreditation support is now provided by the GCFTA project.
- In the context of the FPF having been selected as REDD+ Funding Window by the government, support to the EPF by Project 1 is only given to enable the operations of Project 1, but not any more to support the EPF's operations as a whole.
- However comprehensive institutional support to the Accreditation is given by Technical Assistance financed by the 2nd GCF Readiness Grant. While the 1st GCF Readiness Grant was implemented by GIZ, focused on institutional capacity building, the 2nd GCF Readiness Grant is implemented by the EPF itself.
- The Safeguards Team has analyzed the planned activities by the GCF TA and confirms, that these are working towards ensuring "that safeguards categories are appropriately assigned and that mitigation measures are included according to GCF, IFC and GIZ Safeguards principles and requirements" as required by Action 8 of the ESMP.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- As the EPF's accreditation support is carried out by international and national TA, which is hired under the 2nd GCF Readiness Grant, the I-GFLL Safeguards Team is not involved in this action.
- However, an international Integrated Expert, who is financed by GIZ through the CIM-Program, has started mid-December his assignment at the department of Climate Change (DCC/MoNRE). According to his ToR, he will dedicate 30 % of his working time to support the EPF in its accreditation process to the GCF, including strengthening its Safeguard Capacity.
- There are 8 positions in the GCF Technical Assistance, 4 out of which directly link to the mentioned purpose in the safeguards area.
 - * "NC-Accreditation-GCFTA"
 - * "IC-Accrediation-GCFTA"
 - * "fNC-Coordinator-GCFTA"
 - * "IC-proposal-preparation-GCF-TA"
- 6 out of 8 positions have been recruited except for the "Proposal" positions.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 9: Business Partner Screening

Development of screening tool and recruitment of consultants to manage the private sector related activities.

Outputs during the reporting period

- Business partner screening tool has been developed by the Safeguards Team and covers a number of safeguards related issues (e.g. biodiversity, no use of chemicals, social responsibility).
- Business partner screening tool has been developed by the Safeguards Team and will be implemented by the consultant to "Support GIZ CliPAD/I-GFLL in providing business development measures to local Agri- MSMEs "Catalysing private sector investment in value chains."

Key environmental, social and gender issues, risks and impacts addressed during implementation

The partner screening is done to safeguard a number of issues: negative impacts on biodiversity, no use of chemicals, social responsibility (ethnic group inclusion, gender inclusion).

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

Activities implemented during the reporting period, including monitoring

ESMP Action 10: Risk related to climate change impacts

Activities building resilience, for example small grants released to community in program area.

Outputs during the reporting period

- Economic resilience built by the PSAP approach and further promoted by healthy forests, will also reduce risks by climate change. Up to now, funding of € 373,557.29 for PSAP activities has been requested through the VFAG mechanism.

- The PSAP approach will fund the beneficiaries' investment projects through the Village Forestry and Agriculture Grants (VFAG). Individual investment plans are made by PSAP farmers with the help of the field implementers.

Key environmental, social and gender issues, risks and impacts addressed during implementation

- The ESMP and Gender aspects are mainstreamed in the process and monitored. (for details see above)

- The total amount requested so far by PSAP farmers through VFAGs is 263,667.35 € in 25 villages. (373,557.29 € based on 36 villages).

- Field data shows that Virtually all PSAP participants do not have non-agricultural occupations.

- Moreover, PSAP famers overall have very little irrigated land. This suggests that they are the more poor segment of the population and more prone to shifting cultivation and collection of NTFPs.

- This shows that possible elite capture of the Village Forestry and Agriculture Grants (VFAG) within the villages was avoided.

Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

n.a.

4.1.4 AEs are obligated to inform executing entities, people and project beneficiaries about the GCF's Independent redress Mechanism and the AE's own Grievance Redress Mechanism. This includes bringing the contact details, accessibility, and basic procedures of such mechanisms to the attention of executing entities, people and project beneficiaries. Please provide detailed information on the steps taken by the AE to fulfill this obligation during the reporting period in the project target area and to the public, including the dissemination of information through meetings, brochures, hotlines, and other means.

Please provide detailed information including dates and venues of activities, number of attendees, confirmation that information was provided on the 1) IRM and 2) AE's grievance redress mechanism 3] project-level grievance mechanism (where applicable).

The System Description on I-GFLL's Grievance Redress Mechanism (GRM) has been developed and approved by the Lao Front for National Development.

The training material for field staff has been finalized and relevant stakeholders are being trained on the practical implementation of the system during the trainings on FPIC 2&3. The project uses a **ToT approach**, training Province-level Lao Front and Lao Women's Union staff, who then train on the District level Lao Front and Lao Women's Union staff, who implement FPIC 2 and 3 (and thereby introduce the GRM to villagers). Province level trainings have been implemented in all 3 Provinces (total of 31 participants, 42% out of them female), while District level trainings have been implemented in Houaphan Province (30 participants, 37% out of them female). The involvement of the Lao Women's Union alongside the Lao Front for National Development is supposed to ensure, that also women are well informed about the GRM mechanism and will be able to submit grievances.

Villagers are being informed about mechanisms to file a grievance by District level LFND and LWU staff, through a formal presentation developed by the Safeguards Team. This presentation takes place in all villages **during FPIC 2**. In the two first villages, implementors had decided to include the GRM presentation into FPIC 3 (which is rather a formal signing ceremony, than a large event). The Safeguards Team realized this through the information provided through the Cloud Database and found that the number of participants was low (only 30 participants per village) and the % of women (less than 20%) was low. Therefore, implementors were re-oriented, towards introducing the GRM mechanism in FPIC 2, which is expected to reach a far higher number of participants, including all ethnic groups and men and women equally.

The **presentation at village level** introduces the types of complaints eligible along with the information to provide and the different reporting channels (village mediation unit, implementors, hotline). The initial training evaluation has shown, that approximately 80-90% of respondents knew, that they could report through the VMU and implementors, however the use of the hotline had only been understood by less than 20% of respondents. These results will be fed back to implementors in order to emphasize the possibility to use the hotline more.

Durable **posters** have been designed, approved and printed, and are being displayed in all I-GFLL target villages, so that the whole village population has access to the main information on the 3 reporting channels available. Posters are in Lao language only, but have good visualization of the grievance-filing options and can therefore be understood by illiterate villagers, too. (more Details on the introduction of the GRM to the 2 first villages to date are available in the 4.1.3 table).

The **GRM System Description** is attached to this Annual Progress Report. The approach aims to channel grievances through 3 channels: The Village Mediation Unit (VMU) is the regular village-based structure to address grievances and VMUs are required to report any grievances related to Project 1 to the Safeguards Team. Equally are implementors asked to forward grievances to the Safeguards Team through the Cloud Database (as part of the regular reporting). Thirdly, a hotline is established, which allows grievants to directly contact the safeguards team 24/7. As soon as grievances have reached the Safeguards Team, they are evaluated (on a weekly basis) for their eligibility. Eligible grievances will be dealt with a systematic process described in the GRM System Description. (available at https://i-gfll.org/document/I-GFLL%20Grievance%20Redress%20Mechanism%20-%20System%20Description%20v1.1%20_ENG.pdf)

The website also mentions the direct **contact details of the Safeguards Team**, which is thereby made fully accessible to any stakeholders.

It should be noted, that in the Lao context, there are no major language problems expected, as all villages have residents who speak Lao well (note: the Lao school system is fully in Lao language). Members of ethnic groups, who might **not speak Lao well** (who almost exclusively are elderly villagers), have various options to access to the GRM system. Firstly, villagers are informed, that they have the option to use a representative for their grievances, who speaks Lao. Secondly Village Mediation Units, as village based structures, will have the required local language skills. Thirdly, if a call in a local language would be made to the Safeguards Team, the Team has the possibility to hire translators for local languages. In addition to this, Project Safeguard Framework guidelines (i.e. FPIC guidelines, during which GRM is introduced) require ethnic group language capacity for implementors.

The **GCF Independent Redress Mechanism** is mentioned in the GRM System Description and is thereby made accessible to all stakeholders.

In addition to the GRM System implemented by Project 1, **GIZ** as AE maintains a companywide whistleblowing system. The system can be used to submit reports, especially concerning grievances such as:

- Corruption and bribery
- Misappropriation, fraud and embezzlement
- Conflicts of interest
- Sexual misconduct and sexual exploitation
- Violations of human rights

It is assured that impartial and independent personal contacts at GIZ will practise objectivity and confidentiality at all times. The whistleblowing portal is available for use worldwide 24/7 in several languages. Information can be communicated anonymously in keeping with the highest security standards, without having to leave an email address or telephone number.

Further information to the process and contacts can be found here: <https://www.giz.de/en/aboutgiz/39089.html>

4.1.5 Include a description of the actions undertaken during the reporting period towards increasing the relevant stakeholders' engagement in the project environmental, social and gender elements.

The information in this subsection should be provided for all projects regardless of the E&S risk category for the project.

Implementation of the stakeholder engagement plan

Activities implemented during the reporting period

Contribution/ feedback to development of National Forest Strategy 2035

Dates and venues of engagement activities

June/July, Vientiane

Information shared with stakeholders

(early) Implementation experience at Province/District level – comments provided in draft document

Outputs including issues addressed during the reporting period

- Integration of forest monitoring
- Structure of strategy to increase implementation focus

Activities implemented during the reporting period

Consultation Workshop on Decree on Protected Areas

Dates and venues of engagement activities

February/December 2021

Information shared with stakeholders

Latest news and draft of decree on Protected Areas

Outputs including issues addressed during the reporting period

Comments and feedbacks on the draft decree reflected

Activities implemented during the reporting period

NPMU meeting

Dates and venues of engagement activities

February, 2021, Vientiane

Information shared with stakeholders

Progress of Project 1 activities

Outputs including issues addressed during the reporting period

All points raised by stakeholders discussed and agreed on.

Activities implemented during the reporting period
2nd Quarterly Planning with NPMU and EPF
Dates and venues of engagement activities
March, 2021, Luang Prabang
Information shared with stakeholders
<ul style="list-style-type: none"> - Progress of Project 1 activities - Donor Mapping and District staffing capacity review presented
Outputs including issues addressed during the reporting period
<ul style="list-style-type: none"> - Lessons learnt from implementation reflected - Quarterly Plan

Activities implemented during the reporting period
2021 Implementation Support Mission for Partnerships for Irrigation and Commercialization of Smallholders Agriculture (IFAD-PICSA)
Dates and venues of engagement activities
May, 2021, Vientiane
Information shared with stakeholders
<ul style="list-style-type: none"> - Brief introduction to project - Key milestones/achievements in 2021 - Planned activities/outputs for 2022
Outputs including issues addressed during the reporting period
<ul style="list-style-type: none"> - Awareness of GIZ-GCF activities in Laos has been raised among participants from various organizations. - Supervision of IFAD/PICSA activities

Activities implemented during the reporting period
National Forest Monitoring – Technical Working Group
Dates and venues of engagement activities
July 2021, Vientiane
Information shared with stakeholders
Progress on implementation of Provincial Deforestation Monitoring System
Outputs including issues addressed during the reporting period
PDMS operational in 4 Provinces – continued work on integration with National Forest Monitoring System

Activities implemented during the reporting period

3rd Quarterly Planning with NPMU and EPF

Dates and venues of engagement activities

July, 2021, Luang Prabang

Information shared with stakeholders

- Progress of Project 1 activities
- Review of the FPIC process and data
- Presentation and discussion of Investment and Relocation Survey

Outputs including issues addressed during the reporting period

- Lessons learnt from implementation reflected
- Quarterly Plan

Activities implemented during the reporting period

Implementation Support Mission for REDD+ Readiness Grant (P125082) and Northern Laos Emission Reductions Payments Project (P165751), June 30 – July 1, 2021

Dates and venues of engagement activities

July, 2021, Vientiane

Information shared with stakeholders

- Brief introduction to project
- Key milestones/achievements in 2021
- Planned activities/outputs for 2022

Outputs including issues addressed during the reporting period

Information of activities and implementation status of Project 1 (GIZ-GCF activities) in Laos provided to cooperation partners

Activities implemented during the reporting period

Forestry Sub-Sector Working Group Meeting

Dates and venues of engagement activities

August 2021, Vientiane

Information shared with stakeholders

Program alignment with national strategies and progress update

Outputs including issues addressed during the reporting period

Forest Strategy 2035, REDD+ Working Group

Activities implemented during the reporting period
NPMU meeting
Dates and venues of engagement activities
August, 2021, Vientiane
Information shared with stakeholders
<ul style="list-style-type: none"> - Progress of Project 1 activities - Overview of the Cloud Database given
Outputs including issues addressed during the reporting period
All points raised by stakeholders discussed and agreed on.

Activities implemented during the reporting period
Loan Inception Mission: 25 – 29 October 2021 Loan 3817/Grants 0659/0660-LAO: Sustainable Rural Infrastructure and Watershed Management Sector Project (ADB-SRIWMSP)
Dates and venues of engagement activities
October, 2021, Vientiane
Information shared with stakeholders
<ul style="list-style-type: none"> - Brief introduction to project - Key milestones/achievements in 2021 - Planned activities/outputs for 2022
Outputs including issues addressed during the reporting period
Awareness of GIZ-GCF activities in Laos has been raised among participants from various organizations.

Activities implemented during the reporting period
National REDD+ Taskforce Meeting
Dates and venues of engagement activities
December, 2021, Vientiane
Information shared with stakeholders
Progress Update on REDD+ implementation in Laos
Outputs including issues addressed during the reporting period
Stakeholders are updated on REDD+ implementation in Laos

Activities implemented during the reporting period
Annual Planning Workshop
Dates and venues of engagement activities
December, 2021, Vientiane
Information shared with stakeholders
ESMP and GAP indicators presented
Outputs including issues addressed during the reporting period
Annual Plan

Activities implemented during the reporting period
NDA Coordination and Consultation with Accredited Entities on Pipeline of GCF Projects in the Lao PDR GCF Country Program 2021 - 2023
Dates and venues of engagement activities
December, 2021, Vientiane
Information shared with stakeholders
<ul style="list-style-type: none"> - Brief introduction to project - Key milestones/achievements in 2021 - Planned activities/outputs for 2022
Outputs including issues addressed during the reporting period
<ul style="list-style-type: none"> - NDA is fully aware of a pipeline of GCF projects (project objectives, outcomes, outputs, etc). This will in turn support the NDA in the discussion with the GCF. - Commitments of AEs on full-funding proposal development and con-financing sought - Areas of support identified so NDA can better provide IV

Activities implemented during the reporting period
The Green Climate Fund (GCF) Annual Update Meeting
Dates and venues of engagement activities
December, 2021, Vientiane
Information shared with stakeholders
<ul style="list-style-type: none"> - Brief introduction to project - Key milestones/achievements in 2021 - Planned activities/outputs for 2022
Outputs including issues addressed during the reporting period
<ul style="list-style-type: none"> - Awareness of GCF activities in Laos has been raised among participants from various organizations. - NDA's roles and responsibilities as well as workplan for 2021 are shared - Participants are aware of the priority areas and pipeline projects under the Lao PDR Country Program 2021 – 2023 - Progress and updates on on-going GCF Readiness and investment projects are shared

Activities implemented during the reporting period
Consultation Workshop on Decree on Protected Areas
Dates and venues of engagement activities
February, 2021, Vientiane
Information shared with stakeholders
Latest version of decree
Outputs including issues addressed during the reporting period
Comments and feedbacks from participants collected

Activities implemented during the reporting period
Consultation Workshop on Decree on Protected Areas
Dates and venues of engagement activities
December, 2021, Vientiane
Information shared with stakeholders
Latest version of decree
Outputs including issues addressed during the reporting period
Comments and feedbacks from participants collected

Activities implemented during the reporting period
Consultation workshop on activities in NPAs
Dates and venues of engagement activities
July, 2021, Virtual event
Information shared with stakeholders
Project activities and budget plan presented
Outputs including issues addressed during the reporting period
Activities in NPAs agreed

4.1.6 Implementation of the grievance redress mechanism - list on the grievances received in the reporting period with the description of the grievance, the date the grievance was received, and the resolution of the grievance.

Description of issues/complaints received during the reporting period	Date of receipt
<p>No grievances so far.</p> <p>The system has only been introduced in December 2021 to 2 villages. The Safeguards Team has since checked for eligible grievances on a weekly basis, but those grievances reported by implementors through the database have not been eligible so far.</p>	<div data-bbox="1038 185 1506 219" style="border: 1px solid black; height: 15px;"></div> <p>Please provide information on any monitoring and follow-up activities.</p>
<p>Please specify to which grievance mechanism the complaint was filed (AE grievance mechanism or project-level grievance mechanism, if known, please explain relationship of the complainant to the project (for example: community member, contractor, business-owner, etc.))</p>	
Description of resolution	Status of addressing issues/complaints
<p>Based on GRM's own policies, provide information related to phase of complaint (for example: including but not limited to Open, Open: Under investigation, Open: Problem Solving/Compliance Review, Closed)</p>	
<p>If you wish to share more details on the nature of grievances reported above, please download the Grievance Tracker template from the FAQ and submit it as an attachment here.</p>	
<p>In case you want to keep the file confidential, please choose your preference accordingly in Section 1.1.</p>	

4.2 Gender Action Plan

4.2 Gender Action Plan

Gender considerations of Project 1 are mainly based on the Gender Action Plan (GAP) and have been mainstreamed in the project implementation, data collection and monitoring at all steps/action inputs/activities of the project. Guided by the Safeguards Consultant Team, gender actions are by now fully in place and will be continued in following years, however progressing with progressing implementation of different types of activities.

One of the Team's initial tasks has been to review all major approaches of (village level) guidelines and it could be confirmed that gender is well integrated. Also, the Master Budget was reviewed for gender related risks. The ESMP checklist is successfully introduced and – amongst others – actively promotes the consideration of gender in village-level implementation.

Project Owners, as the main implementors of Project 1, are up to now fairly gender balanced, which however is expected to skew more towards men with increasingly technical types of activities and with the choice of implementers being out of control of the Safeguards Team.

Overall participation data of the project shows 51% of female participants in all community meetings over a total 468 community meetings (disaggregated by activity: FPIC 54%, PLUP 46%, PSAP 47%, VFAG 47%).

Village Land and Forestry Management Committees (VFMC), in the first 21 villages largely fell short of the aimed 30% female members, which is currently being addressed. In PSAP however, the emphasis of supporting female headed households has so far been successfully implemented. Trainings of ESMP aspects, as integrated into technical trainings still require action (so far only 67 participants) and better results. The acceptance of women-led patrolling groups is high (63%) and 10 out of 16 villages have actually selected a women as head.

Business Partner Screening processes and forms are developed, include gender aspects and will soon be implemented.

The Lao Women's Union (LWU) is mandated to mainstream gender into all project's activities. LWU is a member of the Steering Committee and has up to now participated in 87% of 634 village level activities (with missing participation mainly occurring in early stages of the project).

In the upcoming year, gender related efforts will continue in similar ways as described above and will be complemented by a number of additional activities. Lao Front for National Development in the Lao context has the role to oversee the work of the Lao Government and will carry out an independent Safeguards Assessment in a sample of villages, including Focus Group Discussions with women. The Household Survey will provide (also gender related) information, which could not be collected during activity implementation. The Mid Term Review will look into gender aspects, from a rather strategic perspective. Last but not least will the ESMP and the Gender Action Plan be updated for Project 1, according to the lessons learnt from implementation.

4.2.1 Progress on implementing the project-level gender action plan submitted with the funding proposal.

Safeguards Team

A consulting Team was hired to ensure that environmental and social safeguards are enforced and also to mainstream gender. The Gender and Safeguards Team has focused on **mainstreaming gender and the Gender Action Plan into the actual processes**, a broad set of activities and all systems of I-GFLL.

One of the Team's initial tasks has been to **review all major approaches** of (village level) guidelines and to **confirm their integration of gender**. Also the **Master Budget** was thoroughly checked for risks associated with gender, ethnic minority status, disability status, literacy, and other axes of vulnerability, and action proposed. During each quarterly planning, all P.Os review and assess the risks and mitigation measures related to the planned action inputs.

Mainstreaming Gender

When developing the system, the **ESMP and the Gender Action Plan were analysed** in detail by the Safeguards Team, and their key elements are integrated into the project's activities and operational systems.

Consideration of **gender is fundamentally embedded into the approaches** of all village level activities, mainly Free, Prior and Informed Consent (FPIC), Participatory Land Use Planning (PLUP), and Village Forest Management and the Promotion of Sustainable Agricultural Practices (PSAP).

Project Owners are advised to include **as many women as possible** into their **implementation Teams** and data shows **46% of women implementers** over 544 events so far. Women are included into all respective committees and **women's participation is promoted in all village meetings**. Before the initiation of all project activities, project owners and implementers utilize the ESMP checklist, which incorporates aspects of the GAP into its safeguards review process. Due to the implementation of this Checklist, project owners and implementing partners are reminded and encouraged to increase the participation of women in all project activities, including community meetings. **In 85% of relevant activities, the use of ESMP Checklist** prior to implementation was correctly reported.

The disaggregated data on women vs. men participants /members is included into the monitoring system and regularly analyzed. **Overall participation data** of the project shows **51% of female participants** in all community meetings over a total 468 community meetings.

A review of the participation data in **FPIC 1 has shown that 54% out of 16,328 participants are women**. For further activities, the Gender and Safeguards Team will always summarize data from implementation whenever the implementation has been finalized in a selected number of villages.

In addition, for specific activities such as **PLUP**, there are gender-segregated groups where men and women raise their views. These focus groups enable women to raise their opinions freely in a comfortable environment. Participation **data from PLUP** shows that, from 14,000 villagers engaged in the consultation process, **more than 50% of participants were female**

Another example is the **Village Land and Forestry Management Committee (VFMC)**, which will help design and implement the Village Forest Management Plan has a clearly defined quota of 30% female members (i.e., 2-4 women out of 7-12 committee members). To date only **19% of VFMCs consist of at least 30% women** in 21 villages assessed. Implementers have already been reminded of the importance of having enough female VFMC members. A quick review of the newly inputted data clearly shows that this trend is being corrected and recently established VFMCs include more women. It must be noted that VFMCs are created during the PLUP process, hence the **attendance of more than 50% women** applies here too.

In the **PSAP** approach, **two main selection criteria** are the prioritization of **female-headed and young** (and thereby vulnerable) **households**. In the 34 villages that have been reached by the first step of PSAP, 984 households decided to join, out of which **7% are women-led and 11.3% are youth**. It is worth noting that "7% women-led households" is significantly higher than the 3% average in northern rural agricultural households (WB/ADB Country Gender Assessment, 2012). This shows that implementers **proactively encouraged these target households to join**, as per the PSAP guidelines. General participation data of the overall PSAP awareness meetings confirms that gender balance was enforced as out of the **3060 attendees, 47% were women**.

Activities within the **Village Forest Management** give **income generating opportunities to men and women** in the framework of the cash-for-work modality, channeled as grants through the Village Forestry and Agriculture Grants (VFAGs). Overall, **VFAG specific activities** were attended by **13,811 people, 47% of them women**.

Trainings to Implementers (and use of checklist)

The **gender requirements were first introduced** to implementors as part of the **trainings** on the implementation of **FPIC 1 and then FPIC 2&3**. Gender balance was ensured as on a total of 124 participants registered in FPIC1 training, **44% were women**. For the training on FPIC 2 and 3 for all provincial level staff, **42% of 31 participants were women**. Finally, for the training on FPIC steps 2 and 3 for District Teams, completed in Houaphan Province, **37% of 30 participants were women**.

The main **ESMP topics, including gender requirements**, have been included into trainings to implementors, during which they were given **concrete examples** on how to consider these aspects and **put them into practice** (for more information, please see the attachment 2 "Promoting Social and Environmental aspects in I-GFLL field work" ppt ESPM) which is uploaded into the attachments Section. This is aiming to achieve that **ESMP and gender aspects are kept in mind**, while implementing activities in the field. Through **using the checklist, for each village-based activity**, implementors screen that – wherever relevant – participation well included all ethnic groups, vulnerable groups (poor and handicapped people) and women; avoiding duplication of activities with other projects; biodiversity and health and safety issues. This process is not only done to detect risks, but also to promote these aspects in a **proactive "doing good" manner**. These trainings are to be provided to all implementors of I-GFLL. After realizing that only integrating ESMP trainings into PSAP trainings did not allow to reach sufficiently enough implementors (so far only 67 people trained), and that understanding is still low (only in Sayabouly the 50% "competent understanding" was reached); the Safeguards Team has decided to **improve the training materials** and even more emphasize ESMP trainings and **mainstream them into a broader range of technical trainings**.

SEDP integration

The **Provincial REDD+ Action Plan (PRAP) has been integrated** into the Annual District Socio-Economic Development Plans (SEDPs) in target Districts of the I-GFLL project, and the remaining Districts are covered by the FCPF Carbon Fund. During PRAP consultations, **groups were segregated by gender and village organizations** (Village authority, LWU, and Lao Youth), and the women's group was **led by the LWU**. Therefore, women's opinions were taken into account regarding REDD+ activities, especially **women's perspectives on the drivers of deforestation**, forest degradation and the measures to address these drivers, as well as **women's roles** in the forest management. PRAP consultations had been done in 2020, but the integration into SEDPs was only completed in August 2021.

For the forestry sector, the revised **Forestry Law** (No. 06 /NA 2007, Update No. 64/NA, 2019) gives increased rights to local villagers to manage their forests. This leads to increased opportunities for women to benefit from forest products, mainly from Non-Timber Forest Products, which are primarily collected by women and which creates income.

Village Patrolling Teams

During the creation of the Village Forest Management Committee, and more specifically the Forest Patrolling Teams, villagers are proactively asked by the Lao Women's Union about their interest to have women-led Teams.

Assessment of the **acceptance by villagers of local women-led forest patrolling groups** has been done and shows that in the 8 villages assessed up to now, **63% of the respondents would accept a woman-led forest patrolling group**. (If including the not-yet validated data, 57% over 18 villages expressed a positive interest). Even though their training has not yet started, current data shows that **5 village patrolling groups have a woman leader**, out of 7 villages with validated data available (if including the not-yet validated data, 10 women-led groups over 16 villages were identified).

Business Partner Screening

As far as the selection of private sector partners is concerned, a **thorough screening of the potential partner** companies will be done before any agreement is signed and includes gender aspects. The business partner screening tools have been developed by the Safeguards Team and are based on the ESMP criteria for private sector screening (ESMP Action 9). They include the implementation of **background checks** and a **vetting checklist** which will be used by the soon to be hired consultants responsible for the promotion of private sector linkage and business development. The business partner **screening is done to safeguard** a number of issues: negative impacts on biodiversity, no use of chemicals, social responsibility (ethnic group inclusion and **gender inclusion**).

LWU / LNFD

The **Lao Women's Union** is part of the **Project Steering Committee** and joins **all key village level activities** to promote gender sensitivity and make sure that women and **women's interest are integrated** into the implementation.

The **Project Steering Committee** includes several agencies mandated to **promote safeguards and gender issues**, mainly the Lao Front for National Development (LFND) and the Lao Women's Union (LWU): In Laos, the LFND takes an overall role of overseeing the work of the government; the LWU has the specific mandate to **guarantee that women's interests are taken into consideration**. By being a part of the REDD+ Task Force, which constitutes the Steering Committee, these agencies have the mandate to **raise gender related and other social aspects**, wherever applicable. The same structure is used for the National and the Provincial levels. The National Project Management Unit (NPMU) consists of 17 members in total, 4 of them women.

In addition to the Project Steering Committee mentioned above, the Lao Women's Union and/or the Lao Front for the National Development are **part of the implementing Teams in most of the main approaches** of the project (FPIC, PLUP, VFM, PSAP). As is their role in the Project Steering Committee, they have the mandate of ensuring that all **aspects of the safeguards and gender-related** topics are taken into consideration during **practical implementation** of the activities.

The Lao Women's Union joining implementers in the field specifically has the mandate to **detect and raise issues related to women** which they observe. Thereby, the Lao Women's Union also **actively promotes the inclusion** and concerns of women. Monitoring data shows, that in **87% of all village level activities** (634), the LWU has actually participated (total of 1415 working days as recorded through timesheets). Missing LWU participation mainly occurred in early stages of the implementation, while since Q3 2021 LWU participation is **successfully mainstreamed** in all village level activities.

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved as a result of completion of an activity. Further it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include a reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative report of the performance of such actions, and on progress on actions identified.

4.2.1 Progress on implementing the project-level gender action plan submitted with the funding proposal

Activity / Action	
All (cross-cutting)	
Indicator	
Technical staff from District Agriculture and Forestry Office (DAFO), (Department of Forest Inspection) DOFI, and (District Laos Womens Union (DLWU) have been trained in "REDD+ and Gender"	
Baseline	Target, including sex-disaggregation
Technical staff from DAFO, DOFI, and LWU have received no trainings (or, in rare cases, limited training) in gender issues pertaining to REDD+	"REDD+ and Gender" workshops held for DAFO, DOFI, and LWU staff – each in a different Province, each with approximately 16 participants
Budget	Currency
9000	EUR
Report on annual progress	
<ul style="list-style-type: none"> - Workshops and Trainings were organized covering REDD+ and GENDER topics in each Province, to which a total of 151 participants attended: - Louangprabang = 1 event, including 29 registered participants. (59% women) - Sayaboury = 1 event, including 34 registered participants. (32% women) - Houaphan = 2 events, including 61 registered participants. (44% women) - Vientiane Capital = 1 event, including 27 registered participants. (18% women) <p>>>>Indicator-target over-achieved</p>	

Activity / Action	
All (cross-cutting)	
Indicator	
Percent (%) female participants in community meetings	
Baseline	Target, including sex-disaggregation
Participation rates of women in community meetings are often below 40%	40% participation of women in community meetings
Budget	Currency
	Please select
Report on annual progress	
<p>- NOTE: Budget is included within the budget of Activity 1.7 and Output 4</p> <p>- 51% of female participants in community meetings for different topics over a total 468 community meetings. (50% female participants over 644 community meetings if counting not-yet validated data)</p> <p>- Note: validated data is quality checked by PO M&E Officers and M&E Consultant Team; non-validated data is submitted by implementers but not yet checked and therefore potential including mistakes.</p> <p>>>> Indicator target achieved</p>	

Activity / Action	
All (cross-cutting)	
Indicator	
Percent of respondents that state they felt actively included in REDD+ related village meetings.	
Baseline	Target, including sex-disaggregation
Baseline survey to be conducted during year 1	50% of women in target communities state that they felt actively included in REDD+ related village meet-ings
Budget	Currency
8000	EUR
Report on annual progress	
<p>- Initial data will be initially collected in 2022 through the mid-term Household Survey;</p> <p>End of Project household survey will integrate this indicator, as well.</p> <p>>>> Indicator results not yet available</p>	

Activity / Action	
All (cross-cutting)	
Indicator	
Percent (%) increase in the number of women implementing actions	
Baseline	Target, including sex-disaggregation
Baseline survey to be conducted during year 1	Number of women implementing actions has increased by at least 10%
Budget	Currency
5166	EUR
Report on annual progress	
<p>- The percentage of women implementing actions is 46% over 544 events. (if including not-yet validated data, the numbers are 45% women implementing actions over 743 events).</p> <p>- Noted: that the selection of (female vs. male) implementers is largely out of reach of the Safeguards, as staffing decisions are taken by the partner organizations (LWU, LFND and mostly District Agricultural and Forestry Offices). As in early stages FPIC implementation strongly relies on the LWU and future activities will more strongly pronounce technical agricultural and forestry activities, the share of male implementors is expected to rise significantly. Thereby the project cannot "increase" the ratio of female implementers as demanded by one of the gender indicators (as presented above) and will very probably fail this indicator.</p> <p>>>> Baseline for indicator available, however indicator is expected to be not achievable</p>	

Activity / Action	
1.2, 1.3	
Indicator	
New regulations and guidelines consider gender as a crucial factor in forest protection, monitoring, equal user rights, and benefit sharing, as well as resource management	
Baseline	Target, including sex-disaggregation
Laws, regulations and guidelines do not consider gender as an explicit factor in forest protection, user-rights, and benefit sharing	New/revised laws, regulations and guidelines explicitly consider gender
Budget	Currency
	Please select
Report on annual progress	
<p>- NOTE: Budget is included within the budget of Activities 1.2 and 1.7 (revision by program safeguard, gender and M&E specialist)</p> <p>- The project does not work directly on laws.</p> <p>- However, all guidelines on FPIC, PSAP, PLUP, VFM and VFAG (see attachments 2-6) developed or updated under the project's scope have been thoroughly reviewed by the Safeguards Team and it can be confirmed, that each of these approaches explicitly includes gender.</p> <p>>>> Indicator not fulfilled for "regulations" (not relevant to Project 1 activities) but achieved for "guidelines"</p>	

Activity / Action	
1.4, 3.1, 3.2, 3.3	
Indicator	
No. of assessments conducted on women-led patrolling groups in the target area	
Baseline	Target, including sex-disaggregation
0 – no analysis of the potential for women-led patrolling groups in the target areas	A short assessment has clarified the interest in local women-led patrolling groups in the target areas
Budget	Currency
2000	EUR
Report on annual progress	
Assessment of the interest in local women-led forest patrolling groups has been done shows that 63% of the respondents are interested over 8 villages analysed so far (if including the not-yet validated data, 57% over 18 villages expressed a positive interest). >>> Indicator-target is achieved	

Activity / Action	
1.4, 3.1, 3.2, 3.3	
Indicator	
No. of women-led patrolling groups trained	
Baseline	Target, including sex-disaggregation
0	DOFI has trained at least 5 women-led patrolling groups
Budget	Currency
2000	EUR
Report on annual progress	
Even though training has not yet started, current data shows that 5 village patrolling groups out of 7 villages with validated data available have a woman as their leader (if including the not-yet validated data, 10 women-led groups over 16 villages were identified). >>> Indicator not yet achieved, but is expected to be fulfilled	

Activity / Action	
1.5	
Indicator	
Response to a survey question stating if villagers felt actively included in the LUP processes	
Baseline	Target, including sex-disaggregation
Baseline survey to be conducted during year 1	In a survey amongst target communities, at least 70% of all villagers state that they felt actively included in the LUP processes
Budget	Currency
14000	EUR
Report on annual progress	
- Initial data will be collected mid-term in 2022 through the Household Survey; - End of Project Household Survey will also integrate this indicator. >>> Indicator not yet measured	

Activity / Action	
1.6	
Indicator	
Inclusion of gender-responsive mechanisms for community monitoring within the National Forest Monitoring system	
Baseline	Target, including sex-disaggregation
N/A (system not fully developed)	The developed National Forest monitoring system features gender-responsive mechanisms for community monitoring
Budget	Currency
0	Please select
Report on annual progress	
<p>- NOTE: Budget is included within the budget of Activity 1.6</p> <p>- Included in the budget of Activity 1.6</p> <p>- The National Forest Monitoring system has been developed and includes gender responsive mechanisms.</p> <p>>>> Indicator fulfilled</p>	

Activity / Action	
2.1, 2.2	
Indicator	
Integration of gender into value chain assessments	
Baseline	Target, including sex-disaggregation
Agricultural value chains have not been assessed from a gender perspective	<p>- Mid-term: Value chain assessments of 3 key existing and alternative agricultural commodities include reviews of the gendered impact of the desired change (access, needs, barriers, potentials, workload, benefits)</p> <p>- Final: Value chain assessments of 9 key existing and alternative agricultural commodities include reviews of the gendered impact of the desired change (access, needs, barriers, potentials, workload, benefits)</p>
Budget	Currency
9334	EUR
Report on annual progress	
<p>- Even though the value chain assessment does not happen, a market study will be carried out on 9 of the major PSAP whitelisted commodities, and the gender aspect will be integrated into it</p> <p>- 35 products and agricultural practices have been "white listed" and private sector analysis is ongoing to identify all potential partners. All potential partners will go through the "business partners screening" (see 4.1.3 table) before any agreement is made with them.</p> <p>>>> Indicator not yet fulfilled</p>	

Activity / Action	
2.1	
Indicator	
1) Gender expert reviews all training modules (materials, coursework, etc.) 2) PMU's safeguards and gender specialist trains all extension workers and trainers on gender-sensitive extension, and social inclusion	
Baseline	Target, including sex-disaggregation
1) 0 2) -	1) All training modules developed by the program are reviewed by the program's gender specialist prior to implementation 2) All extension staff are trained by the program's safeguard, gender and M&E specialist on gender equity and social inclusion
Budget	Currency
11200	EUR
Report on annual progress	
1) Training of Trainers approach has been developed and knowledge transmission will be cascading from "main" trainers/implementers" to the other levels. ToT trainings are based on guidelines, all of which have been reviewed by the Safeguards Team. (see indicator above) >>> Indicator is fulfilled	
2) Gender aspects are also integrated into these ToT trainings through the "Promoting Social and Environmental aspects into I-GFLL field work" section, mainstreamed into a broad variety of technical trainings. So far, 67 implementers have been trained. >>> Indicator is not yet fulfilled, but high coverage of implementers is expected until EoP	

Activity / Action	
2.2	
Indicator	
# of business skills training courses conducted	
Baseline	Target, including sex-disaggregation
0	28 business skills training courses conducted
Budget	Currency
44800	EUR
Report on annual progress	
Implementation not yet started; concept still needs to be clarified >>> Indicator to be clarified	

Activity / Action	
3.1	
Indicator	
Guidelines for the creation of local village forest management committees set standards of requirements accessible for women, and the poor, and a quota for female representation within committees	
Baseline	Target, including sex-disaggregation
0 – No gender requirements associated with the establishment or operation of village forest management committees	1) Village forest management committee guidelines developed by the sub-project set standards of accessibility for women, with a quota of at least 30% female committee members
Budget	Currency
2000	EUR
Report on annual progress	
The VFMP guidelines describe the process for the creation of VFMC and integrate the quota of at least 30% female committee members. >>> Indicator achieved	

Activity / Action	
3.1	
Indicator	
Percentage (%) of Forest Management Committees that consist of at least 30% women	
Baseline	Target, including sex-disaggregation
0	65% of village forest management committees supported by or engaging with the sub-project consist of at least 30% women
Budget	Currency
0	Please select
Report on annual progress	
<p>- NOTE: Budget is included within the budget of Activity 1.7 and Output 4</p> <p>To date 19% of VFMCs consist of at least 30% women over 21 villages assessed. (if including not-yet validated data, the number is 24% over 33 villages)</p> <p>Low% of female members has been raised to GIZ advisors and implementers by Safeguards Team</p> <p>>>> Indicator not yet on track to be achieved</p>	

Activity / Action	
3.2	
Indicator	
Percent of target community members (disaggregated by gender) who state that they felt actively included in the investment decision-making processes	
Baseline	Target, including sex-disaggregation
-	70% of women from participating communities state that they felt actively included in the investment decision-making processes
Budget	Currency
3000	EUR
Report on annual progress	
<p>- Initial data will be collected mid-term in 2022 through the Household Survey;</p> <p>- End of Project Household Survey will also integrate this indicator.</p> <p>>>> Indicator not yet measured</p>	

Activity / Action	
All/cross-cutting	
Indicator	
The indicators of the GAP are fully integrated into the M&E system and are reviewed regularly	
Baseline	Target, including sex-disaggregation
-	Annual reports, mid-term reports, and final reports all contain a chapter on gender
Budget	Currency
0	Please select
Report on annual progress	
<ul style="list-style-type: none"> - NOTE: Budget is included within the budget of Activity 1.7 and Output 4 - GAP Indicators are systematically included in Project 1's Cloud Database - A comprehensive review is to be done in 2022, when reviewing the GAP and ESMP >>> Indicator partly achieved and is expected to be fulfilled by EoP	

Activity / Action	
All/cross-cutting	
Indicator	
All major communication materials and awareness raising campaigns are reviewed and approved by the program's safeguard, gender, and M&E specialist	
Baseline	Target, including sex-disaggregation
-	All major communication materials and awareness raising campaigns are reviewed and approved by the program's safeguard, gender, and M&E specialist
Budget	Currency
12000	EUR
Report on annual progress	
<ul style="list-style-type: none"> - FPIC guidelines and materials, as major awareness activity to beneficiaries about Project 1, have been reviewed by the Safeguards Team - I-GFLL website is currently under development >>> Indicator partly achieved and expected to be fulfilled by EoP	

4.3 Planned activities on environmental and social safeguards for the next reporting period

As presented in sections 4.1 and 4.2, ESMP and Gender have been mainstreamed in the project implementation, data collection and monitoring at all steps/action inputs/activities of the project. ESMP and Gender topics are discussed during all planning workshops and in preparation of all project interventions.

Except for FPIC1 and specific “one time” studies and assessments, most of the activities described in 4.1 and 4.2 will be ongoing or repeated in the year to come, with ESMP and Gender monitoring embedded in their implementation.

Some of the activities listed below, had initially been planned for 2021 but have not yet been completed or are ongoing. Their current status/progress of implementation is monitored and shown in the table in section 4.1.3.

The specific Safeguards tasks detailed hereafter follow the “ESMP Actions” as well as the “Project Risk Mitigation Approach” Performance Standards 1 and 4 described in the Project’s Funding Proposal.

- ESMP Action 1a: ESMP Implementation and Enforcement

- Task: ESMP Update

- Details: The implementation of the ESMP as described in this report has created lessons learnt on how the overall design and details could be improved (e.g. closer linkage to the actual approaches of Project 1 activities and the respective data collected). The consultant to update the ESMP and Gender Action Plan (GAP) is already hired. The process will entail a review of the current ESMP and GAP, consultations with a broad range of stakeholders and drafting of the new documents. The external consultant will closely collaborate with the Safeguards Team of Project 1 to ensure, that the updated plans are aligned with the financial possibilities and the systems and approaches used by Project 1.
 - Timeline: Q1-3 2022

- ESMP Action 1a: ESMP Implementation and Enforcement & ESMP Action 1c: Capacity Building for PMUs on ESMP

- Task: Building ES-related capacities of implementation partners and use of ESMP checklist in the field:

- Details: The ESMP trainings to P.O. Implementers by National Advisors will continue and be integrated into a wider range of technical trainings in order to strengthen the understanding of the concepts and further improve their practical application in the field, as well as broaden the range of implementers trained.
 - Timeline: Q1-4 2022

- ESMP Action 1a: ESMP Implementation and Enforcement

- Action Input 1.7.2.3: "Travel cost for the implementation of the ESMP and gender action plan, including operation of FGRM."
 - Details:
The National and Provincial level implementer will travel to project target locations (e.g. FPIC, others) and evaluation on Environment and Social Aspect will be carried out.
 - This activity was planned to be implemented in 2021, but could, due to COVID travel restrictions not yet be implemented and is therefore moved to 2022. The Safeguards assessment by the LFND is a complementary part of the safeguards work done by the internal Safeguards Team. The Lao Front for National Development in the Lao context has the role to oversee the work of the Lao Government. Therefore, they are used as an entity independent both, from the GIZ and also the GoL as implementing agencies. The Safeguards assessment is carried out in all 3 target Provinces in a selected number of (different types of) villages and aims to detect any potential safeguards issues arising from Project 1's activities through a number of focus group discussions with male villagers, female villagers and village authorities.
 - Timeline: Q1-2 2022

- ESMP Action 1b: ESMP Monitoring and Reporting
 - Action Input 4.1.2.2: Mid-Term Review
 - Details: Another independent perspective on the Safeguards and gender system will be provided by the independent consultant Team to carry out the Mid Term Review, which is planned for around mid of 2022. Reviewing the Safeguards system, including the Grievance Redress Mechanism and the gender aspects of Project 1 are part of the (independent) consultant Team's ToR. It is expected to give conceptual inputs on the overall design of the systems.
 - Timeline: Q1-3 2022

- ESMP Action 1b: ESMP Monitoring and Reporting
 - Task: Training on use of monitoring and reporting system
 - Details: The **coaching** on use of monitoring and reporting system and assessment of usage happens on an ongoing basis as the M&E and Safeguards Team is in continuous contact with the implementers at all levels. In case any **updates** are done on the monitoring system / Cloud Database, relevant implementers are informed and trained to use these new functions. In case there are **newly appointed PO M&E Officers**, they will have to be introduced to the whole system on a 1 on 1 basis by Provincial M&E Consultants.
 - Timeline: Q1-4 2022

- ESMP Action 1d: Legal Knowledge - Ensure compliance with standard operation procedures (SOP), guidelines and law enforcement:

- Action input 1.3.2.4: "Trainings /workshops for cross-sectoral coordination (plus material) on each key law/regulation and common application of regulation (all levels)"

- Timeline: Q2 2022

- ESMP Action 2: Ethnic Groups:

- Task: Understanding of Community meetings & Crosscutting data collection and monitoring:

- Villagers are (through the lifetime of project 1) going to be asked to give their self-assessment of understanding what was presented and discussed at community meetings.
- Accuracy and completeness of data collection and reporting on ESMP aspects by implementers, as integrated in all activities by project 1, are assessed continuously by the Safeguards Team.
- Timeline: Q1-4 2022

- ESMP Action 3 FPIC Process:

- Action Input 1.7.2.6: "District-level consultation and training events, FPIC, awareness raising events (15 Districts, excluding Houaphan Districts, 2 consultations per District)"

- Details: The training on the FPIC 2 and 3 processes are continued to be conducted. As high staff turnover among government staff leads to loss of implementation continuity and knowledge gaps it will be important to retrain new staff. It also needs to be ensured, that Ethnic Minority languages will be used, wherever needed and that at least 1 woman is part of the FPIC Team.

- Timeline: Q1-2 2022

- Action Input 1.7.2.8: “Initial awareness raising campaigns, consultation in 100 villages”
 - Details: Consultation Meeting with Villagers (FPIC 1) for 2 new selected villages (Phonthong and Hong Districts) will be concluded. Approaches and systems are previously developed and described in this report will be applied.
 - Timeline: Q1 2022

- Action Input 1.7.2.11: “Village Forest management agreement consultation in target villages. Total number of villages in Phase 1: 200” (FPIC steps 2 and 3)
 - Details: During the implementation, the Safeguards Team will have to make sure, that implementers do not participate in FPIC 2 and 3 discussions, so that beneficiaries can freely give their opinions. Also, participation numbers and the representation of all ethnic groups and sexes needs to be continuously monitored. In addition, the understanding by villagers (including language issues) and the understanding of Grievance Redress Mechanism channels of bringing forward a grievance will be continuously monitored. By making sure that GRM is introduced in FPIC 2 (and not 3) participation of an appropriate number of people, including all ethnics and sexes will be ensured.
 - Timeline: Q1-4 2022

- ESMP Action 4: Social Inclusion and Meaningful Consultation:
 - Action Input 1.7.2.5: “Implementation of gender action plan (integration of gender aspects in PRAP’s, gender-proofing regulations in VFM/SFM/FLR, village meetings, training material)”
 - Details: The Safeguards Team will continue to monitor the participation of the LWU in all activities as laid out in the LWU ToR.
 - Timeline: Q1-4 2022

- ESMP Action 4: Social Inclusion and Meaningful Consultation + ESMP Action 1d: Legal Knowledge - Ensure compliance with standard operation procedures (SOP), guidelines and law enforcement:
 - Task: Crosscutting data collection and monitoring:
 - Feedback on the “usefulness and relevance for the implementation of their work” of all District, Province, and national level trainings and workshops is collected, analyzed and the results are fed back to GIZ advisors and organizers.
 - Timeline: Q1-4 2022

- ESMP Action 5 Data Collection and Information Dissemination, Performance Standard 1: Assessment and management of environmental and social risks and impacts:
 - Task: Conduct baseline socio-economic data collection in all target site village clusters.
 - Details: Baseline data-collection will continue to be mainstreamed into processes for different activities (e.g., Agriculture, Forestry, Land Use Planning) and is integrated into the M&E system and the Cloud database.
 - Timeline: Q1 - Q4 2022

 - Task: Create an NTFP inventory, including specific surveys for site-specific areas that highlight what is available locally.
 - Details: Data on NTFPs, including their importance as source of income, will be continued to be collected as part of PLUP and VFMP implementation.
 - Timeline: Q4 2022

 - Task: Conduct an economic investment survey in site-specific areas, to uncover the extent to which large-scale economic investment is planned in the SEDPs and to assess the impact on land and local environments.
 - Details: Six departments of the government will be surveyed by the Safeguards Team on current and future large-scale investments that could impact land and local environment in the target Districts and villages.
Departments to be requested for information:
 - Natural Resources and Environment
 - Planning and Investment
 - Agriculture and Forestry
 - Energy and Mines
 - Industry and Commerce
 - Public Works and Transportation
 - Timeline: Q3 2022

- Task: Conduct District- and provincial-level resettlement and relocation surveys to uncover the extent to which villagers may be moved for administrative or investment purposes (including villages that may lose access to land but will not have to move household buildings).
 - Details: Six departments of the government will be surveyed by the Safeguards Team on potential resettlement in target Districts and villages. Note: in case, this is not deemed to be useful, Project 1 might decide not to renew the resettlement survey in 2022. Project 1 does not work in villages (to be) relocated.
Departments to be requested for information:
 - Natural Resources and Environment
 - Planning and Investment
 - Agriculture and Forestry
 - Energy and Mines
 - Industry and Commerce
 - Public Works and Transportation
 - Timeline: Q3 2022

- Task: Conduct District staffing levels surveys, including assessing skill levels of District staff and volunteers, and ethnic language capabilities.
 - Details: This task is not to be realized as a survey again, as it was done in 2021, however, since the Safeguards Team is in constant contact and cooperation with the District Implementation Teams, any staffing level or skill-level issue would be rapidly detected and addressed.
 - Timeline: Q1-4 2022

- Task: Create a District project directory, which lists the agriculture and forestry projects in a given area and provides details about beneficiaries and government staff working on each project to aid coordination and avoid duplication.
 - Details: District project directory is to be updated, in case new projects start working in Project 1's target Districts.
 - Timeline: Q3 2022

- Task: Update provincial land use maps, some of which have not been updated since 1995.

- Details: An updating of maps is being done on village level in conjunction with Land Use Planning process. No maps on provincial level are needed for the purpose of the project.
 - Timeline: Q1-4 2022
-
- Action input 1.7.2.4: Household survey
 - Details: The household level survey will cover all data needed for Project 1's monitoring system, which is not yet included in the ongoing monitoring of activity implementation. In addition, specific questions on safeguards (and to a certain degree gender) will be included to be able to detect any potential safeguards and gender issues from the perspective of Project 1's beneficiaries. All data will be disaggregated for male vs. female headed households and – wherever a question arises, which asks on the individual vs. the household level – the question will indicate the sex of the respective individual. The questionnaire will also count the number of female and male household member and therefore shows the impact of the project on individuals from both sexes. Note: the methodology is yet to be finalized as part of the Inception Report of the firm to be engaged and therefore might be somewhat different from the points described above.
 - Timeline: Q3 2022
-
- ESMP Action 6 Biodiversity + ESMP Action 7 Health and Safety, Performance Standard 4: Community health, safety and security
 - Task: Promote 'environmentally-friendly' value chains as part of the project's work on deforestation-free agricultural value chains, raising the awareness of farmers, traders and investors
 - Details: The developed and ongoing PSAP approach (Promotion of Sustainable and Deforestation-free Agricultural Practices and Value Chains, "Action 2.1") uses chemical-free agriculture as one of its criteria. Basic education on the dangers of agro-chemicals usage for both the user and the environment is provided to the beneficiaries, as well as awareness on the drawbacks of monoculture. Woman-led and youth households are actively encouraged to join the activity. Therefore, the ESMP and Gender aspects are mainstreamed in its process.
 - Timeline: Q1-Q4 2022
-
- ESMP Action 8: Strengthening the EPF's Safeguards Capacity
 - Details: The institutional support to the Accreditation is given by the GCF funded Technical Assistance will continue during 2022. (for details on the support given, see section 4.1.3)
 - Timeline: Q1-4 2022
-
- ESMP Action 9: Business Partner Screening

- Task: Partner screening will be implemented to safeguard any potential negative effects by partner firms, concerning
 - impacts on biodiversity,
 - use of agro-chemicals,
 - social responsibility
 - ethnic group inclusion
 - gender inclusion.

- Remark: The terms of Reference for consultant “Supporting GIZ CliPAD/I-GFLL in providing business development measures to local Agri- MSMEs “Catalysing private sector investment in value chains.”” have been developed and the consultant will be responsible to implement the screening is in process.
 - Timeline: Q1-4 2022

- ESMP Action 10 Risk related to climate change impacts
 - Task: Activities building resilience, for example small grants released to community in program area:
 - The PSAP approach will fund the beneficiaries’ production projects through the Village Forestry and Agriculture Grants (VFAG). Individual investment plans have been made by all the PSAP farmers with the help of the field implementers. Increased resilience of farmers will also lead to resilience against climate change impacts.
 - The ESMP and Gender aspects are mainstreamed in the process and monitored.
 - Timeline: Q1-4 2022

Provide a list of activities in the ESMP to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning ESS (including other potential vulnerable groups and indigenous people) for the next annual reporting period.

4.4 Planned activities on gender elements for the next reporting period

As presented in sections 4.1, 4.2 and 4.3, Gender consideration, along with all ESMP topics, has been **mainstreamed** in the project implementation, data collection and monitoring at all steps/action inputs/activities of the project.

Most of the activities described in 4.1, 4.2 and 4.3 will be **ongoing** or repeated in the year to come, with Gender and ESMP monitoring embedded in their implementation. New 'steps' in the implementation will of course entail newly designed gender elements.

This section will therefore largely reiterate points raised in 4.2. Only the Mid-Term Review, Household Survey, LFND Safeguards Assessment and ESMP/GAP Update are new elements and therefore presented first.

LFND Safeguards Assessment

This activity was planned to be implemented in 2021, but could, due to COVID travel restrictions not yet be implemented and is therefore moved to 2022. The Safeguards assessment by the LFND is a complementary part of the safeguards work done by the internal Safeguards Team. The Lao Front for National Development in the Lao context has the role to oversee the work of the Lao Government. Therefore, they are used as an entity **independent** both, from the GIZ and also the GoL as implementing agencies. The Safeguards assessment is carried out in all 3 target Provinces in a selected number of (different types of) villages and aims to **detect any potential safeguards issues** arising from Project 1's activities through a number of focus group discussions. In addition to groups with village authorities and men, these will include **separate discussions with women** and therefore provide significant information on gender inclusion and potentially specific gender (safeguards) issues.

Household Survey

The household level survey will cover all data needed for Project 1's monitoring system, which is not yet included in the ongoing monitoring of activity implementation. In addition, specific questions on safeguards (and to a certain degree gender) will be included to be able to **detect** any potential safeguards and **gender issues** from the perspective of Project 1's beneficiaries and potentially provide more **gender specific data**.

All data will be **disaggregated for male vs. female headed households** and – wherever a question arises, which asks on the individual vs. the household level – the question will indicate the sex of the respective individual. The questionnaire will also **count the number of female and male household members** and therefore shows the impact of the project on individuals from both sexes. Note: the methodology is yet to be finalized as part of the Inception Report of the firm to be engaged and therefore might be somewhat different from the points described above.

Mid-Term Review

Another independent perspective on the Safeguards and gender system will be provided by the independent consultant Team to carry out the Mid Term Review, which is planned for around mid of 2022. **Reviewing** the Safeguards system, including the Grievance Redress Mechanism and the **gender aspects** of Project 1 are part of the (independent) consultant Team's ToR. It is expected to give conceptual inputs on the overall design of the systems.

Update of ESMP-GAP

The implementation of the ESMP and GAP as described in this report has created substantial lessons learnt on how the overall design and details could be improved.

The **consultant** to update the ESMP and Gender Action Plan (GAP) is already hired. The Updated ESMP Plan and Gender Action Plans will be valid for **Project 1**. The process will entail a review of the current ESMP and GAP, consultations with a broad range of stakeholders and drafting of the new documents. The external consultant will closely collaborate with the Safeguards Team of Project 1 to ensure, that the updated plans are **aligned** with the financial possibilities and the systems and approaches used by Project 1.

Safeguards Team

The Gender and Safeguards Team will keep on **mainstreaming gender and the Gender Action Plan into the actual processes**, activities and systems of I-GFLL.

The Team **will review any new major approach** of (village level) guidelines and **confirm** them for their **integration of gender**.

During each quarterly planning, all **POs review and assess the risks and mitigation measures** related to the planned action inputs. This review is done in accordance with the initial assessment of the Master Budget done by the Safeguards Team for risks associated with gender, ethnic minority status, disability status, literacy, and other axes of vulnerability, and action proposed.

Mainstreaming Gender

Consideration of **gender will remain fundamentally embedded into the approaches** of all village level activities, mainly Free, Prior and Informed Consent (FPIC), Participatory Land Use Planning (PLUP), and Village Forest Management and the Promotion of Sustainable Agricultural Practices (PSAP).

Project Owners will continue to include **as many women as possible** into their **implementation Teams**, women will be **included into** all respective **committees** and **women's participation** remains promoted in **all village meetings**.

It is to be noted that the selection of (female vs. male) implementers is largely out of reach of the Safeguards, as staffing decisions are taken by the partner organizations (LWU, LFND and mostly District Agricultural and Forestry Offices). As in early stages FPIC implementation strongly relies on the LWU and future activities will more strongly pronounce technical agricultural and forestry activities, the share of male implementers is expected to rise significantly. Thereby the project cannot "increase" the ratio of female implementers as demanded by one of the **gender indicators** (as presented above) and will very probably fail this indicator.

Before the initiation of all project activities, project owners and implementers will continue utilizing the ESMP checklist, which incorporates aspects of the GAP into its safeguards review process. Due to the implementation of this Checklist, project owners and implementing partners will be reminded and **encouraged to increase the participation of women** in all project activities, including community meetings, in order to match the targets of the indicators.

All disaggregated **Gender data** will keep being **collected** through the developed monitoring system, **analysed and fed back** to project management.

For specific activities such as **PLUP**, there will continue being gender-segregated groups where men and women raise their views. These focus groups enable women to raise their opinions freely in a comfortable environment.

As far as the **Village Land and Forestry Management Committees** are concerned, the Safeguards Team has communicated the clearly defined quota of 30% female members to implementers. Even if, as detailed in the previous section, this quota has not been met in a number of villages, measures have been taken by National Advisors and implementers have been reminded of the importance of the correct calculation of this quota. These clarifications with the implementers **will allow to reach the target** of "65% of VFMCs with at least 30% women" as per the GAP indicator.

In the **PSAP** approach, **two main selection criteria** are the prioritization of **female-headed and young** (and thereby vulnerable) **households**. The implementers will continue to proactively **encourage these target households** to join, as per the PSAP guidelines.

Finally, activities within the **Village Forest Management** will give **income generating opportunities to men and women** in the framework of the cash-for-work modality, channeled as grants through the Village Forestry and Agriculture Grants (VFAGs).

Trainings to POs (and use of checklist)

Trainings on FPIC 2&3, which **integrate the gender approach** needed for the implementation, will be carried out for **provincial and District staff** for the 2 remaining Provinces of Luang Prabang and Sayabouly.

The main **ESMP topics, including gender requirements**, will continue to be included into **trainings** to implementors, during which they are given **concrete examples** on how to consider these aspects and **put them into practice**.

Details on the contents of this training and the checklist are already provided in 4.3.

These trainings are to be provided to all implementors of I-GFLL. After realizing that only integrating ESMP trainings into PSAP trainings did not allow to reach sufficiently enough implementers, and that understanding is still low; ESM Team has decided to **improve the training material** and even more emphasize ESMP trainings and **mainstream them into a broader range of technical trainings**.

Gender disaggregated participants data will continue to be collected during the implementation of all the trainings mentioned above, as well as **feedbacks from the attendees**, along with **pre-post training ESMP understanding assessment** for the relevant trainings.

MRV / Benefit sharing

The relevance of gender in forest cover monitoring relates to the way **benefit is shared between men and women**. The sharing will be done at the village level (as part of the VFAG Assembly meetings, in which at least 75% of registered households are represented) and not at the individual or household level. Therefore, the **funds received are gender-neutral** and beneficial to the **community as a whole**.

Village Patrolling Teams

During the creation of the Village Forest Management Committee, and more specifically the **Forest Patrolling Teams**, villagers are proactively asked by the Lao Women's Union about their interest to have **women-led Teams**. The results of these assessments are analysed along with the number of Village Forest Patrol Teams having a woman leader. During the next reporting period, all village forest patrol Teams will be trained by the implementers.

Business Partner Screening

As far as the selection of private sector partners is concerned, a **thorough screening of the potential partner** companies will be done before any agreement is signed with the Project 1. The business partner **screening is done to safeguard** a number of issues: negative impacts on biodiversity, no use of chemicals, social responsibility (ethnic group inclusion, **gender inclusion**). The hiring of the consultant "Supporting GIZ CliPAD/I-GFLL in providing business development measures to local Agri- MSMEs "Catalysing private sector investment in value chains."" is ongoing and the consultant will be responsible to implement the screening process in the next reporting period.

LWU

As described in 4.2, the **Lao Women's Union** is part of the **Project Steering Committee** and joins **all key village level activities** to promote gender sensitivity and make sure that women and **women's interest are integrated** into the implementation of **most of the main approaches** of the project (FPIC, PLUP, VFM, PSAP).

The Lao Women's Union **joining implementation** in the field will keep being **monitored** by the Safeguards Team and **fed back** to project management.

Provide a list of activities in the gender action plan to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products including processes that will be involved to implement the activities effectively. Please include the monitoring schedule concerning gender activities for the next annual reporting period. Report on actions taken on any of the recommendations made by the secretariat (if applicable) to improve the level of integration of gender issues in the project.

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 4 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 4 is complete and ready for submission.

APR CY2021 Section 5: Annexes and Attachments - v5 YYYY-MM-DD HH:mm

[APR CY2021] Section 5: Annexes and Attachments

Please note that this is section 5 of the five Annual Performance Report (APR) sections. APR will be considered valid only after all the five sections are filled with relevant details.

Annex 1: Accredited Entity compliance reports

[Annex 1.docx](#)

Self-assessment reports, Report on Actions pursuant to Clause 18.02, if applicable. Self-assessment reports: In accordance with the AMA requirement in Clause 13.01 of the Accreditation Master Agreement, with the Fiduciary Principles and Standards, ESS and Gender Policy. Report on Actions pursuant to Clause 18.02: Only applicable to International Accredited Entities. In accordance with the Monitoring and Accountability Framework, a report on its actions carried out or planned to be carried out pursuant to Clause 18.02 of the Accreditation Master Agreement.

Please provide comments on the annexes attached above if any.

Attachments

Please submit any attachments (if any).

[FP 117 APR 2021 Attach. 1 Implementation Timetable.pdf](#)

[FP117 APR 2021 Attach. 2 PLUP Guidelines.pdf](#)

[FP117 APR 2021 Attach. 3 VFAG Guidelines.pdf](#)

[FP117 APR 2021 Attach. 4 PSAP Guidelines.pdf](#)

[FP117 APR 2021 Attach. 5 GRM.pdf](#)

[FP117 APR 2021 Attach. 6 ESMP ppt.pdf](#)

[FP117 APR 2021 Attach. 7 FPIC Guidelines.pdf](#)

[FP117 APR 2021 Attach. 8 PSAP White List Poster.pdf](#)

FP117 APR 2021 Attach. 9 PSAP White List 2022_02_11 REVISED.pdf

FP117 APR 2021 Attach. 10 Section 2.4.3.pdf

Confirmation and Acknowledgement of Information *

* This is a required question to submit section 5 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 5 is complete and ready for submission.