

**Environmental and Social Impact Assessment
(ESIA) and recommendations for the Environmen-
tal and Social Management Plan (ESMP)**

for the Programme

**“Lao PDR Emissions Reduction Programme through Improved
Governance and Sustainable Forest Landscape Management”**

Prepared by

GIZ

for Submission to the

Green Climate Fund

Abbreviations and Acronyms

ADB	Asian Development Bank
AE	Accredited Entity
ASEAN	Association of South-East Nations
BMZ	German Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung)
BKO	Province of Bokeo
CBD	Convention on Biological Diversity
CEF	Community Engagement Framework
CF	Carbon Fund
COL	Concessional Ordinary Lending
COP	Conference of Parties
CSO	Civil Society Organization
DAFO	District Agriculture and Forest Office
DALAM	Department of Agricultural Land Management
DCC	Department of Climate Change
DD	Deforestation and Forest Degradation
DOFI	Department of Forest Inspection
DPI	Department of Planning and Investment
EE	Executing Entity
ELTeS	Enhanced Land Tenure Security (GIZ)
EPF	Environmental Protection Fund
ERPA	Emission Reductions Payment Agreement
ERPD	Emission Reductions Programme Document
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan (GCF requirement)
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
EU	European Union
EUR	Euro
FAO	Food and Agricultural Organisation of the United Nations
FCPF	Forest Carbon Partnership Facility
FLEGT	Forest Law Enforcement Governance and Trade
FLR	Forest and Landscape Restoration
FPIC	Free, Prior, Informed Consent
GCF	Green Climate Fund
GOL	Government of the Lao People's Democratic Republic
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German international cooperation agency)
GRM	Grievance Redress Mechanism
Ha	Hectares

HPN	Province of Houaphan
ICBF	Integrated Conservation of Biodiversity and Forests
IEE	Initial Environmental Examination
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IMF	International Monetary Fund
IP	Indigenous Peoples
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework
IRM	Independent Redress Mechanism
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau (German Bank for Reconstruction)
Lao PDR	Lao People's Democratic Republic
LENS 2	Second Lao Environment and Social Project (World Bank Group)
LFA	Land and Forest Allocation
LMDP	Land Management and Decentralized Planning (GIZ)
LFND	Lao Front for National Development
LNT	Province of Luang Namtha
LPB	Province of Luang Prabang
LPRP	Lao People's Revolutionary Party
LULUCF	Land Use, Land Use Change and Forestry
LUP	Land Use Planning
LWU	Lao Women's Union
MAF	Ministry of Agriculture and Forestry
MONRE	Ministry of Natural Resources and Environment
MRV	Measurement, Reporting, Verification
NA	National Assembly
NCAW-MC	National Commission for the Advancement of Women – Mother Child
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NFMS	National Forest Monitoring System
NGO	Non-Government Organization
NPA	National Protected Area
NRS	National REDD+ Strategy
NRTF	National REDD+ Task Force
ODA	Overseas Development Assistance
ODX	Province of Oudomxay
PAFO	Provincial Agriculture and Forestry Office
PFA	Production Forest Area
PLR	Policies, Laws and Regulations
PMU	Programme Management Unit
PPMU	Provincial Programme Management Unit
PONRE	Provincial Office for Natural Resources and Environment

PRAP	Provincial REDD+ Action Plan
PRO	Provincial REDD+ Office
PRTF	Provincial REDD+ Task Force
PS	Performance Standards (IFC safeguards)
PSFM	Participatory Sustainable Forest Management
REL	Reference Emissions Level
RV	Regenerating Vegetation
SESA	Social and Environmental Safeguards Assessment
SFM	Sustainable Forest Management
SRIWM	Sustainable Rural Infrastructure and Watershed Management Project
SUFORD-SU	Scaling-Up Participatory Sustainable Forest Management
TAP	Technical Advisory Panel
tCO ₂ eq	tons of carbon dioxide equivalent
TWG	Technical Working Group
UNDP	United Nations Development Programme
UNDRIP	United Nations Declaration on the Rights of Indigenous People
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VDF	Village Development Fund
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
VMU	Village Mediation Unit
XBY	Province of Sayabouri

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EXECUTIVE SUMMARY

The programme being proposed for funding in part by the Green Climate Fund (GCF) represents an opportunity to support a paradigm shift in the forest and land-use sector of the Lao PDR. It is called *Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management*. The programme plans to mitigate approx. 57.8 million tons of carbon dioxide equivalent (tCO₂eq) in 9.5 years and hopes to benefit around 500,000 people (250,000 directly), most of whom belong to various ethnic groups. This programme will assist the Government of the Lao PDR (GOL) to implement its Emission Reductions Programme as outlined in the Emission Reductions Programme Document (ERPD)¹ so that results-based payments may be made by the Forest Carbon Partnership Facility's (FCPF) Carbon Fund (CF), based on the conditions as stipulated in an Emission Reductions Payment Agreement (ERPA).

The main focal area of the programme is the sustainable management of forests, landscapes and agricultural resources at scale in six Northern provinces of Lao PDR. An additional programme focus is the provision of support to establish an enabling environment for REDD+, including land and forest governance, enforcement, behavioral change, and sustainable sector financing. The GCF Accredited Entity (AE) for this programme is the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH. Lao PDR's National Designated Authority (NDA) to the GCF is the Ministry of Natural Resources and Environment (MONRE)/Department of Climate Change (DCC). The AE, with approval of the NDA, submitted a Concept Note outlining this programme² in June of 2018, and subsequently developed a funding proposal package for the programme. The main implementing partner will be the Ministry of Agriculture and Forestry (MAF) and its sub-national line agencies.

The estimated preliminary financial volume of the programme as of the draft Funding Proposal is approximately EUR 162 million over 9.5 years, with around EUR 62 million in grant funding to be requested from the GCF; EUR 8 million in grant funding to be requested from the German Federal Ministry for Economic Cooperation and Development (BMZ); co-financing of around EUR 100 million includes an expected Lao Government contribution of around EUR 22 million,³ EUR 23 million in soft loans from the Asian Development Bank (ADB), EUR 18 million from the International Fund for Agricultural Development (IFAD), EUR 4 million for Technical Assistance from the Japanese International Cooperation Agency (JICA), and the rest in grant funding and private sector and household contributions.⁴ The ERPD foresees an ERPA of five years, while the GCF proposal is for 9.5 years to accommodate for a potential extension of the ERPA period or additional results-based payment (RBP) options.

¹ Available online at: <https://www.forestcarbonpartnership.org/lao-people%E2%80%99s-democratic-republic>

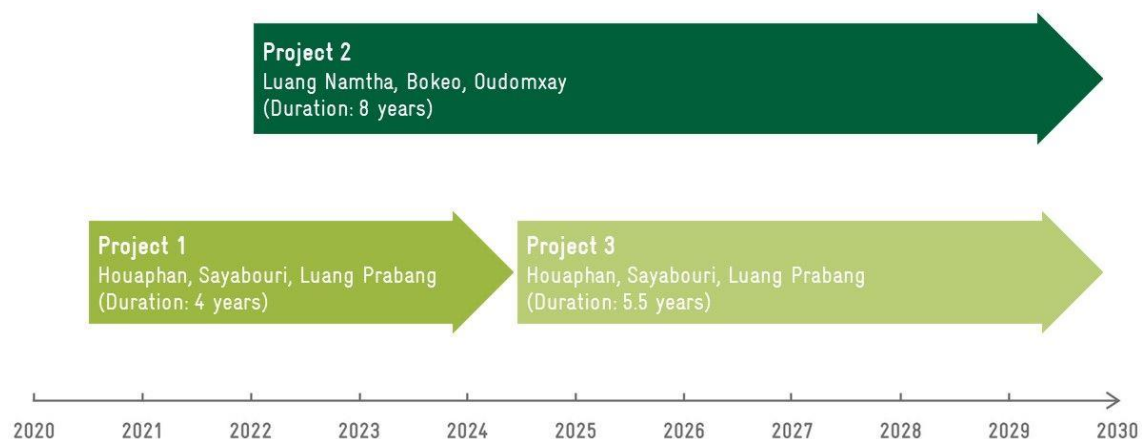
² Originally, the programme was elaborated as a project, and reframed into a programme during the elaboration of the feasibility study and funding proposal.

³ USD 30 million for the GOL contribution is inconsistent with the amount of USD 8.1 million given in the ERPD (description on page 100 and Table 6.2.c).

⁴ Financial volumes provided are estimates to be refined later.

The GCF programme consists of two sub-projects (see the following Figure):

- Project 1 and 3 address the same three provinces of Houaphan, Sayabouri and Luang Prabang. Project 1 runs from mid-2020 to mid-2024, while Project 3 runs from mid-2024 to the end of 2029.
- Project 2 runs from the beginning of 2022 to the end of 2030, and addresses the three remaining provinces of Luang Namtha, Bokeo and Oudomxay.



Process & standards: The programme is presented for funding to the Green Climate Fund (GCF). This ESIA is prepared as part of the proposal process and submitted to GCF with a risk assessment according to GCF's Environmental and Social Safeguards (ESS), and those of the GIZ. Medium and high-risk programmes / projects disclose the ESIA and ESMP to the public to enable effective stakeholder participation, ensuring access to project information in an accessible and culturally appropriate manner. It further enables stakeholder to provide feedback, raise concerns, or file grievances, as necessary. While the Funding Proposals will be submitted in phases (first Project 1, followed by Project 2 and Project 3), the ESIA covers the entire programme, covering all planned projects and related activities.

The GCF uses an interim Environmental and Social Policy based on the Performance Standards of the International Finance Cooperation (IFC) Performance Standards, which are compatible with GIZ's Safeguards, and its Gender Management System (S+G). The Performance Standards (PS) which apply to the programme are:

- PS1: Assessment and management of environmental and social risks and impacts
- PS2: Labor and working conditions
- PS3: Resource efficiency and pollution prevention
- PS4: Community health, safety and security
- PS5: Land acquisition and involuntary resettlement
- PS6: Biodiversity conservation and sustainable management of living natural resources
- PS7: Indigenous Peoples
- PS8: Cultural heritage

The programme triggers PS1-2 and PS4-8.⁵

⁵ For details see: www.ifc.org/performancestandards and Section 5 below.

For this environmental and social assessment, GIZ tasked an independent consultant with reviewing the draft programme documents, background studies and data, and consulting the GIZ programme preparation team. The consultant has identified and assessed potential unintended negative impacts of the programme and formulated recommendations and relevant observations for subsequent assessments and plans in this report. GIZ will produce a separate Gender Assessment and Gender Action Plan, as well as an Environmental and Social Management Plan (ESMP). The ESMP will include mitigation hierarchies to manage and mitigate risks (as per Performance Standard 1 and the Indigenous Peoples Policy), and detailed mitigation and/or compensation measures, which are necessary to make the programme compliant with the GIZ's and GCF's E&S Policies including the GCF's Indigenous Peoples Policy.

Risk category: The programme is categorized as “Category B” or “medium” in terms of E&S risks. The programme will have a positive environmental and social impact on the beneficiaries in Northern Lao PDR by promoting sustainable land-use in forests and agriculture and thereby contributing to improving livelihoods, while at the same time having a positive impact on the environment and biodiversity by contributing to protecting ecosystems and improving the environmental management capacity of relevant organizations. Potential adverse environmental and social impacts of the programme will mostly be site-specific, not irreversible or complex in nature, and readily addressed through mitigation or compensation measures. The programme area represents a highly diverse set of socio-economic, cultural and environmental conditions. Thus, neither a “one size fits all” set of activities, nor an overly generalized safeguards approach will be appropriate. The activities proposed for financing from GCF are oriented around Free Prior Informed Consent (FPIC), positively helping small-scale farmers with a focus on ethnic groups in remote places. However, it is possible that the programme itself may lead to land-use restrictions, thus negatively impacting on livelihoods. Therefore, it is important for the programme to establish, implement and monitor environmental and social management plans for the programme, while also ensuring effective ongoing multi-stakeholder participation at all levels throughout programme implementation.

Context: Due to on-going and planned development programmes in the GCF programme area that are not related to this programme, external risks for local livelihoods and ecosystems are to be taken into account; especially in case of hydropower development, road and railway construction and associated relocations. The report that follows outlines a number of external risks to programme area livelihoods, land and forests, which the programme will need to monitor and take into account at all stages, even if they cannot be influenced or directly mitigated by the programme. If not monitored closely, the programme could unknowingly exacerbate externally caused trends toward denial of customary land use, including forms of shifting cultivation among ethnic groups.

ESMP & adaptive management: The socio-economic context for the implementation of the programme will certainly depend on local situations, which are also likely to fluctuate over time. This underscores the GCF requirement for a programme-level Environmental and Social Management Plan and site-specific Environmental and Social Management Plans that apply adaptive

management. The high percentage of non-Lao-Tai ethnic groups in the programme area requires a certain type of ES risk management as per the GCF IPP. Given the vulnerability of local ethnic communities' livelihoods, the programme needs to design, disclose, implement and monitor site-specific environmental and social management plans for the proposed activities carefully and with high attention to local ethnic communities, taking the GCF Indigenous Peoples Policy fully into consideration to mitigate any potential negative impact that might occur.

Need for continued consultations: At this stage of preparing the programme, some of the benefits for local populations in the intended programme area, especially the poor and more vulnerable, may not always have become clear enough, and need to be explored with a great deal of careful planning, consultation and due care when the programme commences site-specific activities.

Synchronization: Some activities have to rely on successful completion of other activities in order to avoid unintended negative impacts. The programme for example assumes that land titling and registration will occur, (supported by other partner organizations) giving local communities higher tenure security than before. It may happen that these processes will continue at a slow pace and that uncoordinated government procedures may lead to local people being allocated too little land for secure livelihoods. Legislation is not yet available that sufficiently recognizes land use plans or village forest management plans. The programme intends to address this issue in Output 1, but if not synchronized with land-use planning and law enforcement, it may cause unintended negative impacts for local communities who participate with the programme in good faith if the plans are not respected. Such plans, could get approval by District Governors, which may provide more standing than other legal documents. Incentives for villagers to participate in sustainable forest management in the long-term need to be clearly communicated including through the FPIC process before the programme starts site-specific activities in order to not risk emission reductions goals and even villagers' livelihoods if they lose access to too much of their bush fallows.

Data availability: Much forest-related data is available for the ER programme area, but the necessary socio-economic data are available mostly at provincial level, if at all, and based on sources such as the Population and Housing Census, the Labor Survey and Statistical Yearbooks. Thus, there are some important information/data gaps that will require filling so that the programme may work with a reasonable socio-economic baseline. A baseline is imperative for various monitoring purposes, including risk and safeguard monitoring. Moreover, according to the Indigenous People Policy, monitoring records must also be kept of FPIC results.

Much of the gap-filling will have to be done as the programme starts up implementation in the selected districts. Some of the more important district and/or site-specific gaps are as follows:

- Land tenure and titling
- Specific economic aspects/ investments (while some key value chains have been identified, additional value chains may become included during programme implementation)
- Village consolidation and/or relocation

- Government and mass organization staffing (mini institutional assessments)
- District programme/ project directories

1 INTRODUCTION

The Lao People's Democratic Republic (Lao PDR)⁶ has one of the highest forest coverage rates in Asia. Nonetheless, it has suffered extensive deforestation and forest degradation (DD) in many parts of the country during the past few decades. As a nation rich in natural resources, Lao PDR has embraced REDD+ to address its main source of greenhouse gas (GHG) emissions from the agricultural and forest sectors. It has introduced policies, targets and reforms in order to achieve an ambitious forestry target of 70% forest cover up from 58% as measured in 2015, as part of its Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC). To these ends, Lao PDR introduced a timber export ban, and is in the process of developing a National REDD+ Strategy (NRS), and updating the Forest Law, taking REDD+ into account.⁷ In 2016, it was the first ASEAN country to ratify the Paris Agreement, which was adopted at the 21st UNFCCC Conference of the Parties (COP) in 2015. The Lao PDR remains a Least Developed Country (LDC), although it is most likely that it will graduate from this status by 2024.⁸ Its LDC status and trajectories of economic growth have given rise to a number of environmental and social challenges in the agricultural and forestry sectors, as will be enunciated in the report that follows.⁹

The programme being proposed for funding in part by the Green Climate Fund (GCF) represents an opportunity to support a paradigm shift in the forest and land-use sector of the Lao PDR. It is called *Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management*. The programme plans to mitigate approx. 57.8 million tons of carbon dioxide equivalent (tCO₂eq) in 9.5 years and hopes to benefit around 412,650 people (254,8 00 directly), most of whom belong to various ethnic groups. This Environmental and Social Impact Assessment (ESIA) is prepared as part of the proposal process and submitted to GCF with a risk assessment according to GCF's Environmental and Social Safeguards (ESS) and those of the accredited entity (AE) – The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Medium and high risk programmes/ projects disclose the ESIA and the ESMP to the public to enable effective and culturally appropriate engagement and the dissemination of project information, while also enabling stakeholder to provide feedback or express concerns.

This programme will assist the Government of the Lao PDR (GOL) to implement its Emission Reductions Programme as outlined in the Emission Reductions Programme Document (ERPD) so that results-based payments may be made under an Emission Reductions Payment Agreement (ERPA) with the Forest Carbon Partnership Facility's (FCPF) Carbon Fund (CF). The main focal area of the programme is the sustainable management of forests, landscapes and agricultural

⁶ Henceforth, Lao PDR or Lao PDR.

⁷ The amended Forest Law is expected to go before the National Legislative Assembly for approval during the Spring Session of 2019. The current Forestry Law dates back to 2007.

⁸ See UNDP Lao PDR Press Release dated 19 March, 2018: <http://www.la.undp.org/content/laopdr/en/home/presscenter/pressreleases/2018/3/19/laopdr-eligibility-for-graduation-from-least-developed-countr/>

⁹ Some of the material in this section has been copied (and partly modified) from the project Concept Note submitted by the AE to the GCF in June 2018.

resources at scale in six Northern provinces of Lao PDR. An additional programme focus is support for an enabling environment including land and forest governance, forest law enforcement, behavioral change, and sustainable sector financing. The National Designated Authority (NDA) for the GCF in Lao PDR is the Ministry of Natural Resources and Environment (MONRE)/Department of Climate Change (DCC). GIZ, with approval of the NDA, submitted a Concept Note outlining this programme in June of 2018. The main implementing partner will be the Ministry of Agriculture and Forestry (MAF).

The programme concept and outputs are related to that of the ERPD.¹⁰ The programme area is the same as that described in the ERPD, comprising selected areas of the contiguous provinces of Houaphan (HPN), Luang Prabang (LPB), Oudomxay (ODX), Luang Namtha (LNT), Bokeo (BKO) and Sayaboury (XBY). All of the provinces have Provincial REDD+ Action Plans (PRAPs) including extensive analyses of direct and underlying drivers of deforestation and forest degradation. PRAPs were developed based on multi-stakeholder consultations at the national, provincial, district (50 districts) and village cluster level (one cluster per district, each with some five to eight villages).¹¹ A preliminary district selection for the GCF programme comprising some 28 districts has been made largely according to where “deforestation hotspots” are found or where remaining forested areas are still high (further discussion under 3.1).

The programme design includes four outputs, some of which foresee co-financing from other development partners besides the GCF and the German government. The estimated financial volume of the programme as of the draft Funding Proposal is approximately EUR 160 million over 9.5 years, with around EUR 60 million in grant funding to be requested from the GCF; EUR 8 million in grant funding to be requested from the German Federal Ministry for Economic Cooperation and Development (BMZ); co-financing of around EUR 100 million includes an expected Lao Government contribution of around EUR 22 million,¹² EUR 23 million in soft loans from the Asian Development Bank (ADB), EUR 18 million from the International Fund for Agricultural Development (IFAD), EUR 4 million for Technical Assistance from the Japanese International Cooperation Agency (JICA), and the rest in grant funding and private sector and household contributions.¹³ The ERPD foresees an ERPA of five years, while the GCF proposal is for 9.5 years to accommodate for a potential extension of the ERPA period or additional results-based payment (RBP) options.

This ESIA report provides an assessment of the unintended negative impacts the programme may cause through the programme’s planned activities (based on the draft funding proposal from February 2019). The ESIA assesses potential social and environmental unintended negative impacts of the programme against the GCF’s Interim Environmental and Social Policy and Indigenous People’s Policy. It also refers to the GIZ’s Safeguards and Gender Management System. It

¹⁰ Please see the ERPD (May 2018) available at the [Forest Carbon Programme Fund \(FCPF\) website](#).

¹¹ Village clusters in Lao PDR are called *kumban*. They are not, however, an official administrative unit although district staff may be posted to a *kumban* center, normally the largest village in the cluster.

¹² USD 30 million for the GOL contribution is inconsistent with the amount of USD 8.1 million given in the ERPD (description on page 100 and Table 6.2.c). This should be checked and verified for the final submission.

¹³ Financial volumes provided are estimates to be refined later.

builds on the feasibility study, gender assessment and gender action plans prepared during the programme development phase. This assessment will be taken forward by a site specific Environmental and Social Management Plan (ESMP) to be developed in early 2019 based on the results of this report in conjunction with local consultations, as well as more detailed field investigations in selected village clusters.

Wherever possible, this ESIA draws on documentation made available via the Forest Carbon Partnership Facility (FCPF) REDD+ readiness processes undertaken in the Lao PDR. An ERPD for the six Northern provinces mentioned above has gone through several drafts (latest: May 2018) with comments for improvement from the Technical Advisory Panel (TAP). Based on the observations of the latest technical assessment (dated 25 May, 2018), the final ERPD has been presented and accepted without conditions at the 18th Carbon Fund Participants Meeting in June 2018 in Paris. The GOL also produced a draft Social and Environmental Safeguards Assessment (SESA), and a draft Environmental and Social Management Framework (ESMF) to complement the ERPD. GIZ initially planned to adopt the SESA and ESMF for drafting this ESIA, but the key documents were not available in time. The FCPF's ESMF was still incomplete and did not include a Community Engagement Framework (CEF),¹⁴ nor a Gender Action Plan. The World Bank's Grant Reporting and Monitoring Report for FY18 on REDD+ Readiness (dated 1 October, 2018 and published on the FCPF website), however, noted the following: *"A national SESA has been drafted, but important gaps now need to be filled to make it relevant and applicable for the implementation of the ER programme in the Northern provinces."*

¹⁴ An ongoing World Bank-funded forestry project, Scaling Up Participatory Sustainable Forest Management (SUFORD-SU) has developed a CEF and CE Manual which may be applicable in the programme area. An issue, however, is that the World Bank maintains a definition of FPIC whereby the "C" stands for consultation. The GCF's Indigenous People's Policy, among others, states that the "C" means consent.

2 OVERVIEW OF PROGRAMME DESIGN

2.1 Programme objective and components

The programme's main objective, an ambitious one that entails paradigm shifts in a number of interrelated sectors, is as follows: *To support the Government and people of Lao PDR in changing the present-day use of forests and landscapes and to ensure a transition to sustainable management at scale. This will reduce close to 58m tCO₂eq over the programme's duration.* The programme's goal is to catalyze a turnaround in land use, land use change and forestry (LULUCF) and establish a new and viable management model (or models) for the country's forests and landscapes.

As part of the preparatory work in the ER programme area, provincial REDD+ teams have selected a number of districts where the programme shall work initially. The main selection criteria were related to the deforestation and forest degradation (DD) hotspots and presence of National Protected Areas (NPA), economic development plans that might preclude increasing forest cover (such as hydropower, large scale infrastructure, mining concessions), and presence of ADB's Sustainable Rural Infrastructure and Watershed Management Project (SRIWM, covering eight districts in Houaphan, Luang Prabang and Sayabouri). Therefore, there are 28 pre-selected districts, of which one will have activities only in a watershed where SRIWM will provide support. Focal areas within the 27 districts will be selected at a later date, but are to be based primarily on hotspots.

The key performance indicator is reduced GHG emissions, but, to achieve that goal, the programme aims to address multiple drivers of deforestation and degradation by facilitating change in capacities and institutions, laws and regulations, awareness, and behavior. Investments and financing models to enable and scale-up Sustainable Forest Management (SFM) and Forest and Landscape Restoration (FLR) are also planned. A separate comprehensive Design Feasibility Study was conducted, which included, among other things, a barrier analysis and corresponding theory of change.

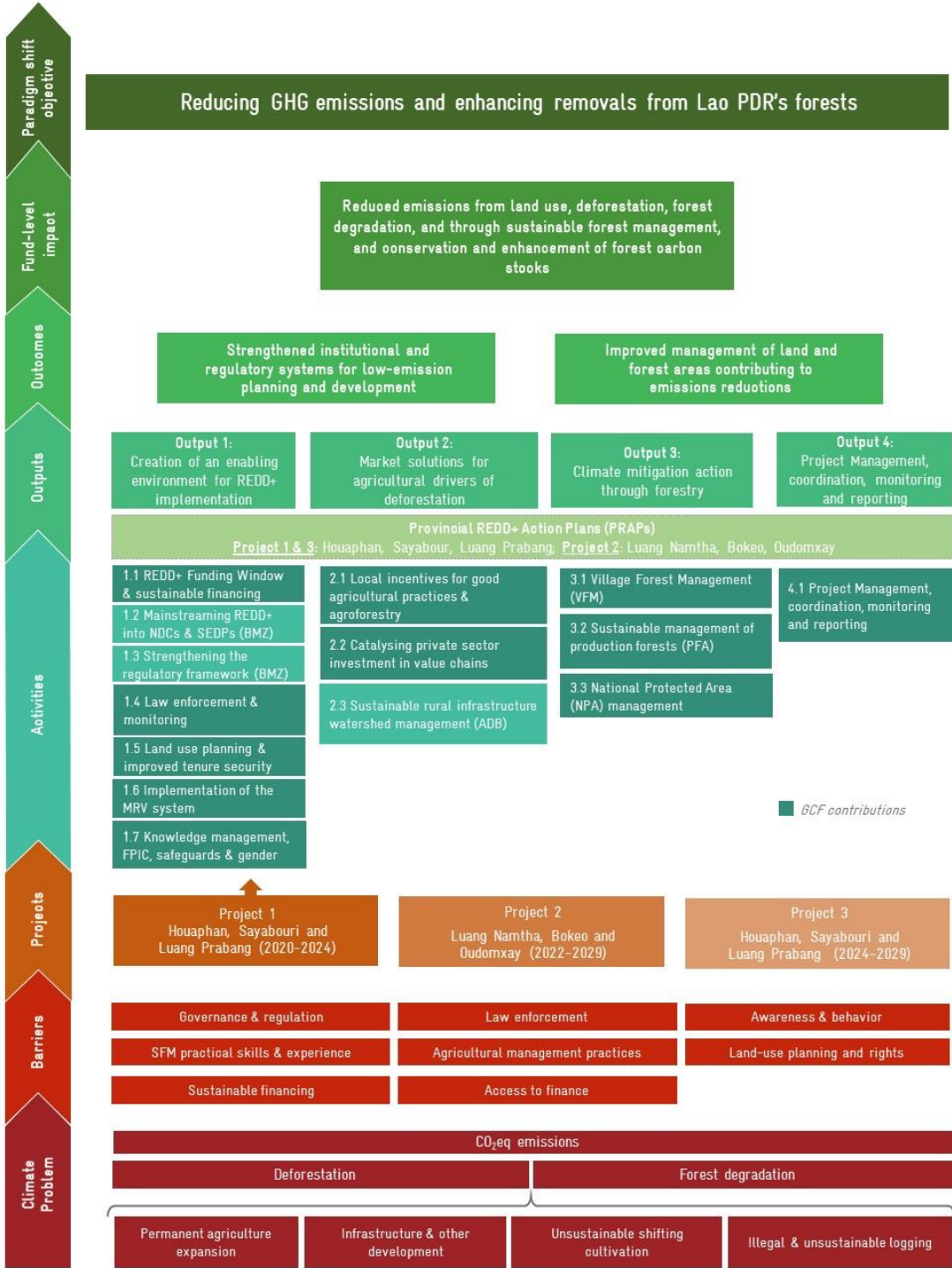


Figure 1. Theory of change

Source: Feasibility study and programme Funding Proposal

The programme envisions an integrated approach relying on the well-timed inputs of programme components and a number of stakeholders. As mentioned, the programme is currently planned with four outputs described in more detail below.

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

Output 1 addresses barriers at the national and sub-national levels, including development planning, policy and regulatory environment, law enforcement, measurement reporting and verification (MRV), plus sustainable financing for the forest and land use sector. This output includes six activities related to promotion of green development planning, regulations, law enforcement, land use planning, tenure security, a national forest monitoring system (NFMS), and the establishment and strengthening of a national REDD+ Fund. Co-financing is planned from BMZ and JICA.

Output 2: Market solutions for agricultural drivers of deforestation

Output 2 will target the agricultural sector 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. This output includes four activities related to "deforestation-free" agriculture, small-scale irrigation, deforestation-free value chains and private sector investment promotion. Co-financing is planned with the ADB to improve irrigation systems, and IFAD to promote improved agricultural practices.

Output 3: Climate change mitigation through forestry

Output 3 aims to reduce emissions through SFM and FLR including the enhancement of carbon sequestration through the rehabilitation and restoration of mainly degraded forest lands. This output includes four activities related to village forest and watershed management, SFM in production forests, National Protected Area (NPA) management and private sector involvement in community agro-forestry.

Output 4: Programme management, coordination, monitoring and reporting

Output 4 includes management activities and other services, as well as a contingency fund. The Programme Management Unit (PMU) will be set up to manage the programme and coordinate with co-financiers. It will manage the ESMP, the programme's gender action plan (GAP), as well as the Ethnic Group Development Framework and Development Plans, and should coordinate inputs from civil society organizations (CSOs). It will ensure that free prior and informed consent (FPIC) is properly carried out and documented for the GCF, and ensure the necessary mitigation hierarchies are prepared.

Timing is important, as there is a strong interdependence of several of the outputs. For example, one output emphasizes land use planning and titling, in another "deforestation-free agriculture". Farming households without clear land titles are far less likely to take up potentially costly measures to intensify agricultural land use in landscapes more suited, in their eyes, to extensive use. Moreover, if the agricultural extension services are not adequately prepared to provide the envisioned advice and services, expected changes in upland farming practices may not arise in the medium term.

2.2 Programmatic approach and projects

The GCF programme consists of three projects (see the following Figure):

- Project 1 and 3 address the three provinces of Houaphan, Sayabouri and Luang Prabang. Project 1 runs from mid-2020 to mid-2024, and Project 3 runs from mid-2024 to the end of 2029.
- Project 2 runs from the beginning of 2022 to the end of 2030, and addresses the three remaining provinces of Luang Namtha, Bokeo and Oudomxay.

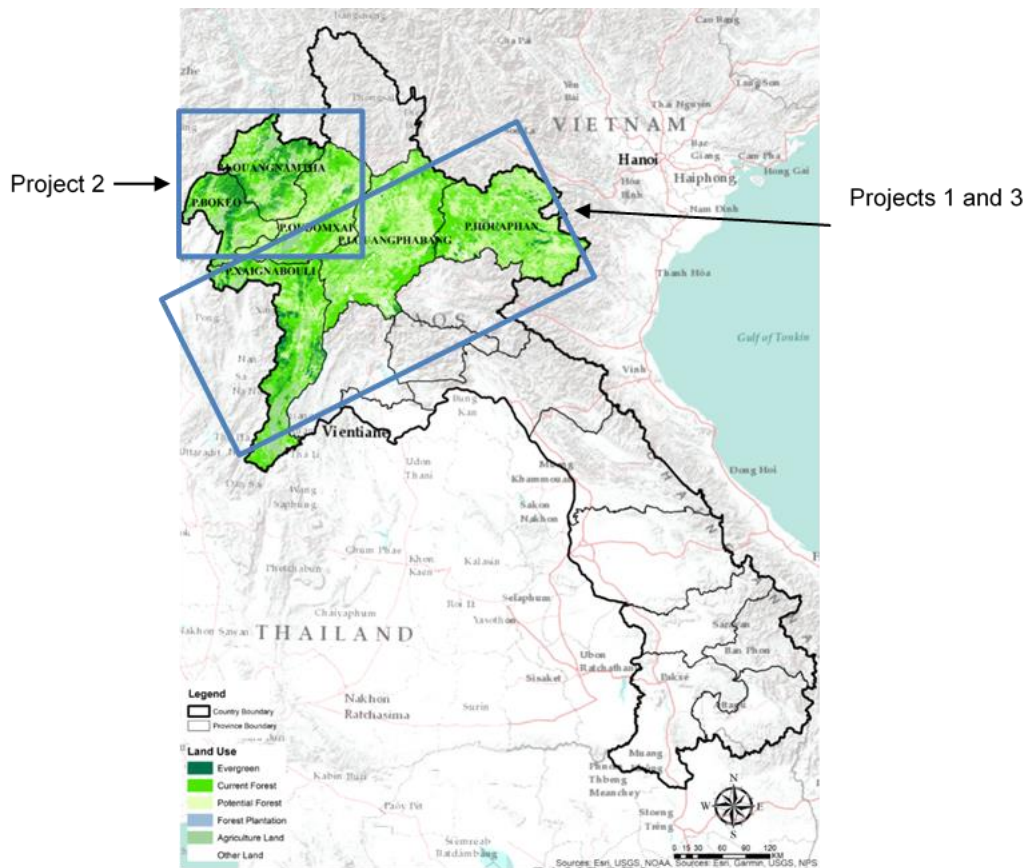
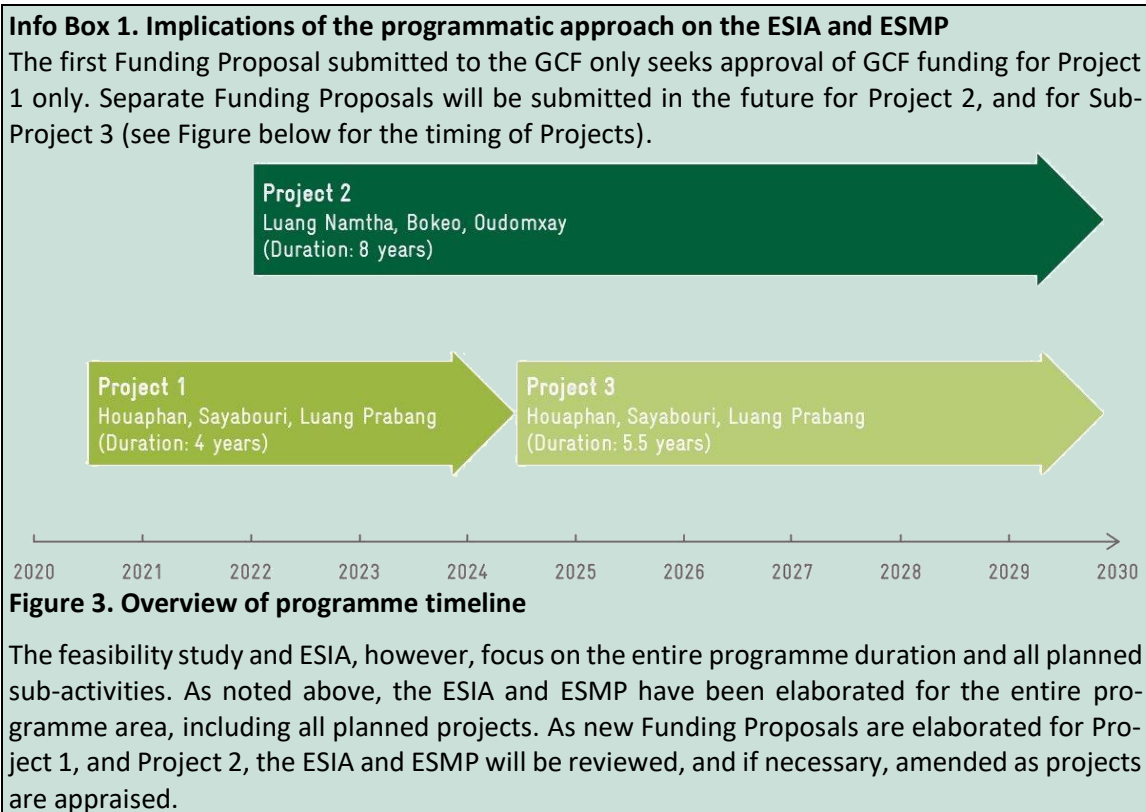


Figure 2. Programme and project areas

The combined area of deforestation and forest degradation in the programme area is approximately 72,000 ha/year. Approximately 40% of total national deforestation and degradation takes place within the selected six provinces. Each of the six provinces has developed Provincial REDD+ Action Plans (PRAPs – see Annex 20), which analyze key drivers of deforestation, major barriers, and proposed actions and measures to reduce emissions from deforestation and forest degradation.

Selection of districts: Of the 50 districts in the six provinces, 28 districts have been selected for GCF programme support – see the map below and the calculations provided in Annex 4b. The selected districts cover 72% of the remaining high-carbon-stock area in the six target provinces

(3.1 million ha out of 4.3 million ha). Project 1 contains 16 districts, and Sub-Project 2 contains 12 districts.¹⁵



2.3 Programme implementation arrangements

The programme is governed by a National Programme Steering Committee (NPSC), represented by Lao PDR' National REDD+ Task Force. Programme implementation is the responsibility of Programme Management Units (PMUs). Output 4 provides for a vertical PMU structure, which covers central level (NPMU) and includes Provincial Programme Management Units (PPMUs) and District Programme Management Units (DPMUs). NPSC provides administrative oversight, cross-ministerial coordination and strategic guidance to PMUs (see illustration below and section C.7 of the Funding Proposal for a detailed description of the implementation arrangements).

¹⁵ Details on the selection process are available in the funding proposal and Feasibility Study.

Care will be taken to provide sufficient and coordinated support through GIZ and other development partners for strengthening the Environmental and Social Management System of the EPF and ensuring compliance with GIZ and GCF requirements.

As the programme will involve implementation in various land use-related sectors, it will be necessary to establish close coordination and cooperation with a number of Ministries, Departments, Provincial, District and Village Authorities, Mass Organizations, Task Forces and TWGs. The formal organizations involved include:

- REDD+-specific bodies: National and Provincial REDD+ Task Forces, National and Provincial REDD+ Offices, and national TWGs;
- MAF: down to District, including sub-district level for Technical Service Centers; the key departments will be Department of Forestry, Department of Forest Inspection, Department of Village Forests and NTFPs, NPA-responsible Department, Department of Agriculture Extension and Cooperatives, and the Department of Agricultural Land Management (DALAM);
- MONRE: down to District; including Department of Land Administration;
- Ministry of Planning and Investment: down to District;
- Administrative Authorities: Provincial and District Governors' Offices, plus Village Authorities and Committees;
- Lao Front for National Development (LFND): Mass organization down to village level, often used to assist with local consultations.
- Lao Women's Union (LWU): Mass organization down to village level, often used to assist with local consultations.

Furthermore, the programme concept can include important roles for non-governmental organizations (NGOs), and CSOs to complement responsibilities of the government/mass organizations. The programme should strengthen CSOs by providing capacity building with GCF funds for programme-related tasks including participation in the steering structure, consultations, monitoring and evaluation, and for providing capacity building and mentoring at local level.

Non-governmental organizations:

- International NGOs (INGOs): There may be an important role for INGOs, particularly in terms of local capacity building and mentoring in the districts, which the ESMP should explore and specify;
- CSOs at the local level: Including such bodies as any farmer-based associations, farmers' cooperatives, village banks and other established groups, not including village committees that are part of the formal establishment. These could again play an important role, potentially in cooperation with INGOs, to facilitate capacity building and mentoring at local level, which the ESMP should explore and specify;
- CSOs/Non-Profits: More formally established, but generally small and few in number; nonetheless, there are potentially important roles for them in conducting ongoing consultations,

assisting in FPIC in selected villages/village clusters considering their FLEGT involvement and experience¹⁶, which the ESMP should explore and specify.

As the programme has a foreseen implementation period of 9.5 years, there will be adequate time to provide capacity building measures for government and mass organization staff in all key departments, particularly at the sub-national levels, and CSOs including on environmental and social management. Such measures will have to continue throughout the life of the programme, as staff rotation is a common feature of the Lao institutional landscape. A good example for CSO involvement in development cooperation is the CSO network supported by GIZ's ProfLEGT project.

Coordination with development partners:

For some of the Outputs, other development partners are expected to provide financial support (see section B.2 of the Funding Proposal). BMZ grant funding is expected under Output 1. The financial support from ADB for sustainable rural infrastructure and watershed management (SRIWM), largely small-scale irrigation in selected watersheds, is already secured in the form of around USD \$30 million in concessional ordinary lending (COL), and USD \$5 million as a grant.¹⁷ JICA will contribute a technical assistance package on forest monitoring valued approx. EUR 4 million. Co-financiers will make their own implementation arrangements. All of these arrangements will have to be carefully coordinated to achieve optimum effect.

Coordination with co-financiers as to unified management arrangements in the provinces (such as with ADB and JICA) will be crucial to avoid overlaps, double payments for similar work under different projects and the like. Regarding unified safeguards approaches and risk management, no difficulties with co-funders are foreseen in that ADB, IFAD, JICA, KfW, and the World Bank are all accredited entities of the GCF (just like GCF), and therefore should already meet GCF's requirements. It will be important to ensure that the PMUs closely manage, follow up and monitor the implementation of the various frameworks and plans pertaining to risk management and mitigation across central, provincial, district and site-specific levels.

2.4 Stakeholder engagement for programme design

Stakeholder engagement is considered as a key element of this programme. Extensive consultations have informed programme design. It builds on extensive consultations and multi-stakeholder engagement conducted in the framework of the country's Emission Reduction Programme (including the development of detailed Provincial REDD+ Action Plans), as well as multi-stakeholder consultations for the elaboration of the country's REDD+ framework. Additional multi-stakeholder consultations were conducted to directly inform the design of the proposed

¹⁶ In identifying Lao stakeholders in the FLEGT process leading to VPA, the following statement is on the EU-FLEGT website, "Civil society: A group of 20 civil society organizations (CSOs) formed the 'Lao CSO FLEGT' in 2015 through a transparent selection process, which identified five organizations to represent the group in the national FLEGT structures." <http://www.euflegt.efi.int/q-and-a-Lao-PDR>.

¹⁷ The International Fund for Agricultural Development (IFAD) will cooperate with ADB on this programme with its own project entitled Partnerships for Irrigation and Commercialization of Smallholder Agriculture (PICSA).

GCF programme, including consultations at the central, provincial, district, village district (*kumban*) and local level. Chapter 7 of this report provides a detailed overview of the different stakeholder engagement processes conducted, including a description of the feedback provided, and how it has informed the design of the programme.

3 LEGAL AND POLICY FRAMEWORK

3.1 International treaties, conventions and agreements

Lao PDR's Government has been involved in a constant process of improving its rule of law by establishing and revising its policies, laws and regulations (PLRs) to bring them into conformity with international standards. This includes the Lao PDR's accession to the major United Nations human rights instruments. The need to adjust domestic law to conform to treaty requirements is recognized by the GOL. The relevant human rights instruments to which the Lao PDR has acceded are as follows:

Table 1. Human Rights Ratification Status for Lao People's Democratic Republic

Treaty Name/ Description	Treaty Ab- breviation	Signature Date	Ratification Date, Acces- sion(a), Succession(d) Date
Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment	CAT	21. Sep 2010	26. Sep 2012
Optional Protocol of the Convention against Torture	CAT-OP		
International Covenant on Civil and Political Rights	CCPR	07 Dec 2000	25. Sep 2009
Second Optional Protocol to the International Covenant on Civil and Political Rights aiming to the abolition of the death penalty	CCPR-OP2-DP		
Convention for the Protection of All Persons from Enforced Disappearance	CED	29. Sep 2008	
Convention on the Elimination of All Forms of Discrimination against Women	CEDAW	17. Jul 1980	14. Aug 1981
International Convention on the Elimination of All Forms of Racial Discrimination	CERD		22 Feb 1974 (a)
International Covenant on Economic, Social and Cultural Rights	CESCR	07 Dec 2000	13. Feb 2007
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	CMW		
Convention on the Rights of the Child	CRC		08 May 1991 (a)
Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict	CRC-OP-AC		20 Sep 2006 (a)
Optional Protocol to the Convention on the Rights of the Child on the sale of	CRC-OP-SC		20 Sep 2006 (a)

children child prostitution and child pornography			
Convention on the Rights of Persons with Disabilities	CRPD	15. Jan 2008	25. Sep 2009

Source: https://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Treaty.aspx?CountryID=94&Lang=EN

The GOL paid high attention to meet all the Millennium Development Goals, and is now incorporating all indicators of the Sustainable Development Goals (SDGs) into its national plans.¹⁸

Relevant for the environment, Lao PDR is a signatory state/ party to the three Rio Conventions: the Convention on Biological Diversity (CBD), UNFCCC, and the United Nations Convention to Combat Desertification (UNCCD). Lao PDR has further ratified the Convention on International Trade in Endangered Species (CITES), and the Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat. The GOL has also designated authorities to liaise with the Secretariats of other international conventions, such as different departments under MONRE for the CBD, Ramsar and UNFCCC. Plans and reports are made in respect of these conventions, such as the National Biodiversity Strategy and Action Plan.

FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) have also been introduced in Lao PDR. Related specifically to forestry, the Lao Government embarked several years ago on Voluntary Partnership Agreement (VPA) negotiations under the European Union's (EU) Forest Law Enforcement, Governance and Trade (FLEGT) process. Related to agriculture, particularly the use agrochemicals, Lao PDR is a signatory to the Stockholm Convention on Persistent Organic Pollutants (POPs).¹⁹ It also ratified the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and their Disposal (2010).

3.2 Domestic policies, laws and regulations

The legal framework in Lao PDR is based on a hierarchy starting with the Constitution (1991 but updated in 2003 and again in 2015), then laws, resolutions, Presidential ordinances, decrees, orders and decisions as determined by the "Law on Making Legislation" passed in 2012. Legal transparency is aided by the Lao Gazette, where all domestic laws, resolutions and decrees must be posted.²⁰

Key laws that are relevant for the programme are listed and briefly described in the following Table (for more detailed information refer to the Lao PDR Forestry Legality Compendium [2015]):

¹⁸ <http://la.one.un.org/sdgs>.

¹⁹ A list of POPs that should be restricted, eliminated or reduced under the Convention can be found at the following link: <http://www.pops.int/TheConvention/ThePOPs/AllPOPs/tabid/2509/Default.aspx>.

²⁰ This includes provincial orders, resolutions and the like. District and village regulations only require local posting, such as on a billboard, in order to be considered official.

Table 2. Overview of applicable legal framework

Law	Brief description
Law No. 29/NA on Environmental Protection 2012 ²¹	The Environmental Protection Law defines the principles, regulations and measures related to environmental management, monitoring of protection, control, preservation and rehabilitation. It has key principles that promote sustainable development that protects the social and natural environment. It provides the framework for preventing environmental damage, including articles on strategic environmental assessment, preventative measures against natural disasters, requirements for investment projects (initial environmental examinations, and environmental impact assessments), and the identification of national environmental standards, among others.
The Forestry Law No 06/NA 2007 ²²	The principal legislative instrument governing the management, protection and use of land in Lao PDR. Article 3 of the Land Law reaffirms Article 17 of the Constitution, through which land is under the ownership of the national village, and the State is charged with the centralized and uniform management of land, including allocation. Land may be State land, State asset, public land asset or land for which 'ownership' or land use rights are held by individuals, villages or other organizations. Under the <i>Land Law 04/NA 2003</i> , all land is classified into a category for which boundaries must be determined (e.g. agricultural land, forest land, water areas, cultural land, land for national defense and security; and construction land, among others).
Law on Land 04/NA 2003	The <i>Land Law 04/NA 2003</i> (under review) is the principal legislative instrument governing the management, protection and use of land in Lao PDR. Article 3 of the Land Law reaffirms Article 17 of the Constitution, through which land is under the ownership of the national village, and the State is charged with the centralized and uniform management of land, including allocation. Land may be State land, State asset, public land asset or land for which 'ownership' or land use rights are held by individuals, villages or other organizations. Under the <i>Land Law 04/NA 2003</i> , all land is classified into a category for which boundaries must be determined (e.g. agricultural land, forest land, water areas, cultural land, land for national defense and security, etc.). The category of land determines the scope of use, including allocation to the State, individuals or for lease, concessions or infrastructure development. The change of land from one land type to another land type can be made only if it is considered to be necessary to use the land for another purpose without having negative impact on the natural or social environment and must have the prior approval of the concerned management authorities (Article 14).
Law on Agriculture No 01-98/NA 1998 ²³	The law on agriculture has the function of determining principles, rules, and measures regarding the organization and activities of agricultural production. This includes the management and preservation of agricultural activities and production to encourage promote and expand agricultural production.
Law No. 02/NA Investment Promotion 2009 ²⁴	Includes information on establishing forestry and agricultural concessions, including registration processes and requirements. It notes that MPI is responsible for registering concessions and that concessions or leases must be approved by the government.

²¹ <http://www.laolandissues.org/wp-content/uploads/2012/03/Environmental-Protection-Law-2013English.pdf>

²² <http://extwprlegs1.fao.org/docs/pdf/lao89474.pdf>

²³ <http://extwprlegs1.fao.org/docs/pdf/lao18996.pdf>

²⁴ Smith and Alounsavath 2015.

Law	Brief description
Wildlife and Aquatic Law, No. 07/NA 2007 ²⁵	Determines the principles, regulations and measures on wildlife and aquatic life in nature to promote the sustainable regeneration and utilization of wildlife, and aquatic resources, without any long-lasting harmful impact on natural resources or habitats. One of the law's principles is to protect and manage conservation zones for animal species, and their habitats to maintain key ecosystems.
Penal Law No. 142, PO 2005 ²⁶	Outlines the legal offences and penalties, including for environmental damage or unauthorized activities (e.g. illegal logging).
Customs Law No. 05/NA 2005 ²⁷	Provides the legal framework and regulatory requirements for importing and exporting timber and forest products.
Law No. 24/NA on Transportation 2012 ²⁸	Establishes the legal requirements for vehicles and machinery for logging, processing, log hauling and transportation. Specifically, it requires the registration of vehicles for timber harvesting and extraction.
Law No. 47/NA on Local Administration 2003 ²⁹	Forests and forest land are allocated to the Provinces, and Vientiane capital authorities, who are then responsible for allocating them to the district or municipal levels. At the district and municipal level, they are able to further allocate resources to village administration authorities. As such, the " <i>local administration has responsibility to manage natural resources and may issue regulations and instructions for management and use.</i> " ³⁰
Law No. 46/NA on Enterprise 2013 ³¹	Includes an article on business operations in the forest (Article 45), that states " <i>Timber harvesting and haulage businesses must be registered by MOIC and approved by MAF.</i> " ³² It further discusses the registration of enterprises, partnership enterprises, and other joint companies. MOIC is responsible for issuing investment licenses (Law no. 46 on enterprise), whereas MPI is responsible for issuing investment licenses (Decree no. 119, [2011])
Law No. 01/NA on Contract and Tort 2008	Notes that the sale and purchase of timber is " <i>by way of contract between the State and the seller</i> " ³³

Source: Information from translated versions of laws, and Smith and Alounsavath 2015

²⁵ https://www.lexadin.nl/wlg/legis/nofr/oeur/arch/lao/wildlife%20law_official%20translation.pdf

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Smith and Alounsavath 2015

³¹ Smith and Alounsavath 2015

³² Smith and Alounsavath 2015

³³ Smith and Alounsavath 2015

Info Box 1. Adjustments to the land law and forestry law

The Government of Lao PDR is revising the **Land Law (2003)** to reflect changes in the Party Resolution on Land³⁴ to provide more regulation for its implementation. MoNRE is charged as lead agency with the responsibility to finalize revisions of the Land Law and resubmit it to National Assembly. Once the Land Law is revised, then the Forestry Law and other natural resource laws would subsequently be revised, so that they would be harmonized with the Land Law. MAF plans to submit a revised Forestry Law to the Government of Lao PDR in March 2019.³⁵ MAF has already formally established a committee to undertake the revision, headed by the Vice-Minister.

The government of Lao PDR is also revising the **Forestry Law (2007)**, as well as its bylaws in an effort to update the legislative framework to meet the emerging domestic and international challenges faced in the land use sector. Within the Forestry Law there are inconsistencies within the legal framework and limited practical guidelines for implementation.³⁶ There are many implementing decrees and regulations underneath the Forestry law – this makes it more complex to understand and means that the regulations need to be very clear and specific (implementable for local authorities to follow). It also means extensive updating of regulations is needed following revisions to the Law.

More detailed information on the land and forestry law is provided in the Feasibility Study.

The Environmental Protection Law (EPL 2012) establishes the framework for the sustainable management of environmental resources in Lao PDR. The following instructions, decrees and processes are also relevant for environmental impact assessments:

- Ministerial instruction on the Process of Environmental Impact Assessment of Investment Projects and Activities (No. 17/MONRE, December 2013)
- Ministerial instruction on the Process of Initial Environmental Examination of Investment Projects and Activities (No. 8029/ MONRE, December 2013)
- Process of Environmental and Social Impact Assessment of Investment Projects and Activities (No. 8030/MONRE, December 2013)

The Environmental and Social Impact Assessment within MONRE oversees the environmental impact screening process, and follow-up processes related to initial environmental evaluations, environmental impact assessments, and related management plans. This includes screening projects, issuing environmental compliance certificates for projects that have successfully com-

³⁴ Since 2012, a National Land Policy for Lao PDR has been under preparation. In August 2016, the draft National Land Policy was presented and discussed in a national workshop chaired by the Deputy Prime Minister with the attendance of 18 sector ministries, the National Assembly, several ministry-equivalent organizations, academia as well as representatives of donor partners and civil society. After the meeting, the final National Land Policy was expected to be tabled during the next meeting of the National Assembly. In the aftermath it was decided, however, that the Lao Government would no longer work on a National Land Policy but that the Politburo should issue a Party Resolution instead. The Party Resolution on Land was signed on 3rd August 2017.

³⁵ In late 2014, a final draft revision of the Forestry Law with intensive development partners' support had already been submitted to the National Assembly but has not been discussed in one of the meetings due to the pending Land Policy and Land Law.

³⁶ ER-PD 2018, 185

pleted the process, coordinating with concerned agencies to issue guidance for practical implementation. They further responsible for monitoring compliance, and sanctioning non-compliance.

The following Table provides a summary of the types of investment projects and environmental and social impact requirements, based on the above mentioned laws, instructions, and decrees:

Table 3. Overview of project categories and environmental and social requirements for initial environmental examinations and environmental impact assessments

Type of Investment Project ³⁷	Requirements	Description of Environmental and Social Requirements ³⁸
Category 1: Small scale investment projects with minor environmental and social impacts, for which initial environmental examination is required	Initial Environmental Examination (IEE)	IEEs require studying, surveying, researching and analyzing data to estimate initial environmental and social impacts, including impacts on health, which may arise from Category 1 investment projects. IIEs further require the identification of measures to prevent and mitigate possible environmental and social impacts.
Category 2: Large-scale investment projects which are complicated or create significant environmental and social impacts, for which environmental impact assessment is required. (e.g. large hydropower dams)	Environmental and Social Impact Assessment (ESIA)	ESIAs require studying, surveying, researching-analyzing and estimating of possible positive and negative impacts on the environment and society, including short and long-term impacts on health created by Category 2 investment projects. ESIA's must also identify appropriate alternatives to be included in an environmental and social management and monitoring plan to prevent and mitigate possible impacts that are likely to happen during construction and operation of the investment project(s).

Investments must be screened to determine the category of the proposed programme. If an investment project is neither category 1 or 2, but expected to create a social and environmental impact the project developed must submit an investment application to the Water Resources and Environment Administration (WREA) within MONRE. This is particularly for investment projects with the following characteristics:³⁹

- Projects that are likely to create severe environmental and social impacts, or create cumulative or trans-boundary impacts.
- Investment projects that are allowed to operate, but later expand or increases its production power, or production processes
- Investment projects that create impacts on protected areas, protection forests, and production forests, national biodiversity conservation areas of cultural heritage and historical preservation areas, and other prohibited areas.

³⁷ Article 2 of PM Decree 112/ 2010

³⁸ Article 3 of PM Decree 112/ 2010

³⁹ Environmental Protection Law

The WREA in coordination with other relevant government authorities (e.g. MAF), will screen the programme, and inform the project developer in writing, within 15 working days, accordingly:

- If the investment project (project developer) must conduct an initial environmental examination;
- If the investment project (project developer) must conduct an environmental impact assessment
- If the investment project does not require an initial environmental examination or environmental impact assessment.

The programme's activities are not expected to require an ESIA under Lao PDR law, as they are only including small-scale projects with minimal environmental and social impacts. It is also unlikely that programme's investments within Activities 2.1, 2.3, 3.1, 3.2, and 3.3 require an IEE. In terms of joint investments on forested areas, all activities will be based on an approved forest management plan, including a regeneration plan, proof of village consultations and FPIC. Since activities will be continuously overseen by government authorities, and are already dependent on their approval it is not expected that an additional IEE is necessary. This is further supported by the (draft) forest law in Article 57 Promotion of Forest Regeneration Activities that notes:

"The state promotes individuals, households, legal entities, and organizations to rehabilitate degraded natural forest, young fallow forest in areas allocated by the government, through supplementary plantation activities or natural regeneration and maintain such areas to increase forest density and become dense forests again, and they will benefit from the promotion policy of the state, such as praise certificate, recognize the rights to protect, rights to benefit from timber and NTFP uses, carbon credits and ecosystem services, in accordance to regulations."

Initial Environmental Examination⁴⁰

If an Initial Environmental Examination (IEE) is needed, the project developer must submit an investment application to WREA. Upon submitting this application and receiving confirmation from WREA that an IEE is necessary, the IEE must be conducted in 50 days (not including time for revision once submitted to the government authority responsible for its revision).⁴¹

Then they shall conduct a study related to the physical, biological and social impacts, which may arise from the development of the project. This includes data and information from different sources (existing studies, stakeholder consultations, information from local administrations, surveys, etc.). The Lao PDR Guidelines on Public Involvement must be followed, ensuring consultations in the areas affected by the project and ensuring their engagement is without the use of threat, coercion, force, violence, bribery and deception. In dissemination and stakeholder consultation

⁴⁰ Text summarized from Lao PDR Decree on Environmental Impact Assessment (No. 112/PM), February 16, 2010

⁴¹ The "development programme responsible agencies" are responsible for leading the field inspection, participate in consultation meetings and support coordination with other government authorities. They further are responsible for reviewing the IEE reports, in coordination with other local authorities as necessary, and report to WREA with their recommendations for issuing the Environmental Compliance Certificate.

meetings with affected communities, the project developer must coordinate with local authorities to ensure their presence. Consultations should occur at the beginning to inform the report, and also after the first draft of the report has been elaborated to disseminate the findings and receive feedback/ validate the findings. They must be fully documented, with signed attendance sheets and minutes attached to the IEE report. Reports must be made in English and Lao if it is a foreign investment, and only in Lao if it is a domestic investment. At least 15 hard copies of the report must be made once submitted to the agencies responsible for the programme. The responsible agency will then review the report within 10 days, notifying the project developer if additional inputs are required. They will also send the report to the local administration within 5 working days, and permit an additional 20 working days for commenting. Once the commenting period is over, a technical workshop will be organized by the government agency responsible where the project developer will clarify questions and address outstanding comments. The report and recommendations from this process will then be sent to WREA (MONRE) who will decide on whether or not an environmental compliance certificate should be issued or not. WREA may also demand that the project makes adjustments to the IEE report, or may recommend that an EIA is conducted if the project appears to have severe environmental and social impacts.

Environmental Impact Assessment⁴²

For Category 2 projects, or projects deemed in need of an environmental and social impact assessment, an initial report on the scope of the study and terms of reference should be developed by the project developer. Within receiving the documents, MONRE will review the report and TORs and within 15 days either approve the scoping report and TOR or provide comments for needed revisions. Once the scoping study and TOR are approved by MONRE, the ESIA report will be elaborated by the Project Owner, based on the TOR and other relevant technical guidelines, laws and regulations. An Environmental and Social Management and Monitoring Plan must be attached to the ESIA report, and comply with national regulations and laws. As with the IEE, the report must follow the guidelines on Participation, and include clear documentation of stakeholder consultations and feedback. The report must be prepared in Lao.

Once completed the ESIA must be submitted to MONRE, who will review the ESIA report in 10 days to ensure that it is correct and comprehensive. If it is deemed, accurate and comprehensive, MONRE will request the project owner to submit 15 or more ESIA reports (hard and soft copies) to MONRE for a more detailed review. If it is considered flawed, MONRE will provide feedback outlining necessary revisions. During the ESIA detailed review, it could take up to 95 business days from the date of detailed submission for the full review process to take place (within 5 days of receiving the ESIA copies MONRE will distribute the report to all relevant line agencies at the central, provincial and if necessary local level – who will then have 50 working days to assess the report). A technical workshop will then be held with MONRE, the project developer and other stakeholders to discuss the ESIA, and clarify outstanding comments, questions and concerns. All written comments will be compiled by MONRE and provided to the project

⁴² Information adapted from the Ministerial Instruction on Environmental and Social Impact Assessment Process of Investment Projects and Activities (DESIA/ ESMP 2014)

developer, who will address them and submit a final version of the ESIA for re-consideration. MONRE will revise the final ESIA report within 40 business days, and then will either:

- Issue the environmental compliance certificate, approving the ESIA report and its environmental and social management and monitoring plan
- Provide comments to the project owner to revise and resubmit the reports
- Or reject the ESIA report, if MONRE believes the project has “substantial, unavoidable, and unremedied social and environmental impacts.”

3.3 Gap assessment

A detailed gap assessment is provided in the ER-PD’s Environmental and Social Management Framework (ESMF Chapter 3.3). The gap assessment refers to studies conducted by GIZ in the framework of their CliPAD project, which have not only informed the elaboration of this ESIA, but also the design of the program in general.

Examples of some of the gaps identified are as follows (see Chapter 3.3 page 43-47 of the ESMF for a comprehensive overview of the gaps):⁴³

- To meet policy directives on “Three Build (*Samsang*),” which outline the development roles at the provincial, district, and local levels, more support is still needed at the local level to increase the local authorities’ capacities and support their decision-making, including access to information.
- No specific environmental and social provisions or guidelines exist for conducting consultations with different ethnic groups in ways that the groups consider appropriate. Although generic guidelines and regulations are available and shall be adapted to suit the conditions and existing ethnic groups of each areas;
- Procedural aspects of participation are not well defined and usually are not followed in the absence of donor-supported projects;
- Weak or irregular collaboration between technical ministries and MoNRE as well as the local Government institutions;
- High and frequent demand for external support for both environmental and social aspects;
- Insufficient or difficulty in enhancing capacities of the government institutions and relevant stakeholders to strengthen forest protection and establish sustainable forest management in Lao PDR
- Even though the business registration requirement and the IEE and/or ESIA process follow some guidelines, a proper consultation process with all stakeholders and information sharing and dissemination, including risks, impacts and measures, is still needed, as is follow-up monitoring and reporting;
- Promotion of biodiversity conservation and sustainable use for all planning and implementation programs has also been found to be a big challenge for achieving the main goals of the Forestry Strategy 2020.
- The conversion of barren land and degraded forest to agriculture land is supposed to follow the socio-economic plan and to be based on the Article 70 of the Forestry Law. However, the implementation at provincial level often has not followed the whole process, especially delineation of such areas on maps and into the planning of infrastructure development. Ongo-

⁴³ Text from ER Program’s ESMF (pages 43-47). Once formally approved (in August or September 2019), the ESMF for the Emissions Reduction Programme will be attached to this document in Annex 12.

ing efforts to develop Provincial REDD+ Action Plans in pilot provinces, and/or work to promote provincial-level forest landscape management, may improve this situation, by better aligning provincial and national policies;

The ESMF further notes that it is a major challenge to identify gaps and inconsistencies between the Land Law and the Forestry Law, insofar as both laws are currently under revision. The program has been designed taking into consideration key challenges and gaps, and aims to strengthen local capacities, and fill these gaps to the greatest extent possible. It further has been designed understanding that there are ongoing synergetic programs and projects that will also address key barriers and build institutional and individual capacities (see Feasibility Study Chapter 1.10 for a detailed description of synergetic projects and programmes).

4 APPLICABLE ENVIRONMENTAL AND SOCIAL POLICIES AND STANDARDS

4.1 GCF environmental and social safeguards

The GCF is in the process of developing and finalizing a set of environmental and social safeguards, as part of an Environmental and Social Policy and Environmental and Social Management System (ESMS). During the period until which time the GCF ESS Policies are finalized, accredited entities (AEs) shall adhere to the GCF's interim safeguards; these are the Performance Standards (PS) of the International Finance Corporation (IFC; Table 4). The safeguards and policy respond to a mitigation hierarchy that goes beyond "do no harm" as follows:

1. Anticipate and avoid adverse risks and impacts on people and the environment;
2. Where avoidance is not possible, adverse risks and impacts are minimized through abatement measures;
3. Mitigate any residual risks and impacts; and
4. Where avoidance, minimization or mitigation measures are not available or sufficient, and where there is sufficient evidence to justify and support viability, design and implement measures that provide remedy and restoration before adequate and equitable compensation of any residual risks and impacts.

The GCF Board of Directors has additionally approved an Indigenous People's Policy (decision GCF.B.19/11). The Indigenous People's Policy applies to the GCF, AEs and National Designated Authorities (NDAs). The Policy includes stringent safeguards for all projects/programmes that include indigenous people (IPs). In the case of this programme, the people potentially affected by the programme include "ethnic groups" which count as "indigenous people" by the definition used in the Indigenous People's Policy (for detailed discussion refer to Chapter 8).

GCF has further approved its Gender Policy (GCF.B09/23, Annex XIII), which has the following main objectives:

1. Building equally women and men's resilience to, and ability to address climate change, and to ensure that women and men will equally contribute to, and benefit from activities supported by the Fund;
2. Addressing and mitigating against assessed potential project/programme risks for women and men associated with adaptation and mitigation activities financed by the Fund;
3. Contributing to reducing the gender gap of climate change-exacerbated social, economic and environmental vulnerabilities.

A separate Gender Assessment and gender action plan have been elaborated for this programme, which provide more detail on the gender-specific risks, impacts, and risk avoidance and mitigation measures (available as a separate document).

Table 4. Overview of IFC Performance Standards

Performance Standard	Description
PS 1. Assessment and management of environmental and social risks and impacts	<p>PS 1 applies to all programmes/ projects that have environmental and social risks and impacts. It has the following objectives:</p> <ul style="list-style-type: none"> ▪ To identify and evaluate environmental and social risks and impacts of the project. ▪ To adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize,⁵ and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment. ▪ To promote improved environmental and social performance of clients through the effective use of management systems. ▪ To ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately. ▪ To promote and provide means for adequate engagement with Affected Communities throughout the programme/ project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.
PS 2. Labor and working conditions	<p>PS2 asks that companies treat their workers fairly, provide safe and healthy working conditions, avoid the use of child or forced labor, and identify risks in their primary supply chain. It has the following objectives:</p> <ul style="list-style-type: none"> ▪ To promote the fair treatment, non-discrimination, and equal opportunity of workers. ▪ To establish, maintain, and improve the worker-management relationship. ▪ To promote compliance with national employment and labor laws. ▪ To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain. ▪ To promote safe and healthy working conditions, and the health of workers. ▪ To avoid the use of forced labor. <p>The scope of application of this Performance Standard depends on the type of employment relationship between the client and the worker. It applies to workers directly engaged by the client (direct workers), workers engaged through third parties to perform work related to core business processes⁴⁴ of the programme/ project for a substantial duration (contracted workers), as well as workers engaged by the client's primary suppliers (supply chain workers).⁴⁵</p>

⁴⁴Environmental and social impacts refer to any change, potential or actual, to (i) the physical, natural, or cultural environment, and (ii) impacts on surrounding community and workers, resulting from the business activity to be supported.

⁴⁵ Contractors retained by, or acting on behalf of the client(s), are considered to be under direct control of the client and not considered third parties for the purposes of this Performance Standard.

Performance Standard	Description
PS 3. Resource efficiency and pollution prevention	<p>PS 3 recognizes that increased economic activity and urbanization often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels.⁴⁶ This Performance Standard outlines a programme/ project-level approach to resource efficiency and pollution prevention and control in line with internationally disseminated technologies and practices. It has the following objectives:</p> <ul style="list-style-type: none"> ▪ To avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from programme/ project activities. ▪ To promote more sustainable use of resources, including energy and water. ▪ To reduce programme/ project-related GHG emissions.
PS 4. Community health, safety and security	<p>PS 4 recognizes that programme/ project activities, equipment, and infrastructure can increase community exposure to risks and impacts. In addition, communities that are already subjected to impacts from climate change may also experience an acceleration and/or intensification of impacts due to programme/ project activities. PS 4 has the following objectives:</p> <ul style="list-style-type: none"> ▪ To anticipate and avoid adverse impacts on the health and safety of the Affected Community during the programme/ project life from both routine and non-routine circumstances. ▪ To ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.
PS 5. Land acquisition and involuntary resettlement	<p>PS 5 recognizes that programme/ project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood⁴⁷ as a result of programme/ project-related land acquisition⁴⁸ and/or restrictions on land use.⁴⁹The standard’s objectives are:</p> <ul style="list-style-type: none"> ▪ To avoid, and when avoidance is not possible, minimize displacement by exploring alternative programme/ project designs.

⁴⁶ For the purposes of this Performance Standard, the term “pollution” is used to refer to both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases, and includes other components such as pests, pathogens, thermal discharge to water, GHG emissions, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts including light,...

⁴⁷ The term “livelihood” refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering.

⁴⁸ Land acquisition includes both outright purchases of property and acquisition of access rights, such as easements or rights of way.

⁴⁹ Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Performance Standard	Description
	<ul style="list-style-type: none"> ▪ To avoid forced eviction. ▪ To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost⁵⁰ and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected. ▪ To improve, or restore, the livelihoods and standards of living of displaced persons. ▪ To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure⁵¹ at resettlement sites.
<p>PS 6. Biodiversity conservation and sustainable management of living natural resources</p>	<p>PS 6 recognizes that protecting and conserving biodiversity,⁵² maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development.</p> <ul style="list-style-type: none"> ▪ To protect and conserve biodiversity. ▪ To maintain the benefits from ecosystem services. ▪ To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities. <p>Based on the risks and impacts identification process, the requirements of this Performance Standard are applied to programmes/ projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the client has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).</p>
<p>PS 7. Indigenous peoples</p>	<p>PS 7 recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. Indigenous Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded. Their languages, cultures, religions, spiritual beliefs, and institutions may also come under threat. As a consequence, Indigenous Peoples may be more vulnerable to the adverse impacts associated with programme/ project development than non-</p>

⁵⁰ A host community is any community receiving displaced persons.

⁵¹ Replacement cost is defined as the market value of the assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Market value is defined as the value required to allow Affected Communities and persons to replace lost assets with assets of similar value. The valuation method for determining replacement cost should be documented and included in applicable Resettlement and/or Livelihood Restoration plans (see paragraphs 18 and 25).

⁵² Biodiversity is defined as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems”.

Performance Standard	Description
	<p>indigenous communities. This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases.</p> <p>The objectives of PS 7 are:</p> <ul style="list-style-type: none"> ▪ To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples. ▪ To anticipate and avoid adverse impacts of programmes/ projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts. ▪ To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner. ▪ To establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a programme/ project throughout the programme/ project's life-cycle. ▪ To ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present. ▪ To respect and preserve the culture, knowledge, and practices of Indigenous Peoples.
PS 8. Cultural heritage	<p>PS 8 recognizes the importance of cultural heritage⁵³ for current and future generations. Consistent with the Convention Concerning the Protection of the World Cultural and Natural Heritage, this Performance Standard aims to ensure that clients protect cultural heritage in the course of their programme/ project activities. It's objectives are:</p> <ul style="list-style-type: none"> ▪ To protect cultural heritage from the adverse impacts of programme/ project activities and support its preservation. ▪ To promote the equitable sharing of benefits from the use of cultural heritage.

Source: Descriptions from IFC's website - https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards

⁵³ "Cultural heritage refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles."

Another important safeguards-related topic is the Independent Redress Mechanism (IRM) as decided on by the GCF Board (see decision B.16/20). The IRM forms an integral part of the Indigenous People's Policy and is referred to under its Chapter 7.3. It emphasizes the possibility of an anonymous grievance redress mechanism (GRM) at the programme-level, should this be required.

As put forward in the Environmental and Social Policy (GCF/B.19/06, Annex II) GCF will not support activities that do not comply with applicable laws, including national laws and/or obligations of the country (directly applicable to the activities) under relevant international treaties and agreements. The higher standard applies. Thus, the safeguards must be consistent with the country's policies, laws and regulations (PLRs), but if the PLRs are less stringent than the clauses of applicable international treaties, covenants or conventions, then the latter apply.

4.2 GIZ safeguards

The German Federal Ministry for Economic Cooperation and Development (BMZ) also requires that all programmes and projects utilizing their funds are screened according to GIZ's safeguards.⁵⁴ GIZ's safeguard and gender management system has various policies, strategies and safeguards that are congruent with the IFC Performance Standards described in the previous sub-section (Table 5).

Table 5. Alignment of GCF/IFC Performance Standards with GIZ's Safeguards and Gender Management system

GCF/IFC Performance Standards	GIZ Safeguards and Gender Management System
PS1: Assessment and Management of Environmental and Social Risks and Impacts	GIZ Sustainability Policy
PS2: Labor & Working Conditions	Human Rights
PS3: Resource Efficiency & Pollution Prevention	Environment, Climate Change Mitigation
PS4: Community Health, Safety & Security	Human Rights, Conflict and Context Sensitivity, Environment, Climate Change Adaptation
PS5: Land Acquisition & Involuntary Resettlement	Human Rights, Conflict and Context Sensitivity
PS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources	Environment, Human Rights, Conflict and Context Sensitivity
PS7: Indigenous People	Human Rights, Conflict and Context Sensitivity
PS8: Cultural Heritages	Environment, Human Rights, Conflict and Context Sensitivity
GCF Gender Policy	GIZ Gender Strategy
GCF Indigenous Peoples Policy	Human Rights

⁵⁴ See the GIZ publication: Safeguards and Gender Management System.

4.3 Note on other safeguards

World Bank Safeguards for the FCPF Carbon Fund

As previously mentioned, an ERPD was prepared under the World Bank's Forest Carbon Partnership Facility (FCPF). The following World Bank safeguards (Operational Policies – OPs, and Bank Procedures - BPs) were triggered by the emission reductions programme (ERPD: 194):

- Environmental Assessment (OP/BP 4.01);
- Natural Habitats (OP/BP 4.04);
- Forests (OP/BP 4.36);
- Pest Management (OP 4.09);
- Physical Cultural Resources (OP/BP 4.11);
- Indigenous People (OP/BP 4.10);
- Involuntary Resettlement (OP/BP 4.12); and
- Gender and Development (OP/BP 4.20).

The list of World Banks OPs/BPs is somewhat different from the GCF/IFC PS, and GIZ lists, but essentially amount to the same set of safeguards requiring specific management plans, and frameworks with risk mitigation measures to be implemented and monitored.

UNFCCC REDD+ Safeguards

The UNFCCC safeguards agreed on at COP 16, Cancun and reiterated under the Warsaw Framework for REDD+ also largely overlap with the safeguards (and the principles behind them) mentioned above. That local people's rights and well-being should be safeguarded at all times is reiterated in the Preamble of the Paris Agreement.⁵⁵

“Acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.”

Note: In any instances of discrepancies or gaps between the national legal and regulatory frameworks and GCF and GIZ requirements, the most stringent policy, law or requirement will be followed. While the national legal and regulatory framework will serve as a foundation for the programme, the programme may require the use/ application of additional (supplementary) measures (as appropriate) to ensure the programme and its activities fully complies with GCF and GIZ requirements. This ensures the most stringent regulations and requirements will be applied within the programme.

⁵⁵ UNFCCC Paris Agreement, p. 1

5 SOCIO-ECONOMIC AND ENVIRONMENTAL BASELINE CONDITIONS, TRIGGERED SAFEGUARDS, AND RISK CONSIDERATIONS

This chapter presents the socio-economic and environmental baseline conditions in the programme context, assesses the implications for ES policies and standards, and considers the risk for each triggered policy or standard. For all topics, it must be stressed that information sources are both disparate and secondary. Nonetheless, the aim here is to present an overview of the socio-economic conditions in the proposed programme area, focusing where possible on the preliminary selection of 28 districts. Programme management will have to increase the information base iteratively in the course of programme implementation.

5.1 Environmental and Social Risk Classifications

According to the GIZ and GCF safeguard systems presented in Chapter 4, programmes/ projects are rated according to unintended negative impacts (or environmental and social (ES) risks) associated with the programme/ project:⁵⁶

- **A** for highest risk: “Activities with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented”
- **B** for medium risk: “Activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures”
- **C** for minimum to no risk: “Activities with minimal or no adverse environmental or social risks and/or impacts.”

For GIZ, a programme/ project is given an overall category based on the single highest ES risk of any safeguard category and not by averaging risks. The definition of “ES risk” employed by GIZ is as follows: “Possible unintended negative impacts of a GIZ programme/ project on humans and objects of protection.” In addition to the unintended negative impacts, external risks that arise from the programme/ project’s context or environment (informed by climate risk and vulnerability assessments) are taken into account.

The programme is categorized as “Category B” or “medium” in terms of the environmental and social risks in adherence with GIZ’s guidelines for its S+G Management System, which applies the highest risk classification of triggered safeguards/standards to automatically inform the programme’s overall ES risk category. For GIZ, Category **B** equals a programme/ project with “potentially rare or locally limited occurrence, largely reversible consequences, easy to manage.” Risks are defined as unintended negative impacts of the programme/ project on its social and/or

⁵⁶ GIZ and WRI 2015

ecological environment. External risks do not inform the risk category⁵⁷, but are important context for the programme/ project in managing ES risks. External risks to the programme/ project can indeed be important, and should be monitored carefully in the context of the programme/ project's safeguard management.

The following Table 24 provides an overview and discussion of the GIZ and GCF safeguards triggered by the proposed programme. The triggered IFC performance standards - Assessment and Management of Environmental and Social Risks and Impacts (PS 1), Resource Efficiency and Pollution Prevention (PS4), Land Acquisition and Involuntary Resettlement (PS 5), Indigenous Peoples (PS 7), and Cultural Heritage (PS 8) were assessed as "medium" in terms of E&S risks. The triggered GIZ safeguards "environment" and "human rights" were assessed as "medium" in terms of E&S risks. All other triggered safeguards/standards were assessed as low in terms of E&S risks.

Table 6. Overview of GCF and GIZ safeguards triggered by the programme

ES Policy/ Standard ⁵⁸ :	Triggered?	Risk Assessment:
PS1: Assessment and Management of Environmental and Social Risks and Impacts	Yes	Medium
PS2: Labor and Working Conditions	Yes	Low
PS 3: Resource Efficiency and Pollution Prevention	No	n/a
PS4: Community Health, Safety, and Security	Yes	Medium
PS 5: Land Acquisition and Involuntary Resettlement	Yes	Medium
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Yes	Low
PS7: Indigenous Peoples & GCF Indigenous Peoples Policy	Yes	Medium
PS8: Cultural Heritage	Yes	Medium
GIZ Sustainability Policy	Yes	n/a
GIZ Safeguard Environment	Yes	Medium
GIZ Safeguard Climate Change	CCM ⁵⁹ : No CCA ⁶⁰ : Yes	Low
GIZ Safeguard Conflict & Context Sensitivity	No	n/a
GIZ Safeguard Human Rights	Yes	Medium
GCF & GIZ Gender Policy	Yes	n/a
GCF Independence Redress Mechanism/GRM	Yes	n/a

n/a: Not applicable

⁵⁷ An exception is GIZ's safeguard „climate change adaptation“, which considers climate change-induced risks to the programme, to reaching its objective, and the sustainability of the programme impacts.

⁵⁸ Applicable are GCF/B.07/11 dated 2014 and including the ESS at Annex III and GIZ Sustainability Policy with associated Safeguards.

⁵⁹ CCM stands for "Climate Change Safeguard: Mitigation of Greenhouse Gas emissions".

⁶⁰ CCA stands for "Climate Change Safeguard: Adaptation to the Impacts of Climate Change"

5.2 Assessment and Management of Environmental and Social Risks and Impacts (PS1)

All programmes/projects that have environmental and social risks and impacts trigger PS 1. This standard emphasizes the necessity to manage and monitor the environmental performance of the programme throughout its lifetime, requiring a dynamic and robust environmental and social management system.

The environmental and social risk associated with implementing the programme is assessed as medium, as described in the previous sub-section. Generally, the programme will mainly have positive social and environmental impacts, but if not managed adequately, it can have unintended negative impacts (UNIs or ES risks) in the context of working with ethnic groups, land-use planning, influencing regulated and customary land-use, and in the agricultural sector for example with herbicides and pesticides (among others, described in more detail in the following sub-sections). The ESMP implementation risks can readily be addressed and best practices are available. The programme's long duration of 9.5 years and its concept allows for participatory, consent-based and adaptive approaches that the programme can test in a selected site before scaling up activities to other target areas.

For medium risk programmes/projects, i.e. Category B, it is necessary to develop a programme-level environmental and social management plan for its entire duration. The programme will need to:

- Plan and budget for qualified human resources to support the implementation of the ESMP, and continuously monitor and adapt ESMP implementation in close coordination with partners and stakeholder in Lao PDR.
- Establish a mitigation hierarchy (anticipate, avoid; minimize, compensate or offset)
- Ensure that regular dialogues, consultations, and effective engagement of affected stakeholders at the local level
- Establish a culturally-appropriate communication and redress mechanism.

5.3 Baseline conditions and additional environmental and social risks

Based on the programme's characteristics, additional PS apply that are described in the following sub-sections along with the programme baseline. A summary table is provided in Annex 5.

5.3.1 Socio-economic conditions

5.3.1.1 Baseline situation

The demography of the six provinces represents a diverse picture, including when looking at demographic growth. An underlying driver of deforestation and degradation in the PRAPs and ERPD was demographic change, meaning population increase - primarily due to population

growth and migration to the region. During the fieldwork for the PRAPs and ER-PD development, it was discussed that the increasing population in some provinces, puts increased pressure on land and natural resources to sustain villagers' livelihoods. Table 2 below provides an overview of the provincial population in 2005 and 2015. The data are presented here to show that population growth, especially in rural areas, differs among the provinces. While the provinces of Bokeo, Luang Prabang, and Sayaboury had declines in their rural populations, the rural population in Oudomxay and Luang Namtha increased, and Houaphan's rural population remained nearly unchanged. To what extent this might be because of changed definitions of "rural" versus "urban" is not known. Thus, the programme will find diverse migration trends depending on the local settings, varying in some cases community by community.

Table 7. Total and rural provincial populations (2005 and 2015)

Province	Total Provincial Population		Total Rural Population	
	2005	2015	2005	2015
LNT	145,310	175,753	113,576	128,170
ODX	265,179	307,622	224,770	233,636
BKO	145,263	179,243	125,348	120,348
LPB	407,039	431,889	330,374	292,194
HPN	280,938	289,393	247,916	247,911
XBY	338,669	381,376	261,685	229,218
Total	1,582,398	1,765,276	1,303,669	1,251,477

Table Notes: Source is the Census Report 2005 (Table 2.2) and the Census Report 2015 (Table P1.1). Provinces shaded in dark grey with reduced rural populations and in light grey with constant population from 2005 to 2015.

Poverty also remains a feature of the socio-economic landscape in the Northern region. It declined, however, steadily over the years. The 28 pre-selected districts have poverty headcount rates (income-based poverty) ranging from a low of 11.3% in Thongmixay (XBY) to a high of 45.6% in Huameuang (HPN; Table 8). As the Lao PDR's Voluntary National Review on the Implementation of the 2030 Agenda for Sustainable Development (2018: 17) points out: "Households in agriculture are twice more likely than non-farm households to fall back into poverty, as they are highly vulnerable to shocks". These shocks range from sudden crop price drops, natural disasters including crop pests and diseases, to livestock deaths, to sudden health problems in the family. This is particularly alarming considering that the agricultural sector is the primary source of livelihoods for the majority of people in Lao PDR.⁶¹

⁶¹ World Bank (2018) Lao People's Democratic Republic– Sustainable Forestry for Rural Development Project. Washington D.C, USA.

Table 8. Poverty in the Six Northern Provinces (2016)

Province	Poverty Headcount %	Poverty Gap Index	Estimated Number of Poor	Range of Poverty Headcounts in Target Districts %
LNT	21.1	4.6	35,524	16.2 (Namtha) – 27.9 (Nalae)
ODX	25.5	5.7	75,327	17.7 (Xay) – 30.6 (Beng)
BKO	25.5	5.9	43,738	21.7 (Huay Xay) - 34.2 (Pha Oudom)
LPB	22.9	4.9	95,575	16.3 (Nan) – 30.5 (both Phonxay and Viengkham)
HPN	37.0	8.5	105,680	27.7 (Viengxay) – 45.6 (Huameuang)
XBY	20.2	4.5	74,325	11.3 (Thongmixay) – 23.5 (Phieng)

Table Notes: Changes may have occurred since. The so-called poverty gap index measures the extent to which individuals fall below the poverty line (the poverty gaps) as a proportion of the poverty line.

Source: Lao Statistics Bureau et al. (2016) Where Are the Poor? Lao PDR 2015 Census-Based Poverty Map: Province and District Level Results, Appendix 8: Monetary Poverty Indices, by Province and District.

The socio-economic conditions in the six Northern provinces vary considerably. However, the high reliance of the rural population on agricultural and forest resources for both income and subsistence is a common feature. Some ethnic groups and communities have done very well through commercialized, agriculture, often at the cost of forest cover. For example, there are Akha villages in Luang Namtha that have parlayed cross-border relations with Chinese-based relatives into lucrative trading relationships. Likewise, some Hmong villages have also done well with commercial agriculture.

Hidden under the poverty data, and the steady improvements that Northern Lao PDR experienced over the past decade, is increasing levels of inequality within villages, village clusters and districts.⁶² The latest Human Development Report (2018) for Lao PDR notes that Lao PDR has an average Gini coefficient of 36.4 (similar to other ASEAN members). Just because a district has a relatively low poverty rate, doesn't mean that there won't be several poor families⁶³ present. For instance, the following photos demonstrate examples of different housing within one village, where it is possible to see wealth gaps.

⁶² Personal observations over many years of village visits in northern Lao PDR, plus the latest reports on economic development in Lao PDR point to an increasing Gini coefficient, meaning a trend towards greater income inequality.

⁶³ Particularly vulnerable groups include women-headed households, households new to a particular village who are denied Access to decent quality land, households with disabled persons, and households that have suffered severe harvest losses, or lost land, among others.



Figure 4: Photos of Village Houses

Figure Notes: The houses are in the same village in Phieng District, Sayabouri, but the wealth differences between the families who live in them are great. (Photo: Gebert)

Intra-village inequality and poverty gaps have become greater over the years as some families are increasingly well-positioned to take advantage of cash cropping and trading opportunities. Their accumulation of capital has allowed them to accumulate more land. While landlessness was previously unheard of in the Lao PDR, there are now poor families who are farming leased land and/or subsisting primarily from hiring out their labor (see Info Box below on land tenure). A United Nations (UN) assessment of general development in Lao PDR, not specific to Northern Lao PDR, reported: *“There is rising inequality in land, land tenure security, and landlessness. It is estimated that up to 15% of rural households are landless, half of which engage in sharecropping*

or renting land".⁶⁴ The 2015 Census Report (Table 8.15) also reports that 86.7% of rural households (with road) and 85.2% of those without road access have land for agriculture.

PRAP and ER-P consultations identified local people's poverty as an underlying driver of deforestation and forest degradation. This is in agreement with other consultations and research, which found that poverty contributes to local people being pushed into areas where they have to clear steep forested slopes to cultivate upland rice and cash crops.⁶⁵ This is linked to various other factors such as topography, demographic trends, agricultural production systems and resulting productivity, reduction of fallow periods, and soil fertility, among other factors.⁶⁶ It is also true that a coping strategy in times of shortage may be illegal timber cutting and animal poaching, but this is mostly a short-term coping strategy as there are few families who do this on a regular basis for a long-term livelihood strategy.

Info Box 2. Land tenure in the programme region

Secure land tenure remains an issue for the majority of northern rural upland communities. In rural areas, there are apparently over two million parcels (Department of Agricultural Land Management (DALAM) presentation⁶⁷), most of which have no titles. Communal land titles are possible in law (old Land Law of 2003), but are seldom issued in practice. Rock et al. (2015) noted "the vast majority of the land titles have been issued in urban and peri-urban areas, while rural areas have only been reached in the case of donor-funded programme support."

As a result, many upland areas, customary, communal lands may not be recognized as such by the State (may be classified instead under one of the three forest categories rather than "village use land") although they are crucial to maintain local people's livelihoods.⁶⁸ While there is some recognition in law for communal (cooperative) tenure, as mentioned above, the issuance of communal land titles in the Northern provinces has yet to take place, even in the wake of Participatory Land Use Planning and Village Forest Management. This is largely due to the varied levels of skills, as well as limited staffing and resources available at the district level.

Thus, Lao PDR still faces challenges in harmonizing land tenure security with opportunities for land investment.⁶⁹ The programme will help to strengthen land tenure agreements, supporting

⁶⁴ Country Analysis Report (2012): Lao People's Democratic Republic: Analysis to inform the selection of priorities for the next UN Development Assistance Framework (UNDAF) 2012-2015. The statement applies generally to rural Lao PDR, not specifically to the North.

⁶⁵ Viau et al. 2011; Vongvisouk et al. 2014 in Kallio et al. 2019. For example, in some districts households planted rubber and cash crops on all of their land that was allocated by land use planning processes. For maize, various studies found that this includes even very poor households (with land), with some studies demonstrating various motivating drivers for farmers to join maize planting (e.g. income generation opportunities, lower labor requirements compared to upland rice, market outlets through traders, land due to government support for maize expansion, and infrastructure development), or a lack of alternate livelihood (cash income) generating opportunities. For many households who cultivated cash crops on their entire allocated areas, they continued to cultivate subsistence crops in marginal upland areas or by clearing forested areas to ensure food security, and to generate additional household income. One study in three villages in Northern Lao PDR found that "*swidden rice continued to be the main food provider and played an essential role as a fallback strategy for farmers in all three villages. The fact that most of the farmers had not completely abandoned swidden, even in the highest boom of maize, enabled them to ensure some food security during the maize price crash*".⁶⁵ Poorer households who do not have sufficient land are often dependent on upland agriculture for subsistence and additional household income.

⁶⁶ Viau et al. 2011; Vongvisouk et al. 2014 in Kallio et al. 2019

⁶⁷ No date, but entitled Strategy of Agricultural Land Management and Development Up To 2025.

⁶⁸ See also Rock (May 2018) on Land Policy Briefs in Cambodia, Lao PDR and Myanmar: He states that "Customary land rights often overlap with what the laws (Land Law and Forestry Law) define as state land."

⁶⁹ Ironside 2017

communal and collective land titling, as well as communal and collective forest and land-use rights to provide tenure security for forest management and its outputs.

5.3.1.2 Triggered policies and safeguards

The programme may unintentionally contribute to changed, reduced or denied access to land through some of its activities (for example participatory land-use planning and management plans for different land-uses) resulting in unintended negative livelihood impacts. The programme therefore triggers PS 5 “Land Acquisition and Involuntary Resettlement” and GIZ’s safeguard “Human Rights”. It could further trigger PS 7 (Cultural Heritage), if the land in question is considered an area of cultural heritage – however, this risk is discussed in further detail in Chapter 5.2.3.

5.3.1.3 Risk considerations and potential avoidance/ mitigation measures:

Land use planning and the implementation of plans (PS 5)

The programme does not require land acquisition or involuntary resettlement and does not anticipate economic displacements. It cannot be ruled out, though, that programme activities such as participatory land-use planning and implementing (forest) management plans, stricter policies, and improved law enforcement change, reduce or deny access to land with unintended negative livelihood impacts. For example, there is a trade-off when considering RV as potential forest rather than future cropping land, which may have potentially negative impacts on livelihoods. Programme activities may affect stakeholders differently, depending on their socio-economic vulnerability in conjunction with ethnic or cultural contexts across the programme area. However, it is expected that unintended negative impacts will likely be rare, site-specific and reversible. Thus, the ES risk is assessed as medium.

Government partners and programme staff can anticipate, avoid, minimize and manage these potentially negative impacts through the following measures:

- Awareness raising and capacity building on good sustainable land use practices, and the importance of ecosystem services.
- Implementation of participatory land-use planning, based on proven best practices, and regular consultations to ensure an inclusive process that enables all village members to benefit from the programme. Capacity government of government staff at the provincial and district level will focus on improving inclusiveness in participatory processes to support the implementation of the programme.
- Provision of technical support through capacity development / trainings and extension agents. Such ongoing support needs to be designed in a way that is inclusive, culturally appropriate, and addresses barriers for diverse people to access and learn from such services (incl. poor households, women-headed households, among others).
- The implementation of the programme will be based on free, prior and informed consent (FPIC) of all programme beneficiaries and affected people, based on nationally appropriate best practices. Participation in the programme is voluntary, and the programme’s complaint and grievance redress mechanism will be communicated to all participants to ensure that

complaints and grievances can be filed in an accessible and culturally appropriate manner. If anyone believes their land tenure has been compromised by the programme they are able to file an official complaint or grievance.

- The programme will follow the Resettlement Policy Framework elaborated for the ER-PD, which provides a framework to identify displaced persons and households, assess asset value, determine entitlement, and ensure a clear management framework/ institutional arrangements are in place. An overview of the RPF, including the Entitlement Matrix, is provided in Annex 13 (including a link to the full document, which is due to be approved in September 2019).

5.3.2 Ethnic Groups

5.3.2.1 Baseline situation

The programme area is home to at least 20 of the officially recognized ethnic groups, although the number would be higher if all groups and “sub-groups” were counted separately. The ethno-linguistic groups present include the Lao-Tai (such as Lao and Lue), Mon-Khmer (especially the Khmu), Sino-Tibetan (mainly Akha), Hmong-lumien (mainly Hmong) and Palaungic (including smaller groups such as Bid that are mainly found in Bokeo within the programme area). As depicted in Figure 2, many districts have a higher composition of non-Lao-Tai ethnic groups. Table 3, showing the ethno-linguistic categories of people by Province, confirms that only Sayaboury has a clear Lao-Tai majority, while Houaphan has a fairly even divide between Lao-Tai and non-Lao-Tai ethnic groups.

Table 9. People of different ethno-linguistic categories by province in percent

Province	Lao	Tai-Thay	Khmuic	Palaungic	Tibeto-Burman	Hmong	lumien	Not Stated
LNT	2.9	23.8	24.6	3.6	33.2	7.2	3.2	1.3
ODX	9.4	10.3	58.9	0.1	4.9	15.0	0.1	1.1
BKO	13.1	20.0	25.2	11.0	9.3	15.6	2.4	3.4
LPB	28.4	5.1	47.0	0	0.2	17.7	0.3	1.1
HPN	0.0	48.0	19.5	0	0	30.1	1.1	1.0
XBY	58.8	11.6	17.5	0	0.2	9.2	0.9	1.7

Table Notes: Source is underlying data set from the Population and Housing Census, 2015.

Of the 28 districts, only districts in Sayaboury and Houaphan have significant Lao-Tai populations, all others, with the exception of Nan (in Luang Prabang) have other ethnic groups who comprise the majority of the population, especially Khmu. For more detailed information at the district level, refer to the District Table in Annex 2.

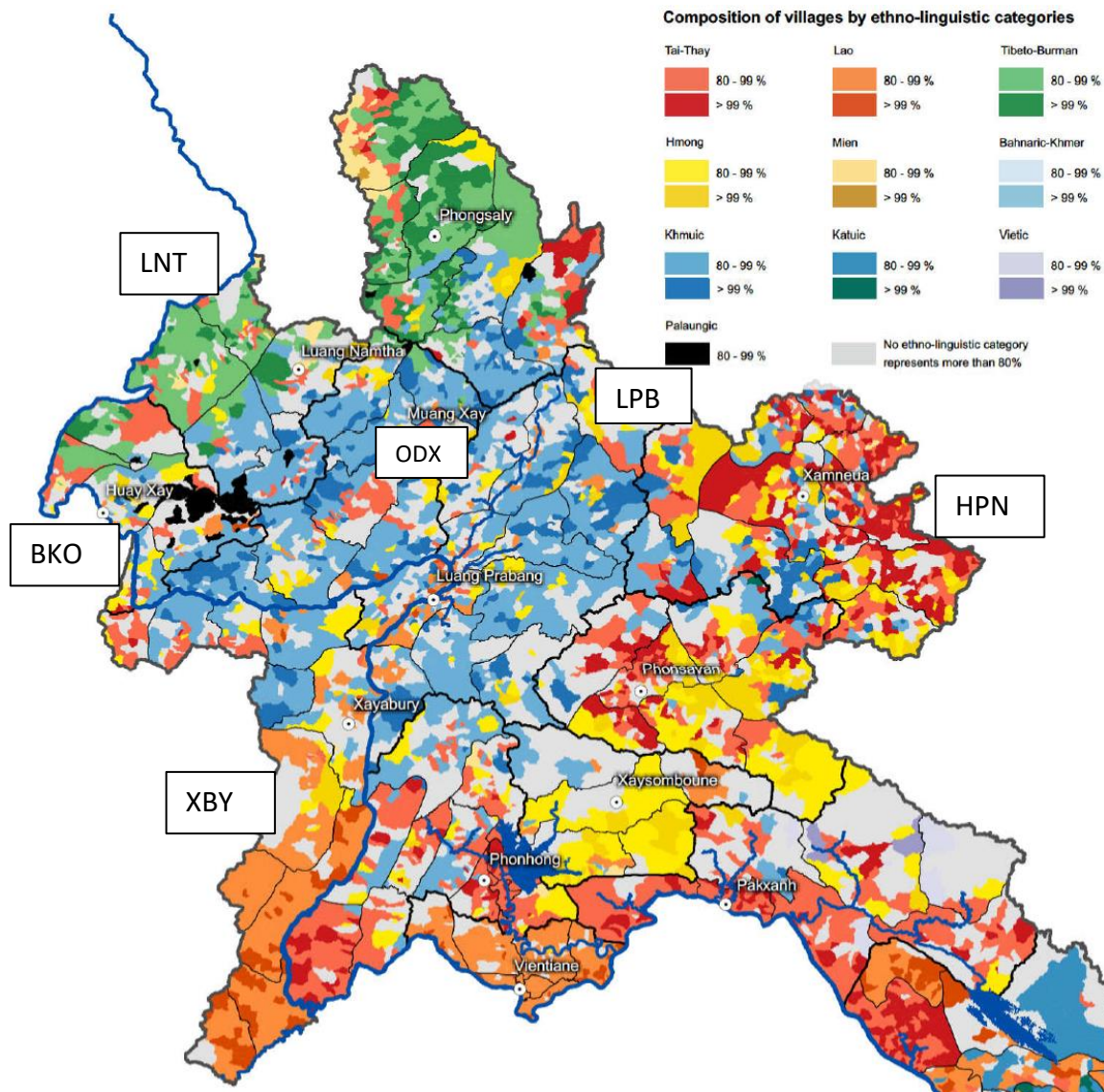


Figure 5. Composition of Villages by Ethno-Linguistic Categories

Source: Socio-Economic Atlas of the Lao PDR, 2018 (p. 74). The provinces of LPB, ODX, LNT and BKO have non-Lao-Tai ethnic groups in the majority, while the selected districts in XBY are largely Lao-Tai. HPN presents a more mixed picture, but with many areas having a Tai-Thai majority.

Aside from the Lao-Tai who tend to inhabit low-lying areas in river/stream valleys where paddy rice cultivation and riverbank vegetable gardening are possible, all other groups tend to live and earn their livelihoods primarily from midland and upland ecosystems. There are, however, various ethnic communities that have been resettled (or have resettled on their own) from higher, remoter locations to roadsides and lower lying areas. The LPRP policy⁷⁰ aims to consolidate village settlements in rural areas to form larger commercial/ market centers. This policy has led to village relocation and consolidation over the years, mainly affecting ethnic minority communities. Between the two censuses of 2005 and 2015, the total number of villages in Lao PDR dropped from over 11,000 to some 8,640.⁷¹ In recent years, village numbers in the six northern

⁷⁰ See Central Committee Instructions, 09/2004 and 03/2011

⁷¹ Information from Lao Statistics Bureau (LSB) statistical Yearbooks, available online: <https://www.lsb.gov.la/>

provinces have remained fairly stable. When village consolidation has physically taken place, it often disadvantages the “new” group, as the best land will have already been “reserved” or is already under use by the existing villagers.⁷² In many observed instances, village consolidation and/or relocation has resulted in farming households moving their homes but returning to their former land for the agricultural season.⁷³

It is difficult to know precisely how many ethnic communities have been affected by relocation and/or consolidation, as this has been a process conducted over decades and going back at least until the early 1990s, if not earlier. According to tradition, the different ethnic groups maintained single ethnicity villages as these reflected their clan and other leadership structures (spiritual and secular) and customs, including their internal “regulatory” frameworks. These structures would regulate much of the socio-cultural and economic aspects of village life, including land and resource use and disputes. Elder men would often decide which swidden area to use in a particular season and direct young families to particular areas as well. In all villages, labor exchange would also be practiced to ensure the subsistence of the entire village. As Figure 2 shows, there are now many villages in the north that are comprised of people from various ethnic groups. Traditional villages will have a 99% single ethnic group, while all others show that there are “newcomers” in the village. Judging from the map, most Khmu villages fall into the 80 – 99% range. In some rural areas, shown in grey in Figure 4 on the previous page, there is no single predominant group, which is evidence of relocation and migration.

While there are positive regional development imperatives behind the wish to consolidate and relocate village communities to be closer to transportation infrastructure, markets and services, there have been notable negative effects on the social solidarity of affected groups. Traditional structures may no longer be applicable where several ethnic groups live together, and State-sponsored structures such as Village Management Units (VMUs) may not always be a suitable replacement for traditional means of dispute resolution. Land-use-related decision-making also loses its importance with the demise of self-determined shifting cultivation systems, thus also disempowering traditional leadership. This, in turn, may have serious social repercussions in villages with fewer, effective social controls and increased alcoholism and gender-based violence.⁷⁴ Moreover, the combination of resettlement, demise of traditional shifting cultivation and advent of commercialized agriculture has also led to a demise of labor exchange practices, with a shift to hiring labor instead.

5.3.2.2 Triggered policies and standards

The programme area has more people of the non-Lao-Tai ethnic groups than of the Lao-Tai in most of the selected districts. The socio-economic and multi-ethnic contexts as well as the ethnicity data in the programme areas have implications for the application of the GCF’s Indigenous

⁷² In some districts, consolidation has been more of an administrative exercise to put smaller hamlets under one “official” village without physically moving them.

⁷³ See Gebert and Luangkhot, 2009, *At the Crossroads: Poverty, Gender and Ethnicity Issues in the Northern Uplands*. SDC.

⁷⁴ ESIA of SUFORD-SU (2012): Chapters 5.3 – 5.5 on ethnic groups, p. 74)

Peoples Policy, which the programme triggers, along with PS 7 “Indigenous Peoples” and GIZ’s Human Rights safeguard.

In addition, changes in land use and access rights may also limit access to cultural heritage (especially of an intangible nature), triggering PS 8 “Cultural Heritage”.

5.3.2.3 Risk considerations and potential avoidance/ mitigation measures

Ensuring the programme benefits diverse ethnic groups and does ‘no harm’ (PS 7)

The programme aims to foster full respect for human rights, dignity, culture, and the natural resource-based livelihoods of ethnic groups in the programme region. While the programme has been designed to benefit men and women from diverse ethnic groups in the programme area, unintended adverse risks may affect ethnic groups living in the programme area (e.g. land use planning may conflict with customary land use). In the described multi-ethnic and socially dynamic context, the programme may unintentionally prevent ethnic groups from exercising their rights of participating in decision-making and access to information in the context of the programme as per GCF and GIZ policies. This may be caused for example by the programme not being aware of persistent impacts of displacements and resettlements (not triggered by the programme), barriers related to language, cultural practices and literacy, or capacity gaps of counterpart and programme staff in relation with working in a multi-ethnic environment.

By adopting approaches of previous programmes and learning from them, these potentially unintended negative impacts can be anticipated, avoided, minimized and managed through, for example, meaningful consultations, FPIC, planning routines with communities taking multi-ethnic aspects into account, participatory approaches in land-use planning and natural resource management, as well as appropriate communication and outreach. The government partners (MAF) and the population in Lao PDR have applied or been involved in these approaches through national guidelines and programmes for example of ADB, World Bank and GIZ. Relevant references include:

- GoL: Guideline on Ethnic Group Consultation⁷⁵
- ADB: Northern Region Sustainable Livelihoods through Livestock Development Programme, implemented by MAF, which included an Ethnic Groups Development Plan⁷⁶
- ADB: Climate-friendly Agribusiness Value Chains Programme, implemented by MAF, which included an Indigenous Peoples and Ethnic Minority Development Framework⁷⁷
- WB: Agriculture Competitiveness Programme, implemented by MAF, which included an Ethnic Groups Engagement Framework⁷⁸
- WB: Sustainable Forestry for Rural Development Programme (SUFORD), implemented by MAF, which included an Ethnic Group Development Plan⁷⁹

⁷⁵ Available in hard copy only.

⁷⁶ <https://www.adb.org/projects/documents/northern-region-sustainable-livelihoods-through-livestock-development-project-eth>

⁷⁷ <https://www.adb.org/sites/default/files/project-documents/48409/48409-004-ippf-en.pdf>

⁷⁸ <http://documents.worldbank.org/curated/en/61924151365548731/pdf/SFG3891-REVISED-IPP-P161473-Box405323B-PUBLIC-Disclosed-1-15-2018.pdf>

⁷⁹ <http://documents.worldbank.org/curated/en/763931468753303127/pdf/multi0page.pdf>

- GIZ CLIPAD FPIC Guideline⁸⁰
- GIZ/KfW/GoL 2017: Guideline for Conflict Mediation at the Village Level⁸¹

If unintended negative impacts occur, they are expected to be rare, site-specific and reversible through continued consultations, a grievance mechanism and facilitation. Those cases may happen for example in the context of land-use planning and forest inspection.

An “Ethnic Group Development Planning Framework” has been developed for the programme to promote social inclusion, provide a targeted approach for ethnic groups to benefit from the programme’s activities, and ensure the programme does no harm (refer to Annex 3). Additional measures to manage risks to ethnic groups include, among others:

- Developing Ethnic Group Development Plans based on the Ethnic Group Development Planning Framework to minimize, mitigate and compensate appropriately if there are negative impacts to ethnic groups
- Application of FPIC prior to the implementation of programme activities, and maintained throughout the programme’s lifetime
- Aim to direct programme activities and financing measures that enable the most vulnerable ethnic groups to have better access to land, and technical support for the implementation of good agricultural practices, SFM and FLR.
- National laws will be respected by the programme, and all programme activities have been screened against the national legal framework.
- Programme staff and trainers to include male and female representatives from diverse ethnic groups, and positively target particularly vulnerable group. Programme staff should further receive trainings on gender equality and social inclusion within the context of the programme.
- Outreach, extension and technical support at the community-level, workshops and capacity building activities shall be socially inclusive, culturally appropriate, and take into account local and traditional knowledge.
- All information on programme activities will be made easily accessible, and in appropriate ethnic languages. Land use planning activities will also be conducted in appropriate ethnic languages, where translators can be made available if necessary. Translators will be made available as necessary (either from within the community, or external translators)
- Opportunities for collaboration with other stakeholders (e.g. CSOs, LWU, etc.) to be sought out to strengthen stakeholder outreach, and the engagement of various ethnic groups, and vulnerable households.

The ES risk associated with the GCF’s Indigenous Peoples Policy, PS 7 “Indigenous Peoples” and GIZ’s Human Rights safeguard is therefore assessed as medium.

⁸⁰ <http://clipad-laos.org/downloads/>

⁸¹ <http://clipad-laos.org/downloads/>

Cultural heritage (PS 8)

During programme preparation and consultation, no cultural heritage places, building or monuments were identified in the programme area (i.e. where access could become an issue). Nonetheless, residual uncertainty remains. It is thus recommended that further investigation of cultural practices, and places of cultural and historical significance is conducted prior to the implementation of programme activities in the field. Such a process should be participatory, closely coordinating with communities and local leaders to identify village areas of traditional or cultural significance. The programme must respect ancestral and spiritual land use, and apply sensitivity to customary land use by the community, especially ethnic groups. For instance, the programme shall ensure that rights remain to conduct ritual ceremonies (often taking place in forest). In addition to this the programme will have to preserve and respect indigenous knowledge, including traditional knowledge and practices (incl. the use of medicinal plants whenever needed).

The ES risk associated with PS 8 was assessed as medium. The following measures will support the programme to manage the ES risk:

- All information on programme activities will be made easily accessible, and in appropriate ethnic languages. Land use planning activities will also be conducted in appropriate ethnic languages, where translators can be made available if necessary.
- Consultations with stakeholders will continue throughout the programme's lifetime, as local stakeholder and community members will have a key role in the implementation and monitoring of the programme. This will ensure that stakeholders are aware of the programme, its progress, as well as any changes. This will also be used as an important mechanism to receive ongoing feedback throughout programme implementation.
- For activities that will be undertaken in areas near to those identified as having historic value, a training will be conducted on cultural heritage awareness.
- Information dissemination and awareness raising campaigns will pay particular potential to women, ethnic groups, illiterate people, people with disabilities, and people with limited or no access to internet, among others. Where possible, information dissemination and awareness raising will engage programme counterparts and local actors including village and kumban leaders, producer associations, CSOs, LWU, LNF, etc.

If objects of cultural heritage are uncovered by the programme, the procedures described in the World Bank ESMF Annex "Chance Finds Procedure" will be followed (see Annex 12 ESMF, specifically Annexure 3 which contains additional information on the "chance finds procedure". This includes stopping activities in the area, delineating and securing the area, and notifying the respective members of the PPMU and responsible Government Authorities (incl. the Provincial Department of Culture within 24 hours).

5.3.3 Gender

5.3.3.1 Baseline situation

Women in Lao PDR still face discrimination in many aspects of their lives, despite positive strides made in the past decades by the Lao PDR Government's policies to promote gender equality, and protect women's and children's rights. This discrimination, in turn, results in ongoing barriers for them to participate in public life, and to access many of the services to which they have a right.

Many of the ethnic groups found in the northern uplands, such as the Hmong-lumien and Sino-Tibetans, are patrilocal and patriarchal in their clan leadership structures. Women have no rights to children in the case of separation, some groups practice polygamy, and among some groups a female-headed household does not "exist" because interventions with house spirits can only be done by males.

Discussions on gender and communications are incomplete without mentioning female heads of household. Patriarchal and patrilocal customs mentioned above are exacerbated in the Lao PDR, with administrators (and the census) always referring to a "head of household." This person is always understood as a male in the first instance. It is only in the absence of an able-bodied (or minded) adult male, that a household is deemed female-headed. Female-headed households comprise less than 10% of rural households in the programme area. Nonetheless, they include many of the poorest and most vulnerable households, as they often suffer from acute labor shortages and are much less likely to be able to take advantage of public services (e.g. agricultural extension).

Table 10. Distribution of Sex of Household Head (HH) by Geographic Area and Province in %

	Total HHs		Urban HHs		Rural HHs	
	Male-Headed	Female-Headed	Male-Headed	Female-Headed	Male-Headed	Female-Headed
Luang Namtha	92.7	7.3	91.8	8.2	93.3	6.7
Oudomxay	92.1	7.9	91.7	8.3	92.2	7.8
Bokeo	91.2	8.8	90.5	9.5	91.4	8.6
Luang Prabang	92.4	7.6	87.3	12.7	94.4	5.6
Houaphan	95.9	4.1	91.2	8.8	97.3	2.7
Sayabouri	92.5	7.5	90.9	9.1	93.3	6.7

Table Notes: Source is Table 8 of the Lao PDR Labour Force Survey 2017, published in 2018 by the Lao Statistics Bureau (available at the LSB website). The data in Table 8 are based on the Population and Census data, 2015.

In terms of land titles and registration, while land titling has not proceeded very far in rural areas, titles are to be issued in women's and men's names. If women do not realize their rights, the title may still be issued in the man's name only. Support is needed to improve awareness of their rights in such process, and to proactively support women to claim their rights.

Traditional gender roles and expectations of ethnic women and girls make their lives difficult with long working hours in both home and fields. Some of the changes in their livelihoods that have come with restrictions on land use and village resettlement have made their lives even more difficult. When shifting agriculture is reduced to only a three-year rotation, women's work greatly increases because of heavy weed pressure (women and girls are generally tasked with weeding). If female labor is not enough to keep up with weed pressure, the next step might well be herbicide use. Agriculture extension advice is most often provided to the "farmer" (assumed to be a male decision-maker).

A crucial gender issue is communication – women's literacy among ethnic groups is generally lower, or even much lower, than men's as Table 11 and 12 demonstrate.⁸² For instance, Akha women and girls are among those with the least access to education in all of Lao PDR. There are many gender-related reasons for lower women's literacy rates, starting with early marriage and pregnancy, cultural barriers related to female mobility, and societal expectations that girls'/women's livelihoods will be farm-based. Illiterate women will have had much less exposure to schooling, less exposure to the Lao language, will have less knowledge of their rights, and be unable to exert themselves when Lao is spoken. It may be that they understand the language, but are hesitant to express themselves in Lao in public. Lao PDR's 5th National Human Development Report (2017) notes that while significant progress has been made in closing this gap, that illiterate women above the age of 25-30 are not expected to acquire literacy, as there are relatively few avenues for adults to do so, particularly in rural areas.⁸³

This has implications for communications methods with local people. Written materials will not necessarily be understood well, nor would abstract concepts related to climate change. Moreover, some of the conceptual materials may not translate well from English to Lao or to other local languages. At the same time, however, illiteracy should never be equated with "backwardness" or "lack of development." Many of the ethnic groups have preliterate languages, meaning strong oral traditions and extraordinary abilities to "read landscapes."

Table 11. Women's and Men's Literacy Rates by Province in Rural Areas in %

	Rural With Road		Rural Without Road	
	Men	Women	Men	Women
Luang Namtha	68.6	45.2	65.1	38.9
Oudomxay	81	55.2	75.4	49.5
Bokeo	75.9	53.2	72.5	43.8
Luang Prabang	85.9	70.2	84.2	67.1
Houaphan	88.7	72.8	86.3	66.1
Sayabouri	93.6	87.1	94.1	84.4

Table Notes: Source is Population Census Report, Table P5.1. The much higher literacy rates in XBY reflect also the higher percentage of Lao-Tai native speakers in the province.

⁸² The Lao PDR Population Census 2015 provides literacy data disaggregated separately by both province and ethnic group.

⁸³ UNDP (2017) National Human Development Report, Graduation from Least Developed Country Status - http://www.la.undp.org/content/lao_pdr/en/home/library/human_development/the-5th-national-human-development-report.html

Table 12. Women’s and Men’s Literacy Rates by Ethnic Group in %

Selection of Ethnic Groups	Men	Women
Lao	95.8	90.8
Tai	94.4	84.7
Khmu	88.1	66.9
Hmong	81.8	58.4
Lamed	80.8	48.4
Akha	48.7	23.6
Lahu	32.9	15.6

Table Notes: Source is Population Census Report, Table P5.3. Includes urban and rural populations in all parts of the country. Table P5.3 includes the 49 “officially recognized” ethnic groups, of which a selection is presented here.

Considering the prevalent meeting culture in Lao PDR, meetings dominated by male participants may prevent women from speaking up.⁸⁴ This is partly because of traditional gender roles in dealing with outsiders and partly because the mostly male officials coming to conduct such meetings are also “gender blind,” and do not know how to facilitate women’s participation beyond having the village headman call them to attend. The result is often gender tokenism, whereby the LWU representative is invited to be there “to ensure that gender aspects are effectively considered,” although this may be far from the truth.⁸⁵ It is also true to say, however, that attendance at a large meeting – whether by women or men – does not equate “consultation,” as the larger the number in attendance, the fewer who will actively participate.

The reported consultations for the PRAPs show that women were underrepresented in comparison with men (Table 13). Presumably, this is mostly owed to underrepresentation of women in leadership positions including in public and private life. The Government, supported by development partners including GIZ, consulted hundreds of people in the six provinces (unfortunately the documentation did not include disaggregation by ethnic groups). Women were invited to the consultation meetings, and a number of village consultations included women focus group discussions.

Table 13. PRAP Meeting Participation in the ER Programme Area by Gender

Province	Provinces		Districts		Village Clusters	
	Female	Male	Female	Male	Female	Male
LNT	2	24	21	134	17	130
ODX	2	26	20	197	39	244
BKO	1	12	20	96	27	151
LPB	17	153	26	299	56	347
HPN	23	182	61	301	67	321
XBY	8	85	32	324	74	433
Total	53	482	180	1351	280	1626

Table Notes: These data come from the consultation tables provided in each of the PRAP reports. The differences in male – female participation are stark. Even at cluster level, women’s overall participation amounted to only 17%. There were a few meetings, not at cluster level, where no women were in attendance.

⁸⁴ Personal observations of many meetings from village to national level.

⁸⁵ There are a number of reasons for this, relating, among others, to gender relations in the particular ethnic group and the reasons why a particular woman is the designated head of the LWU in the village. Sometimes it is related to Lao language skills rather than the woman’s “seniority,” in turn meaning a young woman who cannot speak up in front of elder males.



Figure 6: Photo taken at a programme community meeting in ODX.

Notes: Many women attended, but their participation was low. Participants at the back with small children can hardly hear the proceedings or read the posters. (Photo: Gebert)

Given the challenges in ensuring the effective participation of women, additional consultations were conducted with a targeted focus on gender to inform the gender assessment and action plan. For these gender-focused consultations, 148 people (79 men [53%], 68 women [47%]) were consulted January 16-21, 2019. Participants included men and women from diverse ethnic groups, including Lao, Tai, Khmu, Hmong, Akha, Lanten (sub-group of Lu-mien). Stakeholder consultations focused on two core elements: aiding the understanding of gendered drivers of change and discussing the planned measures with local implementing partners and beneficiaries from a gender perspective.

5.3.3.2 Triggered policies and standards

GIZ's and GCF's Gender Policies are triggered by default.

5.3.3.3 Risk considerations and potential avoidance / mitigation measures

GIZ and GCF Gender Policies do not require a risk classification.

The programme conducted a Gender Assessment and Gender Action Plan to inform programme design and ensure that key gender considerations are mainstreamed throughout the programme proposal. The Gender Assessment examined the social, economic, environmental and

political factors underlying climate change-exacerbated gender inequality and other gender-issues related to the programme. It further explored how they might benefit from programme activities, and how gender benefits can be strengthened, and risks safeguarded within the programme. It resulted in the development of a gender-responsive M&E framework for the programme, and a Gender Action Plan. The programme's gender action plan contains specific actions that will be implemented along with the programme's activities.

While there are several gender-related challenges present in the programme region, the Gender Assessment noted the programme has strong leverage to promote female leadership and participation in the planned activities and stakeholder processes from the national to the local level. Through programme implementation (incl. the gender action plan), and in the design of the ESMP, it will be necessary to ensure that women are given the opportunity to engage in meaningful dialogue, and to give inputs as to concerns regarding the effects REDD+ activities may have on their livelihoods.

5.3.4 Forest land-use

5.3.4.1 Baseline situation

Forests categories

With the Decree 66 on a 'Tropical Forestry Action Plan (TFAP)', as a result of the first National Forest Conference of 1989, the Government of Lao PDR set the target to achieve a forest cover of 70%.⁸⁶ Since then, the 70% forest cover target is echoed in nearly all Government of Lao planning documents including Five Years National Socio-Economic Development Plans, Forest Strategy to the Year 2020, the Strategy on Climate Change as well as Lao PDR's Nationally Determined Contributions (NDC). In addition, The TFAP laid the foundation for the establishment of National Biodiversity Conservation Areas (NBCAs, later renamed National Protected Areas, or NPAs) in 1993 with Prime Minister Decree 164, complementary to the National Production Forest Areas as well as the Land and Forest Allocation Programme aimed at stabilizing shifting cultivation.⁸⁷

In 2010, with the Prime Minister Decree 333 (2010) the GoL provided the legal framework for the third national forest category, i.e. National Protection Forests. The Forestry Law (2007) categorizes forests into three administrative categories:

- **Production forests (PFA):** "Production Forests are natural forests and planted forests classified for the utilization purposes of areas for production, and wood and forest product businesses to satisfy the requirements of national socio-economic development and people's living."⁸⁸ "Production Forest Areas (PFAs) are forest and forestland areas allocated to the State for management and which are managed in accordance with the Forestry Law. National Production Forests are declared by Prime Minister's Decree. The forest in PFAs may be harvested for natural timber under the management of the Department of Forestry un-

⁸⁶ Phengospha 2015, Higashi 2015

⁸⁷ Dwyer 2017

⁸⁸ Smith and Alounsavath 2015, p. 242

der Ministry of Agriculture and Forestry (MAF). Responsibility for the management of production forest is assigned vertically downwards through the Department of Forestry, with most operational activities being undertaken at the District level. Village Forest Units, which are the ‘smallest’ administrative level, also play a role. Timber harvesting operations are undertaken by timber harvesting units or timber harvesting enterprises, which are licensed by the Department of Forestry.”⁸⁹

- **Protection forests (PTA):** “Protection Forests are forests classified for the function of protecting water resources, river banks, road sides, preventing soil erosion, protecting soil quality, strategic areas for national defense, protection from natural disasters, and environmental protection.”⁹⁰ “In Protection Forests [...] villages may be demarcated and individuals and village have certain rights with respect to the harvesting of timber and forest products for their own consumption.”⁹¹ They are managed by MAF.
- **National Protected Areas (NPAs):**⁹² “Conservation forests are forests classified for the purposes of conserving nature, preserving plant and animal species, forest ecosystems and other valuable sites of natural, historical, cultural, tourism, environmental, educational and scientific research experiments. Conservation Forest consists of National Conservation Forest areas and Conservation Forest areas at the Provincial, District and Village levels.”⁹³ “Conservation Forests are divided into total protection zones, controlled use zones, corridor zones and buffer zones”.⁹⁴ Within “...Conservation Forests (protected areas) villages may be demarcated and individuals and village have certain rights with respect to the harvesting of timber and forest products for their own consumption.”⁹⁵ They are managed by MAF.

The different forest categories are administered at different levels from central through provincial to district level. However, Production Forests are solely occurring at national level. The land within each of the three forest categories is further classified according to Article 13 of the Forestry Law (2007) as dense forest, degraded forest, bared forestland and village use forest and a forest zoning plan should be developed which determines the types of uses that are permitted⁹⁶.

These categories do not indicate the current land cover but are instead administrative categories determining management and land use regulations. The three forest categories – although only covered by forest between 47% (National Protection Forests) and 63% (National Protected Areas)⁹⁷ – account for more than 70% of the total land area of Lao PDR.⁹⁸ Hence, it’s no surprise that more than 3000 villages are located inside the three forest categories. The Prime Minister’s Decree 88 (2008) on the Implementation of the Land Law currently forbids any form of land

⁸⁹ Smith and Alounsavath 2015, p. 26

⁹⁰ Smith and Alounsavath, p. 242

⁹¹ Smith and Alounsavath, p. 113

⁹² “Conservation Forests may be converted from Forest Land to another Land Type for the purposes of infrastructure development with approvals as set out in the Law on Land No 04/NA 2003.” – Smith and Alounsavath 2015, p. 23

⁹³ Smith and Alounsavath, p. 242

⁹⁴ Smith and Alounsavath, p. 245

⁹⁵ Smith and Alounsavath, p. 113

⁹⁶ Smith and Alounsavath 2015

⁹⁷ Ministry of Agriculture and Forestry (MAF). 2015. Forest Cover Assessment 2015, Department of Forestry

⁹⁸ FCPF 2014. Forest Governance Assessment for REDD+ implementation in Lao PDR through application of the PROFOR forest governance tool. Forest Carbon Partnership Facility.

titling inside protection and conservation forests. However, the Department of Land in collaboration with development partners is implementing land registration and land titling of private land even inside such forest categories.⁹⁹

However, several areas mapped e.g. as protection forests are being used for agricultural production and even include major town areas and as such are already under alternative land use. In 2014 the National Assembly has instructed the responsible ministries to re-survey and re-delineate the three forest categories to reflect the actual situations on the ground.¹⁰⁰ A sub-project under the World Bank funded LENS 2 project managed by the Environmental Protection Fund (EPF) aimed at reviewing and re-delineation of the three forest categories. A team of the Department of Forest Resource Management (DFRM) under the Ministry of Natural Resources and Environment (MoNRE) signed a project document. However, after initial fieldwork the DFRM informed the EPF to not being able to consider any re-delineation and in late 2017 the EPF requested the sub-project to be cancelled.¹⁰¹ At that time the responsibilities over forest were split amongst the two ministries. MAF was responsible for National Production Forests and MoNRE was responsible for Conservation and Protection Forests. However, with Prime Minister Decree 57 (2016) on the reorganization of the forest sector all responsibilities for forests had been returned to MAF and DFRM had been dissolved into DOF with MAF decision No. 3822 (2017).

There are forests outside of the three forest categories (i.e. **Unclassified Forest Areas**), which are considered to be mostly under village management, however, often without clear management systems.¹⁰² These areas include forests, woodlots and industrial tree plantations, among others and agricultural land. The ER-PD¹⁰³ notes “It is commonly understood that, due to lack of operational management systems and proximity to villages, forests outside of three forest categories are more prone to disturbance (e.g. shifting cultivation, agricultural expansion, infrastructure, mining road), and unsustainable timber extraction.”

Info Box 3. Village Use Forests

Village use forests are forests located within the village area, which the Government has allocated to the village to manage, preserve and use in a sustainable manner in accordance with the legal and regulatory framework. Village Use Forests may be located in all three categories of forest under the Forestry Law: Production, Protection and Conservation Forest. Forest and forestland at the village level are approved by the district governor based on a proposal from DONRE and DAFO. The utilization of forestland at the village level has to be undertaken according to a village forest management plan for the entire village, for household and individual uses;

⁹⁹ Rock, F., Sisoulath, V., Metzger, C., Chanhthaneun, S., Phayalath, X., and J. Derbidge. 2015. Systematic Land Registration in Rural Areas of Lao PDR Concept Document for countrywide application. GIZ.

¹⁰⁰ National Assembly Cabinet Office (NACO). 2014. Notice 273 on the review/consideration, for endorsement, of the three forestry categories (Protection Forest, Conservation Forest and Production Forest) (unofficial translation). 21 August. Lao National Assembly Cabinet Office, Vientiane.

¹⁰¹ World Bank. 2018. <http://documents.worldbank.org/curated/en/552371518096748972/pdf/IL-FRESDATA-EXT-P128393-02-14-2018-1518597749974.pdf>

¹⁰² Smith and Alounsavath 2015

¹⁰³ ERPD 2018, p.30

the plan has to be endorsed by the District Governor based on the proposal by DONRE and DAFO.¹⁰⁴

Within village forests, the Government encourages individuals, households, legal entities and organizations to carry out the preservation and development of all forest types, in order to regenerate forest, and to plant trees and NTFPs in degraded and badly degraded forestland and barren forestland areas to become rich forests for environment and biodiversity protection in order to enhance forest carbon stock and ecosystem services, providing that there is benefit sharing in a comprehensive and fair manner.¹⁰⁵

Forest cover and trends

Forests cover over 7.27 million hectares in the programme area (Table 5 and Figure 5). The majority of forests within the programme area (73%) are included within the three official forest categories (Table 5). However, only 53% of the total land area is under actual forest while 36% of total forest land use under potential forest land (which refers largely to the regenerative vegetation shifting cultivation landscape).

Table 14. Forest and land classification in the programme area in 2015

Land/ Forest classification	6 Northern Provinces				
	Production Forest (ha)	Conservation Forest (ha)	Protection Forest (ha)	Other Area (ha)	Total Area (ha)
Evergreen (highest carbon stock forest) (EG)	84,614	193,686	144,203	58,915	481,417
Current Forest (natural forest with high carbon stock) (MD, DD, MCB, CF)	578,072	579,055	1,731,243	928,868	3,817,238
Forest Plantation	154	3	2,134	6,435	8,726¹⁰⁶
Potential Forest (Regenerating vegetation RV)	332,308	209,772	1,464,500	959,957	2,966,537
Agriculture Land	51,367	16,558	189,420	397,120	654,465
Other Land	8,809	18,908	85,384	82,592	195,693
Total land	1,055,324	1,017,983	3,616,882	2,433,887	8,124,076

¹⁰⁴ A list of permitted activities for village forestry is provided in Annex 9 of the VFMP guidelines (CliPAD/GIZ 2016). In village forests, the following are examples of permitted activities: Forest patrolling for protection against encroachment ; fire prevention (e.g. digging fire breaks, ploughing firebreaks, controlled burning of fire breaks, etc.); building check dams or small water reservoirs to have water for firefighting and water for watering planted tree seedlings; identification and marking of trees to be left as mother trees for seed production; selective cutting (in small quantities in different diameter classes in accordance with the sustainable forest model to improve forest structure and provide timber and fuelwood for villages); close parts of forest temporarily and protect young regeneration trees, fencing off of some parts to encourage regeneration; conduct weeding around valuable tree seedlings; marking of trees to be cut every year; enrichment planting; promotion of natural regeneration (e.g. in case of fire damage, shifting cultivation, excessive degradation/ tree cutting(direct seeding in barren highly degraded areas; NTFP management and development; tree planting on national tree planting day).

¹⁰⁵ Draft Forest Law 2015

¹⁰⁶ In reality the figure is much higher is much higher and higher than 120,000 ha. The remote sensing analysis had limitation in identifying forest plantations.

Source: Based on DOF/MAF dataset used for the development of Forest Reference Level (2005-2015) (FIPD 2018)

With more than 50% of the total programme area located in all four forest categories (production forests, conservation forests, protection forests and village forests), programme interventions are planned in all forest categories.

Household utilization of forest products

The use of timber and non-timber forest products by rural households in the programme region is common. Rural families depend on firewood for cooking and, in certain areas, for heating. To a limited extent local craftspeople such as carpenters, carvers and blacksmiths are also wood-dependent. Wood also finds other uses in rural areas such as for fence posts, tools, sheds, rice barns, homes, furnishings, ritual constructions such as village gates and altars, coffins and funeral pyres. The ERPD (p. 50) mentions that a family may use over two tons of wood annually.

The Population and Housing Census of 2015 shows the high extent to which local communities in the six northern provinces continue to rely on firewood for cooking;¹⁰⁷ another indicative purpose shown for wood use is as wall, flooring and roofing material for homes. Firewood dependence among rural households in the six provinces ranges from “only” 89.3% in Sayabouri to a high of 97.7% in rural Houaphan. The other provinces’ rural households all have 95 – 97% firewood use for cooking. Sayabouri is the only province of the six where charcoal use has caught on among rural households at 7.5%. Most rural farming families collect wood from forests and fallow land. Firewood is also collected from trees felled during the land preparation process for swidden fields in the uplands/hills.¹⁰⁸ Families in rural areas often buy firewood from farming families. The collection and use of firewood is primarily a task for women and girls, although collection may be a shared task with men at times.¹⁰⁹

In upland areas in particular there is still greater reliance on NTFPs to supplement incomes and/or subsistence, but this also varies greatly with location and quality of forest. Commonly harvested NTFPs in the programme area include broom grass, paper mulberry, wild palm fruit (*mak thao*), rattan, bamboo, wild cardamom, mushrooms, incense bark, honey or medicinal plants, and roots of various types, among others. NTFP collection is often not specific to different ethnic groups, although gender aspects may vary depending on the NTFP. Although little detailed information is available, the amount and variety of NTFPs has undoubtedly reduced. This has much to do with the conversion of primary forest, and bush fallows to either commercial tree plantations (particularly rubber) or annual commercial crops, such as maize. The overharvesting of more valuable NTFPs has also contributed to the decline in NTFPs.

¹⁰⁷ The Census does not provide information on the use of fuel efficient cooking stoves.

¹⁰⁸ Similar findings were found in a drivers study conducted by WCS (2015) for Houaphan province that also found that fuelwood is primarily a byproduct of clearing for swidden rice or maize production, and thus firewood use in itself is not driving deforestation and forest degradation.

¹⁰⁹ Note: PRAP consultations included questions on firewood harvesting as a driver, however the consultations determined that it was not considered a major driver of deforestation or forest degradation as it is primarily a by-product of agricultural clearing. PRAP consultations also looked at logging for personal and village construction, however it was also not considered a major driver of deforestation at scale.

Deforestation and forest degradation in the programme area (2005 - 2015)

The programme area has seen an increase in deforestation and forest degradation during the period from 2005 to 2015. The following Table provides an overview of emissions and removals from various sources and sinks from 2005 to 2015. Forest degradation is the largest emissions source, followed by deforestation.

Table 15. Average Annual Historical Emissions and Removals over the Reference Period

Source/Sink	Emissions(+)/ Removals(-)		
	2005-2010 (tCO ₂)	2010-2015 (tCO ₂)	Annual average 2005-2015 (tCO ₂ /year)
Deforestation	19,561,481	17,924,974	3,748,645
Forest Degradation	38,286,544	29,201,727	6,748,827
Changes among REDD+ strata	33,466,780	25,988,551	5,945,533
Logging	4,819,764	3,213,176	803,294
Reforestation	-8,731,889	-5,453,126	-1,418,501
Restoration	-2,537,961	-2,921,082	-545,904
Total Emission	57,848,024	47,126,701	10,497,473
Total Removals	-11,269,849	-8,374,208	-1,964,406

Source: ER-PD Lao PDR, 2018, page 135

Net deforestation from 2005 - 2015 amounted to 197,799 ha, of which the majority (161,581 ha; 82%) was deforested from low-carbon forest stock (Regenerating Vegetation; 64 tCO₂/ha) to non-forest land, which is mainly agricultural land.¹¹⁰ This deforestation is largely linked to the expansion of agricultural land and shifting cultivation dynamics in the programme area and represents relatively small average carbon stock loss compared to forest degradation.

Forest degradation amounted to 116,034 ha over the period 2005 – 2015. About 115,249 ha (99%) was converted from mixed deciduous high-carbon-stock forest (> 320 tCO₂/ha) to regenerating vegetation forest (average carbon stock of 64 tCO₂/ha). This land use transition mainly refers to shifting cultivation and agricultural development activities and is the largest GHG emission source in the programme area.

Forest restoration amounted to 51,669 ha, of which the majority of the land was converted from Regenerating Vegetation to mixed deciduous high-carbon-stock forest (> 320 tCO₂/ha). This reflects the shifting cultivation dynamic of forest degradation and natural regeneration.

Reforestation of 162,754 ha was observed, which is linked either to agribusiness plantation (such as rubber) or agricultural land regeneration towards regenerated forest land use (RV).

¹¹⁰ Deforestation and forest degradation were analyzed by identifying land cover change using the forest-type maps for 2000, 2005, 2010 and 2015. The mapping is based on high-resolution remote sensing with ground-truthing. The 2010 map was used as the base map to detect changes in the other years. Maps and key information on the assessment can be found in the activity data report, prepared for the ERPD.¹¹⁰

Drivers of deforestation and forest degradation

The drivers of deforestation and forest degradation were identified during the ER Programme preparation using an approach that combined spatial assessments, with stakeholder consultations at the national, provincial, district, *kumban* (village cluster) and village level, and the revision of additional literature (agricultural statistics, academic journals, among other publications; a more detailed description is available in the Feasibility Study and ERPD).

The following figure presents the main proximate drivers of deforestation and forest degradation within the programme area (2005 - 2015). Shifting cultivation and agricultural land expansion, together with plantation agriculture development, was responsible for 55% of disturbances greater than 5 ha; road construction was responsible for 12%, selective logging 10% and the establishment of tree plantations (including rubber) 6.7%, among others.¹¹¹

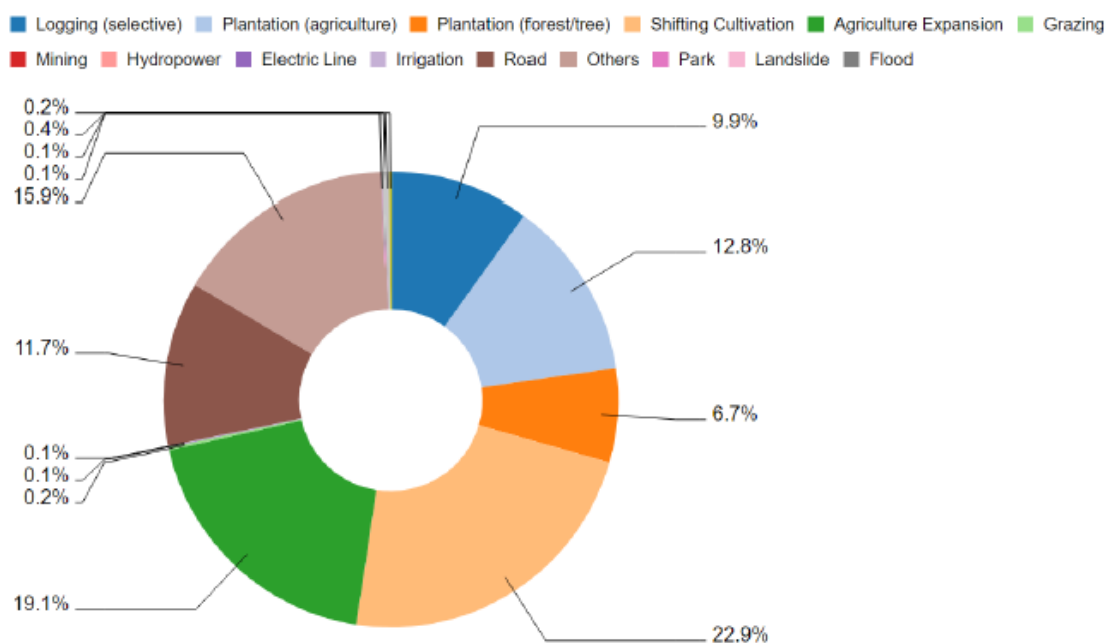


Figure 7: Disturbance by type (disturbances > 5ha) in the programme area (2005-2015)

Note: Forest/ tree plantation includes rubber

Source: REDD+ Readiness Project in Lao PDR 2017 in ERPD 2018, p. 38

The following Table summarizes the results of stakeholder consultations discussing the relative influence of the main drivers of deforestation and forest degradation in each of the target Provinces. Similar results were found within the consultations that validated the findings of the spatial analysis, although it also provided increased insight into sub-regional trends.

¹¹¹ Note: Shifting cultivation as a practice can involve different agricultural crops, there is no clear distinction between what composes a pioneering shifting cultivation plot, versus a plot that has encroached into forests for permanent agricultural purposes. With observation over time, it becomes possible to determine whether that plot is in fact shifting, or permanent. For these reasons, it is important to understand that the drivers of shifting cultivation and permanent agricultural activities need to be viewed together, particularly for addressing deforestation.

Table 16: Drivers of deforestation and forest degradation identified through stakeholder consultations

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

Legend: The importance level of the individual drivers is based on the relative scale of deforestation and forest degradation in the provinces. “+” indicates the level of relative importance per province, “+++” being “relatively high importance” and “+” being “relatively low importance”.³⁸

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

Source: ERPD 2018, p. 39

In addition to the above-described proximate (direct) drivers of deforestation and forest degradation, the underlying causes¹¹² of such drivers were further analyzed during the development of the ERPD, PRAPs and feasibility study. The following table provides a summary of the proximate/direct drivers, agents and underlying causes identified during stakeholder consultations in the programme area.

¹¹² Underlying causes of deforestation and forest degradation take into account demographic, economic, agro-technological, policy and institutional and cultural factors.

Underlying Causes -->		Demographic	Economic		Agro-Technological			Policy & Institutional				Cultural
Direct drivers	Agents	Population Growth & Migration	Demand/ market forces	Lack of alternative livelihoods / poverty	Low productivity	Soil/ Land Degradation	Infrastructure development	Inadequate land tenure	Poor governance & law enforcement	Inadequate land use planning	Gov't development policies	Traditional practices
Shifting cultivation ⁷⁵	Villagers	↑	↑	↓	→	↑	↑	↓	→	→	→	→
Cash crop and tree crops (rubber)	Villagers & Companies	↑	↑	↓	↓	↑	↑	↓	→	→	→	
Unsustainable Harvesting of Wood Products	Villagers Companies Gov't	↑	↑	↓	→	↑	↑	↓	↓	→	↓	→
Mining	Gov't & Companies	↑	↑	→	→	→	↑	→	→	→	→	
Hydropower (incl. village relocation)	Gov't	↑	↑	→	→	→	↑	→	→	→	↑	

Legend:

Current underlying cause and impact of deforestation / degradation		Likely future impact of underlying cause in deforestation & degradation	
High impact	↑	↑	Increasing impact
Medium impact	→	→	Business as usual
Low impact	↓	↓	Decreasing impact

Figure 8: Summary of drivers, agents and underlying causes for the programme area

Source: ERPD 2018, p. 52

For more detailed information on the proximate drivers and underlying causes of deforestation and forest degradation, please refer to the ERPD and Feasibility Study.

5.3.4.2 Triggered safeguards and policies

The programme triggers PS 1 (Assessment and Management of Environmental and Social Risks), where a programme level ESMP will be needed. PS 2 (Labor and Working Conditions) was also triggered by the programme, as there are occupational health and safety risks associated with forest management activities (e.g. cutting operations). While the programme is expected to have primarily positive impacts in terms of biodiversity, there is a low risk of unintentional negative impacts from the promotion of smallholder timber plantations on degraded land triggering PS 6.

Through the implementation of stricter policies, land use plans and improved law enforcement, there is a risk that local people could lose access to customary use/communal lands. There is a trade-off when considering RV as potential forest rather than future cropping land, which may have potentially negative impacts on livelihoods. Thus, as described in Chapter 5.1, the programme may also unintendedly contribute to changed, reduced or denied access to land through some of its activities (for example participatory land-use planning and management plans for different land-uses) resulting in unintended negative livelihood impacts and triggering

PS 5 “Land Acquisition and Involuntary Resettlement” and GIZ’s safeguard “Human Rights”. This associated risk and avoidance/ mitigation strategies are discussed in detail in Chapter 5.1.3.

5.3.4.3 Risk considerations and potential avoidance/ mitigation measures

The programme will support interventions in production, protection, conservation and village forests. The programme anticipates to generate primarily positive benefits for forest ecosystems and local people, based on participatory land use planning. Nonetheless, unintended negative impacts (UNIs or ES risks) may arise, and have to be taken into account. The ES risk is considered medium for PS 1, 2 and 5, and low for PS 6.

Biodiversity (PS 6)

The programme’s negative *impact on biodiversity is assessed as low*. All programme activities will be implemented on agricultural land (i.e. that is already under agricultural use) or in heavily degraded production forests, as outlined in PMO 9 (2018).¹¹³ Nonetheless, the loss of residual biodiversity at a small scale cannot be ruled out when establishing agroforestry systems and planting commercial timber species in highly degraded production forests.

While concessions for commercial tree plantations are permitted under PMO 9, if there is approval from MAF, the programme will *not* support the establishment of large concessions for forest plantations. It instead promotes smallholder partnerships with socially and environmentally responsible private sector actors, including agroforestry plantations on an estimated area of 10.000 ha (approx. 0.1% of the programme area). Such plantations have the potential to reduce pressure on remaining forest areas and provide diversified household income for local households.

Within protection and conservation forests, only native tree species will be promoted if any planting is to occur (based on approved management plans). Natural regeneration has priority over assisted regeneration, but of course it is dependent on specific site conditions. The selection of species will be based on the principle of site-species matching, which ensures that promoted species have suitable characteristics given the environmental and bio-geophysical conditions.

In production forests, in particularly highly degraded areas, there are experiences where non-native yet locally adapted species have been used to support the restoration of highly degraded areas. While reforestation with native species is preferred, where appropriate - suitable exotic species may be promoted if they are locally adapted, non-invasive and if no other significant ecological threats have been identified. The use of such species will be closely monitored. No new exotic species will be introduced through the programme. Guidance on site-species matching and the identification of degraded forest land suitable for forest restoration activities, as well as related standards and procedures will be supported by the programme.

¹¹³ Prime Minister Order No. 9 (2018) concerning the enhancement of governance in the use of concession lands for industrial tree plantation and the plantation of other crops within the country.

Occupational health and safety (OHS) in forestry (PS 2)

A potential risk is occupational health and safety of forest workers. Forestry activities present diverse occupational health and safety risks, including risks associated with terrain and site factors (e.g. slippery or uneven ground, slopes, rock-falls), falling trees or branches, chainsaws (incl. inappropriate use leading to bodily harm, kickbacks, noise, hand-arm vibration), and loading and unloading of wood, among others.¹¹⁴

This risk is, however, assessed as low. Staff directly employed by the programme will not be involved in cutting operations. Forest workers may work for the GOL or on other contractual arrangements financed indirectly through grant funding from the programme in the context of promoted sustainable forest management activities (within Output 3). The type of works may include maintenance cuttings and final harvesting of timber. Official records of accidents of forest workers were not available or obtainable. Consulted partners indicated low numbers of incidents in recent years.

Best practices and occupational health and safety (OHS) guidelines are available for forest workers, and will be applied by the programme:

- FAO (2019) - “Occupational Health and Safety in Forestry Module” for forest workers¹¹⁵
- ILO (1998) - “Safety and health in forestry work”

5.3.5 Agriculture: Cropping and Livestock

5.3.5.1 Baseline situation

Predominant agricultural production systems in the programme area

The Northern Uplands region of Lao PDR is characterized by hilly topography combined with flatland areas.¹¹⁶ Of the total 783,000 farm households in the country, roughly 21% live in the Northern uplands. Agricultural land per person in the Northern provinces is on average between 0.32 and 0.38 hectares; the average farm size is between 1 and 2 hectares.¹¹⁷

Rain-fed (lowland and upland) paddy rice, maize and vegetables are among the key agricultural crops grown in the six Northern Uplands provinces Luang Namtha, Oudomxay, Bokeo, Luang Prabang, Houaphan and Sayabouri (Figure below). Agricultural production systems in the programme area are closely linked to the terrain. Sayabouri, with more flat terrain compared to the other provinces, has substantially more commercial agriculture and paddy rice. In other provinces that are hillier/ more mountainous, upland production systems are predominant. There is increased competition for commercial agricultural lands that contributes to trends where shifting subsistence agriculture (upland rice, vegetables, etc.) and certain cash crops (e.g. maize, Job’s tear and cassava) to less suitable upland areas.

¹¹⁴ FAO 2019

¹¹⁵ <http://www.fao.org/sustainable-forest-management/toolbox/modules/occupational-health-and-safety-in-forestry/tools/en/>

¹¹⁶ Onphanhdala et al. 2016

¹¹⁷ Agricultural Census Office 2012

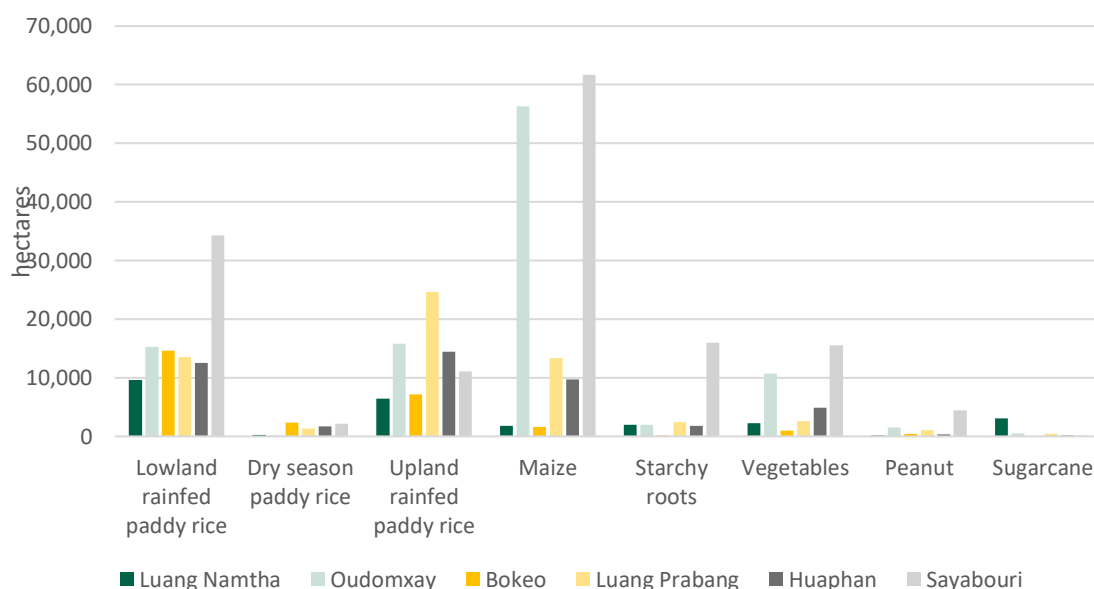


Figure 9. Key agriculture crops in the target provinces (ha planted)

Source: Based on Ministry of Planning and Investment, Statistical Yearbook 2017

There is a complex dynamic between forest cover, regenerating vegetation and agricultural land in upland agricultural production systems. Forests on hillsides are often cleared for agricultural land (usually using shifting cultivation agricultural practice), which is eventually left fallow once the land is no longer productive. Villagers then shift their cultivation to either natural forests or regenerating vegetation areas which were formerly fallow lands. This fallow land have undergone natural regeneration, and are considered forest land according to the national forest definition. The use of shifting cultivation practices can lead to additional deforestation and degradation due to uncontrollable forest fires. Stakeholder consultations in all provinces in the programme area noted that agriculture is a major driver of deforestation:

Table 17. Agricultural drivers of deforestation and degradation identified through stakeholder consultations

	BKO	HPN	LNT	LPB	ODX	SAY
Expansion of agricultural land for cash crop cultivation by villagers and/or companies (deforestation)	++	+++	+++	+++	+++	+++
Rubber	+++		+++	++	+++	+
Banana	++				++	
Shifting cultivation and pioneering expanding agriculture for subsistence (deforestation/degradation)	+++	+++	+++	+++	+++	++

Legend: The importance level of the individual drivers is based on the relative scale of deforestation and forest degradation in the provinces. “+” indicates the level of relative importance per province, “+++” being “relatively high”, and “+” being of lower importance.

Source: ERPD, p. 39

Subsistence agriculture

Food security is a major challenge for many households in rural areas in the northern region of Lao PDR. An estimated 25% of rural households in the region are food poor.¹¹⁸ Rice is a major dietary staple in the country. It is produced in two systems: paddy rice and upland rice. Paddy rice is grown on flat terrain; the majority of the suitable terrain in the provinces are often already covered by paddy fields or other types of commercial agriculture, thus limiting the expansion of this crop. A major limitation for ensuring food security is the region's mountainous terrain, and limited valley space for growing rice paddy.

Table 18. Cultivation of rain-fed and dry season paddy rice and upland rice: 2015 – 2017 in ha

Province	Rainfed Paddy			Dry Season Paddy			Upland Rice		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
LNT	10,458	9585	9590	169	230	282	7176	6810	6434
ODX	15,387	15,282	15,290	207	253	186	10,500	8860	15,826
BKO	14,643	14,565	14,632	1486	1520	2360	7435	7300	7209
LPB	13,949	14,093	13,496	1508	1560	1369	24,349	24,480	24,635
HPN	12,632	12,770	12,580	1600	1500	1670	16,647	13,700	14,469
XBY	32,236	32,390	34,321	2657	3364	2132	12,099	10,150	11,101
Totals	99,305	98,685	99,909	7627	8427	7999	78,206	71,300	79,674

Source: Statistical Yearbooks: 2016 and 2017. Areas planted. Dry season paddy means irrigated paddy (na saeng in Lao).

Upland rice is a traditional crop characterized by shifting cultivation in upland areas. It remains an important crop for subsistence purposes and ensuring food security in the programme area. Many communities have a long-standing tradition of growing upland rice, and may even prefer the taste. However, in terms of the production system, cultivation requires challenging and time consuming physical labor, and yields are low. Increasingly unsustainable practices (e.g. declining fallow periods), can contribute to degradation (landslides, mass erosion events, sedimentation, expansion of cultivated areas in forested areas). Many districts in the programme area plan to either decrease the area of upland rice or maintain current areas in an effort to curb shifting cultivation and deforestation.

Other vegetables for household subsistence are also grown in relatively small quantities in upland areas, although there are limited statistics on cultivation areas and yields.

Cash crop cultivation

Cash cropping experiencing repeated boom and bust price cycles (e.g. maize, cassava, Job's Tear, among others). Cash crops are increasingly promoting intensified production systems, including mono-cropping and more intensive practices that generate various environmental and social impacts and risks. The "boom and bust" nature of many cash crops can have notable impacts on local livelihoods. While many farmers and households have benefitted from the maize "boom",

¹¹⁸ Pimhidzai et al. 2014 in UNDP 2015

during there are substantial risks for local livelihoods. Maize, for instance, experienced a bust in 2016 where market prices drastically declined (Table 20).¹¹⁹ Many smallholders found themselves in debt, with higher levels of food insecurity.¹²⁰ In addition, other risks associated with contract farming is a high dependency on traders and other key people in maize networks, increased inequality and household differentiation, among others.¹²¹ One study found that “farmers were well aware of the impacts of maize, but had little other opportunities for income generation. In fact, education paid for with maize money was seen as a key way out of poverty, and expanding paddy rice production (funded with maize money) a key way towards food security.”¹²²

Table 19. Area (ha) planted under selected cash crops

Province	Maize			Vegetables			Starchy Roots		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
LNT	5490	5170	1790	3250	2635	2255	3190	2900	1940
ODX	58,930	58,685	56,320	12,220	11,665	10,725	1770	1925	1945
BKO	4285	4185	1595	835	845	995	180	180	185
LPB	13,240	13,110	13,380	12,120	12,595	2600	4795	3270	2390
HPN	31,550	31,640	9740	4790	6385	4850	2375	1415	1800
XBY	61,530	62,205	61,645	11,395	13,535	15,555	12,255	15,960	15,960
Total	177,040	177,011	146,487	46,625	49,676	38,997	26,580	27,666	26,237

Table Notes: Source is Statistical Yearbooks for 2016 and 2017. Only a selection of cash crops is given in the Yearbook tables. Starchy roots include cassava, among others.

The following table provides a brief summary for Cassava and Maize in terms of common production systems, challenges with existing production systems, and good agricultural practices promoted within the programme.

¹¹⁹ Kallio et al. 2019

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² Kallio et al. 2019, p. 193

Table 20. Examples of common upland annual crops in terms of common production systems and potential good agricultural practices to address common challenges and barriers facing existing production systems.

Crop	Brief description of production systems	Challenges with production systems	Potential good agricultural practices promoted within the programme
Maize ¹²³	<ul style="list-style-type: none"> ▪ Maize expanded extensively since the introduction of contract farming systems in the early 2000s, peaking around 2007 and 2008 and since then leveling off - particularly notable in Sayabouri,¹²⁴ Oudomxay and Houaphan provinces. ▪ Annual crop produced in rotating shifting cultivation systems in both flat and upland areas. ▪ Mono-cropping for successive rotations is often applied, leading to accelerating land degradation. ▪ Contract farming systems, which have provided farmers with improved maize varieties and agricultural inputs have supported intensification of maize cultivation including mono-cropping on steep slopes, increasing problems with weeds and pest. 	<ul style="list-style-type: none"> ▪ Intensive farming on sloping lands, and the intensive utilization of the same plot for several successive rotations of mono-cropping is leading to land degradation, declining soil fertility, and declining yields over time. ▪ Emerging pests and diseases lead to declined harvest levels and crop failures ▪ Reduced biodiversity due to land degradation and declining fallow periods ▪ Inappropriate use of agro-chemicals due to various reasons (inadequate awareness about impacts of inappropriate agrochemical use, provision of agrochemicals from foreign countries without instructions available in Lao, lack of safety equipment/protective clothing during application, among others identified in the feasibility study in greater detail). 	<ul style="list-style-type: none"> ▪ Promotion of swidden and long-rotation fallows and agroforestry systems ▪ Conservation agriculture can increase crop productivity, reduce production costs, improve soil conditions, reduce soil erosion, and increase soil organic carbon, ▪ Inter-cropping and relay cropping can increase total production and productivity per unit of land, income diversification, nitrogen fixation, weed control, long-term soil cover maintenance, conservation of soil organic matter, biomass from residues returned as organic inputs in form of mulch and compost, stabilizes soils, reduces the risk of total crop failure ▪ Improved education and capacities on agrochemicals and agricultural inputs, including risks to human health and the environment, and appropriate use (See Chapters 5 and 6 for more detailed information on how this will be maintained) ▪ Improved awareness on banned and dangerous substances, and related laws and regulation

¹²³ Note: One study found that “farmers were conscious of the limits of maize in terms of being a long-term sustainable land-use option, but had little alternatives for income generation” – Kallio et al. 2019, p. 191

¹²⁴ Currently province is the largest producer of maize in the country, accounting for 22 % of national maize production.

Crop	Brief description of production systems	Challenges with production systems	Potential good agricultural practices promoted within the programme
	<ul style="list-style-type: none"> ▪ Maize is often harvested, de-husked and dried in-province before being sent to middlemen and traders for both national and international companies 		<ul style="list-style-type: none"> ▪ Improve quality and accessibility to extension activities to focus on forest protection, climate-smart agriculture, REDD+ and FLR ▪ Refer to Annex 3 of the Feasibility Study for more detailed information on good agricultural practices promoted within the programme
Cassava ¹²⁵	<ul style="list-style-type: none"> ▪ Annual crop produced in rotating shifting cultivation production systems in upland areas, often by poor farmers. ▪ Traditionally grown as a subsistence crop, but increasingly grown for commercial uses (biofuels, food products, etc.) 	<ul style="list-style-type: none"> ▪ Traditional practices are still applied (upland ecosystems, primarily use locally available varieties, little inputs applied) ▪ Current production systems result in low yields, soil nutrient depletion, soil erosion and land degradation, increasing the pressure on forested areas for more fertile lands ▪ Emerging pests and diseases in Asia¹²⁶ 	<ul style="list-style-type: none"> ▪ Intercropping cassava with other crops can reduce the risk of crop failure, improve soil fertility, and reduce soil erosion (e.g. using grain legumes) ▪ Application of balanced and appropriate fertilizers can increase yields and net income ▪ Improved tools can be constructed using locally available materials to improve harvesting, slicing roots to make dry chips and for chopping leaves for silage production¹²⁷ ▪ Improve quality and accessibility to extension activities to focus on forest protection, climate-smart agriculture, REDD+ and FLR ▪ Refer to Annex 3 in the feasibility study for more detailed information on good agricultural practices promoted by the programme

¹²⁵ Information from CIAT (2016) – Cassava Production in Lao PDR and Myanmar

¹²⁶ CIAT 2016; Newby (2016) – Cassava in Asia: Exposing the drivers and trajectories of the hidden ingredient in global supply chains

¹²⁷ CIAT 2016; Maung Aye and Howeler 2008 – Cassava in Laos: Enhancing sustainable production through farmer participatory research

Permanent Agricultural Plantations and Rubber

Large-scale agricultural plantations for bananas and rubber have also emerged as drivers of deforestation over the past decade. Different parts of the programme area also have both larger scale (concession) and smallholder rubber plantations, although here, too, boom and bust cycles play a role in farmer behavior.¹²⁸ In future, it is thought that in the future rubber and banana plantations will no longer be drivers of deforestation, due to recent policy changes limiting production and market dynamics. While the programme will not work with large scale plantations, it is important to understand the main agricultural plantations and dynamics in the programme region.

Table 21. Area (ha) of banana and rubber plantations in the programme's provinces

	Area (ha) of bananas	Area of Rubber
Bokeo	9,000-11,500 ⁽¹²⁹⁾	29,516 ⁽¹³⁰⁾
Houaphan	Data unavailable	Data unavailable
Luang Namtha	1,275 ⁽¹³¹⁾	33,400 – 35,500 ⁽¹³²⁾
Luang Prabang	Data unavailable	18,191 ⁽¹³³⁾
Oudomxay	2,867 ⁽¹³⁴⁾	28,392 ⁽¹³⁵⁾
Sayabouri	1,000 ⁽¹³⁶⁾	14,824 ⁽¹³⁷⁾

Rubber

Rubber cultivation was introduced through promotion by DAFO as a means to stabilize shifting cultivation practices, and also through investors from neighboring countries such as China¹³⁸ and Vietnam. In stakeholder consultations for the development of the ER-PD, rubber was identified as a major driver of deforestation and forest degradation in most Provinces (all mentioned rubber, with the exception of Houaphan). It has further had a major impact on biodiversity, as it covers at least 120,000 ha in the six programme provinces. In Nam Ha NPA, it is possible to see the extensive expansion of rubber into the protected area.

In comparison to annual cash crops, rubber production requires medium-to-long-term agricultural investments, where there are minimal returns during the first 6-8 years. Despite a rubber boom happening in the mid-2000s in Northern Lao PDR, prices have drastically declined in recent years – increasingly as rubber plantations in Bokeo and other northern provinces are reaching maturity.¹³⁹ This has had major impacts on rubber-based livelihoods. Some farmers that have larger rubber plantation areas who can afford non-household laborers, are putting off tapping

¹²⁸ Some LNT smallholder rubber farmers have cut down their rubber plantations to the tune of hundreds of hectares in recent years, but extent is not known exactly. See LNT PRAP.

¹²⁹ PDPI (2015), range of areas from 2015-2020 based on the Provincial SEDP

¹³⁰ Douangsavanh et al. (2008) in Hicks et al. (2009); PDPI (2015). Area in 2015

¹³¹ Luang Namtha PRAP

¹³² Data collected from individual district SEDPs for the periods from 2010-2015 and 2016-2020.

¹³³ 2015, Luang Prabang PRAP

¹³⁴ PAFO Agriculture and Forestry Statistic Unit (2015)

¹³⁵ Area in 2013; Southavilay (2016);

¹³⁶ PAFO (2015)

¹³⁷ PPIO (2013)

¹³⁸ In particular, Chinese investments have seen Lao as a favorable destination for investing in rubber to supply the factories in China, and has been supported by Chinese government policy incentives to promote replacements to opium cultivation.

¹³⁹ Vongvisouk & Dwyer 2017; From 2011-2014 prices have plummeted from 14 yen/kg (~\$2.54/kg) to 3.5 yen/kg (~\$0.52/kg).

in the hopes that prices will increase in the future. Other farmers who are dependent on household labor have to tap at extremely low prices and try and recuperate their investments and support their livelihoods.

Government policies have reacted to the changing market conditions and rampant expansion of rubber, with many Provinces limiting the expansion of rubber, and the establishment of a government moratorium on rubber concessions. The programme will not support rubber plantation establishment or expansion.

Banana cultivation

Banana cultivation has also boomed in some of the provinces, and was identified as a driver of deforestation in Luang Namtha, Oudomxay and Bokeo.¹⁴⁰ While official figures are limited, it is estimated that in 2015 banana plantations covered over 14,000 ha. It has also had a major impact on biodiversity (see photo below), and has led to several reported cases of negative impacts on the environment and human health. Prime Minister Order No. 483 from March 27, 2017 placed a ban on the establishment of new banana plantations, and noted the intention to phase out banana production in the six Northern Provinces (Phonsaly, Luang Namtha, Bokeo, Oudomxay, Luang Prabang, and Sayabouri), as well as in Vientiane due to negative environmental and social impacts associated with banana plantations. The programme will not support the establishment or expansion of banana plantations.



Figure 10. Photo of expansive banana cultivation in Northern Lao PDR¹⁴¹

¹⁴⁰ Negative environmental and health impacts have been acknowledged by the GOL, and attempts to curtail banana plantations have started, albeit with mixed success as reported in the Vientiane Times. *Although the government has imposed a moratorium on new banana concessions in six Provinces, and are planning to phase down banana production. However, assembly members said local authorities have found it difficult to implement, citing contract farming between investors and farmers, which require detailed measures to manage.* http://www.vientianetimes.org.la/freeContent/FreeContent_Comply.php. In some Provinces visited, such as Luang Namtha, it was possible to see alternative crops beginning to replace banana plantations, such as sugar cane.

¹⁴¹ At the 2nd Regional Land Forum in Bangkok, May 2018 by Mr. Phouvong Phaophongsavath, Deputy Director of Investment Promotion Division, Investment Promotion Department, MPI.

Figure Notes: The photo demonstrates the impact of monoculture banana plantations on biodiversity. Banana monocultures in northern Lao PDR have further been associated with substantial environmental and social impacts due to the inappropriate use of harmful agrochemicals.

Labor requirements for large permanent agriculture plantations

The mechanisms by which agricultural practices absorb additional labor must be understood for planning and mitigation purposes. If existing land cannot absorb additional labor, in other words the returns to labor become too low, there are several logical consequences of this:

1. Expansion of land under agriculture (perhaps to areas designated as “potential forest”);
2. Temporary or permanent outmigration of family labor from the farm;
3. To a far lesser degree, intensification on existing plots of land.

The latter option is seldom employed partly for reasons related to farmers’ intuitive assessments of returns on labor and other inputs, based on an extensive farming system. An opposite trend in the northern uplands is that people *expand* the land to labor ratio by using agro-chemicals, especially true for cash crop production, such as maize. The better off expand their areas by hiring in labor (does not expand land: labor ratios).

Agro-chemical use in Lao PDR

The 8th NSEDP promotes the development of a ‘green economy’ so as to conserve natural resources. The GOL has identified several major farming systems based on Lao PDR’s geography, and the Northern Uplands as a target for rural development due to the medium-to-high levels of poverty. In commercial agriculture systems, agrichemicals, especially pesticides, are commonly used to boost production, but they affect human health and potentially pollute soil and water. Harmful and illegal pesticide use can be a concern for human health and the environment in Lao PDR.¹⁴²

Lao PDR ratified the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemical and their Disposal in 2010. More recently, the GOL issued a decree on the use and management of pesticides.¹⁴³ This decree is pursuant to:

- The Law on Government No. 04/NA, dated 08 November 2016;
- The Law on Plant Protection and Quarantine (Amended Version) No. 13/NA, dated 15 November 2016;
- The Law on Chemical Management No. 07/NA, dated 10 November 2016;
- Based on the letter of proposal of the Minister of Agriculture and Forestry No. 482/MAF, dated 12 May 2017

The Decree further defines the principles, regulations and measures regarding the use of pesticides, management and monitoring of pesticide activities to ensure the quality, efficiency and safety for humans, animals, plants and environment with the aim of allowing the agricultural and forest production to be carried out in line with clean, green and sustainable agriculture, capable to ensure regional and international integration, and contribute to the national socio-economic development.

¹⁴² “Pesticides: A Cause for Concern” Compiled By Sopavanh Rassapong, LURAS, November 2016

¹⁴³ Decree on Pesticide Management, No 258 /GOV, 24 August 2017

Classified chemical substances (incl. pesticides and other agro-chemicals), should refer to the “WHO Recommended Classification of Pesticides by Hazard and Guideline to Classification”. Lao PDR has defined the following categories of agro-chemical hazards¹⁴⁴ (based on WHO classifications):

- Ia – Extremely hazardous
- Ib – Highly hazardous
- II – Moderately hazardous
- III – Slightly hazardous
- U – Unlikely to present acute hazard

Lao PDR’s 2010 Regulation on the control of pesticides includes an annex on the banned substances, summarized in the following table:

¹⁴⁴ “Regulation on the Control of Pesticides in Lao PDR”, No.2860/MAF, 11 Jun 2010

Table 22 List of banned pesticides in Lao PDR, June 2010

Insecticides and acaricides	Fungicides
1. Aldrin	30. Binapacryl
2. BHC	31. Captafol
3. Chlordane	32. Cycloheximide
4. Chlordimeform	33. Mercury and mercury compounds
5. Chlorfenvinphos	34. MEMC
6. Chlorthiophos	35. PMA
7. Cyhexatine	36. Selenium compound
8. DDT	Rodenticides
9. Dieldrin	37. Chlorobenzilate
10. Dimefox	38. Sodium fluoroacetate
11. Dinitrocresol	Herbicides
12. Demeton	39. 2, 4, 5 –T
13. Endrin	40. Dinoseb
14. Endosulfan	41. Dinoterb acetate
15. Ethyl Parathyon	42. Paraquat
16. EPN	43. Sodium chlorate
17. Heptachlor	Fumigants
18. Hexachloro cyclohexane	44. EDB
19. Leptophos	45. Ethylene oxide
20. Lindane	46. Methyl bromide
21. Methamidophos	Others
22. Methomyl	47. Arsenic compound
23. Methyl parathion	48. Calcium arsenate – herbicide, rodenticide, molluscicide, insecticide
24. Monocrotophos	49. DBCP – Nematocide
25. Polychlorocamphene	50. Daminozide – Plant growth regulators
26. Phorate	51. Fluoroacetamide – Insecticide, rodenticide
27. Schradan	52. Oxamyl – Insecticide, acaricide, termiticide
28. TEPP	53. Phosphamidon – Insecticide, nematocide
29. Toxaphene	54. Sodium Arsenite – Insecticide, fungicide, herbicide, rodenticide
	55. Thallium (i) sulfate – Rodenticide, insecticide.

Although the GOL is working to control the use of dangerous pesticides, recent reports¹⁴⁵ indicate that numerous banned substances are still readily available and in regular use, including in the programme region. Although Lao PDR does not produce pesticides, they are readily available

¹⁴⁵ "Pesticides: A Cause for Concern" Compiled By Sopavanh Rassapong, LURAS, November 2016; and "Illegal Pesticide Trade in the Mekong Countries: Case Studies from Cambodia and Lao PDR" CEDAC, SAEDA and PANAP, 2013. The Sustainable Agriculture and Environment Development Association (SAEDA), formerly SAF (Sustainable Agriculture Forum), works to support vulnerable communities by promoting sustainable agriculture, increase capacity and awareness to safeguard the environment. SAEDA's projects focus on three main areas of intervention: Sustainable Agriculture, Chemical Pesticide Risk Reduction, and Biodiversity Conservation.

as imports, primarily from China, Vietnam, and Thailand. This poses another problem, since instructions for the use of the substances (incl. protection measures required for persons applying the pesticides), are printed in foreign languages that are not known to the local farmers. In some cases, the recommended personal protective equipment (PPE) is inappropriate for the Lao climate. These reports indicate that users are also largely unaware of the health and environmental risks of inappropriate agro-chemical use. Furthermore, since Lao PDR does not produce these chemicals, it also does not have an appropriate process for disposing of wastes generated from emptied pesticide containers. Similarly, there are no currently approved methods for cleaning chemical spills and land and water areas contaminated by pesticides.

While there is limited information on the exact use and prevalence in the programme region, stakeholders consulted often noted that there was some use associated with crops such as maize, however did not report any negative impacts. The only exception was with banana plantations, where some of the villages consulted knew of other villages who had members of their community come down with illnesses (noting these people were often employed in the direct application of agrochemicals, and often without any protective equipment).¹⁴⁶

The Lao Agricultural Commercialization Project's ESMF¹⁴⁷ found it difficult to generalize on fertilizer application rates identified during their field work. However they noted that the "overuse of fertilizer in Lao PDR is not a prevalent issue at present." They noted herbicides are applied in 1-2 applications per cropping season, especially for maize.¹⁴⁸ For rice production (paddy rice) they found that while fertilizers were not common, that insecticides are commonly used for high-yield rice varieties (Methyl parathion and Diazinon). However, they noticed that main issues are due to inappropriate use, and inappropriate container management. For vegetable production they noted that some herbicides and pesticides are used (esp. Lannate 90-Methomyl, Sevin 85%, Thiamethoxam, Cypermethrin, Chlorpyrifos, Abamectin, and Sulfur). They further noted that the "*improper use of pesticides and other chemicals in agricultural production, including those for preservative purposes, has been a significant limiting factor to the competitiveness of agricultural products in Lao PDR.*"¹⁴⁹ LACP's ESMF further mentions that agrochemical use is increasing, but is often below recommended dosages (with exceptions for certain crops such as bananas). Nonetheless, it notes limited awareness about appropriate agrochemical application, as well as banned substances and their associated health and environmental impacts. Thus, it is evident that there is a strong need for further awareness raising and capacity building on agrochemical use, including appropriate practices, health and environmental risks, and banned substances.

Livestock

Large livestock – especially cattle – have importance in the upland farming systems as a local "savings bank." Buffalos are also present in the uplands; for some of the upland ethnic groups

¹⁴⁶ Such trends were visible when visiting local villages near banana plantations, where it was possible to see some people spraying agrochemicals in shorts, sandals and a t-shirt – without any safety equipment.

¹⁴⁷ World Bank 2017

¹⁴⁸ Including Glyphosate-Isopropylammonium, Paraquat Dichloride, 2, 4-D Dimethylammonium, Atrazine, and Acetochlor.

¹⁴⁹ World Bank 2017, p. 55.

they have symbolic (wealth) or cultural importance and are not meant for ploughing. Small livestock such as pigs, goats/sheep and poultry (small livestock are generally raised by women) also form an important part of the farming system. If large livestock are the savings bank, then small livestock are more of a current account – easily sold (or eaten) as per regular needs. Cattle are traditionally, and still today, allowed to graze freely in local, forested areas, while goats and pigs are also normally allowed to graze freely except during the main agricultural season. Free grazing by livestock also has implications for forest regeneration.

Table 23. Livestock Keeping by Province in thousands Head

Province	Cattle		Buffalos		Sheep/Goats		Pigs	
	2016	2017	2016	2017	2016	2017	2016	2017
LNT	24	25	16	16	16	17	126	132
ODX	44	45	37	37	29	30	196	204
BKO	61	62	26	26	30	31	85	89
LPB	92	95	56	56	89	93	263	275
HPN	81	84	51	51	36	38	184	192
XBY	134	141	51	51	14	14	169	177
Totals	2452	2469	2253	2254	2230	2240	3039	3086

Table Notes: Note the high number of sheep/goats in LPB.

Source: Statistical Yearbook, 2017

Livestock's impact on forest regeneration was not identified as a major driver of forest degradation in the Northern provinces during the preparation of the ER-P and GCF programme. During a detailed assessment of the drivers of forest degradation during PRAP and ER-PD preparation. This is likely due to the relatively low population of livestock in the region and the scale of resulting degradation. Nonetheless, the programme identifies the importance of working with livestock to support local livelihoods, and promote sustainable production systems that prevent forest degradation in a proactive manner. It anticipates providing improved extension support promoting good agricultural practices, such as pasture management, rotational grazing, stall and improved animal husbandry. Such practices promoted can contribute to reducing methane emissions from cattle and goats, improved soil organic carbon sequestration, reduced degradation, reduced forest degradation due to free grazing, improved animal health, and reduced impacts on biodiversity, among others (see Annex 3 in the Feasibility study for more information).

5.3.5.2 Triggered safeguards and policies

Programme activities in the agriculture sector under Output 2 trigger PS 1 (Assessment and Management of Environmental and Social Risks and Impacts), PS 4 (Community Health, Safety and Security), and PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), primarily due to potential negative impacts from improper agrochemical use. Biodiversity risks may also occur due to the unanticipated expansion of agricultural activities onto forested land.

5.3.5.3 Risk considerations and potential avoidance/ mitigation measures

The ES risk for PS4 and PS 1 is medium, whereas the risk for PS6 is considered low. The following sub-sections will provide more information on the key risk considerations, and preliminary insight into key avoidance and mitigation measures.

Agrochemical use (PS 1 and 4)

As described above, the use of agrochemicals in programme-promoted annual cropping, and plantations can result in negative social and environmental impacts (triggering PS 1, 4 and 6). The programme focuses on the development of deforestation-free agriculture based on good agricultural practices, and is expected to generate mostly positive environmental and social impacts (e.g. reduced soil erosion and sedimentation, increased resilience to flooding, improved yields). The programme promotes good agricultural practices, which will likely result in reduced or more responsible agrochemical use. However, the programme may also promote agricultural value chains where agrochemicals are often used (e.g. herbicides, or pesticides), where farmers may continue to use agrochemicals to help them increase yields and overcome production barriers. The Lao Agricultural Project's ESMF notes that the "improper use of pesticides and other chemicals in agricultural production, including those for preservative purposes, has been a significant limiting factor to the competitiveness of agricultural products in Lao PDR. Farmers are not well informed about banned herbicide/ pesticides, while enforcement to control providers is weak and limited."¹⁵⁰

Understanding the potential risk that agrochemicals pose, the programme has been designed to limit adverse impacts. For one, the programme will not directly procure agrochemicals. It will also not support investments attributed with particularly negative environmental and social impacts (i.e. bananas, see Annex 8 for the program's exclusion list).

The programme is not expected to cause adverse and unprecedented social and environmental impacts, as it promotes good agricultural practices that aim to limit environmental and social impacts while increasing yields and supporting local livelihoods. It is also expected to increase awareness and build capacities on agrochemical use, promoting the responsible use and close monitoring of agrochemicals.

Best practices for managing pesticides are available and will be included in the ESMP (incl. guidelines from FAO, and a pesticide management plan prepared for the ERPD's Environmental and Social Management Framework. Potential measures to avoid and mitigate negative impacts due to agrochemical use are as follows (see Annex 10 for more detailed information):

- Follow the Lao Pesticide Law, and the Pesticide Management Plan (PMP) developed for the ER-PD's ESMF (in line with the World Bank safeguard on pest management, that notes (among other information) prohibited agrochemicals, and promotes awareness raising on pesticide safety procedures (see Annex 10). The PMP is informed by the Decree on Pesticide Management, No 258 /GOV, 24 August 2017, the Regulation on the Control of Pesticides in Lao PDR (2014), as well as guidelines on Integrated Pest Management (IPM) provided by the

¹⁵⁰ WB LACP ESMF, p. 51

Food and Agriculture Organization of the United Nations (FAO). Capacity building, awareness raising, and support for villagers, farmers, partners and trainers/ extension staff on environmental and human health hazards attributed to agrochemicals, as well as practices for the responsible use of permitted agrochemicals (i.e. pesticide safety procedures).

- Promotion of agrochemical-free agriculture through the application of good agricultural practices, when possible. Bio-controls will be promoted.
- While the programme will not directly procure agrochemicals, agrochemicals in use in the programme area must be properly stored, used and monitored. The responsibility for such measures would lie under DoA. Best practices in the PMP and FAO guidelines will be provided.
- Promoted agrochemicals will be preceded by a thorough risk assessment, including the identification of adequate measures to reduce health and environmental risks to acceptable levels
- Quantities of agrochemicals promoted will be based on an accurate assessment of actual requirements to prevent overuse or accumulation of stockpiles.
- Appropriate application equipment and protective gear will be provided in adequate quantities when agrochemical use is promoted by extension agents, unless it is explicitly confirmed that equipment and suitable safety attire is sufficiently available
- Continued consultations and socio-economic monitoring at the village level throughout programme implementation will also allow stakeholders to raise concerns, and support active programme monitoring enabling a quick response to potential negative impacts or concerns.
- The management, use and disposal of agrochemicals must be monitored throughout the programme, and protocols must be in place to deal with potential negative social and/or environmental impacts. Such information is covered in the Pesticide Management Plan developed for the ER-PD's ESMF.

Biodiversity (PS6)

The programme is envisioned to have largely positive impacts on biodiversity by supporting forest restoration, and improved management of forest and agricultural lands. Promoted agricultural practices are all considered "good agricultural practices", and are expected to often have positive environmental impacts (e.g. reduced soil erosion, improved soil quality, etc.). Many of the proposed practices will also work with shifting cultivation systems, aiming to improve yields sustainably through best practices that improve rotation periods, reduce soil loss, and have other benefits.

The programme's negative impact on biodiversity is assessed as low. All programme activities will happen on land that is already under agricultural use or heavily degraded production forest. The programme will not work with large concessions. However, the loss of residual biodiversity at small-scale cannot be ruled out when changing rotation agriculture into other agricultural production systems, or supporting assisted regeneration in highly degraded production forest using commercial tree species. Further impacts on ecosystem health and biodiversity could result from inappropriate agrochemical use (described in above in greater detail).

Measures considered to avoid and mitigate these risks¹⁵¹ are as follows:

- Capacity building and awareness raising on best practices to enhance biodiversity, and enable forest landscape restoration. This will also include awareness raising on ecosystem services, and sensitive flora and fauna to ensure their protection.
- As part of participatory land use planning conducted in the frame of the programme, ensure existing biodiversity, ecosystems, ecosystem services and cultural heritage are safeguarded
- The development and application of guidelines in consultative processes together with potential investors, farmers and communities to enable biodiversity to recover, ensuring best practices for sustainable forest management and forest landscape restoration
- Implementation of regular monitoring of land use changes, and when necessary, site-specific impact assessments on biodiversity and/or ecosystems.
- Promotion of cooperation with actors with a track record on corporate social responsibility. This could include screening investors interested in working with the programme to see if they have appropriate environmental and social governance policies, and records of accomplishments in place.

5.3.6 Unexploded Ordnance (UXO)

5.3.6.1 Baseline situation

Unexploded Ordnance (UXO) from the Second Indochina War (1964-1975) still contaminate some areas in Lao PDR, and can injure or kill people if they detonate. The Laotian Government, in cooperation with NGOs and the international community, has made significant efforts to clear contaminated lands, introduce preventive measures, and implement education and awareness raising activities.¹⁵²

In terms of national institutions, the Lao National Unexploded Ordnance Programme (UXO Lao), founded in 2006, conducts surveys to identify UXO contamination, clears land and undertakes risk education in affected areas. The Ministry of Labor and Social Welfare, the National Regulatory Authority for UXOs (UXONRA) and the Mine Action Sector in Lao PDR participate in a Mine Action & Unexploded Ordnance (UXO) Sector Working Group to ensure close cooperation with all concerned sectors, including the definition of standards and trainings for de-miners. The Government of Lao PDR introduced a Sustainable Development Goal Lao PDR/Goal 19: Lives Safe From UXO.¹⁵³

Together these institutions, NGOs and other international donors have made significant strides in reducing the number of UXO accidents significantly. In 2017, UXOs harmed 41 people in Lao

¹⁵¹ Biodiversity risk related to agrochemical use discussed in the section above on agrochemicals.

¹⁵² https://www.undp.org/content/dam/laopdr/docs/Project%20Briefs_Fact%20Sheets/UXO/UXO%20Lao%20Project%20Brief_Feb2016.pdf

¹⁵³ http://www.la.undp.org/content/lao_pdr/en/home/sustainable-development-goals/sdg-18--lives-safe-from-uxo.html

PDR, killing four and injuring 37.¹⁵⁴ The number is down from 310 in 2008.¹⁵⁵ The majority of UXOs are in the South and Centre regions of Lao PDR. The GCF programme area in the North of Lao PDR is less affected.¹⁵⁶ One of the most effective preventative measures is improved access to information about where UXOs have been cleared, and where UXOs may still be present in the ground. The Provincial Governors Office and district authorities are making maps available for this purpose, which GIZ and other development partners make use of frequently (the Figure below depicts one of these maps). In case an area is not yet cleared, the programme can request clearance from the UXONRA, which requires approx. a 12-month planning window for any clearance work.

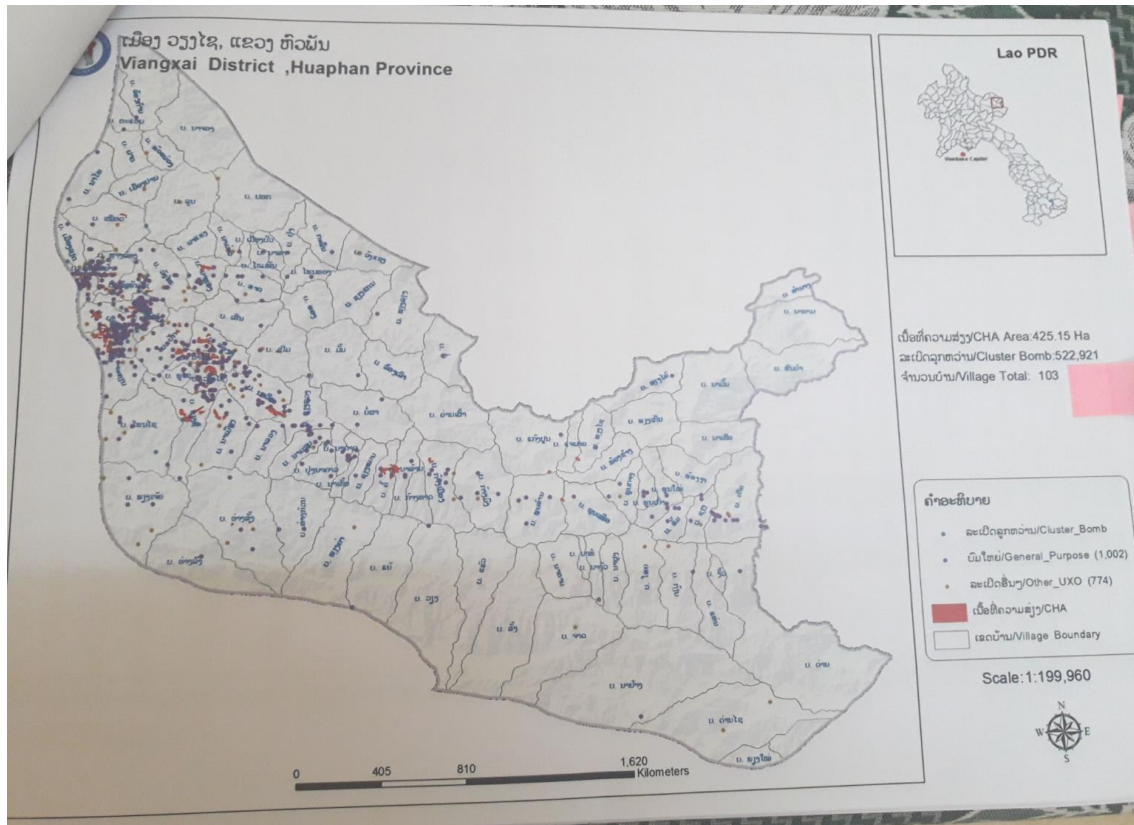


Figure 11. Photo of UXO map obtained from the authorities of Viengxai District in Houaphan Province

5.3.6.2 Triggered safeguards and policies

UXO can affect the health and safety of people involved in the programme’s agriculture- and forestry-related interventions (Outputs 2 and 3), and the programme therefore triggers PS4 “Community Health, Safety, and Security”, and GIZ’s safeguards for Environment and Human Rights. Relevant programme-related activities include forest work (e.g. harvesting timber and/or NTFPs), agricultural activities involving ploughing or digging, and other activities that require moving the ground.

¹⁵⁴ <http://www.the-monitor.org/en-gb/reports/2019/lao-pdr/casualties.aspx>

¹⁵⁵ <http://www.the-monitor.org/en-gb/reports/2010/lao-pdr/casualties-and-victim-assistance.aspx>

¹⁵⁶ <http://www.nra.gov.la/uxoproblem.html>

5.3.6.3 Risk considerations

Across the country, UXO accidents nowadays are rare (approx. 0.0006% probability in 2017).¹⁵⁷ The programme operates in areas where, according to public records, UXO presence in the ground is rare and accidents have not occurred in recent years. The programme team consulted development partners and government counterparts from the agriculture and forestry sector to cross check with public records and found no incidents in the years since 1968.¹⁵⁸ Preventive procedures are in place, including district-level UXO maps and clearance maps. On the other hand, even if rare, UXOs accidents cannot be ruled out entirely, including after floods, landslides or other extreme weather events that affect the ground. The programme's agriculture and forest-related activities sometimes require moving the ground (for example harvesting bamboo and other NTFPs, timber harvesting operations or ploughing). The programme will therefore need to comply with preventive procedures put in place by the Lao PDR Government. Programme sites need to be confirmed clear of UXO before any programme activities can be undertaken.

The risk is assessed as low to medium. Unintended negative impacts are rare, can be anticipated, and recognized best practices for prevention are readily available. However, the rare case of an accident cannot be ruled out entirely.

5.3.7 External risks in the programme area

5.3.7.1 Existing external risks

Various external risks exist in the programme area that need to be carefully monitored. This includes external risks to both people's livelihoods and to programme goals that are already present in the programme area or could manifest in the course of programme implementation. Many of these risks are identified in the ER-PD, PRAPs, draft SESA, draft ESMF and feasibility study.

The following lists the external risks of relevance to the programme. Most will be difficult for the programme to influence and therefore mainly require monitoring during implementation including through the ESMP:

Policies, Law and Regulations, Governance

The following are external risks faced by the programme related to policies, the legal and regulatory framework, and governance:

- Ongoing delays in passing updated key legislation such as Land Law and Forest Law;
- Delays in adjustments to related legislation (meaning related to the not yet amended Land Law and Forest Law);

¹⁵⁷ Calculated using the reported number of incidents and national population statistics for 2017.

¹⁵⁸ Based on consultations with senior staffs at the Department of Forestry, the most senior of which joined DoF in 1968.

- Ongoing inconsistency between different parts of laws and regulations at different levels;
- Delays in land registration and titling, and/or priorities exclude mountainous areas in favor of plains and plateaus;
- Communal titles for larger village use areas, including forested areas, does not have a place in law and/or no guidelines to define it;
- Timber harvesting ban from production forests (including within village boundaries) continues, while non-commercial exploitation of village use forests regulations remain in force.
- Lack of official recognition for village forest/land use planning results (especially from other sectors or levels of government);
- Policy incentives to promote “forest friendly” climate smart agriculture lagging behind simple push to commodity agriculture;
- Compartmentalized hierarchies in government structures mean that regulations from one department or ministry do not translate into coordinated action on the ground involving other departments or ministries (including within same ministry);
- General relocation and village consolidation policies may continue in the short and medium term;
- Government is unable to provide adequate staff at district and cluster levels, especially to carry out more “labor intensive” participatory approaches;
- Government is unable to provide adequate forest law enforcement staff in key districts;
- Years of implementing commercialized agriculture “at any cost” has a strong institutional momentum that is difficult to change;

In addition, LPRP has recognized that corruption is a matter of serious concern in the country. The Transparency International Corruption Perception Index for 2017 puts the Lao PDR at rank 135 out of 180 with a score of 29 (out of 100). Among others, it represents a drain on badly needed government revenues. The latest Party Congress in 2016 expressed high commitment to tackling corruption in the Lao PDR. Various crackdowns have occurred, but it will be a long process to ensure that all regulatory and inspection frameworks are in place and functioning.

Land concessions and converting land into capital

Related to the GOL initiative of “turning land into capital,” larger scale investment projects in the form of concessions, have sometimes triggered the physical relocation of villages and/or denied people access to communally used lands.¹⁵⁹ Land alienation has been exacerbated in recent years by the awarding of concessions on local people’s customary lands. Concessions in the North include hydropower projects, the China-Lao Railway, mining (such as lignite in Hongsa District, XBY) and agricultural concessions (especially for rubber and bananas). A land concessions Fact Sheet (2014) for Luang Prabang showed that 25,407 ha had been granted for projects,

¹⁵⁹ There are decrees on compensation for those who have lost land to private or public projects, but in a country where formal land titles have barely reached the rural areas, ascertaining the value of appropriated land has led to low compensation amounts. Moreover, communally used land and bush fallows hardly come into the compensation equation at all.

of which 21,693 ha were for tree plantations. Additionally, it notes that 22% of the provincial land area had been granted for mineral exploration and prospecting (doesn't mean it would result in concession projects).¹⁶⁰ Other investment projects in the context of Special Economic Zones (SEZs) may also expropriate people's land. This raises access and control issues over lands that, while recognized as falling within a particular village's boundaries, are actually controlled by outsiders.

Concessions expropriate both productive, agricultural land and as mentioned, communal lands under forest, scrub or grasses. Expropriation of productive, agricultural land increases competition among local communities for remaining land and may push the "losers" of the competition to use land of marginal quality (too steep, poor soils, far from the village and/or road) or to become effectively landless. As cropping and cropland statistics show¹⁶¹, flatland for agriculture is at a premium in the Northern provinces. Communal lands are, however, of equal importance to mid- and upland communities and their swiddens - forest – fallow landscapes. They are a resource for livestock grazing, for NTFP and firewood collection and, if necessary, may also provide small plots of land for cropping if agreed within the community. Over the past few years, one of the most frequently mentioned problem raised through the National Assembly Hotline has been land disputes.¹⁶²

While programme areas have been pre-screened for planned hydropower concessions, there is a risk that new concession areas may arise during programme implementation. This could include the awarding of concession land on areas that overlap with designated forest areas, including "forest areas on communal lands. There is also a risk that new hydropower projects cause the relocation of villages (that could lead to additional deforestation), and flood productive agricultural lands. Construction of the Lao-China Railway is also expected to lead to additional relocations in Luang Namtha, Oudomxay and Luang Prabang, however the specific villages and areas for relocation are not unknown. Another risk is the expansion of other types of concessions (e.g. large-scale agriculture, tree plantations, and mining).

Understanding the challenges posed by concessions, various orders and decree have been put into a place that limit the granting of concessions. Prime Minister Order No. 13 placed a moratorium on new concessions for mining, rubber and eucalyptus plantations to allow for improving assessment processes to fully understand the potential social, environmental and economic impacts of such activities. It was extended in 2015 and lasted until 2018, with PMO number 9 and PMO number 8 replacing it (described in the following Table).¹⁶³

¹⁶⁰ Centre for Development and Environment (CDE). Province Fact Sheet: Land Leases and Concessions, Luang Prabang 2014.

¹⁶¹ According to ERPD statistics the six northern provinces have only 8.1% cropland (according to IPCC definition: lowland and current upland crops). The GOL has chosen not to include upland fallows as cropland, but rather as "regenerating vegetation," meaning potential forest.

¹⁶² A recent Vientiane Times article (26 December 2018) reported that the top three issues raised via the NA Hotline were bad roads, land disputes and illegal drug trade.

¹⁶³ PMO 08/2018, concerning the enhancement of mining-business governance in Lao PDR, recognizes the importance of the mining sector in contributing to the country's socio-economic development. It continues to halt the consideration and approval of new investment projects that survey and explore for minerals and gold mining along rivers and land throughout the country until December 31, 2020, although certain exceptions are described in the order (e.g. select non-metal minerals for industry, non-metal

Table 24. Overview of Government moratoriums on concessions

Order/ decree	Brief description
Prime Minister Order No. 13 (2012) on “Moratorium on new concessions for mining, rubber and eucalyptus plantations”	<ul style="list-style-type: none"> ▪ Placed a moratorium on new concessions for mining, rubber and eucalyptus plantations to allow for the assessment of potential social, environmental and economic impacts of such activities. ▪ The order was extended in 2015 and lasted until 2018, with PMO no. 09 (see below) and PMO no. 08 replacing it
Prime Minister Order No. 09 (2018) “Concerning the enhancement of governance in the use of concession lands for industrial tree plantation and the plantation of other crops within the country” [2]	<ul style="list-style-type: none"> ▪ Replaced PMO 13 (together with PMO No. 8 on mining) ▪ Activities banned in PMO 13 are relevant for the socio-economic development of the country and have substantial potential to attract both domestic and foreign investment in Lao PDR. ▪ Need for stricter governance, including improved inspection, evaluation and categorization of projects. The country must develop clear strategies and policies that promote development in these sectors aligned with the country’s vision for sustainable and green development. ▪ Plantation forests fall under two classifications: production forests and regenerated forests. Both classifications are required to comply with developed forest management plans under forest management contracts with three types of groups: collective forest management (established by a Land and Forest Land Allocation Committee and a village leader), family forest management, and business forestation management. Forest management contracts are governed by MAF. ▪ MAF must re-inspect and determine the policy, allocate and plan the use of agriculture and forestry lands in coherence with the local potentiality and ensure the use of land to go along the green and sustainable direction. ▪ MAF must take a leading role in transforming the order into specific legislation. In terms of the lease or concession of lands for investment in agricultural and forestry, government needs to divide the management levels, permit and encourage a clear monitoring and inspection.
Prime Minister Order No. 483 from March 27th, 2017	<ul style="list-style-type: none"> ▪ Ban on the establishment of new banana concessions and a plan to phase out banana production in the six Northern Provinces (Phongsaly, Luang Namtha, Bokeo, Oudomxay, Luang Prabang, and Sayabouri) and in Vientiane.

Source: Adapted from the Feasibility study

minerals for construction, fuel minerals, liquid minerals, among various other exceptions). The order aims to improve the regulation of the sector and improve transparency.

Another risk is deforestation due to infrastructure construction. Forest clearance for road construction have been closely interlinked in the past, where infrastructure investments are paid by logging (i.e. turning trees into capital, see the photo below). Improved transparency and monitoring through the programme will help to reduce this risk.



Figure 12. Photo of construction work

Figure Notes: Photo posted on Land Information Working Group website on 14/05/2018. The photo originates from an RFA article (08/05/2018) entitled “Families in Oudomxay Province First to Receive Compensation from Lao-China Railway” although the photo itself is from 2017. Background right of photo appears to show bush fallow partly lost to construction.

Investor Behavior

Although the GOL is working seriously to improve the business climate in the country, the Ease of Doing Business Report, (World Bank Group, 2018) places the Lao PDR at rank 154 out of 190 (in previous years it was ranked 141 and 139). In other words, the barriers and challenges for domestic businesses are still high, and the reform process is proceeding slower in Lao PDR compared to other countries. These challenges also encourage investors to use semi-legal and illegal means to get around the barriers.

This, in turn, may make some investors feel they have a *carte blanche* to ignore the government’s regulations on environmental protection for example. Investors operating outside of the regulatory framework create an unfair advantage over those who work within it. Foreign investors and traders from neighboring countries, sometimes flout laws and regulations, bypass district offices and act with too much impunity at village level. Domestic investors and traders do the same, sometimes in cooperation with local officials who do not yet fully understand the Party’s directions and codes of conduct. The nascent regulatory framework on doing business,

whether foreign direct investment or domestic investment, will still require steady improvements over the next years. The government, however, is starting to crack down on investors who ignore environmental protection laws.

Cropping Disasters: Natural and Manmade

- Natural disasters such as pest plagues (rats, insects, crop diseases¹⁶⁴) wipe out harvests;
- Weather events (ex. extreme cold in 2016, drought, hurricanes and flooding) destroy crops, fields, homes;
- Boom and bust cropping cycles in areas of mono-cropping can wipe out people's capital, increase debts and poverty if a "bust" comes suddenly.

Climate Change

Climate change projections for the Mekong region as a whole, including the project area, based on a range of different scenarios, models and geographical scales, agree that the Mekong sub-region is predicted to experience a temperature rise of between 0.01°C and 0.036°C per year. Seasonal precipitation patterns will likely change, pointing to increased precipitation although significant risks of drier conditions and a longer dry season also exist, and increased incidences of extreme weather events such as typhoons

Climate-induced risks to the programme

The ADB CRVA examined risks from both climate change and current climate variability. The findings suggest the following potential impacts of climate change on the programme area:

- Temperature increased
- Annual precipitation signals both for increase and decrease in different seasons (signals for increase in more studies)
- Also shifts in seasons therefore;
- Agricultural productivity decreased, existing food scarcity increased
- Annual runoff increased, dry season runoff increased and therefore;
- Potential for increased flooding (not quantified)

The consulted studies do not warn of climate-induced risks for forest ecosystems. Research suggests that (tropical) forests are generally rather resilient to climate change.¹⁶⁵ However, this topic may be under-researched – including in Lao PDR. The projections for Lao PDR indicate some potential future stressors for forest ecosystems such as seasonally reduced precipitation or increased drought, which could suggest a higher risk of more wildfires, changes in species composition or loss of biodiversity. Nevertheless, it remains generally uncertain, how the forest ecosystems especially in Northern Lao PDR will be affected.

¹⁶⁴ It was recently reported, for example, that a fungal disease, "fusarium wilt," has badly affected banana plantations in different parts of Lao PDR. See <https://apsjournals.apsnet.org/doi/10.1094/PDIS-08-17-1197-PDN>

¹⁶⁵ For example: <https://www.nature.com/news/tropical-forests-unexpectedly-resilient-to-climate-change-1.12570>

Risk assessment

The overall effects for agriculture and forests in the context of this programme will likely be low, because the literature found climate impacts related to rain and water until mid-century and end-century to be considered weak.¹⁶⁶

In addition, the programme should not result in unintended negative impacts that increase GHG emissions or exacerbate the vulnerability of local people or ecosystems. Its agriculture support in general does not contribute to expanding agriculture, but improves skills, diversification and efficiency for using existing agricultural lands. Sustainable Forest Management (SFM) and Forest Landscape Restoration (FLR) will not contribute to diminishing resilience or adaptive capacity. It further has the programme has the potential to promote:

- The integration and consideration of climate risks in land-use planning to reduce the exposure of communities and economic activities
- Flood and drought-resilient crops and varieties through capacity building measures to increase the adaptive capacity of farmers.
- Connectivity between habitats to increase the resilience of migratory species and ecosystems as part of FLR

In addition, the following adaptation action options were identified:

Forest ecosystems:

- Include climate-induced stressors in forest monitoring including national forest inventories.
- As part of management plans, forest landscape restoration activities, and improved protected area management promoted by the programme under Output 3, include wild fire management measures
- Promote establishing corridors between ecosystems in order to support connectivity and natural resilience (part of FLR).
- Support protection and sustainable management of forested watersheds.

Agriculture:

- Support to dry-season irrigation schemes, in Output 2 in partnership with ADB
- Capacity building and training on sustainable water harvesting techniques and reducing water needs through crop mix in partnership with ADB, FAO, and IFAD.
- Promotion of diversification in agriculture (opposed to increasingly prevalent monoculture land-use in the Northern provinces).
- Inclusion of flood and drought-resilient crops and varieties. This can mainly be applied for rice, where ample experience exists in the region (esp. Thailand and Vietnam). For other supported cultivation plants, including cardamom and Non-Timber Forest Products, little research on climate risks was found to be available. The programme should undertake a more comprehensive stocktaking of the available research when it commences activities.

¹⁶⁶ Climate Service Center Germany (2015): Climate-Fact-Sheet Cambodia – Laos. Updated Version.

- The programme can promote risk mitigation processes, including, for example, reducing shifting cultivation and increasing vegetative cover on slopes and in upland areas in order to help reduce erosion and sedimentation that contribute to riverbank cutting and riverbed rise downstream, as well as landslides in steep areas.
- Capacity building for farmers on sustainable pest and disease management
- Land use planning can help improve land use practices, including reducing exposure to risk (e.g. identifying high-risk areas for landslides, flooding, etc.), and can support the planning, adoption and monitoring of sustainable land use processes that can help reduce risk (for example, increased forest cover can reduce the risk of flooding, landslides or wildfires in certain contexts).
- Regular and comprehensive monitoring conducted within the framework of the programme at local level, including with various ethnic groups in order to benefit from their knowledge, can lead to early detection, follow-up and the identification of suitable management practices/adjustments as necessary.

5.3.7.2 Mitigating and monitoring external risks

The risk level posed by factors external to the programme is both significant, and difficult to mitigate, due to the externality. Just as there are deforestation “hot spots,” some of the external risks are location specific, and do not necessarily mean “blanket” risks. Nonetheless, the degree of systemic external risk is significant and they may interact negatively with unintended negative impacts of the programme. Therefore, as part of the ESMP, the programme should regularly monitor and assess site specific external risks. Some of the external risks may be mitigated through intensive policy dialogues.

The programme management team will include a qualified staff member responsible for monitoring the impact of the programme and implementation of the Environmental and Social Management Plan (ESMP), including climate change related risks.

5.4 Information gaps that require attention

As the sections above show, much forest related data are available for the ER programme area, but the necessary socio-economic data are available only at provincial level, if at all and based on sources such as the Population and Housing Census, the Labor Survey and Statistical Yearbooks. Thus, there are some important information/data gaps that will require filling so that the programme may work with a reasonable socio-economic baseline. A baseline is imperative for various monitoring purposes, including monitoring of external risk and managing safeguards. Moreover, according to the Indigenous People Policy, monitoring records must also be kept of FPIC results. Obviously, a forest cover baseline and monitoring systems are at hand.

Much of the gap-filling will have to be done as the programme begins implementation in the selected districts. Some of the more important gaps are as follows:

Land tenure and titling

The extent to which land titles have been issued in the selected districts; for example, some districts may have issued titles for paddy land, whether systematically or piecemeal. A couple of PRAPs do report on the extent of village land registration (LNT presents a table, ODX presents some data).

At the same time, in conjunction with investments, land use by concessionaires – big or small – needs to be recorded. Some of the PRAP teams may have collected data in respect of the latter, but would need to be systematically presented.

Economic aspects/ investments and implications thereof

There is too little clear information at district level regarding the current, planned and/or approved investment and/or private sector engagement in the selected districts (partly available in the PRAPs). This information is crucial for two main reasons: (a) effect on land/forest access, use and control and livelihood security (concessions), and (b) what type of agricultural land use is likely with the crops promoted, including structuring of current value chains in the area (and what can be influenced).

Gendered livelihood analyses and situation of women of different ethnic groups

No updated and/or district specific data available from official sources. A separate analysis is being conducted in the framework of the gender assessment and gender action plan as part of the programme preparation process.

Village consolidation and/or relocation

This information may be checked at District level and in the Provinces. Two types of village movements should be checked for: administrative and investment project-related. This should also include investigations as to whether land only might be affected when it comes to investments.

Government and mass organization staffing

While basic information is available of government staff and their capacities is available within the PRAPs and ER-PD at the time of this assessment, an additional more detailed assessment should be done including a more detailed breakdown of government staffing including by: permanent staff and volunteers, gender and ethnicity (or different language capabilities). Such assessment could be conducted in the programme inception phase or at programme inception. This should build on the detailed capacity needs assessment conducted in the Feasibility study.

Credit facilities

Credit facilities available to farming households in each of the districts by source and an estimate to what extent they are actually used. Statistics are available on the number of small and medium enterprises with access to financing (24.7% and 46.7% of small and medium enterprises, respectively),¹⁶⁷ and access to finance was ranked as the main barrier to growth for these businesses. Unfortunately, detailed statistics at the household level are not readily available.

¹⁶⁷ World Bank 2014 – Small and Medium Enterprise Access to Finance Project

District programme directory

While a detailed description of donor programmes/ projects related to the proposed programme is provided in the feasibility study, a more detailed list should be developed that includes the name of existing programmes/ projects in each district, including the number of staff involved. This is crucial given the limited number of available, skilled staff for certain sector tasks.

5.5 Comparison of SESA results with the ESIA

A strategic environmental and social assessment (SESA) was conducted for Lao PDR's Emissions Reduction Program by the World Bank (see Annex 12). The SESA was conducted utilizing a process including the following elements:

- 1) iterative diagnostic work on socio-economic, environmental and institutional aspects of REDD+ readiness, including assessing existing capacities and gaps to address identified environmental and social issues; }
- 2) consultations with different stakeholders, identifying any possible stakeholder gaps;
- 3) identifying and confirming the environmental and social safeguards (World Bank Operational Policies potentially triggered by REDD+ activities during the implementation of the PRAPs).

The SESA process also drew on lessons learnt from past projects implemented in Lao PDR, particularly those that were supported by the World Bank such as the Sustainable Forestry for Rural Development Project (SUFORD).

As described above, this ESIA was based on a similar process – albeit with a focus on GIZ and GCF safeguards policies. Nonetheless, as described in Chapter 5 – these safeguards and standards are closely aligned with each other. The main difference is that the SESA had a substantially different scale and timeframe than the ESIA for the proposed programme.

The following Table provides a summary of the main findings of the SESA, including risks and challenges as well as potential solutions and mitigation strategies, and compares them with the ESIA. It further includes a brief description of how potential solutions and mitigation measures have been integrated into the design of the GCF programme. The two assessments came to similar conclusions, and their recommendations have been integrated into program design.

Table 25: Comparison of SESA with ESIA and Programme

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
Land	Little to no recognition of customary or community property rights for agriculture or forest land.	Changes to policies, laws and regulations governing forest and land; Assist local communities to have more awareness and understanding of forest laws and improve land tenure security	Yes – Participatory land use planning (Activity 1.5), strengthening the regulatory framework (Activity 1.3), capacity building support to improve awareness of legal and regulatory framework, risks and challenges, as well as opportunities and rights (cross-cutting).
		Change policies, laws and regulations to give more recognition to local communities' common property rights and management;	Yes – strengthening the regulatory framework (Activity 1.5) aims to support revisions to strengthen benefits for local communities from the sustainable management of natural resources (see FP for more detail).
	Slow and difficult allocation of land to communities, individuals, households (HHs).	Land allocation and recognition of a rural land title –this is long term solution	Partial – PLUP conducted. Department of land to support with developing and implementing systematic land registration, based on the PLUPs developed. Additional support is needed from the government for formal land allocation, however the programme supports communities to obtain a crucial first step in obtaining secure land use rights. There is a new WB and KfW initiative to conduct nationwide land registration (GIZ will play a role as well). The GCF programme is providing crucial preliminary work in terms of Land Use Planning
	Inadequate upland production land (reducing with implementation of agriculture and forest zones around villages).	Improve participatory land use planning (PLUP) and SFM (but may introduce additional safeguard and gender issues)	Yes – PLUP (Activity 1.5), combined with technical and financial support for agriculture (Output 2) and forestry activities (Output 3). Close monitoring will help identify potential safeguard and gender issues. In addition, the program's gender action plan includes concrete measures to reduce risks and enable women to positively benefit from PLUP, SFM and other program activities. The programme's community development planning framework further provides concrete measures that will be implemented to closely monitor and mitigate risks, and enable men and women

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
			from diverse ethnic groups to benefit from the program's activities.
	No participatory land use planning (PLUP).	Improve and standardize PLUP processes (currently these are vary variable across provinces and districts)	Yes – Activity 1.5 implements PLUP in hotspot areas.
	Land conflicts between different parties.	Support for mediation, feedback and grievance redress mechanism	Yes – Support provided through the programme's grievance redress mechanism (see Section 7.4).
	Natural forest land no longer allowed to be allocated as concessions any parties except organizations.	Strictly limit allocation of concessions (already a stated Government of Lao objective but there are differences in different provinces) Improved PLUP agricultural and forest land zoning in upland areas so that farmers have adequate agricultural land of sufficient quality	Yes – Activity 1.2 will provide clear direction in SEDPs ensuring REDD+ is mainstreamed, and PLUP implemented (Activity 1.5).
Livelihoods and forest dependency	Food (rice) security remains problematic.	Much improved extension system required (but limited mechanisms, capacities);	Yes – Training module development, training trainers and extension agents (cross-cutting in outputs 1-3), PLUP to inform suitable land use activities (agricultural management planning – land zoning, etc.), monitoring of land use plans (Activity 1.5), and provision of technical support to enable the implementation of land use plans using good agricultural practices (Output 2),
	Ethnic group livelihoods highly land-dependent.	Models suitable for upland farming systems need to be developed with small ethnic farmers, especially;	Yes – Models to be developed for sustainable upland farming systems to be developed through participatory approaches together with smallholders (Outputs 2 and 3). Models and land use planning to be based on local conditions, and provide diverse options to be discussed with local communities based on the local context and conditions.
	Remote upland areas with few alternatives to current limited set of livelihoods activities.	Action research on value chain development with focus on uplands;	Yes – Activities within Outputs 2 and 3 to also develop alternate livelihood models and strengthen livelihood opportunities from sustainable natural resource management.

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
	Limiting access to forest land resources.	Increased support for forest co-management models so that small farmers continue to have adequate access to forested areas;	Yes – PLUP (Activity 1.5) to create clear land use plans based on a participatory and inclusive process, co-management promoted in Activities 3.1-3.3, and Activity 2.3. Additional activities, such as law enforcement and supervision (Activity 1.4), aim to also strengthen communities' role in monitoring and enforcement. Regulatory changes (Activity 1.3) aim to strengthen the regulatory framework and enable local people to better benefit from the sustainable management of natural resources.
	No system of compensation for limiting or cutting off people's access to forest land resources.	Resettlement safeguard must also include compensation for limiting access to forest resources (i.e., NTFPs, cattle grazing areas, etc.); It will be necessary to identify sustainable income generation activities that enable affected persons to be at least no worse off as a result of limiting access to forest resources and ideally better off. Should be change in PLRs to assist local communities claim against forest owners and others that limit their access to needed resources;	Yes – PLUP promoted in a participatory and inclusive manner. Sustainable income generation and livelihood activities will be identified that aim to ensure affected persons benefit or at least are not worse off (outputs 2-3). Nonetheless, the programme proposes to follow the Resettlement Policy Framework developed for the Lao PDR Emission Reductions Programme (see Annex 13, in particular the entitlement matrix), A programme-specific grievance redress mechanism has also been developed, which will be communicated to all programme beneficiaries and stakeholders (see Section 7.5).
	Cash poverty among semi-subsistence small farmers.	Cash poverty intractable problem in the short run.	Yes – Provision of village-based grants for sustainable activities in target villages within the framework of Activities 3.1-3.3. Co-investments and support for the implementation of Activity 2.3. Provision of capacity development and technical support. Activity 1.1 to strengthen finance opportunities for sustainable land management.
	Heavy reliance (rural and urban) on firewood.	Promotion of community woodlots with suitable species, promotion of alternative energy sources, fuel efficient stoves	Partial – Woodlots can be developed through Output 3. Fuel efficient stoves not covered within the programme.

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
		More awareness needed of NPAs so that they ensure biodiversity in their areas for local HHs;	Yes – NPA management (Activity 3.3) aims to raise awareness of the importance of NPAs, while also providing clear mechanisms for local communities to benefit from the sustainable management of NPAs (through voluntary co-management agreements).
Potential to benefit from forest land	Limited investment options for allocated forest land.	Change rules on large forest owners' re-allocation of land to communities (if poor quality, they have to co-invest with small holders, or it has to be of certain minimum quality before handover);	Partial – PLUP to strengthen recognition of local community rights (Activity 1.5), co-management within Outputs 2 and 3. Activity 2.3 to enable co-investments with private sector in degraded areas. Re-allocation of land to communities from large forest owners is linked to a larger political process, which goes beyond the scope of the programme. See previous comment on forthcoming WB, KfW project.
	Limited inputs of poor quality available (e.g. lack of good quality seedlings and other agricultural inputs).	Good quality seedlings must be certified by a competent seed certification. Ensure that directions of use for other inputs are in Lao language	Partial – Co-investments in seeds and other (non-chemical) inputs within Output 2, and seedlings for implementation of forest restoration provided in Output 3. Guidelines to be developed for various activities in Outputs 2 and 3 to be provided in Lao, and where necessary other local/ethnic languages.
	Policies, laws and regulations do not promote smallholder chances to benefit from forest.	Improve policies, laws and regulations	Yes – Policies, laws and regulations to be revised to strengthen benefits for smallholders from the sustainable management of natural resources.
	Timber harvesting only allowed under limited circumstances.	Development of sustainable forest management models based on community-based forestry with simplified regulations;	Yes – The programme supports the revision of key policies, laws and regulations to enable local people to benefit from the sustainable use of natural resources (Activity 1.3)
Gender/ social exclusion	Women disadvantaged on access and use of land.	Any solution has to be long term, wanted by society and promoted by government (major challenge);	Partial – GAP includes various measures aiming to engage women in PLUP (Activity 1.5), law enforcement (Activity 1.4), training (cross-cutting), and village management structures (e.g. Output 3), among other programme activities. Revised policies and legal frame-
	Women's rights to land less secure than men's.	Whole issue of land titles in rural areas needs to be updated to reflect the current in-secu-	

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
		<p>rity as well as women's rights to land (included as part of the review of and improvement of the land and forest laws underway at present) but is clearly a long-term solution</p>	<p>works within Activity 1.3 will also be reviewed by a gender expert to determine how gender-equality can be strengthened within these policies/ frameworks. However, as mentioned, it is a long-term issue that needs to be integrated in the ongoing reviews of the forest and land laws (going beyond the scope of the proposed programme)</p>
	<p>Ethnic women have greater need for common property rights, especially related to forest.</p>	<p>Ensure that information is available in local languages and orally (use of radio and TV in local languages); where possible and practical. Some of the Mon-Khmer languages spoken by ethnic groups and the Hmong language do not readily lend themselves to written translation</p>	<p>Yes – Targeted measures included within the Program's Gender Action Plan to target women and poor households (e.g. additional trainings for women, use of picture books, videos, posters for information dissemination, translation into local languages, among others).</p>
	<p>Women's access to information less than men's.</p>	<p>More attention to targeting women by facilitating if deemed necessary separate consultations with village women facilitated by a female facilitator in the language of women's choice</p>	
	<p>Women's active involvement in consultations less than men's.</p>	<p>More attention to times of meetings</p>	
	<p>Poor persons (women and men) less likely to receive adequate information.</p>	<p>More attention to targeting and focusing on involvement of poor households</p>	
<p>Institutional framework</p>	<p>Extension services for forestry and upland agriculture very weak.</p>	<p>Long term programme to overhaul extension systems to reach uplands areas that are evidence driven and based on the specific needs of different localities;</p>	<p>Yes – Experts to support the development of training modules and training of trainers, and trainings to be implemented using various approaches aiming to integrate men and women from diverse cultural and education backgrounds, whilst also considering differing local needs, contexts and interests.</p>

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
	Limited exposure to participatory approaches.	ODA required to impart participatory approaches/techniques and/or work with local applied social research institutes that either have a demonstrated track record in participatory approaches or have signaled their ability and willingness to be involved with such approaches;	Yes – all staff will be trained on gender, social inclusion and measures related to the effective engagement of members of diverse ethnic groups in trainings, and consultations. In addition, participatory approaches are at the core of the programme’s activities where local villagers from diverse ethnic groups will play a core role in actively participating and shaping programme implementation (e.g. Participatory Land Use Planning, development and implementation of Village Forest Management Agreements, etc.). See the stakeholder engagement plan for Project 1 included in Annex 9.
	Limited staffing and budgets.	Staffing and budgeting another intractable issue (relates to larger civil service reforms, quotas, etc.);	Partial – Additional co-finance from the government of Lao PDR has been secured to provide key staff to support program implementation. The programme also aims to institutionalize trainings and capacity building to ensure consistent knowledge of staff, and ease with training and onboarding new staff to prevent the loss of knowledge and learning within government institutions. However, limited government budgets are unfortunately a reality in Lao PDR, and the program is unable to fully solve this challenge.
Consultation	How to do FPIC with adequate numbers of local communities, especially with ethnic people (no legal provision for FPIC in PLRs).	<p>Training and involvement of students and youth (especially from ethnic minority groups and especially of younger women) to help provide information and undertake at least some consultations;</p> <p>Always ensure translators are present at meetings with ethnic groups that do not speak Lao language</p>	<p>Yes – the consultations and stakeholder engagement processes aims to engage men and women from diverse ethnic groups, and age groups. CSOs and other institutions (LWU and LFND) will also play an important role in engaging diverse people in the programme.</p> <p>Yes – included in the costs of consultations, and in budget lines for information materials, guidelines, etc.</p>

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
	<p>REDD is seen as a risky approach. The overall approach of REDD+ itself makes consultations and FPIC difficult. Unclear performance related payments is not a realistic plausible way to convince smallholder farmers of any ethnicity or gender to participate.</p>	<p>Benefit sharing mechanism and plan were not clear at this stage, and there is little understanding at the village level. Inherent problem with the REDD+ approach</p>	<p>Benefit sharing mechanism and plan for the ER-Programme are still undergoing development.</p>
	<p>CSOs in Lao are small and seldom include ethnic group among their staff and face operational difficulties resource constraints etc.</p>	<p>CSOs should be facilitated to participate in REDD+ (including capacity building for them), but only in limited areas</p>	<p>Yes – CSOs will be invited to participate in dialogue platforms, including representatives from the LEGT Lao CSO Core Committee, among others, who can bring long-standing insight to support local villages to sustainably manage land resources and strengthen local livelihoods.</p>
		<p>Train Lao women’s unions to help facilitate women only meetings in the villages; Already happening training will help but quality is an issue.</p>	<p>Yes – included in within the Gender Action Plan (Activity 1.7)</p>
PLR Framework	<p>No real definition of customary; little recognition of customary rights anywhere in policies, laws and regulations, and limited recognition of community rights.</p>	<p>Need to revise key policies, laws and regulations, and ensure that adequate implementation circulars are issued;</p>	<p>Partial – Policy and regulatory revisions in Activity 1.3 aim to improve local benefits from natural resource management. Ethnic group specialist and, safeguard and gender specialists to revise policies, laws and regulations, as well as strategies, guidelines, and other documents developed by the program to ensure documents are gender and ethnically sensitive, and promote best practices for social inclusion and engagement. However, additional revisions are needed in the legal framework that extend beyond the scope of this programme (affecting multiple sectors, and a much broader range of actors/stakeholders). It is a slow process, and difficult for the programme to mitigate this.</p>
	<p>Little recognition of any special rights for ethnic groups and different socio-cultural relations to land and forest management; The new Land Law is expected to make good progress in recognizing customs and improving rural land tenure security and providing titles to rural communities.</p>	<p>Slow progress on adopting new land and forest laws.</p>	
	<p>Benefit sharing mechanism and BSP not defined or clear especially at village level.</p>	<p>Under preparation</p>	

Topic	Risks and/or challenges identified in SESA	Potential Solutions/ Mitigation from SESA	Included in the ESIA/ ESMP/ Programme?
	Carbon rights not yet included in policies, regulations and laws.	Carbon rights required	No – The FCFP Readiness Support is working on a decision on carbon rights in conjunction with benefit sharing plans (ongoing). New Forest Law will also cover the issue of carbon rights.

An Environmental and Social Management Framework (ESMF) is currently being developed for the ER Programme, to accompany the SESA and support the operationalization of safeguards management. While originally it was planned for the ESMF to be elaborated before the ESIA/ESMP, unfortunately due to delays it was not possible and the ESIA/ESMP was developed prior to the ESMF. The ESIA/ESMP for this programme was shared with the team developing the ESMF, which informed its development. The ESMF is still undergoing revisions, and is expected to be approved in September 2019 (it will be included as Annex 12 once formally approved). Once the ESMF is formally approved, a safeguard expert will conduct a comparison of the ESMF and the ESIA/ESMP to ensure they are fully aligned.

In addition, a Resettlement Policy Framework was finalized for the Emission Reduction Programme, acknowledging that there are potential risks to livelihoods due to the programme's activities (as described in the previous sections). It is a comprehensive framework, which provides guidance to establish resettlement principles, organizational arrangements, funding mechanisms, eligible criteria, and monitoring and evaluation processes, along with a standalone involuntary process framework. It includes the following principles:

- Minimize negative or adverse impacts as much as possible
- Carry out land adjustment or compensation to improve or, at least, restore the programme income and living standards of programme-affected people/households.
- Ensure free, prior and informed consultation with program-affected people/households on land 'donation',¹⁶⁸ land acquisition and compensation arrangements, and ensure the process is well documented; and
- Provide compensation, if applicable, for private assets at replacement rates, prior to the commencement of works.

The monitoring and evaluation of the implementation of the resettlement action plan will be maintained by DoF/MAF as described in the framework. The policy framework is briefly summarized in Annex 13, including a link to the full document.

¹⁶⁸ Donation of land or other assets (including restrictions on asset use

6 ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT, MONITORING AND EVALUATION

The programme is expected to have greater environmental and social benefits than adverse impacts. Potential adverse impacts are likely to be small to moderate, and site-specific/ localized. Such adverse unintended impacts must be identified at an early stage through activity and action screening, and appropriate avoidance, mitigation and management measures integrated into programme planning, implementation and monitoring.¹⁶⁹

6.1 Environmental and Social Management Plans (ESMP)

According to the GCF definition, an ESMP is a document that “contains a list and description of measures that have been identified for avoiding adverse environmental and social impacts, including, where appropriate transboundary risks and impacts, or minimizing them to acceptable levels, or to mitigate and compensate them”.¹⁷⁰ ESMPs should be integrated into the overall planning, design, resourcing and execution of the GCF-financed activities.

6.1.1 ESMP content

ESMPs should build on the ESIA and develop a detailed plan for the avoidance, mitigation and/or management of potential risks. The elements of the proposed ESMPs are as follows:

- Introduction
- Overview of programme standards and safeguards
- Potential unintended negative impacts and external risks (link to ESIA)
- Landscape-specific baseline information, potential risks and opportunities
- Roles and responsibilities of institutional implementation partners to implement ESMP
- Guidance for ESMP implementation
- Roles and responsibilities of institutional implementation partners
- Environmental and social team – composition, roles and responsibilities
- Capacity building strategy to support the implementation of ESMPs
- ESMP budget and timeframe
- Table of detailed actions to be implemented (objectives, description/ instructions, addressed potential unintended negative impacts, timeframe, programme and counterpart inputs (staff, operational costs, etc.), roles and responsibilities, targets)
- Reporting and adaptive management

¹⁶⁹ Note: The programme’s gender, safeguard and M&E specialist will conduct a comparison of the approved ESMF for the ER-PD and the programme’s ESIA/ESMF as soon as the programme is approved (as the ESMF is still under development and has not yet been formally approved). This process will identify and close potential gaps, ensuring the documents are consistent.

¹⁷⁰ GCF Environmental and social policy, page 2. Available online here: <https://www.greenclimate.fund/documents/environmental-social-policy>.

Under normal circumstances, an ESMP should reflect a representative area or sample of the overall planned programme area. Given the diverse conditions, as described above, the initial ESMP process should be conducted more on a pilot basis at a few sites. Further, ESMPs would have to be done on a case by case basis until the programme has a more representative data set together than could then be used for a comprehensive baseline. It is further recommended that:

- Site selection should focus on priority village clusters, whilst ensuring a representative mix of ethnic groups;
- Site selection should include both on-road and off-road (or poor road) sites;
- Separate consultations in local languages (at a minimum with translation) with women a must;

A team of multi-disciplinary experts is needed to support the development of ESMP, as well as the capacity building, training, implementation, monitoring, and reporting needed for ESMP implementation. The process will be formalized through a series of annual training workshops at provincial and district level that will support capacity development, and provide the DPMU and PPMU with the technical skills needed to implement the actions.

6.1.2 Environmental and social risk screening of actions

GIZ will continuously supervise and monitor the ESMP implementation and its effectiveness and efficiency in order to learn and be able to adapt the actions or underlying assumptions and approaches throughout the programme.

Category B programmes / projects do not require specific arrangements for internal reporting as category A programmes / projects do under GIZ's safeguards and gender management system. However, for GCF programmes / projects, GIZ per default uses an internal reporting arrangement between the programme / project team and a GCF supervision unit based at head office. This reporting will be conducted on an annual basis, and enable GIZ-internal supervision of compliance with ESMP implementation, among other issues. GIZ will also report annually to the GCF on ESMP implementation in annual progress reports, and other contractual arrangements between GIZ and GCF.

7 COMMUNICATION AND STAKEHOLDER ENGAGEMENT

7.1 Stakeholder engagement and consultation in programme development

Based on Lao PDR's National REDD+ Programme, stakeholders are defined as actors within the following five major groups: government, local communities, civil society, private sector and development partners.¹⁷¹ Stakeholder engagement is seen as a central element to supporting the design of the GCF programme, where stakeholders have played an important role in providing inputs and feedback on programme design, and have validated the proposed programme. In addition, extensive engagement with stakeholders has been conducted for the elaboration of the ER-PD, and the National REDD+ Programme, as well as other related programmes/ projects (e.g. CliPAD, SUFORD, ICBF, etc.), which has laid a strong foundation for the elaboration of GCF programme.

The following sub-sections will provide an overview of stakeholder consultations conducted i) during ER-PD preparation and within the framework of the National REDD+ Programme and ii) during the GCF programme development phase.

7.1.1 Stakeholder engagement within the framework of ER-PD preparation and the National REDD+ Programme¹⁷²

For the preparation of the ER Programme, stakeholder consultations have been conducted with a wide range of stakeholder representatives ranging from the central to the village cluster level. The objectives of the consultations were not only to identify drivers of deforestation and forest degradation, and possible measures to address the identified drivers and barriers for successful implementation, but also to enhance understanding on the aim of the ER Programme and its designed activities, and pros and cons of implementing it under their jurisdiction. Consultations have been conducted based on the principles of Free, Prior and Informed Consent (FPIC), aiming for full and effective consultations with particularly local level stakeholders.

The preparation of the National REDD+ Programme, especially its National REDD+ Strategy and SESA, have been taking place concurrently with the preparation of the ER-PD. To ensure synergy and efficiency in the parallel implementation of the two important processes, the two processes were carefully planned to synchronize in their methods, schedule and outputs.

Overall consultation strategy on REDD+

The ER Programme adopted the aforementioned stakeholder grouping for its stakeholder consultations, by building on the results of the consultations for the National REDD+ Strategy (NRS).

¹⁷¹ "For the National REDD+ Programme, stakeholders are considered to fall into five major groups – Government, local communities, private sector, civil society, and development partners." – ER-PD 2018, p. 32

¹⁷² Text from ER-PD 2018, p. 84-87

This common approach helped the stakeholders to further their understanding on REDD+ in Lao PDR.

The consultation process for the National REDD+ Programme, i.e., on the National REDD+ Strategy (NRS), Strategic Environmental and Social Assessment (SESA), and other supporting elements were conducted primarily (but not exclusively) through the following channels:

- Intensive primarily technical level consultation with the six REDD+ Technical Working Groups (TWG) among Government and quasi-Governmental agencies/organizations (with participation of other non-Government participants as relevant to the thematic area of discussion), approximately one-third of the official TWG membership are women;
- Strategic-level consultations with the National REDD+ Task Force (NRTF);
- Existing sector coordination mechanisms, namely the Forestry-sub-sector Working Group (FSSWG) under the Agriculture and Forestry Sector Working Group, open to, and participated by a wide stakeholder membership of organizations working in the forestry sector;
- Consultations with representatives of provinces, districts, and *kumban* (village cluster); and
- Focused consultation meetings with non-Government stakeholder groups of REDD+ of civil society organizations, private sector, and development partners.

Consultations for the ER Programme preparation

It is important to mention that the development of the ER-PD itself been a participatory process, undertaken through a committee known as the ER-PD Team. Under the leadership of the National REDD+ Focal Point and the REDD+ Division, the ER-PD was convened and participated by the partner organizations actively engaged in REDD+; namely, FCPF REDD+ Readiness Project, the Climate Protection through Avoided Deforestation (CliPAD) Project of GIZ funded by BMZ, the Sustainable Forest Management and REDD+ Support Project (F-REDD) of JICA, and the UN-REDD Programme support from FAO, along with the World Bank-financed REDD+ Readiness operation. This committee met regularly (weekly meetings by default, and more intensively as required) to discuss and draft sections of the ER-PD. In various instances, this committee was the venue for providing options for the ER Programme formulation, which would then be consulted with other Government actors and non-Government actors through TWG meetings, consultation meetings, and through other venues.

For the ER Programme formulation, consultations were conducted on a number of occasions for different thematic focal areas as well as for different purposes in the process leading up to decision-making. In July and August 2015, two regional workshops were held to discuss the ER-PIN development with the proposed six provinces of the ER Programme. After acceptance into the Carbon Fund pipeline, further consultations took place with all six provinces in December 2015 to elaborate the next steps in order to develop the ER-PD. At the central level, the ER Programme updates were introduced through the aforementioned sector coordination mechanism of the FSSWG in its regular meetings.

From 2016, the six provinces engaged in their respective processes of developing their Provincial REDD+ Action Plans (PRAPs). PRAPs are the provincial-level instrument that identifies the strategic interventions to address drivers and barriers for REDD+. The PRAPs for the six provinces are the central instrument through which the ER Programme interventions will be rolled out, and therefore are inherently linked to the ER Programme development. For the PRAP preparation in the six provinces, consultation meetings were held in all 50 districts and 50 selected *kumban*¹⁰⁶, engaging with provincial and district staff, and village representatives. In total 339 villages were represented by these consultations. The PRAP consultations intensively discussed and identified main drivers and barriers to REDD+ and priority interventions for the province.

Another regional meeting with these six provinces was organized in September 2016. In October 2017 all Northern provinces gathered together in Oudomxay province to discuss the National REDD+ Strategy, SESA, Safeguard Plans and elements of the ER Programme including on institutional arrangement, and benefit sharing.

Apart from the PRAP processes, consultations held with the provinces up to January 2018 discussed the issues and areas including the following, as pertains to the ER Programme:

- General introduction and awareness raising related to REDD+ and climate change;
- Land and resources tenure arrangements;
- Institutional arrangement for ER Programme implementation;
- Non-carbon benefits;
- Assessment of negative environmental and social impacts from the ER Programme interventions; and
- Benefit-sharing structures and principles – provisional ideas.

In January 2018, an ER Programme consultation workshop with the six provinces took place in Luang Prabang province, including with high-level provincial officials. Based on the PRAPs developed in each of the six provinces, the draft ER-PD was discussed and consulted. As a result of these consultations, the provinces have confirmed their participation and commitment to the ER Programme.

For development of the six PRAPs, sub-provincial level consultations were held in all 50 districts, and in 50 *kumbans* with representatives from 339 villages. The target stakeholders included the Government agencies and representatives from mass organizations at the provincial and district levels (i.e. province, district) and representatives of the villagers of the sampled communities. (In each district, a meeting was held with one selected *kumban* and the leaders of villages in that *kumban* attended the meeting.) *Kumbans* were selected as part of the district level meetings based on a set of given criteria such as deforestation hotspots, ethnicity, proximity to National Protected Areas etc.

Consultations were conducted to ensure the participation of men and women from diverse ethnic groups, given the ethnic diversity present in the programme area.

No	Ethnic Groups	Six Northern Provinces (ER Program Area)					
		HP	LPB	XAY	LNT	BK	ODX
Lao-Tai Ethno-Linguistic Family							
1	Lao	✓	✓	✓	✓	✓	✓
2	Tai	✓	✓	✓	✓	✓	✓
3	Lue		✓	✓	X		
4	Nyouan (Luman, Yuan)		✓	✓	✓	✓	
5	Nyang (Ngang)				✓		✓
6	Tai Nue				✓		
Mon-Khmer Ethno-Linguistic Family							
7	Khmu	✓	✓	✓	✓	✓	✓
8	Pong (Phong)	✓					
9	Xing Moon	✓					
10	Moy	✓					
11	Thene		✓				
12	Bidh				✓		
13	Lamet				✓	✓	✓
14	Sam Tao				✓	✓	
15	Akha				✓	✓	✓
16	Prai			X			
Hmong-Mien Ethno-Linguistic Family							
17	Hmong	✓	✓	✓	✓	✓	✓
18	Emien	✓	✓	✓	✓	✓	✓
Sino-Tibetan Ethno-Linguistic Family							
19	Phou Noy		✓		✓	✓	✓
20	Ho		✓		✓	✓	✓
21	Sila				✓		
22	Lahu					✓	
23	Lanten				X		
Total: total in LFNC figures (total with PRAP additions)		8	11	7 (or 8)	16 (or 18)	12	10

- ✓ Ms. Manivanh Keokominh, Deputy Director, Lao Front for National Construction, unofficial data 2017
- X Additional groups noted in PRAP work. In Sayabouri, there were also Luman and Yuan, however they are in the same ethnic groups as Nyouan
- Ethnic groups consulted during PRAP kumban consultations

Figure 13. Composition of ethnic groups in the ER Programme area, and overview of ethnic groups consulted during PRAP kumban consultations

Source: ER-PD 2018, Annex 1 p. 2

7.1.2 During GCF Programme Proposal Development

Engagement with the NDA

The proposed programme has been developed with regular engagement from the NDA in Lao PDR - MoNRE. Structured dialogue with the NDA and other key national partners has been ongoing since April 2017 as part of GIZ's country programming. Since then, regular discussions have been held with the NDA on diverse topics related to the proposal development process, including stakeholder consultations at the national, provincial, district, *kumban* and village level. Representatives from the NDA have further attended cross-sectoral multi-stakeholder workshops to provide feedback on the programme.

A letter of no-objection was provided by the NDA (dated 2019.02.25), confirming the proposed programme conforms with the country's national priorities, strategies and plans, and that it is in accordance with relevant laws and regulations.

Engagement with Government focal points for REDD+ and UNFCCC

In addition to maintaining ongoing communication with the NDA, the proposed programme has been designed with the continuous engagement with Government focal points from key ministries, where the Government has demonstrated strong ownership of the programme concept. The head of the country's REDD+ Office (the National REDD+ Focal Point) has been a major proponent of the programme and consistently involved in programme design and stakeholder consultations. The UNFCCC focal point within MoNRE has also been kept informed about the programme, and representatives from MoNRE have regularly participated in programme consultation events and workshops.

Other stakeholder consultations

Additional consultations were held to support the development of the GCF funding proposal, in which a total of 1,066 participants attended.¹⁷³ Consultations were held with the following stakeholders at the national, province, district, and village level:

Figure 14. Overview of stakeholders consulted during the funding proposal development process (additional to consultations conducted for the ER-PD)

Stakeholder Category	Stakeholders Consulted
Government	
<i>National</i>	DOF/MAF: Production Forest Division, Forest Protection Division, Planning and Cooperation Division, National Protected Areas Division, REDD+ Division, Aquatic and Wildlife Division, Administration Division, Legal Division, Forest and Forestry Resources Development Fund, Forest Inventory and Planning Division, Deputy Director General of DOF, Village Forests and NTFP Division, Department of Forest Inspection DALAM/MAF: Department of Agriculture and Land Management

¹⁷³ This figure is not indicative of the total number of people who participated, as some participants may have participated in more than one consultation or workshop.

Stakeholder Category	Stakeholders Consulted
	Funds: EPF and FFRDF MONRE: Planning and Cooperation Division, Department of Climate Change Representatives from National REDD+ Task Force Ministry of Finance NAFRI
<i>Provincial</i>	Provincial REDD+ Offices (PRO), PAFO, PONRE and POFI representatives in each Province Members of Provincial REDD+ Task Force
<i>District</i>	District representatives including from DAFO, DONRE and DOFI
Local Communities	
▪ <i>Bokeo</i>	Ban Samork Neua, 1 additional village in NPA
▪ <i>Houaphan</i>	Huayhu village, Ban Yard village, Hong Oy village, Ban Phonxay
▪ <i>Luang Namtha</i>	Ban Nam Mad Mai, Ban Nam Dee, Ban Don Mai
▪ <i>Luang Prabang</i>	Ban Phanid
▪ <i>Oudomxay</i>	Nangew village, Ban Napa
▪ <i>Sayabouri</i>	Phonekeo village, Ban Phonxay
Civil Society	Lao Women's Union (including at national, provincial and district-level); Village Focus International; The Centre for People and Forests (RECOFTC); FLEGT CSO Network – including the Green Community Alliance (GCA), the Rural Research and Development Promoting Knowledge Association (RRDPA), the Association for Community Training and Development (ACTD), Lao Biodiversity Association (LBA), Maeying Houamjai Phathana (MHP), the Wildlife Conservation Association (WCA) and the Social Development Alliance Association (SODA); National University of Lao PDR (NUOL)
Private Sector	Burapha Agro-forestry Co. Ltd. Plus, interviews with 25 producers, 15 traders (paddy, maize, Job's Tears, NTFPs), 12 rice millers and 2 banks in Luang Prabang, Luang Namtha and Oudomxay provinces
Development Partners	KfW (Country Office and ICBF Programme); GIZ (CLiPAD, LMDP, proFEB/proFLEGT); JICA (F-REDD); FAO; UNDP; ADB; Head of German Development Cooperation in Lao PDR/BMZ; World Bank; SUFORD-SU (WB).

Note: Refer to FS for a more detailed overview of specific participants and meetings held

Diverse consultation formats were applied during the elaboration of the funding proposal including one-on-one meetings, workshops, local village meetings and focus group discussions. The following figure provides an overview of the main consultation processes held.

Table 26. Overview of stakeholder consultations to support the preparation of the GCF proposal

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants		
			Total	Male	Female
1. Scoping mission for the development of the programme's Concept Note	April 3-7, 2018	FAO, GIZ-FLEGT, JICA F-REDD, Head of German Development Cooperation in Lao PDR (BMZ), DOFI Director General (MAF), DOF Deputy Director General (MAF), Department of Climate Change Deputy Director General (MONRE), Planning and Cooperation Division (MONRE), Division of Village Forest and NTFP Management. Head of the REDD+ Division in DOF (MAF), UNDP	11	10	1
2. Second scoping mission for the development of the programme's Concept Note	April 23-30, 2018	Head of the REDD+ Division within DOF (MAF), Vice Minister of MAF, DOF Deputy Director General (MAF), Division for Planning and Cooperation within DOF (MAF), Division for Village Forest and NTFP Management within DOF (MAF), KfW (representative from the ICBF programme)	6	5	1
3. National inception workshop for GCF Feasibility Study and proposal development	October 5, 2018	From DOF/MAF: Production Forest Division, Forest Protection Division, Planning and Cooperation Division, National Protected Areas Division, REDD+ Division, Aquatic and Wildlife Division, Administration Division, Legal Division, Forest and Forestry Resources Development Fund, Forest Inventory and Planning Division, Deputy Director General of DOF, Village Forests and NTFP Division, REDD+ Division	17	13	4
4. Stakeholder consultations in Vientiane to inform Feasibility Study and proposal preparation	October 2-5, 2018	Vice Minister of MAF, SUFORD-SU, Head of German Development Cooperation/ BMZ, Forest and Forest Resources Development Fund Division, Burapha Agro-Forestry Co. Ltd., GIZ ProFEB/ ProFLEGT Component, World Bank, JICA, KfW country director, ADB, FAO, Environmental Protection Fund, GIZ Country Director, KfW ICBF programme	18	16	2
5. Provincial stakeholder consultations to inform Feasibility Study and proposal preparation	October 8-16, 2018	In each province meetings with: Provincial REDD+ Task Force Members, Representatives from PRO, POFI, PAFO and PONRE, District representatives, villagers and village authorities.	572	483	89
6. National debriefing workshop	October 18, 2018	JICA, KfW, EPF, Buapha Agro-forestry Co. Ltd., DOF (MAF), Production Forest Division (DOF/MAF), SUFORD-SU, REDD+ Division (DOF/MAF), Planning and cooperation division (DOF/MAF), Village Forests and NTFP Division (DOF/MAF); GIZ Country Office, DDG of DOF (MAF); FFRDF, Depart-	29	22	7

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants		
			Total	Male	Female
		ment of planning and finance (MAF), DOFI (MAF), Forest Protection Division (DOF/MAF), REDD+ Division (DOF/MAF), Forest Inventory and Planning Division (DOF/MAF)			
7. Agribusiness interviews in Luang Prabang, Luang Namtha and Oudomxay Provinces	November 7-11, 2018	25 local producers, 15 traders (paddy, maize, Jobs-tear, NTFPs), 12 rice miller and 2 banks.	N/A	N/A	N/A
8. Workshop with GCF representatives on opportunities for climate finance with a focus on REDD+ and the forestry sector, as well as private sector engagement	November 19, 2018	FAO, Department of Climate Change (MONRE), UNDP, Village Focus International, NAFRI, JICA, Investment and Business Division within the Department of Planning and Finance (MAF), Department of Agriculture, REDD+ Division (DOF/MAF), DOFI (MAF), Division of Planning and Cooperation (MAF), DDG Department of Forestry, EPF, DG Department of Forestry (MAF)	28	24	4
9. Stakeholder consultations in Houaphan Province to identify forest priorities for inclusion in the GCF Funding Proposal	November 21, 2018	Village authorities, villagers from Huayhu village, PAFO Houaphan (forestry Section, REDD+ section, Inspection), DAFO Houameuang (forestry unit, inspection unit), district governor's office	30	18	12
10. Stakeholder consultations for the elaboration of the programme's capacity needs assessment and capacity building strategy	November 26-30, 2018	FFRDF, SUFORD-SU, FAO, LMDP-GIZ, RECOFTC, ProFLEGT Component (GIZ), Department of Land (MONRE), Department of Climate Change (MONRE), Department of Agriculture and Land Management (DALAM/MAF) DDG of DOF (MAF) and others from DOF/MAF: Division for Planning and Cooperation, Production Forest Management Division, Protected Area Management Division, REDD+ Division, Village Forest and NTFP Management Division, DOFI, Plantation Promotion and Forest Restoration Division	19	18	1
11. Stakeholder consultations for the design of the National REDD+ Funding Window under the EPF	November 28-29, 2018	EPF (All heads of Divisions, EPF-GF Focal Points, Safeguard Officers, Monitoring and Evaluation Officers)	N/A	N/A	N/A

Description of consultation(s)	Dates	Stakeholders engaged	No. of Participants		
			Total	Male	Female
12. Stakeholder consultations for the development of the programme's gender assessment and gender action plan	January 16-24, 2019	PAFO and Lao Women's Union (Houaphan), DAFO in Xam Neua, District LWU Office in Xam Neua, Villagers (Ban Yard Village; Ban Nam Mad Mai, Ban Nam Dee), PAFO Luang Namtha, Provincial LWU in Luang Namtha, DAFO and LWU in Luang Namtha	148	79	69
13. Stakeholder consultations for development of the ESMP	January 28-February 4, 2019	Phonekeo village (Sayabouri Province, Sayabouri District); Hong Oy village (Houaphan Province, Houameung District); Nangew village (Oudomxay Province, Xai District); also district-level meetings.	118	59	59
14. Final validation workshop	February 8, 2019	MAF, MoNRE, MPI, REDD+ Task Force, FFRDF, EPF, PAFOs, DAFOs, RECOFTC, GIZ, KfW, World Bank, FAO, JICA, EU, IFAD, ADB, German Embassy, Village Focus International,	70	67	3
Total No. of Participants in Stakeholder Consultations¹⁷⁴			1,066	814 (76%)	252 (24%)

¹⁷⁴ Note: there is overlap of participants in different meetings.

Preliminary Scoping Missions

Preliminary scoping missions were conducted by GIZ staff and programme development experts to assess the possibility for developing a GCF concept note and potential funding proposal from April 3-7 and April 23-30, 2018. Missions focused on fact-finding, meeting with key actors and determining country interest in developing a proposal, whilst ensuring the relevance of the concept selected. A high-level meeting with government representatives was held to ensure commitments to programme development from main programme partners and supporting partners interested in providing co-finance. In total, 17 people (15 men, 2 women) were consulted during these two scoping missions.

Inception Workshop

An Inception Workshop for national government partners was held on October 5, 2018 where the initial programme structure was presented, as well as key considerations for activities and actions, institutional arrangements and potential co-financing sources. A major topic of this workshop was discussing the plan for feasibility study and proposal development, as well as planning for upcoming provincial consultations. In total, 17 people attended the workshop (13 men, 4 women).

Provincial-level consultations on programme design and feasibility and post-mission debriefing meeting

Extensive consultations were conducted at the provincial and local level, where over 572 people (483 men and 89 women) participated in consultations held in the programme area (six Northern provinces) from October 8-19, 2019. Within each province, the following stakeholder consultations were held:

- Provincial workshops with representatives from REDD+ Task Forces to present the programme and receive feedback
- Provincial working sessions to provide information for proposal development with representatives from PRO, PAFO, PONRE and POFI.
- District workshops with all district representatives (including DAFO, DOFI and DONRE, District Lao Women's Representatives, among others) within each province to provide feedback and support programme design
- Village visits (1-2 per province) to verify drivers and barriers, and to receive direct feedback on village needs.

Consultations ensured the participation of diverse stakeholders, including women and diverse ethnic groups. Workshops with CSOs, the private sector and co-finance institutions/donor organizations, among others, have been held since the development of the GCF concept note and proposal.

The programme was well received in the consultations. Provincial and district government authorities emphasized the major challenges they face, including limited capacities and resources,

and noted the importance of the programme to support both investments in REDD+ and sustainable land management, as well as capacity development and the procurement of equipment to help them do their jobs (e.g. POFI noted that limited equipment restricts the effectiveness of monitoring and law enforcement). Villagers validated the driver and underlying causes of deforestation and the importance of proposed activities. A major theme for village consultations was the need for alternative livelihood opportunities and value-adding opportunities (see summary Table below for more details comments and responses).

After the provincial, district and village consultations, a debriefing meeting was held in Vientiane with key stakeholders from government, donor organizations, and private sector to present the stakeholder feedback and new insights into the programme design. The mission validated the baseline information and provided insight into what specific design measures are needed (e.g. including marketing support linked with agricultural extension, need for capacity building and filling regulatory gaps on plantations and commercial forestry activities, among others, the need for investments in equipment for POFI and DOFI due to extremely limited budgets, among others).

Other stakeholder engagement activities

Numerous other stakeholder events were held to support programme development. This included meetings and consultations with agribusiness to inform the design of output 2, consultations with diverse actors to inform and validate the design of the proposed EPF funding window (Activity 1.5), meetings to assess national capacities and develop a capacity building strategy, and further consultations to inform the gender assessment, gender action plan, and environmental and social impact assessment.

Stakeholder consultations for the development of the ESIA and ESMF took place from January 28 until February 4, 2019. In total 118 people (59 men and 59 women) were consulted. Consultations took place in Sayabouri, Houaphan, and Oudomxay. Additional stakeholder consultations were held to inform the gender assessment and gender action plan from January 16-24. The Lao Women's Union played a central role in these consultations, which were held in Houaphan, and Luang Namtha. In total, 148 people participated in the gender assessment and gender action plan consultations, including 79 men and 69 women.

Majority of people noted that the programme and its activities are suitable based on their local context, and expressed interest. They further noted that the programme area is highly diverse in terms of its socio-economic, cultural and environmental conditions. Thus, a "one-size fits all" approach is not suitable, and consulted stakeholders emphasized the importance of maintaining effective stakeholder engagement throughout project implementation. A detailed list of how the programme has incorporated stakeholder feedback into the programme's design is included in the feasibility study, as well as in the gender assessment.

7.2 Stakeholder engagement and consultation in programme implementation

7.2.1 Objectives of the stakeholder engagement strategy

Stakeholder engagement will be continuous throughout the implementation of the GCF programme. This stakeholder engagement strategy has been designed with the following objectives:

- To ensure there are opportunities for stakeholders to provide feedback, ask questions and raise concerns
- To ensure information sharing and disclosure
- To establish a culturally appropriate mechanism for filing complaints and grievances
- To foster strong programme-stakeholder relationships, including at the village level
- To ensure meaningful consultation and promote social acceptability of the programme

The social engagement strategy will focus primarily on stakeholder engagement with stakeholders that are not a part of the programme implementation arrangements and management units.

Info Box 2. Community Engagement Framework for the ER-PD

A Community Engagement Framework (CEF), developed within the context of the ER-PD, provides best-practice guidelines on how to work with rural communities, to ensure that ethnic minorities, women, and other vulnerable groups can meaningfully participate and benefit. It also specifies what actions must be taken in case that mitigation measures must be taken regarding ethnic minorities, resettled communities or households, communities or households losing access to resources, as well as any mitigation measures necessary to account for gender impacts.

CEF has been developed based on extensive consultations with stakeholders in the programme area, and the programme will utilize the framework to guide community engagement within the framework of the GCF programme and ensure that best practices are applied.

7.2.2 Protocol for community engagement

The protocol for community engagement consists in 10 principles that are to be applied by various stakeholders when going to the work at field level. It is divided into four phases: (1) organizing phase; (2) preparation appointing and coordinating phase; (3) participatory facilitation phase; and (4) recording phase. They are briefly summarized in the following Table:

Table 27: Overview of 10 principles to be applied for community engagement

Tool/ Principle	Brief Description
Organizing phase	
Tool 1: Adding women and ethnic group facilitators to the outreach team	<ul style="list-style-type: none"> ▪ Outreach teams should each have at least one female staff member (and at least one male staff member). According to NCAW participation requirements, women must account for 35 per cent of staffs for district level government staffs. ▪ In case of ethnic communities, the outreach teams should include a facilitator who speaks the ethnic language of that group. In case there are no staff members from the relevant ethnic group, the programme will hire interpreters to have ethnic group speakers that can provide relevant cultural competency in ethnic communities.
Tool 2: Preparing non-literal, visual materials and methods	<ul style="list-style-type: none"> ▪ Many women and ethnic people cannot speak, read or write Lao language. It is important to have audio-visual training materials prepared that do not contain text but pictures or recorded messages. In villages where Lao language skills are limited, always work with local language facilitators. Use only methods that do not require writing, e.g. wealth ranking, sketch mapping, income and product priority ranking exercises, etc. ▪ The team members should explain key REDD+ related concepts during each field visit; this includes disseminating hands out and brochure to participants. When the team leaves the village at the end of a visit, documents or handouts must be handed to the community. This will ensure that the villagers have time to review the activity and capitalize upon what have been done
Preparation, appointing and coordinating phase	
Tool 3: Preparing the field visit and dividing roles and responsibilities	<ul style="list-style-type: none"> ▪ The teams must prepare themselves well before going to the field. They must know exactly, which ethnic groups are found in a particular village. ▪ They must also prepare relevant material, documents, pens, tools that will be used during the field visit. Prepare flipcharts and bring sufficient markers, pens, tape and other materials for a large group of people to participate. If possible, bring a video recorder and microphones to be used in larger meetings. ▪ Good facilitation teams divide roles and responsibilities to improve their efficiency.
Tool 4: Inform the community prior to the field visit.	<p>Before going to the field the team will make sure that the relevant stakeholder at district level has sent an invitation letter to villages and has included the one or two-page information sheet on the purpose of the visit and the requirement in terms of participation.</p> <ul style="list-style-type: none"> ▪ It is very important to make sure that women, ethnic groups and poor families are attending programme meetings and join programme activities. ▪ Always make sure that women, ethnic groups and poor families are invited to village meetings. Write this explicitly in invitation letters and re-iterate this message when talking to village authorities. <p>Participation requirement for village meetings:</p> <ul style="list-style-type: none"> ▪ A minimum of 50 per cent households in each hamlet must participate in the village quarterly meeting ▪ 50 per cent of the participants should be women

	<ul style="list-style-type: none"> ▪ Customary leaders should be invited to participate ▪ 60 per cent of the poorest households should also participate ▪ Separate meetings should be held in hamlets which are 5km or more in distance from the main village settlements.
Tool 5: Adjust timing of visits to the convenience of villagers	<p>For successful participation, it is important to plan work in villages at a time that is convenient to villagers, minimizing disturbance to their daily work.</p> <ul style="list-style-type: none"> ▪ In terms of planning, the time of the meeting or community level activities must be flexible; starting early in the morning or extending late at the end of the day when the community is back from the field. The programme should avoid key peak seasonal labor demand and ritual calendar to ensure that the community can fully participate in programme activities. ▪ Preferably, meetings should be held when villagers are having their Buddhist “moon” holiday (every fifteen days), in evenings after they come back from the field or other convenient moments. ▪ The timing should be decided by the villagers, not by the district staff. Activities should not be too long, otherwise people get tired or bored. ▪ Group meetings should not last more than three hours. ▪ Teams should make clear agreements with villagers when they will come and stick to their appointments, i.e., arrive on time.
Participatory facilitation phase	
Tool 6: Coordinating the field visit with village authorities when arriving in a target village	<p>When arriving in a village, meet with the village chief to inform him about the objective of the visit, the number of people involved and present official letter from district/programme.</p> <ul style="list-style-type: none"> ▪ Plan the accommodation and meal issues with the village chief. He will direct team members toward suitable place and plan cooking areas. ▪ In collaboration with the village leaders select suitable area to gather all participants for the activities planned.
Tool 7: Participatory facilitation	<p>The most important tool for working successfully with vulnerable groups is participatory facilitation. Vulnerable groups can only participate effectively if they feel at ease, accepted, respected and trusted in programme meetings. Programme facilitators can do a number of things to build rapport and trust with participants from vulnerable groups, such as sitting together and talking, joining activities such as cooking, eating, with men and women, rich and poor, young and old. This type of behavior can be practiced in role plays. See ESMF for a more detailed list of encouraged facilitation skills.</p>
Tool 8: Ensure equality of right to participate for women, ethnic groups and poor and voice their concerns	<p>Set up gender disaggregated focal group discussions when appropriate or if the villagers request them. Use interpreters to ensure that ethnic group fully understand information.</p> <ul style="list-style-type: none"> ▪ The team will involve LFND and LWU to monitor and promote the use of the official ethnic labelling of 50 ethnic groups (avoid using the former Lao-Loum, Lao Theung and Lao Soung terms) in daily operations and programme documents. ▪ In multi-ethnic villages the consultation should be organised for each ethnic group to avoid the dominance by the larger and advantaged groups that can express better their views ▪ Ethnic Groups – it is important to ensure adequate representation of ethnic groups in communities that are mixed Lao and ethnic groups. Ethnic groups manage areas in different ways, and may have different regulations or customary rights.

	<ul style="list-style-type: none"> ▪ It is important that culturally important individuals in the villages are allowed to play an advisory role where possible to assist facilitators in carrying out consultations in ways that are culturally appropriate. ▪ Ensure the participation of customary leaders (<i>chao kok chao lao</i>) including council of elders and clan leaders in consultation and during key activities such as village obtaining village concern, boundaries demarcation, the inventory of High Conservation Value areas and customary regulations. ▪ Indigenous knowledge, customary leadership and regulations in accessing resources must be acknowledged, and built upon. ▪ Ensure that the consultation should be proceeded in an appropriate way by taking into account the ethnic group peoples' capacity of understanding, (not too fast not too slow), the presentation should be done in a respectful way; ▪ Use ethnic language. The LFND and the LWU could provide translation into the relevant ethnic language. It is their responsibility to ensure that villagers clearly understand programme concepts. This task is not merely to translate but to bridge both linguistically and culturally the programme and the local community. The team must be committed to provide exact and detailed translation adapted to the ethnic language and culture and to use simple words and try to find concept equivalent in local cultural configuration. In case the programme teams cannot speak the language, recruit village level language facilitator to be used as interpreters. ▪ Allow enough time for the ethnic people to express their views and review the issues under discussion or provide their feedback. ▪ Use local categories for land and local ecological knowledge and ethnic group's classification of landscape, knowledge of positions of power within the local structure is fundamental, as well as local seasonal and ritual calendar, sexual division of labor, and livelihood characteristics, main taboos, customary practices, laws and institution. The cultural awareness of the local configuration is the prerequisite for conducting an effective and cultural informed village engagement.
Tool 9: Ensure all participants understand key issues.	<ul style="list-style-type: none"> ▪ The team has to measure to which extent the participants really understand. Can they explain main concepts? If not facilitator must re-explain with simple (and perhaps different) words. ▪ The outreach team will use ethnic language in ethnic community to ensure that the whole interface allow the ethnic group to fully understand and take informed decision, in case nobody in the team speaks the relevant language, the team will hire a local interpreter to bridge the language gap.
Recording phase	
Tool 10: Recording voices, processes and concerns	<ul style="list-style-type: none"> ▪ In each outreach team, the members should play different roles during each activity: one to serve as the facilitator, one as the observer and one as the recorder. Larger meetings should be recorded electronically. ▪ Attendance lists should be taken before the meeting begins. Ensure that age, gender, ethnicity and social position are recorded on the attendance list for each participant. ▪ The team should also record people's concerns, the content of the activity, main decisions made, plans agreed, etc.

Source: Draft ESMF for the ER-PD, unpublished

7.2.3 Stakeholder engagement process for programme implementation

For all activities implemented with villagers at the local level (e.g. land use planning and activities within Outputs 2 and 3), participation is voluntary and based on the principle of Free, Prior and Informed Consent (FPIC). FPIC agreements will be made with all participating villages prior to the implementation of interventions. PPMUs will mobilize specialized capacity, targeting the district and *kumban* levels, regarding training on FPIC principles and practices, and ensuring FPIC principles are appropriately applied for the programme's consultations. They will further be trained on gender and social inclusion, to promote the participation of diverse stakeholders, including women and members of different ethnic groups.

A communication and information dissemination plan will be elaborated within the programme's inception phase. Annual implementation plans will include information on planned stakeholder engagement.

Consultation, trainings and workshops

Consultations will inform stakeholders of the programme's progress, encourage feedback, support capacity building and implementation, raise awareness and validate findings. They will serve as an important tool to foster ongoing two-way communication throughout the programme from its inception until completion. The following considerations will be followed when designing consultations:

- Consultations will be conducted in a manner that is accessible and culturally appropriate, paying due attention to the specific needs of beneficiaries and others who may be affected by programme implementation (including gender, literacy, language or accessibility of technical information).
- The objective and the anticipated results of the consultation will be clearly stated
- Consultation design will take into account the specific stakeholders targeted, and their context (interests, capacities, cultural background).
- Information provided in consultations will be transparent, easy to understand, promote inclusiveness and gender sensitivity
- Suitable trainers and facilitators will conduct the consultations, including trainers who are trained in social inclusion and gender equality. Translation services should be provided for non-Lao speaking ethnic groups (when necessary)
- Transparent, accurate, and consistent documentation and reporting will be required from all consultations. Attendance sheets should be collected from each meeting, along with meeting summaries and photos. A record of all consultations conducted within the framework of the programme should be managed by the programme management units, with reporting conducted by the NPMU.

Within each Activity, there are various actions and action inputs planned that include stakeholder engagement and consultations, with detailed actions described in Chapter 3, information

on inputs provided within the Log Frame in Chapter 4, and detailed budgeting for stakeholder engagement within the financial and economic analysis Excel file (separate excel file).

Reporting on stakeholder engagement

GIZ and MAF/DoF will provide regular updates on programme implementation, through various media sources (online, print, workshops, among others). Online communications and information-sharing will be promoted, including through a bilingual national REDD+ website hosting data, communication and educational materials regarding REDD+ (including the ER Programme). When appropriate, information will be presented in other local languages to reach diverse ethnic groups (see the Knowledge Management Plan in FS for further information).

Annual programme reporting will further provide an overview of consultations and workshops conducted, and will provide insight into upcoming events for the following year. In order to ensure the widest dissemination and disclosure of programme information, including any details related to applicable environmental and social safeguards, local and accessible disclosure tools including audiovisual materials such as flyers, brochures, videos and community radio broadcasts will be utilized in addition to other communication modes. Furthermore, particular attention will be paid to women, ethnic groups, illiterate or technologically illiterate people, and people with hearing or visual disabilities, people with limited or no access to internet and other groups with special needs. The dissemination of information among these groups will be carried out with the programme counterparts and local actors such as village and *kumban* leaders, producer associations, CSOs, Lao Women's Union, among other regional actors. For additional information refer to the Feasibility Study and Funding Proposal on programme monitoring and evaluation.

7.2.4 Incorporation of women, ethnic groups

Incorporation of women

A Gender Action Plan has been elaborated to mainstream gender-related measures into the programme, ensuring that gender-related risks are avoided or mitigated, and to maximize climate and development co-benefits for both men and women. It pays special attention to women, considering that women are not a homogenous group, and the additional challenges that women from different ethnic groups may face. The plan includes:

- Gender-responsive actions for all programme activities, as well as cross-cutting measures that address and strengthen the voice and agency of women in climate action within the context of the proposed programme. Timelines and responsibilities are indicated within the gender action plan.
- Gender-responsive result indicators and sex-disaggregated targets to be integrated into the programme's results framework.
- Presentation of gender-responsive development impacts

The plan provides an overview of how women's engagement throughout the programme will be positively targeted, and how the programme will promote gender equality through all of its

activities and within programme management (refer to the gender assessment and gender action plan for more detailed information).

Incorporation of ethnic groups

“Lao PDR has endorsed the *International Labour Organization Convention 169 on Indigenous and Tribal Peoples (ILO 169, 1989)* and *United Nations Declaration of Indigenous Peoples’ Rights (UNDRIP, 2007)* but the Government of Lao PDR (GoL) does not recognize the concept of indigenous peoples in its policies and legislation. Instead, the term “ethnic group” is officially used to describe its people, who are categorized into 49 broad ethnic groups. [...] Ethnic group diversity is reflected in a rich diversity of **ethnic languages**. Each ethno-linguistic family is divided into main ethnic groups and is further described through sub-ethnic groups. Some ethnic languages are only spoken languages, and do not have written forms.”¹⁷⁵

“As described in Chapter 1, the programme area is home to an array of inhabitants from diverse ethnic groups. The three major ethno-linguistic families in the ER Programme area are the Lao-Tai, the Mon-Khmer, and the Hmong-Hmien. According to 2005 data, around 45% of the regional population belong to the Lao-Tai ethno-linguistic family, 30% to the Mon-Khmer, 15% to the Hmong-Mien and the remaining groups in the Sino-Tibetan compose the remaining 10%.¹⁷⁶ [...] Thus, these six Northern provinces are notable insofar as in this region, the Lao-Tai ethnic groups comprise less than half the population, whereas nationwide they comprise two-thirds of the population. Thus, other ethnic groups are more numerous in these Northern provinces (refer to Chapter 1 and the ESIA for more detailed information)[...] Generally speaking, these groups tend to have lower rates of education, especially among girls and women, lower rates of self-reported land ownership, higher rates of poverty, and more food insecurity than Lao-Tai groups¹⁷⁷.”

While the programme is anticipated to have largely positive impacts for these groups, if improperly implemented or if safeguards are not sufficiently in place there could be negative impacts on the livelihoods and wellbeing of ethnic groups in the programme region.

The socio-economic risks that may arise during the implementation of the programme will certainly be higher in some areas than others but are also likely to fluctuate over time. This underscores the requirement for site-specific Environmental and Social Management Plans and a programme Environmental and Social Management System that is based on adaptive management. The high percentage of non-Lao-Tai ethnic groups in the programme area requires a higher degree of risk management as per the GCF Indigenous People Policy.

Targeted participation and enhanced support for vulnerable ethnic groups

The programme will make sure that ethnic groups, especially particularly vulnerable groups, will benefit from the programme’s activities. Vulnerable households at the village level will be positively targeted through programme activities utilizing participatory approaches and providing necessary technical support and other inputs.

¹⁷⁵ ER-PD SESA Report 2017, p. 27

¹⁷⁶ Lao PDR Housing and Population Census 2005

¹⁷⁷ ER-PD 2018, p. 33

For the successful implementation of this programme, the specific situation of different ethnic groups, and in particular vulnerable households, are taken into account. The programme will finance measures that enable diverse ethnic groups to have better access to land, technical support for implementing good agriculture practices, sustainable land management (SFM, FLR, etc.), and green finance measures. Such measures include (see Annex 3 for more detailed recommendations):

- FPIC and existing national laws and international commitments related to ethnic groups (and indigenous peoples) must be respected. FPIC processes will be initiated with all participating villages prior to the implementation of land use investments. FPIC agreements are mandatory to participate in programme activities.
- A participatory and inclusive approach will be applied that take into account regional and cultural diversity within the programme area. For example, Activity 1.5 allows for village land use planning to be based on participatory processes, where prioritized activities are identified based on the village's priorities, context and differentiated vulnerabilities and needs.
- Programme staff and trainers will include male and female representatives from diverse ethnic groups. They will all receive training on gender equality and social inclusion within the context of the programme.
- Outreach, extension / technical support at the community-level, workshops and capacity building activities will be socially inclusive, aware of culturally diverse contexts and norms, and take into consideration local knowledge. Where necessary, the programme will ensure the availability of translators (either from within the community or from external sources, if necessary) to facilitate the dissemination of knowledge and information. Translation can be provided for oral workshops, extension materials and other programme-related materials (e.g. videos, radio programmes, publications, etc.).
- Particular attention will be paid to women, ethnic groups, illiterate or technologically illiterate people, and people with hearing or visual disabilities, people with limited or no access to internet and other groups with special needs. The dissemination of information among these groups will be carried out with the programme counterparts and local actors such as village and *kumban* leaders, producer associations, CSOs, Lao Women's Union, among other regional actors.
- Opportunities for collaboration with other stakeholders (e.g. CSOs) will be sought out to strengthen stakeholder outreach and the engagement of various ethnic groups and vulnerable households. This includes local CSOs/ NGOs, the Lao Front for National Construction, and the Lao Women's Union.
- Alternative livelihood activities will be supported in the agriculture and forest sectors, where extension trainers will develop a strategy to target and engage highly vulnerable households and provide technical support in culturally-appropriate ways (see Activity 2.1). Livelihood interventions were identified as important to support the transition to low-carbon development pathways, based on REDD+.

7.2.5 Incorporation of stakeholder feedback into management decisions

Feedback and the results of consultations and workshops will be shared with the NMPU, PPMUs, DPMUs and NPSC as key information to facilitate decision-making from an informed point of view. Programme management will ensure proactive programme management and will respond as necessary, based on stakeholder feedback, to ensure the programme's implementation is on track and respects social and environmental safeguards.

NPMU and PPMUs will include safeguard and M&E specialists, responsible for overseeing social and environmental safeguards.¹⁷⁸ At the district level, a representative of the DPMU will be designated as the district safeguard and M&E officer and will receive training on safeguards and the programme's grievance redress mechanism. They will work closely with the safeguard and M&E specialists within the NPMU and PPMUs. They will ensure ongoing environmental and social management throughout the programme and will further cover measures related to stakeholder engagement.

During programme inception, planning documents, standard operating procedures, guidelines and management systems will be established or specified, where the safeguards expert will be responsible to ensure that they promote gender equality and social inclusion.

They will further be responsible for ongoing monitoring of social and environmental safeguards, ensuring that the programme is able to respond as necessary to any unforeseen changes. This includes closely coordinating with programme partners and PPMU/DPMU staff to ensure programme activities are conducted in an inclusive and equitable manner, closely overseeing the implementation of the gender action plan and environmental and social management plans.

7.2.6 Timetable

The following Table provides information on key considerations and events during programme inception and implementation.

Table 28: Timeline for stakeholder engagement activities

Activity	Programme Phase	Timeline*	Responsibility
Establishment of programme management units (NPMU, PPMU and DPMU)	Inception	Early 2020	MAF
Appointment of officers responsible for safeguard-related issues within DPMU, PPMU and PSC	Inception	Early 2020	NPMU

¹⁷⁸ A central function of these officers within the NPMU and DPMU will be the monitoring and evaluation of programme activities, including safeguards and the operationalization of the programme's grievance redress mechanism. At the district level the officer responsible for safeguards will not solely work on M&E and safeguards, but will support the NPMU and PPMU officers as necessary with reporting and data collection, and will support the management of district-level grievances. They will receive training on safeguards and the grievance mechanism, as well as gender and social inclusion.

Integration of updated contact information for grievance mechanism	Inception	Early 2020	NPMU
Identification and training of staff and trainers for conducting community mobilization and sensitization	Inception	Early 2020	NPMU
Community mobilization and sensitization	Inception	Early 2020	NPMU, PPMU and DPMU in cooperation with government authorities
Ongoing stakeholder engagement events embedded in programme activities (training, awareness raising, land use planning etc.; refer to Chapter 3 for more detailed information at the activity and action level, as well as the detailed programme timeline in the excel workbook)	Implementation	2020-2029	NPMU, PPMU, DPMU
Periodic stakeholder update meetings and information dissemination	Implementation	2020-2029	NPMU, PPMU, DPMU
Regular monitoring and periodic reporting of programme implementation (as described in Chapter 12)	Implementation	2020-2029	NPMU, PPMU and DPMU responsible for monitoring and reporting, in cooperation with government authorities supporting programme implementation

**Assuming programme start in mid-2020*

A detailed stakeholder engagement plan for Project 1 is included in Annex 9 of the ESIA. It includes a detailed description of the specific activities, timeline, responsibilities, and budget.

7.2.7 Resources and responsibilities

The implementation of the social engagement plan is seen as an important contributor to the programme's success. Long-term safeguard and M&E specialists will be embedded within the NPMU and PPMUs. They will oversee, guide and coordinate stakeholder engagement within the programme, and ensure the successful implementation of the gender action plan and ESMP. Monitoring will be compiled by the NPMU safeguard officer

Responsibilities

The responsibilities of the safeguard and M&E specialist in the NPMU include (among others):

- Liaison with all programme stakeholders
- Responsibility for overseeing programme communication and stakeholder engagement
- Dissemination of information about the grievance mechanism to programme partners, local communities, CSOs, among others
- Identification of local and provincial CSOs for collaboration on community outreach, information dissemination and other programme activities

- Mediation between the programme and the community
- Overseeing (implementing, monitoring and reporting) on the grievance resolution system
- Monitoring programme progress, including in achieving the ESMP and gender action plan, and ensuring adaptive management (as needed).

The responsibilities of the safeguard and M&E specialists in the PPMUs include (among others):

- Liaison with programme stakeholders at the province level
- Responsibility for overseeing programme communication and stakeholder engagement in their province
- Dissemination of information about the grievance mechanism to programme partners, local communities, CSOs, among others within the province
- Identification of local and provincial CSOs for collaboration on community outreach, information dissemination and other programme activities
- Mediation between the programme and the community for grievances filed at the provincial level
- Monitoring the grievance resolution system (in cooperation with the NPMU M&E specialist), with a focus on grievances filed in the province
- Supporting NPMU safeguard and M&E specialist for programme monitoring as required

The responsibilities of the DMPU officer responsible for safeguards include (among others):

- Overseeing programme implementation at the district level
- Liaison with programme stakeholders at the district level
- Programme communication at the district level (in coordination with the PPMU and NPMU)
- Dissemination of information about the grievance mechanism to programme partners, local communities, CSOs, among others within the district
- Mediation between the programme and the community for grievances filed at the district level in coordination with the PPMU and NPMU safeguard and M&E specialists (as requested)
- Supporting NPMU and PPMU safeguard and M&E specialists for programme monitoring as required

Budgetary implications

Safeguard and M&E specialists will be hired within the NPMU and PPMU. Their core responsibilities will be overseeing safeguards and programme M&E.

At the district level, a district officer will be appointed the responsibility of overseeing safeguards and will receive training on safeguards and the programme's grievance redress mechanism. They will have other tasks (i.e. will not only work on safeguards and monitoring), but they will support the safeguard and M&E specialists within the NPMU and PPMU as needed.

All costs have been integrated into the programme's budget.

7.3 Free, prior, and informed consent (FPIC)

For all activities implemented with villagers at the local level (e.g. land use planning and activities within Outputs 2 and 3), participation is voluntary and based on the principle of FPIC. FPIC agreements will be made with all participating villages prior to the implementation of interventions. PPMUs will mobilize specialized capacity, targeting the district and *kumban* levels, regarding training on FPIC principles and practices, and ensuring FPIC principles are appropriately applied for the programme's consultations. They will further be trained on gender and social inclusion, to promote the participation of diverse stakeholders, including women and members of different ethnic groups.

Info Box 3: Good practice Principles for FPIC

1. It is essential to develop a **good understanding of the local culture**, including factors such as social organisation and consultation systems, before engaging in FPIC. This could involve conducting targeted anthropological research, including training and maintaining "local ethnographers" who could be teachers, students, or other community members.
2. **Information** provided should be as independent, comprehensive, and accessible as possible: this may imply translation into local languages and use of audio-visual materials.
3. Agreements should be **written and notarised**, in addition to the traditional form of recognition, and there should be video or photographic record of the process.
4. Free prior and informed consent should not be understood as a one-off, yes-no vote or as a veto power for a single person or group. Rather, it is a **process** by which indigenous peoples, local communities, government, and companies may come to **mutual agreements** in a forum that gives affected communities enough leverage to negotiate conditions under which they may proceed and an outcome leaving the community clearly better off.
5. Methodologies used in the consultation process need to be informed by knowledge of village **social organisation**. In this respect, the consultation process might be described as a system for finding a system that is sensitive to the cultural setting.
6. Consultation is also a **feedback loop**. Information that emerges from the process is continually fed back into the process always evolving and adapting to a changing situation as villagers become more competent and confident in their abilities and capacity.
7. The structure of the consultation process must be **flexible** so that it can be carried out in culturally appropriate ways. The flexibility should imply that the process

Source: ER Programme ESMF (Draft version)

The following examples should be taken into consideration, where FPIC has been applied based on best practices:

- The GIZ CliPAD project has supported the development and implementation of FPIC curriculum with the LFND as a preliminary step for village forest management (VFM). They developed a guideline to support with the FPIC process for village forest management planning, where three main FPIC phases were identified (Table 29). The guideline and process have been implemented in 70 villages in Houaphan on topics related to land use planning, and village forest management (see following Figure). During the process only 1 village declined in the first step, but later rejoined the process once their questions were clarified. For Village Forest Management Agreements, 64 villages have signed agreements based on a consultative participatory process. Only 6 villages do not yet have an agreement signed, however that is just due to project timing – where the remaining villages are expected to complete the VilFOMA process in the next 1-2 months.

Table 29. Overview of CliPAD’s FPIC activities implemented in Houaphan Province in Year

Completed activities at Village Level	SN	HM	Total
1. Free, Prior and Informed Consent (FPIC 1)	30	40	70
2. Participatory Land Use Planning (PLUP)	30	40	70
3. Villages Forest Management Planning (VFMP)	30	40	70
4. Village Forest Management Agreement (VilFoMA)			
▪ 4.1 Consultation of VilFoMA (FPIC 2)	30	34	64
▪ 4.2 Sign VilFoMA (FPIC 3)	30	34	64

Source: GIZ CliPAD Project

- In areas where participatory land use planning (PLUP) is carried out, consultations with local communities also take place, although PLUP and other types of participatory planning are not enshrined in legislation *per se*.¹⁷⁹ FPIC is practiced in Lao PDR as part of the requirements of development partners, especially the international finance institutions such as the World Bank and ADB. Moreover, the *sam sang* (literally, “three builds”) directive of the LPRP relating to decentralization, refers to the village as a “development unit,” and does not confer decision-making powers there.
- Of interest for this programme, the Scaling Up Participatory Sustainable Forest Management project (SUFORD-SU) had developed a Community Engagement Manual in 2015 which includes FPIC, even if it may not completely reflect FPIC “best practice.”¹⁸⁰

¹⁷⁹ There is a PLUP Manual produced by MAF (2010). There is also an MPI Participatory Planning Manual (2012). PM 59 on Participatory Sustainable Forest Management (PSFM) in Production Forest Areas (PFAs) (2002) provides for community participation.

¹⁸⁰ While acknowledging that communities require time to consider programme proposals and activities, at the same time it says that people should just vote on their consent at a community wide meeting. This is fraught with difficulties. Moreover, consultation processes as mentioned in the manual only involve government and mass organizations, with no place provided for civil society organizations (CSOs).

- Furthermore, there are several pieces of legislation in Lao PDR that provide for consultations with local communities. These include the Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) depending on the sizes of investment projects (described in Chapter 3 in greater detail).¹⁸¹

A detailed description of the programme's FPIC process is provided in the Ethnic Groups Development Planning Framework in Annex 3.

7.4 Grievance redress mechanism

A grievance mechanism has been developed to acknowledge and address any negative impacts or complaints that arise as a result of the programme. Any grievances should be analyzed and mitigated as quickly as possible to avoid any tensions or conflicts. The grievance mechanism is cost-effective as it is integrated into the institutional mechanism of the programme.

The objectives of the grievance redress mechanism are to:

- Provide affected people an avenue through which they can voice their concerns and dissatisfactions;
- Create a platform in which stakeholders and village members can freely raise concerns and complaints to be effectively addressed;
- Demonstrate to programme stakeholders and villages that they play an important role in programme design and implementation;
- Follow up and report on efforts to take corrective action.

7.4.1 Existing feedback and grievance redress mechanisms in Lao PDR for REDD+

Under the national REDD+ policy framework, all stakeholders have the right to make requests, claims, complaints and requests for justice in accordance with the social and environmental safeguard measures and conditions; and transparency with respect to information, the distribution of benefits and responsibilities, legal and customary rights and participation in activities and processes.

Existing feedback and grievance redress mechanisms have been developed within the context of the National REDD+ policy framework and ER-PD process in Lao PDR. Such mechanisms have undergone detailed assessments and consultations within their respective processes.

The existing Lao PDR national Feedback and Grievance Redress Mechanisms (FGRMs) consist of several alternative mechanisms for registering grievances and feedback, and seeking redress. The type of grievance mechanism applied depends on various key considerations described in the following Figure.

¹⁸¹ MONRE-sponsored regulations 8029 and 8030 on IEE and ESIA (2013).

Table 30. Overview of feedback and grievance redress mechanisms applied for REDD+ in Lao PDR

Type of Grievance Mechanism	Key Considerations
Traditional, customary complaint resolution processes	<ul style="list-style-type: none"> ▪ Traditional dispute resolution mechanisms vary by ethnic group and are used to settle disputes based on customary law and traditions. ▪ E.g. Hmong are socially organized into clans and traditionally disputes are settled by the (male) clan elders. Other ethnic groups have different arrangements.
Village mediation units	<ul style="list-style-type: none"> ▪ Village mediation units are comprised of village authorities, including members of the local chapter of the Lao Front for National Development, and also may include customary leaders. They often deal with issues of land and family disputes among the villagers, such as divorces. If the dispute involves outsiders, or the village leadership, then resolution must be sought at a higher level.
Judicial system	<ul style="list-style-type: none"> ▪ Through national, provincial and regional courts together with law enforcement authorities ▪ This mechanism often is utilized when land rights are involved ▪ Six different government law enforcement agencies are involved in enforcement of forestry-related laws and in bringing cases to the Public Prosecutor. The lead agency in enforcement of the Forestry law and the Wildlife and Aquatic Law is the Department of Forest Inspection (DoFI, under MAF).
Administrative system of Government	<ul style="list-style-type: none"> ▪ E.g. Going from the village to the relevant district office to the relevant provincial office, to the national ministry ▪ E.g. Going to the district Justice Office, Department of Home Affairs, then the Justice Department at the Ministry of Justice and, ultimately, the Central Cabinet
Party system	<ul style="list-style-type: none"> ▪ Complaints can be registered with the Lao Women's Union or Lao Front for National Construction, then they can be filed at the central party cabinet ▪ The Lao Front has a legal mandate for awareness-raising, conflict resolution and promoting participation of all ethnic groups, and has representation at all levels of government from central to village-level.
Legislative system	<ul style="list-style-type: none"> ▪ With appeals to the Provincial Assembly or National Assembly

Source: Adapted from ER-PD 2018, p. 199-201

The following Figure provides an overview of these mechanisms and key considerations for identifying which mechanism is the most suitable for the grievance (thematic topic, and level of government). Accordingly, programme-related claims and complaints can be proposed, considered and resolved according to traditional customs, administratively, legally or legislatively according to the case in hand, and in accordance with the Law on Claim and Complaint Resolution. All stakeholders are able to file grievances and complaints through these official channels, as noted in the country's ER-PD and National REDD+ Programme.

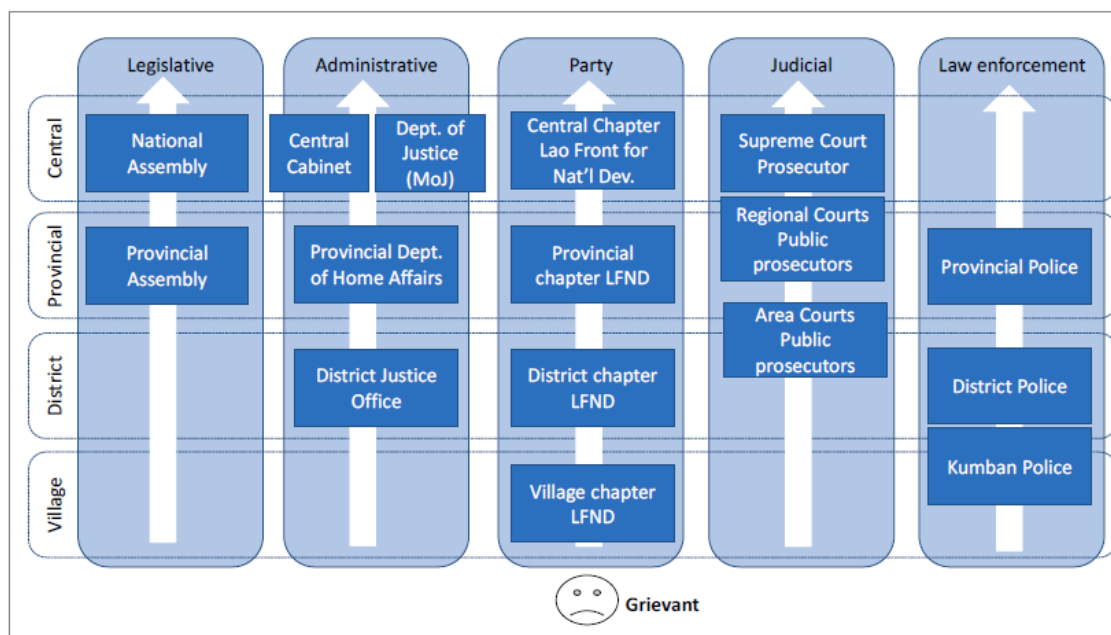


Figure 15: Options for grievance redress under REDD+

Source: ER-PD 2018, p. 201

The following Figure highlights the core steps to file and resolve a grievance with the programme's grievance redress mechanism (note – the mechanism is further described in regard to its application for the programme-specific grievance redress mechanism described in the next sub-section). The resolution of REDD+ claims and complaints must be consistent with the policies and laws of the Lao PDR and the relevant international conventions. The process must ensure the protection and promotion of the rights and interests of those affected by REDD+ activities. Improvements of the livelihoods of REDD+ stakeholders will be promoted with independence, transparency, equality, fairness, and neutrality. The various stages (of complaint resolution) must be recorded, including the participation and consultation of the relevant parties.

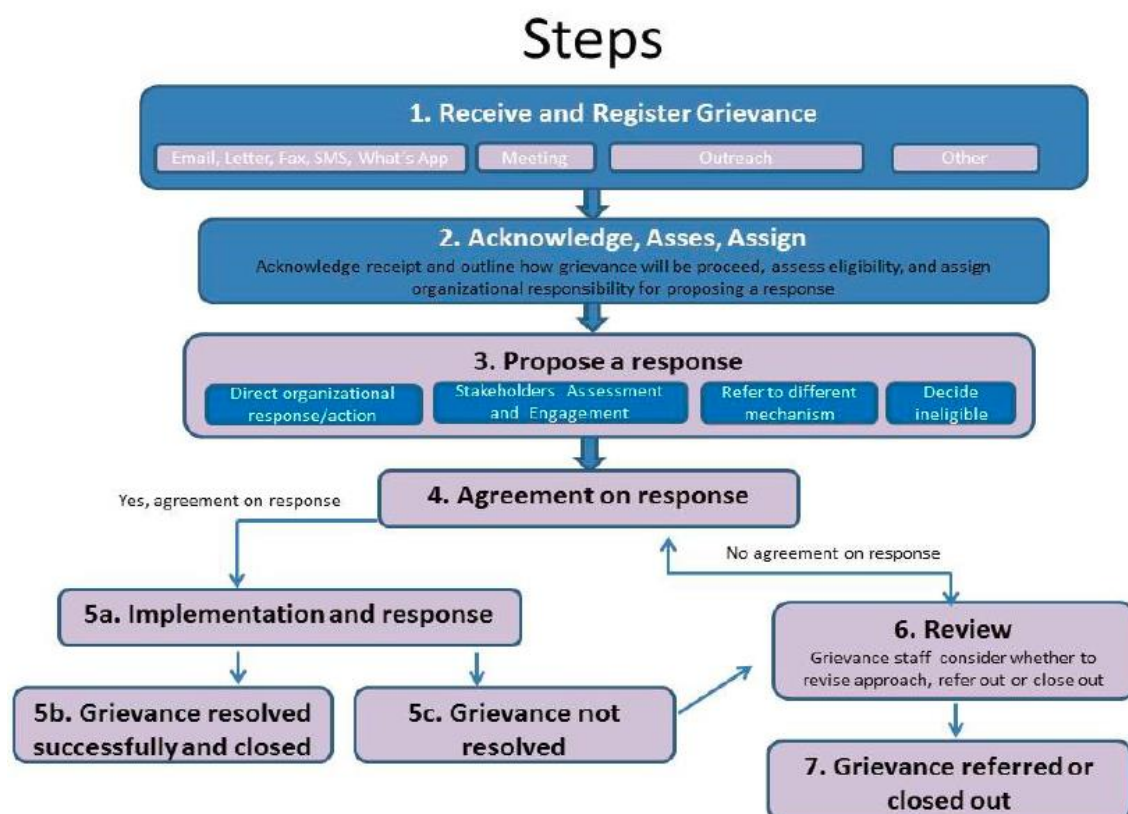


Figure 16: Overview of grievance redress mechanism

Source: ER-PD 2018, p. 202

Implications and recommendations for the proposed GCF programme

As described above, there are grievance and redress mechanisms in Lao PDR mainly available within a single village; i.e., either customary mechanisms such as councils of elders or the Village Mediation Unit (VMU). In single ethnic group villages a council of elders, or similar, may comprise the VMU. Villagers are, however, at times discouraged from seeking judicial or administrative redress beyond their villages. They are rewarded instead for *not* bringing cases to the district authorities or to a sub-provincial court by being declared a “*Ban Pot Kadi*,” meaning a “case free village.” While the VMUs are seen by villagers of all ethnic groups as useful for solving local disputes and are widely used, the remit of a VMU does not extend to conflicts involving outsiders (such as concessionaires).¹⁸²

Local communities have limited access to justice beyond village level mechanisms. The concept of an independent or neutral ombudsman’s office has yet to be established in Lao PDR. However, local people do make use of the National Assembly (NA) Hotline when it is in session. Nonetheless, the Constitution (Article 41,) provides Lao citizens with the right to lodge complaints and petitions with relevant State organizations; a Law on Petitions (2005) allows for written submissions.¹⁸³

¹⁸² See the Ministry of Justice Guidelines on VMUs, 2010. Both the Land Law and the Forestry Law mention the possibility of administrative redress, but not with any independent mechanism included.

¹⁸³ The Law was amended in 2015, approved by Presidential Decree in 2016, but an English version doesn’t appear to be available to check if submissions still must be in writing or may also be delivered orally.

The ERPD of May 2018 foresees that existing mechanisms will be used for grievance redress. Considering the gaps and weaknesses in these mechanisms, including inadequate access of all ethnic groups, and especially of women, to the justice system, there will be a need to establish a programme-based grievance redress mechanism. This has precedence in the Lao PDR with the Nam Theun 2 hydropower dam and its Resettlement Implementation Period (RIP; now ended). The Poverty Reduction Fund also has established a programme-based GRM as per World Bank requirements.

7.5 GCF programme grievance redress mechanism

The resolution of claims and complaints arising from the GCF programme shall be based on existing grievance and redress systems developed for REDD+ in the country (described above), as well as a programme-specific reporting mechanism to the NPMU, PPMU and/or DPMU, and the PPMU will include safeguard and M&E specialists hired to ensure the monitoring and fulfilment of safeguards for programme implementation. At the district level, DPMU will designate an officer responsible for safeguards, who will be responsible for overseeing grievances within their unit. The safeguard officer in DPMU will not work exclusively on safeguards; however, he/she will closely coordinate with the PPMU and NPMU safeguard and M&E specialists to support data collection, monitoring and support the manage grievance complaints received at the district level (i.e. filed to DPMU). All safeguard specialists and designated district officers will be trained on the grievance redress mechanism, as well as best practices to promote gender equality and social inclusion in a culturally appropriate manner.

The mechanism has been designed to address any complaints or grievances regarding the programme. It is designed to ensure that no individual or group are financially impacted by making a grievance or complaint. Any cost that may be associated with the preparation or issuance of a legitimate complaint or grievance (e.g. engaging a qualified person to assist the complainant) will be covered by the grievance mechanism (and has been integrated in the budget). Special efforts will be made to ensure the grievance redress mechanism is available for all people, and that women, ethnic groups or vulnerable persons and/or entities have equal access and bear no negative repercussions for filing any complaints or grievances.

The designed structure allows grievances to flow through an internal process from the district level until the national level, where more issues are expected to be addressed. Concerns should be addressed at the closest appropriate level (i.e. at district, provincial, etc.) Whenever a grievance is filed, a report on the grievance utilizing a standard template will be provided to the NPMU's safeguard and M&E specialist will oversee the process, maintain a record of all grievances filed, report on grievances filed and ensure they are adequately addressed. If it is not possible to address the grievance within the programme structure (i.e. with DPMU, PPMU, NPMU or PSC), the grievance will be sent to a representative in GIZ's country office in Lao PDR. When considered necessary in particularly challenging situations, the GIZ country officer will transfer the case to the GIZ Ombudsman.

Info Box 4: CSOs role in supporting the programme's grievance redress mechanism

CSOs will play an important role in programme implementation, including through participation in capacity building events and trainings, awareness raising, and in supporting community outreach. They will further serve as key organizations to facilitate communication between local communities and the programme management units.

CSOs in the target provinces and districts will be trained on the programme's grievance redress mechanism, and provided with informational brochures with contact information. This will ensure that they are familiar of the mechanism, key phone numbers and can support local villages / villagers to understand the grievance redress mechanism, and to file complaints and grievances.

The main steps of the programme's grievance redress mechanism are aligned with the steps identified for the ER-PD grievance mechanism, and are described in the Table below.

Table 31: Overview of the main steps within the programme-level grievance redress mechanism

Grievance Redress Mechanism Steps	Description
1. Receive and register grievance	<p>Stakeholders submit their grievances to the representative in charge of safeguards (e.g. DPMU officer responsible for safeguards, PPMU safeguard and M&E specialist- see chart below).</p> <p>Grievances can be filed through email, letter, fax, SMS, meetings, outreach events, or other written or oral formats. Local CSOs will also play an important role helping to facilitate complaint and grievance filing (see info box below).</p> <p>All grievances will be registered by the receiving unit (DPMU/ PPMU/ NPMU) using a standard template. All grievances filed must be clearly documented and securely stored.</p>
2. Acknowledge, assess and assign	<p>The programme specialist and/or officer in charge of safeguards at the respective level where the grievance has been filed (DPMU, PPMU, NPMU) must acknowledge receipt of the grievance. They must outline how the grievance will proceed, assess the eligibility of the grievance, and assign organizational responsibilities to propose a response to the grievance.</p>
3. Propose a response	<p>The entity responsible for proposing a response (as assigned by the programme officer in step 2), will then propose options to the complainant and any other related parties to address the grievance. This could include: i) direct organizational response/ action, ii) stakeholder assessment and engagement, iii) referral to a different mechanism (e.g. mechanisms identified in the previous sub-section, e.g. judicial grievance mechanism), or they could decide that the grievance is ineligible.</p>
4. Agreement on response	<p>Based on the responses proposed in step 3, the programme officer, representatives responsible for the investigation and proposal of response options will meet with the complainant and other related parties and try to reach an agreement that is acceptable to all parties.</p>

If yes agreement on response refer to step 5, if no refer to step 6

Grievance Redress Mechanism Steps	Description
5a. Implementation and response	The programme specialist/ officer in charge of safeguards will assign a relevant officer to oversee the implementation of the grievance, monitoring its progress and the effectiveness of the response. All grievances filed must be reported to the NPMU using a standardized template, including information on the status of all grievances.
5b. Grievance resolved and successfully closed	If the response is successful, the grievance will be resolved and successfully closed. The grievance report to the NPMU will be finalized and submitted by the responsible programme officer, noting that the grievance has been successfully resolved and has been closed.
5c. Grievance not resolved	If the response is not successful, the programme officer responsible for overseeing and monitoring the response will review the grievance the implemented response (step 6).
<i>If no agreement on response (step 4)...</i>	
6. Review	If no response can be met, the responsible safeguard specialist/ programme officer will review the grievance with the safeguards specialist at the NPMU. Together they will determine whether to revise the approach and propose other alternative responses, refer the grievance to another system (e.g. legislative, administrative, party, judicial, law enforcement, customary), or close out.
7. Grievance referred or closed out	Pending the result of the grievance review, grievances that cannot be resolved will be either referred to a different system or closed out. All grievances, including grievances that cannot be resolved, will be documented using a standard template, and reported to the NPMU safeguard representative.

The programme-level grievance mechanism is presented below. Through the mechanism, grievances can be filed at the: (1) district, (2) provincial, (3) national, (4) programme steering committee (PSC), (5) GIZ country office and (6) GIZ headquarter level. In addition to the proposed programme-specific mechanism, grievances can be filed through other mechanisms presented in the previous sub-section, as identified within the National REDD+ Programme and ER-Programme. More detailed information on customary complaint/ grievance mechanisms in the context of the project is provided in the Ethnic Groups Development Planning Framework.

Level 1: The complaint should be submitted directly to the DPMU (unless the complaint is about the DPMU, in which case it should be sent to the PPMU or NPMU), who will share the filed grievance with the responsible officer in charge of safeguards within the DPMU. They will receive and begin processing the grievance. The complaint can be provided in writing or orally to the representatives. At this stage the grievance will be registered by the DPMU safeguard representative, who will assign a suitable officer to investigate the grievance and propose a response.

A record of the grievance will be made utilizing a standard template, and shared with the NPMU safeguard and M&E specialist to ensure a record and oversight of all grievances is kept.

DPMU in each district	Should respond in 10 working days upon receiving the reported grievance. <i>[Contact information for the DPMU officer responsible for safeguards to be included within 6 months of programme inception.]</i>
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Level 2: If the complaint cannot be solved at the DPMU level or the complaint is filed against the DPMU, the complaint should be submitted to the PPMU at the provincial level. The PPMU safeguard and M&E specialist will receive and begin processing the grievance. The complaint can be provided in writing or orally to the representatives. At this stage, the grievance will be registered and investigated by the provincial PMSU.

Record of the grievance will be made utilizing a standard template (or revising the existing template if the grievance had been previously filed at the district level), and shared with the NPMU safeguard and M&E specialist for their record.

PPMU in each province	Should respond in 10 working days upon receiving the reported grievance. <i>[Contact for PMSU safeguard and M&E specialist to be included within 6 months of programme inception]</i>
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Level 3: If the grievance cannot be solved at the PPMU level or the grievance is filed against the PPMU, the complaint should be submitted to the NPMU at the national level. The NPMU safeguard and M&E specialist will receive and begin processing the grievance. The complaint can be provided in writing or orally to the representatives. At this stage, the grievance will be registered and investigated by the NPMU.

Record of the grievance will be made utilizing a standard template (or revising the existing template if the grievance had been previously filed at the district level), and stored by the NPMU.

NPMU (national level)	Should respond in 10 working days upon receiving the reported grievance. <i>[Contact for NPMU safeguard and M&E specialist to be included within 6 months of programme inception]</i>
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Level 4: If the NPMU cannot address the grievance, the grievance will be sent to the programme steering committee (PSC), in particular the PSC representative responsible for safeguards. They will coordinate with the NPMU safeguard and M&E specialist to assess the grievance.

Programme steering committee	<i>Should respond in 10 working days after consultation with the NPMU safeguard officer.</i> <i>[Contact for PSC representative responsible for safeguards to be included within 6 months of programme inception]</i>
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Level 5: If the PSC cannot address the grievance, the grievance will be sent to the GIZ safeguard representative within the GIZ Lao PDR Country Office. They will coordinate with the

PSC safeguards representative and the NPMU safeguard and M&E specialist to assess the grievance.

GIZ Programme Director	Should respond in 10 working days upon receiving the reported grievance. They will consult with the NPMU and PSC safeguard officers. <i>[Contact for GIZ Programme Director to be included within 6 months of programme inception]</i>
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Level 6: Only in particularly difficult cases will the GIZ Country Office for Lao PDR request the assistance of the GIZ Ombudsman. If transferred to the Ombudsman, they will follow their own internal protocol to address the grievance.

GIZ	To report potential fraud, misconduct and other crimes or rule violations, contact the GIZ Ombudsman via the following contact information (information as of January 30, 2019): Name: Edgar Jousen Email: ombudsmann@ra-js.de Telephone: +49 30 3151870
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Informal and customary grievance review

Customary practices of different community, ethnic and religious groups to manage conflicts have been integrated into the formal grievance mechanism. In some instances, grievance cases have been addressed in an informal manner by local communities under the direction of community or traditional leaders. The responsible officer for safeguards within the DPMU, PPMU or NPMU (depending on where the grievance is filled), will consider the opinions or recommendations of leaders from any informal redress mechanisms before making any decisions.

Grievance resolution

Once a grievance has been addressed and the party that filed the grievance has accepted the solution, an agreement should be signed by all involved parties. Records of all grievances made and addressed should be preserved in order to ensure continued compliance and a transparent grievance review mechanism.

Dissemination and awareness raising for the grievance redress mechanism

As the grievance mechanism is instated in order to provide a platform for concerns to be voiced by any party, it is important that the method in which grievances can be made is effectively distributed to all stakeholders and community members within the programme area. Information regarding the grievance redress mechanism will be distributed to all stakeholders and communities through:

- Programme multi-stakeholder events (FPIC consultations, workshops, etc.)
- Information sessions and village meetings, including the provision of information both orally and through informative materials

- Brochures regarding the programme's grievance redress mechanism (produced in Lao and local languages), distributed to diverse stakeholders including CSOs
- Programme webpage
- Included as part of other communication material that is designed and distributed during programme implementation.

8 INDIGENOUS PEOPLES POLICY AND SOCIAL INCLUSION

8.1.1 GCF's Indigenous People's Policy and its implications for the programme

There are important implications for the programme and its management by virtue of it having triggered the GCF's Indigenous Peoples¹⁸⁴ Policy (hereafter Policy in this section). GCF's policy was approved by the Board in March 2018 (Decision B.19/11). Some of its most important clauses and requirements are repeated here to familiarize more stakeholders with these requirements.¹⁸⁵

The Policy is GCF's recognition that:

"The economic, social and legal status of indigenous peoples frequently limit their capacity to defend their rights to, and interests in, land, territories and natural and cultural resources, and may restrict their ability to participate in and benefit from development initiatives and climate change actions. In many cases, they do not receive equitable access to project benefits, or benefits are not devised or delivered in a form that is culturally appropriate, and they are not always adequately consulted about the design or implementation of activities that would profoundly affect their lives or communities."

Its main objective is as follows:

"To provide a structure for ensuring that activities of GCF are developed and implemented in such a way that fosters full respect, promotion, and safeguarding of indigenous peoples so that they (a) benefit from GCF activities and projects in a culturally appropriate manner; and (b) do not suffer harm or adverse effects from the design and implementation of GCF-financed activities."

The onus is on AEs and executing entities to prove in a documented and transparent way that they are adhering to the objective of the Policy. It reminds AEs that they *"are responsible for compliance with all applicable laws, including the laws, regulations and standards of the state(s) in which the activities are located, and the obligations of the state(s) directly applicable to the activities under relevant international treaties and agreements"*. Thus, compliance must reflect both domestic laws and the standards of the human rights, and other treaties to which the State has acceded.

The Policy has eight guiding principles, including FPIC, enhancing rights to land, respect for the principles of the human rights treaties, ILO 169 and UNDRIP, respect for traditional knowledge and livelihoods systems, and to facilitate access by indigenous peoples to GCF funds.

¹⁸⁴ It is worth reiterating here that the GCF uses a broad definition of IP, and is not concerned about local terminologies. Moreover, *This Policy applies whenever indigenous peoples are present in, have, or had a collective attachment or right to areas where GCF-financed activities will be implemented. This includes indigenous peoples who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the programme area because of forced severance, conflict, government resettlement programmes, dispossession of their land, natural disasters, or incorporation of such territories into an urban area.*

¹⁸⁵ The Policy in its entirety is available at GCF's website.

GCF's recognition of Indigenous People's rights has resulted in a number of stringent measures encompassed in the Policy which shall be implemented where indigenous peoples (in Lao PDR – the non-Lao-Tai ethnic groups) are present. The Policy allows:

“GCF to anticipate and avoid any adverse impacts its activities may have on indigenous peoples' rights, interests and well-being, and when avoidance is not possible to minimize, mitigate and/or compensate appropriately and equitably for such impacts, in a consistent way and to improve outcomes over time. It goes on to assert (p. 6) that the application of this Policy will not be limited by the absence of legal recognition or identification of indigenous peoples by a state. It will also not be limited by the legal status of titling of indigenous lands, resources and territories.”

One of the more important definitions of the Policy relates to *“involuntary resettlement.”* It is defined as the:

“physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, including those that lead to loss of income sources or other means of livelihood), or both, caused by project-related land acquisition or restrictions on land use”.

Germane for this programme is the possibility of economic displacement caused by restricting ethnic people's use of bush fallows for future upland cultivation. At the same time, should this happen, people will have to be compensated for the losses in a manner agreeable to them.

Another of the GCF Policy objectives in relation to land states:

“To promote and respect indigenous peoples' rights to own, use, develop and control the lands, territories, and resources that they possess by reason of traditional ownership or other traditional occupation or use, as well as those that they have otherwise acquired.”

This, of course, relates to respect for ethnic people's management of lands and resources, including their traditional knowledge in this management.

While a process-oriented FPIC is a given, the Policy also requires *meaningful consultation* which is defined as:

“a two-way process, that: (a) begins early in the project planning process to gather initial views on the project proposal and inform project design; (b) encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; (c) continues on an ongoing basis, as risks and impacts arise; (d) is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders; (e) considers and responds to feedback; (f) supports active and inclusive engagement with project affected parties; (g) is free of external manipulation, interference, coercion, discrimination, and intimidation; and (h) is documented and disclosed.”

Further iteration of “meaningful consultation” is provided here:

“The AEs will be responsible for ensuring that the communities affected or potentially affected by the activities are properly consulted in a manner that provides them with opportunities to express their views on all aspects of the activity and allows the AEs to consider and respond to their concerns. In ensuring the meaningful and effective consultation and participation of the affected communities and vulnerable populations, the AEs will align their processes to best practices and standards and will make publicly available the relevant information on the activities according to the requirements of the GCF Information Disclosure Policy and this Policy.

Where there are potential impacts on indigenous peoples, AEs with indigenous peoples will prepare an IPP or, if specific activities or locations have not yet been determined, an IPPF. The scope and scale of the IPP or IPPF will be proportionate to the potential risks and impacts of the project. The IPPF will include a description of the processes and plans so that specific activities meet the requirements of this Policy and the GCF Environmental and Social Policy and ESS standards, including provisions for the development and implementation of site-specific IPPs that meet the requirements of this Policy. The IPPF and IPP will complement the social assessments of the project and programmes proposed for GCF financing and provide guidance on specific issues related to addressing the needs of the affected indigenous peoples.”

The GCF’s Indigenous Peoples Policy provides the following guidance for programmes/ projects where beneficiaries include both indigenous and non-indigenous peoples:

“When indigenous peoples are not the only beneficiaries of the activities proposed for GCF financing, the planning documents and procedures may vary in form and presentation and will meet the requirements of this Policy regardless of form and presentation. The accredited entities will design and implement the GCF-financed activities in a manner that provides affected indigenous peoples with equitable access to project benefits. The concerns or preferences of indigenous peoples will be addressed through meaningful consultation, including a process to seek and obtain their free, prior and informed consent and documentation will summarize the consultation results and describe how indigenous peoples’ issues have been addressed in the design of the GCF-financed activities. Arrangements for ongoing consultations during implementation and monitoring will also be described.

*The accredited entities will prepare a time-bound plan, such as an IPP, setting out the measures or actions proposed. In some circumstances, a **broader integrated community development plan** will be prepared, addressing all beneficiaries of the GCF-financed activities and incorporating necessary information relating to the affected indigenous peoples. A community development plan may be appropriate in circumstances where other people, in addition to the indigenous peoples, will be affected by the risks and impacts of the GCF-financed activities, where more than one indigenous peoples group is to be included, or*

where the regional or national scope of a programmematic project incorporates other population groups.”

Given the diverse programme beneficiaries involved in, it was decided to develop an “Ethnic Groups Development Planning Framework” (Annex 3).

8.1.2 Consultation of ethnic groups in PRAP and ER programme development

Concerning consultations in the context of designing PRAPS and the ER Programme, a broader consultation process has taken place, in which men and women from diverse ethnic groups participated (see Figure below). Consultations with ethnic groups were further conducted to support GCF programme development, and are described in greater detail within the Ethnic Group Development Planning Framework developed for the programme and included in Annex 3, as well as Chapter 7 of this report.

No	Ethnic Groups	Six Northern Provinces (ER Program Area)					
		HP	LPB	XAY	LNT	BK	ODX
Lao-Tai Ethno-Linguistic Family							
1	Lao	✓	✓	✓	✓	✓	✓
2	Tai	✓	✓	✓	✓	✓	✓
3	Lue		✓	✓	X		
4	Nyouan (Luman, Yuan)		✓	✓	✓	✓	
5	Nyang (Ngang)				✓		✓
6	Tai Nue				✓		
Mon-Khmer Ethno-Linguistic Family							
7	Khmu	✓	✓	✓	✓	✓	✓
8	Pong (Phong)	✓					
9	Xing Moon	✓					
10	Moy	✓					
11	Thene		✓				
12	Bidh				✓		
13	Lamet				✓	✓	✓
14	Sam Tao				✓	✓	
15	Akha				✓	✓	✓
16	Prai			X			
Hmong-Mien Ethno-Linguistic Family							
17	Hmong	✓	✓	✓	✓	✓	✓
18	Emien	✓	✓	✓	✓	✓	✓
Sino-Tibetan Ethno-Linguistic Family							
19	Phou Noy		✓		✓	✓	✓
20	Ho		✓		✓	✓	✓
21	Sila				✓		
22	Lahu					✓	
23	Lanten				X		
Total: total in LFNC figures (total with PRAP additions)		8	11	7 (or 8)	16 (or 18)	12	10

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

✓ : Ethnic groups being consulted during the PRAP *kumban* consultations.

Figure 17. Composition of Ethnic Groups in the ER Programme Area

Source: ER Programme Document Annex 1

8.1.3 Requirements for site-specific ethnic group development plans

Many of the ethnic groups present in the project area meet the eligibility criteria of World Bank's and GCF's indigenous peoples, which can be identified by the following characteristics:

- Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation as well as to the natural resources in these habitats and territories;
- Customary cultural, economic, social, or political systems that are distinct or separate from those of the mainstream society or culture; and
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside. This includes a language or dialect that has existed but does not exist now due to impacts that have made it difficult for a community or group to maintain a distinct language or dialect.

In line with the GCF policy, an Ethnic Groups Development Planning Framework was developed to ensure that ethnic groups in the project's targeted areas are fully informed, consulted, and provided with adequate and legitimate opportunities to actively participate in project design and the determination of project implementation arrangements, operation, as well as the project's closure. It provides a framework to manage the potential unintended environmental and social negative impacts associated with project's activities. This will enable different ethnic groups to receive the projects' benefits in a culturally appropriate manner, and to allow for meaningful and inclusive consultations to take place throughout programme implementation.

Thus, to inform programme implementation, the programme should develop a site-specific ethnic group development plans, because of the significant differences between the districts and village clusters as described in previous chapters. Where ethnic groups are present, special action is needed to safeguard their social and economic status, and to avoid restricting their capacity to assert their interests and rights in forests, land and other productive resources.

An ethnic group development planning framework was elaborated for the programme (Annex 3), as the sets of activities and sub-activities could not yet be defined on a district/ village level. More detailed assessments should be made as part of the ESMP implementation immediately when the programme begins.

8.1.4 Recommendations for conducting an ethnic group development plan

While the GCF Indigenous Peoples Policy is rigorous in its requirements, it also provides AEs with opportunities to access funds from the GCF to enhance the meaningful participation of women and men of different ethnic groups. Some rough suggestions for the programme design, based partly on the GCF list of measures in the various policies, are outlined here.

“AEs may include technical or financial support as part of the GCF-financed activities for the preparation of plans, strategies or other activities intended to strengthen consideration and participation of indigenous peoples in the climate change actions that are consistent with the mandate of GCF. This may include a variety of initiatives designed, for example, to

- (a) strengthen local legislation to establish recognition of customary or traditional land tenure arrangements;*
- (b) address the gender, socio-economic divisions and intergenerational issues that exist among indigenous peoples;*
- (c) protect traditional knowledge through intellectual property rights;*
- (d) strengthen the capacity of indigenous peoples to participate in development planning or programmes;*
- (e) strengthen the capacity of government agencies providing services to indigenous peoples; and*
- (f) foster the meaningful inclusion and participation of indigenous women and other marginalized groups, such as persons with disabilities.”*

The GCF Indigenous Policy states *“Where the activities proposed to be financed by GCF may require the establishment of legally recognized rights to lands and territories, the accredited entities, working with the states and the affected indigenous peoples, will prepare a plan to ensure the legal recognition of such property rights in accordance with applicable law and obligations of the state directly applicable to the activities under relevant international treaties and agreements, customs, traditions and land tenure systems of the indigenous peoples.”*

The following recommendations should be considered when developing ethnic group development plans:

Development Planning

- Strong efforts to push forward communal (or cooperative) land titles where it is appropriate for ethnic communities, especially for village use forest.
- Working along the lines of (a) in the GCF list above, advocate not only for REDD+ integration in development planning, but also for the development gains that will be had from further supporting ethnic groups with communal titling and relaxed regulations on village use forests.

Capacity Building Measures related to Ethnic Groups

- Following from (d) above, the programme should devise capacity building measures for women and men of different ethnic groups so that they can engage better with the programme and potentially facilitate their own FPIC processes based on improved knowledge of their rights.
- Following from (e) above, devise capacity building measures for government staff (and volunteers) to improve knowledge, attitudes and practices towards ethnic groups (also related to gender sensitivity).

CSO Involvement

- CSOs, even though with limited capacities, should be supported for their engagement in assisting with facilitation processes and FPIC in selected villages. Sponsoring ethnic group youth (especially young women) to have the possibility of internships with CSOs may be a way to help people to work together for improved communication. Young people of ethnic groups should also be offered paid internships with the programme management units.

Action Research (leading to changes in approach on some activities)

- Action research with selection of local people in different areas to understand traditional landscape management systems better and incorporate some of these elements wherever possible in FLR concepts.
- Action Research on agro-biodiversity in the traditional upland systems should be conducted, in order to use the knowledge gained for extension promotion (creation of small seedbanks, for example, seed exchange fairs and the like, noting that women have the largest role to play in seed management).
- Action research leading to improved management of NTFPs (includes learning from local communities how they manage).

ANNEX 1: SELECTED REFERENCES

1. GOL Publications by Organization

Lao Statistics Bureau

Labour Survey, 2017

Lao Social Indicators Survey, 2017

Reports of the Population and Housing Census 2005 and 2015

Statistical Yearbooks, 2016 and 2017

MAF

Forestry Strategy to 2020

Agricultural Strategy to 2025

Community Engagement Manual (SUFORD-SU)

PLUP Manual, 2010

REDD+ Readiness Documents: ERPD, draft SESA, draft ESMF, PRAPs

SUFORD-SU Community Engagement Manual

MPI

8th NSEDP

Lao Gazette

Various laws, decrees, orders

Gazette is online at:

<https://www.laoofficialgazette.gov.la/>

2. Green Climate Fund

Environmental and Social Policy

Gender Policy

Indigenous Peoples Policy

Board Decisions

3. Academic and/or Grey Literature

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ANNEX 2: ETHNIC GROUPS BY PRE-SELECTED DISTRICT

Province	District ID	District Name	Lao-Tai	Mon-Khmer	Tibeto-Burman	Hmong-lumien	Not Stated
Luangnamtha	301	Namtha	40.7	24.1	15.1	18.6	1.4
Luangnamtha	303	Long	18.2	4.1	69.0	7.5	1.1
Luangnamtha	304	Viengphoukha	14.1	62.9	18.2	3.4	1.5
Luangnamtha	305	Nalae	17.3	81.6	0.2	0.0	0.9
Oudomxay	401	Xay	25.0	49.7	6.3	17.9	1.0
Oudomxay	403	Namor	15.7	53.5	10.7	19.1	1.0
Oudomxay	404	Nga	21.4	57.9	0.1	19.6	1.0
Oudomxay	405	Beng	29.4	55.6	0.3	13.4	1.2
Bokeo	501	Huoixai	37.7	35.5	2.9	22.1	1.7
Bokeo	503	Meung	19.7	9.5	63.1	6.8	0.9
Bokeo	504	Phaoudom	18.9	71.0	0.0	8.8	1.2
Bokeo	505	Paktha	32.8	36.3	0.2	29.9	0.8
Luangprabang	602	Xiengngeun	20.8	60.4	0.1	16.3	2.4
Luangprabang	603	Nan	53.4	36.4	0.3	8.8	1.0
Luangprabang	608	Phonxay	10.5	63.7	0.0	25.1	0.7
Luangprabang	610	Viengkham	10.9	77.7	0.0	10.8	0.6
Houaphan	701	Xamneua	47.8	16.9	0.1	33.8	1.4
Houaphan	703	Huim	49.9	45.4	0.0	3.8	0.7
Houaphan	704	Viengxay	70.1	10.5	0.1	18.0	1.2
Houaphan	705	Huameuang	16.5	61.0	0.0	21.5	0.9
Houaphan	706	Xamtay	47.8	1.7	0.0	49.6	0.9
Houaphan	707	Sopbao	59.3	5.0	0.0	34.7	0.8
Houaphan	710	Sone	37.2	18.6	0.0	43.5	0.7
Sayabouri	801	Xayabury	62.7	20.9	0.5	14.1	1.8
Sayabouri	803	Hongsa	50.2	35.0	0.0	9.2	5.5
Sayabouri	806	Phiang	69.9	11.9	0.3	16.8	1.2
Sayabouri	807	Parklai	94.6	1.4	0.1	2.5	1.5
Sayabouri	810	Thongmyxay	97.8	1.2	0.0	0.0	0.9

Table Notes: Highlighting to show where different ethnic groups are in a clear majority. Palaungic are subsumed under Mon-Khmer.

Source: Dataset from Population and Housing Census, 2015.

ANNEX 3: ETHNIC GROUPS DEVELOPMENT PLANNING FRAMEWORK

Introduction

Programme Background

The Ethnic Group Development Planning Framework has been designed for the programme “*Implementation of the Lao PDR Emission Reduction Programme through Improved Governance and Sustainable Forest Landscape Management*”. The programme is presented for funding to the Green Climate Fund (GCF). Its objective is to: “*support the Government and people of Lao PDR in changing the present-day use of forests and landscapes and to ensure a transition to sustainable management at scale. This will reduce close to 58m tCO₂eq over the programme’s duration.*” Ultimately, the programme’s goal is to catalyze a turnaround in land use, land use change and forestry (LULUCF) and establish a new and viable management model (or models) for the country’s forests and landscapes. In addition, programme activities are also designed to generate non-carbon benefits particularly in social and governance benefits of participatory development. It also promotes pro-poor development and enhanced food security impacts through strong engagement of the rural population, with attention paid to ethnic groups and women along the entire process, and corresponding in provisions within the benefit sharing regime. Other priority non-carbon benefits which are expected include improved land tenure security, enhanced capacity in law enforcement, monitoring and reporting; and increased watershed protection and forest and landscape restoration.

Detailed programme outputs and sub-activities:

The programme consists of four outputs to achieve the aforementioned ambitious goals and targets:

Output 1: Enabling environment for REDD+ implementation

- Activity 1.1 REDD+ Funding Window & sustainable finance
- Activity 1.2 Mainstreaming REDD+ into the NDC and socio-economic development plans
- Activity 1.3 Regulatory framework (BMZ)
- Activity 1.4 Law enforcement and monitoring
- Activity 1.5 Land use planning and improved tenure security
- Activity 1.6 Implementation of MRV system
- Activity 1.7 Knowledge management, FPIC, safeguards and gender

Output 2: Market solutions for agricultural drivers of deforestation

- Activity 2.1 Local incentives for good agriculture practices and agroforestry
- Activity 2.2 Catalyzing private sector investment in value chains
- Activity 2.3 Sustainable Rural Infrastructure Watershed Management (ADB)

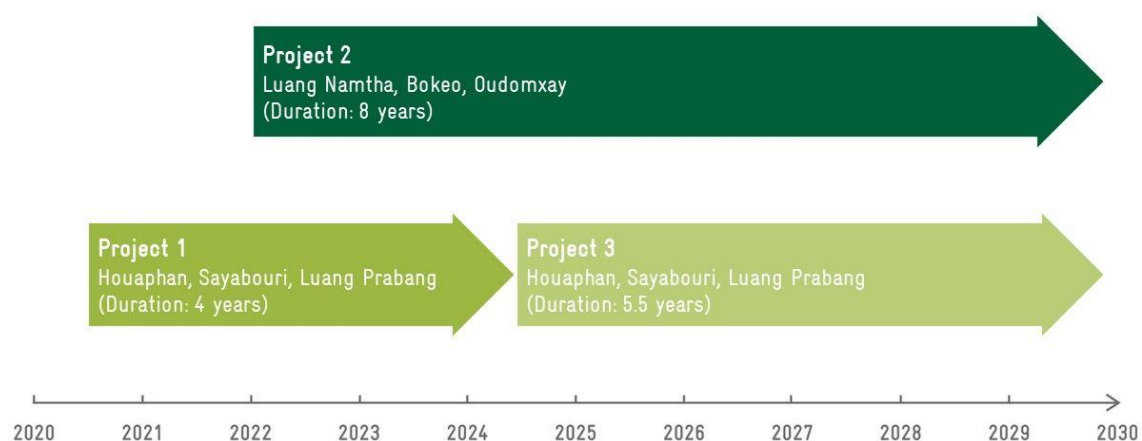
Output 3: Climate change mitigation action through forestry

- 3.1 Village Forest Management (VFM)
- 3.2 Sustainable management of production forests (PFA)
- 3.3 National Protected Area (NPA) management

Output 4: Programme management, coordination, monitoring and reporting

The GCF Programme consists of three projects (see the following Figure):

- Project 1 and 3 address the same three provinces of Houaphan, Sayabouri and Luang Prabang. Project 1 runs from mid-2020 to mid-2024, while Project 3 runs from mid-2024 to the end of 2029.
- Project 2 runs from the beginning of 2022 to the end of 2030, and addresses the three remaining provinces of Luang Namtha, Bokeo and Oudomxay.



While the Funding Proposals will be submitted in phases (Project 1, followed by Project 2 and Project 3), the ESIA, gender assessment, gender action plan and Ethnic Group Development Planning Framework (see following sub-section) have been elaborated for the entire programme, covering all planned projects and related activities.

Ethnic group development planning framework

Lao PDR has endorsed the International Labor Organization's Convention 169 on Indigenous and Tribal Peoples (1989), as well as the United Nations Declaration on Indigenous Peoples' Rights (2007). However, as noted in the SESA conducted for the ER-PD, *"the Government of Lao PDR (GoL) does not recognize the concept of indigenous peoples in its policies and legislation. Instead, the term "ethnic group" is officially used to describe its people, who are categorized into 49 broad ethnic groups. [...] Ethnic group diversity is reflected in a rich diversity of ethnic languages. Each ethno-linguistic family is divided into main ethnic groups and is further described through sub-ethnic groups. Some ethnic languages are only spoken languages, and do not have written forms."*¹⁸⁶ Thus, the term 'ethnic group(s)' is used throughout this document.

The programme area is home to an array of inhabitants from diverse ethnic groups. While nationally the Lao-Tai ethno-linguistic family comprises two thirds of the population, within the programme area they comprise only 45% of the population. The three major ethno-linguistic families in the ER Programme area are the Lao-Tai, the Mon-Khmer, and the Hmong-Hmien.

¹⁸⁶ ER-PD SESA Report 2017, p. 27

There are at least 23 specific ethnic groups present in the programme area. The programme aims to work with diverse ethnic groups, and provide targeted support that is culturally appropriate and targeted to their needs.

According to “7.1.2 Activities where indigenous peoples are not the sole beneficiaries” of the GCF Indigenous Peoples Policy (2018, p. 19):

“When indigenous peoples are not the only beneficiaries of the activities proposed for GCF financing, the planning documents and procedures may vary in form and presentation and will meet the requirements of this Policy regardless of form and presentation. [...] A community development plan may be appropriate in circumstances where other people, in addition to the indigenous peoples, will be affected by the risks and impacts of the GCF-financed activities, where more than one indigenous group is to be included, or when the regional or national scope of a programmatic project incorporates other population groups.”

As such, an ethnic group development planning framework¹⁸⁷ has been developed to support the inclusion of diverse beneficiaries from various ethnic groups. It has been structured following the GCF Indigenous Peoples Policy, and has been adjusted as appropriate to reflect the programme and country context. The main objective of this ethnic group development planning framework is to ensure that men and women from diverse ethnic groups in the programme area where GCF-financed activities are implemented are fully informed, consulted about, and provided adequate and legitimate opportunities to contribute to and actively participate in programme design and implementation.

Baseline information

National policies and international commitments

The constitution of Lao PDR, which was ratified in 1991, uses the term “citizens of all ethnicity” throughout the document. It specifically recognizes the need to incorporate the concerns of ethnic groups in developing policy in all sectors, and has reaffirmed its commitment to strengthen the rights of all ethnic groups in various congresses, conferences, decrees, and laws since the 1980s (Articles 8 and 22). Article 75 of the constitution specifically indicates that “the Lao language and script are the official language and script”.

Constitutionally, Lao PDR is recognized as a multi-ethnic society, and Article 8 of the 1991 constitution states, “*All ethnic groups have the right to preserve their own traditions and culture, and those of the nation. Discrimination between ethnic groups is forbidden.*” Furthermore Article 8 declares that the State “*...pursues the policy of promoting unity and equality among all ethnic groups. All ethnic groups have the rights to protect, preserve and promote the fine customs and cultures of their own tribes and of the nation. All acts of creating division and discrimination among ethnic groups are forbidden. The State implements every measure to gradually develop and upgrade the economic and social level of all ethnic groups.*”

The 1992 ethnic group policy, Resolution of the Party Central Organization Concerning Ethnic Group Affairs in the New Era, focuses on gradually improving the lives of ethnic groups, while

¹⁸⁷ While GCF’s policy refers to a “community development plan/ planning framework”, it was decided to utilize the terminology “ethnic group development plan/ planning framework”, given the national context.

promoting their ethnic identity and cultural heritage. It is the cornerstone of current national ethnic group policy. The general policy of the Party concerning ethnic groups can be summarized as follows:

- Build national sentiment (national identity).
- Realize equality between ethnic groups.
- Increase the level of solidarity among ethnic groups as members of the greater Lao family.
- Resolve problems of inflexible and vengeful thinking, as well as economic and cultural inequality.
- Improve the living conditions of the ethnic groups step by step.
- Expand, to the greatest extent possible, the good and beautiful heritage and ethnic identity of each group as well as their capacity to participate in the affairs of the nation.

Lao PDR has further endorsed, signed and/or ratified to various international treaties and conventions related to ethnic groups and human rights (see Table below).

Table 32. International treaties signed and/ or ratified by Lao PDR related to ethnic groups and human rights

Treaty Name/ Description	Treaty Abbreviation	Signature Date	Ratification Date, Accession(a), Succession(d) Date
Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment	CAT	21. Sep 2010	26. Sep 2012
Optional Protocol of the Convention against Torture	CAT-OP		
International Covenant on Civil and Political Rights	CCPR	07 Dec 2000	25. Sep 2009
Second Optional Protocol to the International Covenant on Civil and Political Rights aiming to the abolition of the death penalty	CCPR-OP2-DP		
Convention for the Protection of All Persons from Enforced Disappearance	CED	29. Sep 2008	
Convention on the Elimination of All Forms of Discrimination against Women	CEDAW	17. Jul 1980	14. Aug 1981
International Convention on the Elimination of All Forms of Racial Discrimination	CERD		22 Feb 1974 (a)
International Covenant on Economic, Social and Cultural Rights	CESCR	07 Dec 2000	13. Feb 2007
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	CMW		

Treaty Name/ Description	Treaty Ab- breviation	Signature Date	Ratification Date, Acces- sion(a), Succession(d) Date
Convention on the Rights of the Child	CRC		08 May 1991 (a)
Optional Protocol to the Convention on the Rights of the Child on the involve- ment of children in armed conflict	CRC-OP-AC		20 Sep 2006 (a)
Optional Protocol to the Convention on the Rights of the Child on the sale of children child prostitution and child pornography	CRC-OP-SC		20 Sep 2006 (a)
Convention on the Rights of Persons with Disabilities	CRPD	15. Jan 2008	25. Sep 2009

National institutions representing ethnic groups

In terms of national institutions representing ethnic groups, the Ethnic Groups Committee under the National Assembly is charged with the responsibility to draft and evaluate proposed legisla-
tion concerning ethnic groups, lobby for its implementation as well as the implementation of
socio-economic development plans. Ethnic group research is the responsibility of the Institute
for Cultural Research under the Ministry of Information and Culture. The lead institution for
ethnic affairs is the mass (political) organization, the Lao National Front for Construction (LNFC),
which has an Ethnic Affairs Department.

Ethnic groups in the programme area

The programme implementation area covers the six northern provinces of Bokeo, Houaphan,
Luang Namtha, Luang Prabang, Oudomxay and Sayabouri and is fully consistent with the FCPF
Carbon Fund Emission Reduction Programme account area (See Figure on following page).

In total, over 1.76 million people live in these six Northern provinces. Luang Prabang and Saya-
bouri are the most populated provinces and Luang Namtha and Bokeo are the least populated
provinces (Table 33). Over the past decade, the provinces' population has been growing steadily
with an average growth rate of 1.14%. On average 28% of the population in the programme area
lives in urban centers¹⁸⁸, which is below the national average.¹⁸⁹ Sayabouri is the second most
urban province in the country, with 40% of its population living in urban areas. On the other
hand, Houaphan has one of the largest rural populations, with only 14% of its population living
in urban centers.

Table 33. Population and population growth in the six target provinces

	Population (2005) ^a	Population (2015) ^b	Population Growth (2005- 2015)	Urban popula- tion (2015) ^b	Female population (%) ^c
Bokeo	145,263	179,243	1.23%	33%	50%

¹⁸⁸ Urban is classified as a town with more than 5,000 inhabitants

¹⁸⁹ Lao PDR Population and Housing Census 2015

Houaphan	278,677	289,393	1.04%	14%	49%
Luang Namtha	145,092	175,753	1.21%	27%	50%
Luang Prabang	400,202	431,889	1.08%	32%	50%
Oudomxay	264,582	307,622	1.16%	24%	50%
Sayabouri	338,669	381,376	1.13%	40%	50%
Total	1,572,485	1,765,276	1.14%	28%	50%

a) Population census 2005 from Lao Decide,

b) Population and housing census 2015,

c) based on 2017 information from LSB 2018

Source: ER-PD 2018, Page 34

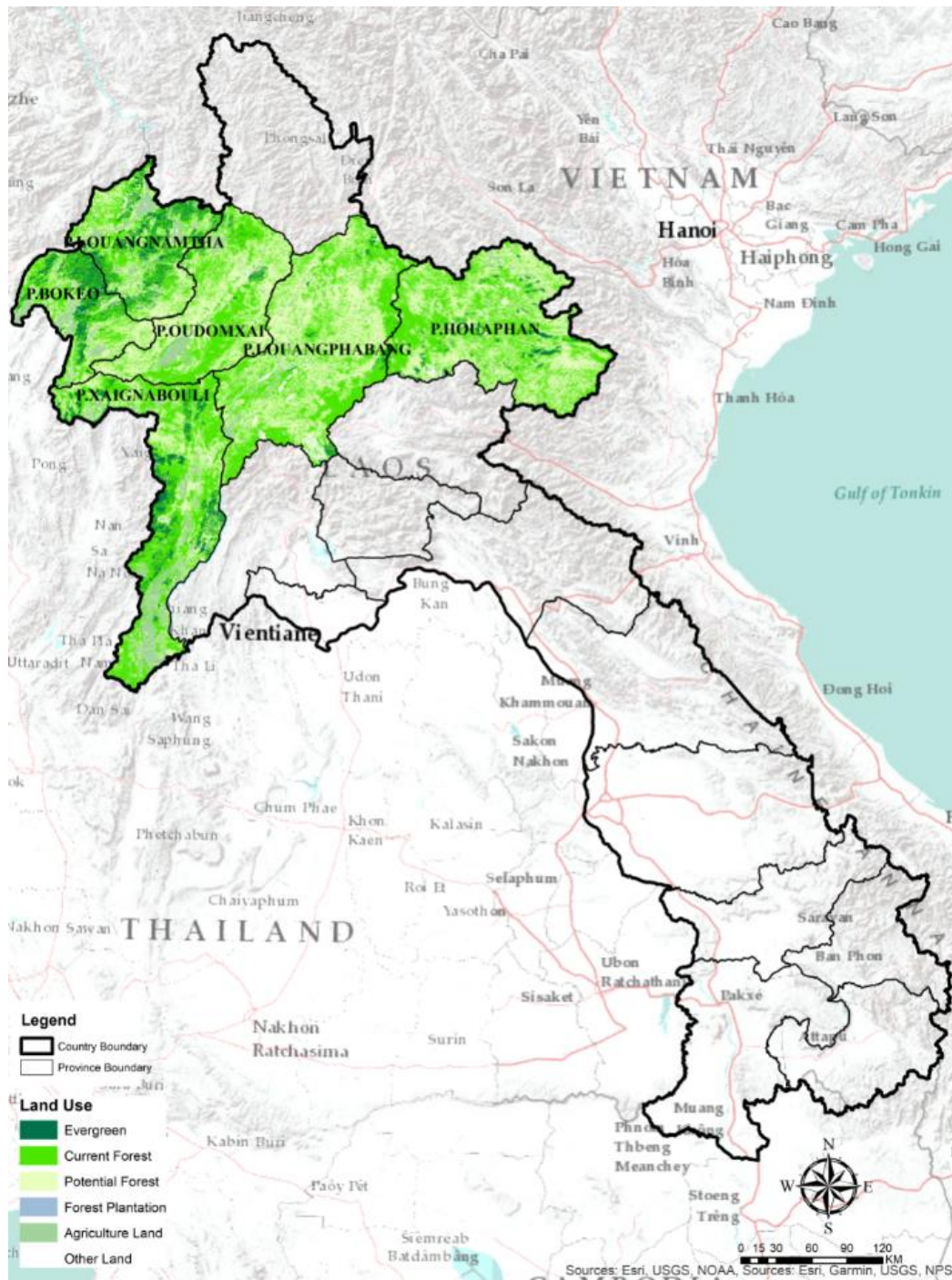


Figure 18. Programme area location in the Lao PDR context

Ethnic diversity

The Government of Lao PDR officially recognizes 50 different ethnic groups, of which at least 23 are present in the programme area.

- Luang Namtha has 18 different ethnic groups present,
- Bokeo, 12
- Luang Prabang, 11
- Oudomxay, 10

- Houaphan, 8,
- Sayabouri, 8.¹⁹⁰

The main ethno-linguistic groups present in the programme area include the Lao-Tai (such as Lao and Lue), Mon-Khmer (especially the Khmu), Sino-Tibetan (mainly Akha), Hmong-lumien (mainly Hmong) and Palaungic (a few, smaller groups such as Bid and mainly in Bokeo), among others. According to 2005 data, around 45% of the regional population belong to the Lao-Tai ethno-linguistic family, 30% to the Mon-Khmer, 15% to the Hmong-lumien and the remaining groups in the Sino-Tibetan compose the remaining 10%.¹⁹¹

The six Northern provinces are notable insofar as in this region the Lao-Tai ethnic groups comprise less than half the population, whereas nationwide they comprise two-thirds of the population.¹⁹² Non-Lao-Tai ethnic groups often have lower rates of education, especially among girls and women, lower rates of self-reported land ownership, higher rates of poverty, and more food insecurity than Lao-Tai ethnic groups.

Ethnic groups in the Lao-Tai ethno-linguistic family have many linguistic similarities that permit mutual understanding, as do the groups in the Sino-Tibetan ethno-linguistic family. The Mon-Khmer ethno-linguistic family has many ethnic groups and sub-groups, and their languages are not easily mutually understood. The same difficulties with linguistic understanding prevail with the Hmong-lumien ethnic groups. This linguistic and corresponding educational situation poses great challenges for REDD+ - and for development in general. As foresters and other staff often do not speak the local languages, they have to work with the Lao Front for National Development (LFND), the Lao Women's Union, or others as interpreters to reach the local villages.

Poverty

In Northern Lao PDR, poverty rates are among the highest in the country. Substantial efforts have reduced the number of people living below the poverty line, from 52% to 26% from 1993 to 2013.¹⁹³ Despite this notable progress, poverty levels in the northern region still exceed the national average (23%). HDI values are lower in programme region than the national level (0.44 compared to 0.61; Figure 19). Bokeo, Houaphan have particularly low HDI values. Around 28% of people living in the programme area live below the poverty line,¹⁹⁴ surpassing the national average. There are substantial discrepancies between provinces and within provinces (including the rural and urban population, ethnic groups and gender, among other factors). Sayabouri and Luang Namtha have poverty levels substantially below the national average, with 15% and 16% of the provincial populations, respectively. On the other hand, Bokeo has the second-highest incidence of poverty within Lao PDR, where 44% of the population lives in poverty. Houaphan,

¹⁹⁰ Keokominh in ER-PD 2018

¹⁹¹ Lao PDR Population Census 2005 in ER-PD 2018

¹⁹² For a detailed description of the ethnic groups in the ER Programme area, see Annex 1 of the ER-PD (2018)

¹⁹³ Pimhidzai et al. 2014 and UNDP 2009 in MPI and UNDP 2017

¹⁹⁴ Lao PDR Poverty Line Definition from the 2017 Lao PDR Human Development Report (MPI and UNDP 2017): "The national poverty line is calculated on a nutritional basis. An adult must be able to consume an equivalent of 2,100 kilocalories a day to be above the poverty line. S/he should also have access to some non-food necessities. First, the monetary equivalent of 2,100 kilocalories of food (from a defined basket) is calculated, and then allowances for non-food items are calculated. The sum of these two is the poverty line. Each time a survey is conducted, the poverty line is adjusted for inflation. No new poverty line has been defined for over two decades. Lao PDR follows the World Bank's method of measuring poverty."

Oudomxay, and Luang Prabang also have higher levels of poverty (39%, 30% and 26% respectively).

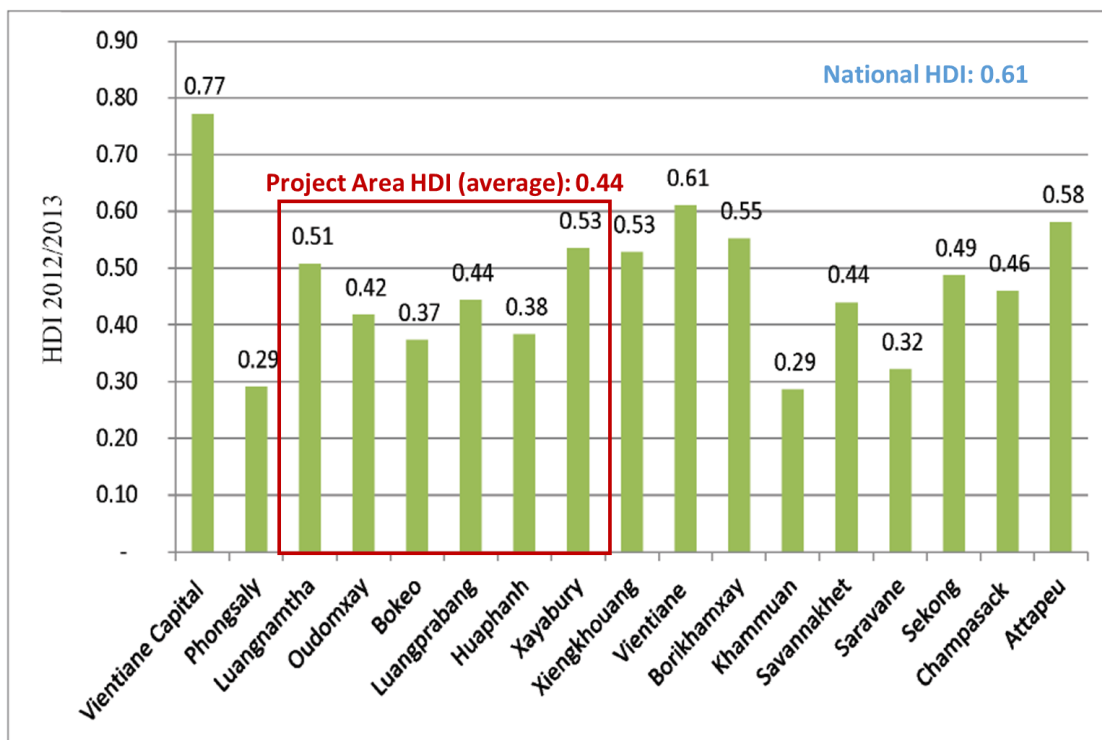


Figure 19. Province-specific HDI values, 2011-2013 for Lao PDR

Source: Adapted from UNDP 2015

Food security

Food security is a major challenge for many households in rural areas in the northern region of Lao PDR. An estimated 25% of rural households in the region are food poor.¹⁹⁵ A major limitation for ensuring food security is the region's mountainous terrain, and limited valley space for growing rice paddy. Local households cultivate upland rice for subsistence; however, yields are low, cultivation requires challenging physical labor, and unsustainable practices can lead to degradation (landslides, mass erosion events, sedimentation, and riverbank cutting downstream etc.).

Land use and local livelihoods

The agricultural sector is the primary source of livelihoods for the majority of people in Lao PDR.¹⁹⁶ At the same time, the sector has been the primary source of deforestation and forest degradation (see Chapter [Section 1.6.2](#) for a historical summary of the deforestation and forest degradation and [Chapter 2](#) for an in-depth analysis on the drivers of deforestation and forest degradation). Approximately two-thirds of the population live in rural areas.¹⁹⁷ The agricultural sector mainly comprises subsistence farmers and is characterized by low yields, among other reasons due to low use of high-quality inputs such as seeds or fertilizer, low soil quality, limited irrigation and insecure land tenure.¹⁹⁸ Extension services are of limited quality and have limited

¹⁹⁵ Pimhidzai et al. 2014 in UNDP 2015

¹⁹⁶ World Bank 2018

¹⁹⁷ Onphanhdala et al. 2016

¹⁹⁸ World Bank 2018

reach due to low (human and financial) resources. Agricultural value chains are highly fragmented, with limited farmers' organizations and cooperatives and weak linkages between value chain actors.

The Northern Uplands region of Lao PDR is characterized by hilly topography combined with flatland areas.¹⁹⁹ Of the total 783,000 farm households in the country, roughly 21% live in the Northern uplands. Agricultural land per person in the Northern provinces is on average between 0.32 and 0.38 hectares; the average farm size is between 1 and 2 hectares.²⁰⁰

Rain-fed (lowland and upland) paddy rice, maize and vegetables are among the key agricultural crops grown in the six Northern Uplands (see figure below). Due to limited use of inputs such as high-quality seeds, fertilizer and the lack of application of good agricultural practices, crop yields tend to be low (see Figure below). Characteristics of agricultural production in each of the six provinces are summarized in the next Table.

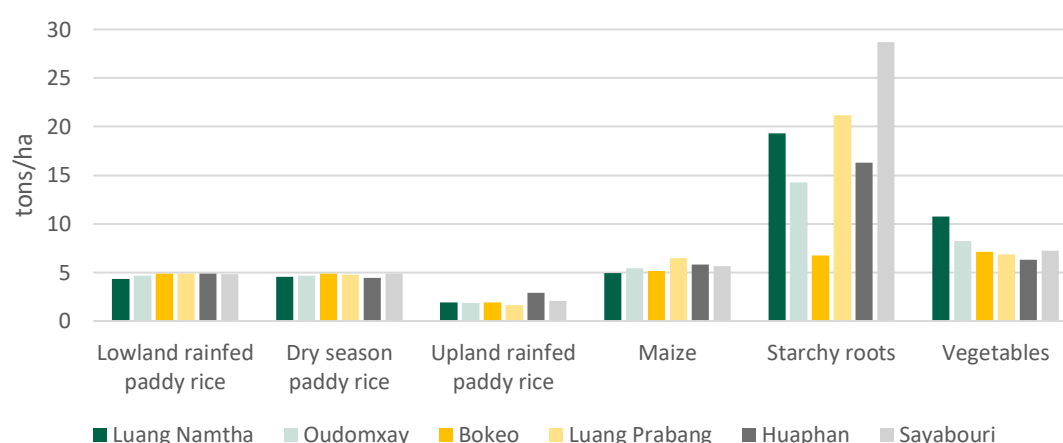


Figure 20. Yields of key agricultural crops in the target provinces (tons/ha)

Source: Based on Ministry of Planning and Investment, Statistical Yearbook 2017

Table 34. Agricultural production in each of the six target provinces

Province	Agricultural production characteristics
Luang Namtha	The province is one of the main producers of rubber and sugarcane in the country and has seen substantial expansion of both crops since the early 2000s. With 9,590 and 6,434 hectares respectively, lowland and upland rain-fed paddy rice are key agricultural crops grown in the province, followed by sugarcane (3,095 ha), vegetables (2,255 ha), starchy roots (1,940 ha) and maize (1,790 ha). The main proximate drivers of deforestation and forest degradation are linked to the rapid expansion of rubber plantations, shifting cultivation land and cash crop cultivation. Average gross forest cover loss was 8,705 ha per year between 2000 and 2015.
Oudomxay	Employing 56,320 hectares or ~54% of Oudomxay's agricultural production area, maize is the dominant crop produced in the province . Other major crops produced

¹⁹⁹ Onphanhdala et al. 2016

²⁰⁰ Agricultural Census Office 2012

Province	Agricultural production characteristics
	<p>in the province include upland and lowland rainfed paddy rice (15,826 and 15,290 ha respectively) and vegetables (10,725 ha). Pioneering shifting agriculture and the expansion of cash crop cultivation are the main drivers of deforestation and forest degradation. Agricultural activities cover 104,262 hectares in the province.</p>
Bokeo	<p>With 14,632 hectares (out of 27,586 hectares agricultural production area), lowland rain-fed paddy rice is the key crop grown in Bokeo province, followed by upland rain-fed paddy rice (7,209 ha) and maize (1,595 ha). The application of increasingly intensive agricultural practices in unsuitable upland areas with low productivity leads to soil degradation, low yields and, ultimately, shorter fallow periods. Especially for upland rice mixed with other vegetables (e.g. cucumber, eggplant, chili peppers and ginger, among others), shifting cultivation leads to deforestation. Increased competition for the most fertile agricultural lands by rubber and cash crops has led villagers to clear forested land in upland areas to cultivate subsistence crops to provide food for their households.</p>
Luang Prabang	<p>Similar to Bokeo province, upland and lowland rain-fed paddy rice, followed by maize, are the key agricultural crops grown in the province. The three crops employ 24,635, 13,496 and 13,380 hectares respectively, and jointly account for approximately 82% of land used for agricultural production in the province. Poverty, population increase and limited livelihood options lead to agricultural expansion into the forest area. Furthermore, increased market demand for agricultural products lead to expansion of agricultural production.</p>
Houaphan	<p>Key agricultural crops grown in Houaphan province include upland and lowland rain-fed paddy rice (14,469 and 12,580 hectares respectively), followed by maize (9,740 ha) and vegetables (4,850 ha). The impact from agriculture on forests is projected to increase in the future, as district level socio-economic development plans have projected that agricultural land in the province will increase by over 90,690 ha from 2016 to 2020, with a large focus on expanding cash crop production in the province.</p>
Sayabouri	<p>With 61,645 hectares, maize employs 42% of the agricultural area in the province. Other key agricultural crops grown in the province include lowland rain-fed paddy rice (34,321 ha), starchy roots (15,960 ha) and vegetables (15,555 ha). Maize cultivation in the province has grown extensively since the introduction of contract farming systems in the early 2000s. Currently, the province is the largest producer of maize in the country, responsible for 22% of national maize production.²⁰¹ Due to various reasons including agricultural diversification, land degradation, decreased labor availability, increased labor costs and market fluctuations (price), the government aims to reduce the area covered by maize by 2020 to 50,000 ha.</p>

Source: Ministry of Planning and Investment, Statistical Yearbook 2017

Forest use for local people

Forests provide diverse services for local villagers and households, including the provision of timber and non-timber forest resources, cultural services, among others. Villagers use timber from the forest for personal use and local construction, collect fuelwood (the main source of

²⁰¹ LSB 2016

energy for cooking and heating in rural areas), and collect various other NTFPs (e.g. rattan, palm fruit, bamboo and bamboo shoots, Yang Bong (*palaquium annamensis*), and broom grass (khaem), among others).²⁰² Forests also support recreation in the area, ecotourism, and have strong cultural significance for many ethnic groups in Northern Lao PDR.

Key findings and analysis of impacts, risks and opportunities

As stated above, the programme covers six Northern provinces²⁰³ in which the people are highly reliant on forests, agricultural, and other natural resources for both their income and subsistence. Economic activities vary from the cultivation of mostly lowland rice paddies and extensive commercial cropping to predominantly upland, swidden farming. While the programme is likely to generate substantial positive impacts for programme beneficiaries, some adverse risks may arise – however identified potential risks are not unprecedented in the programme area, they are limited to the programme’s footprint, they are neither irreversible nor cumulative, and can be addressed by the use of good environmental and social management practices – where the application of similar avoidance and mitigation measures has been demonstrated in other projects and programmes in Lao PDR (e.g. ICBF, SUFORD, LACP, among others).

The socio-economic risks that may arise during the implementation of the programme will certainly be higher in some areas than others but are also likely to fluctuate over time. This underscores the requirement for site-specific Environmental and Social Management Plans and a programme Environmental and Social Management System that is based on adaptive management, and ongoing stakeholder engagement. The high percentage of non-Lao-Tai ethnic groups in the programme area requires a higher degree of risk management, as per the GCF Indigenous People Policy.

Potential impacts and risks

Positive Impacts: The programme will bring various environmental, social and economic benefits to the communities, including ethnic groups in the targeted 28 district in six provinces. The programme will assist the Lao government to revise some related regulations in order to create an enabling environment for REDD+ that will reinforce forests and land related law enforcement and strengthening tenure security in which the social assessments have identified as one the main key issues facing rural community, including the ethnic groups. Regulatory changes will also enable local villagers to benefit from the sale of forest products managed sustainably within village forests (with harvesting based on approved and monitored village forest management agreements). The programme will also assist the targeted districts to promote agriculture activities with the aim to enhance productivity, increase farmers’ integration into agricultural value chains, and improve access to finance and private sector participation in deforestation-free agriculture. In addition, the programme will work directly with the local authorities and villagers to identify lands, forests, and watershed with the purpose to preserve, protect and produce

²⁰² Somsoulivong (2002)

²⁰³ Borkeo, Houaphan, Luang Namtha, Luang Prabang Oudomxay and Sayabouri.

NTFPs for the community to be utilised by themselves. Through these activities, many rural ethnic groups will be engaged in forest and watershed management, SFM in production forests, NPA management and private sector that invested in community agro-forestry.

The programme further understands that a “one size-fits all” approach is not suitable for the diverse environmental, social and cultural contexts in the programme area, and thus places participatory processes and continued engagement at its core. The feasibility study and funding proposal provide additional information on the various sustainable development benefits generated by the programme.

Potential Negative Impacts: The programme does not involve or interfere with the ethnic groups’ way of using their traditional knowledge and there is no physical relocation or any impacts associated form of removal or non-removal of assets, and will not directly cause any adverse impact on their identity, social, culture, or spiritual importance or interfere with their socio-cultural beliefs. However, it may interfere with the way the ethnic group communities use their land and forest resources, especially through the promotion of sustainable forest/ natural resource management, and the introduction of different (good) agricultural practices, in particular deforestation free agriculture, which may impose minor risks on the traditional practices of ethnic groups present in the programme area. While the programme utilizes best practices in participatory land use planning, and management plan development, this is still considered a risk that should be closely monitored and combined with a thorough FPIC process.

The ESIA has identified a number of potential risks and has classified these into Unintended Negative Impacts (UNI), which are a potential direct result of the programme’s activities, and external risks that are caused by factors outside of the programme’s control or influence (see Chapter 5 of the ESIA for a more detailed analysis). The following are some of those of particular relevance for ethnic groups.

The government increasingly promotes stable agriculture and places restrictions on the cutting down of forests for upland rice cultivation.²⁰⁴ At this time, there are no policies that give special recognition to the needs of different ethnic people for forests, forest land and for different forest products, including NTFPs. Therefore, REDD+ activities that promote forest protection and management may increase have adverse impacts on some ethnic groups, especially in relation to their access to and use of land and forest products. In order to manage the aforementioned risks, special measures on the customary use of land and forests will be incorporated in the process of free, prior, informed consent (FPIC), participatory land use planning (PLUP), social inclusion strategies, and other safeguards measures specified in the ESIA and ESMP. This will ensure that they are not further alienated from their traditional forest lands and can be a part of the design, implementation, and monitoring of programme activities.

As noted above, external risks could be a driving factor to trigger programme risks if they are not carefully analysed and planned for. This could become a very sensitive issue as most of the rural communities and ethnic groups rely heavily on the use of land and forests, whilst they still lack secure land and forest tenure (e.g. and could be negatively impacts if unanticipated investment programmes [e.g. large hydropower dams] are initiated). Lao PDR’s legal framework on

²⁰⁴ Instruction of the Ministry of Forestry and Agriculture No. 0022/MAP 5Feb 2010 on stop slash and burn

customary uses of land and forest is currently incomplete, and does not accord secure rights and tenure.

Another noticeable external impact that may further impact the programme is the government's consolidation and relocation policy which targets people living in smaller villages to merge with others to form bigger villages that are located near public facilities.²⁰⁵ While there have been positive regional development imperatives behind the wish to consolidate and relocate village communities in order to be closer to transportation infrastructure, markets and services, there have been notable negative effects on the social solidarity of the affected groups. Traditional structures may no longer be applicable in situations where there are several ethnic groups residing together, as often the government appoints members of the Lao-Tai ethnic group to oversee the official administration of these new villages. The reason for appointing the Lao ethnic is mostly due to the fact that members of the non-Lao ethnic groups often have received limited education, are unfamiliar with official administrative procedures and also have difficulties or lack confidence in dealing with official matters. The state-sponsored structures such as appointing the Lao-Tai ethnic groups in leading the village management units (VMUs) may not always be a suitable replacement for the traditional means of land and forest management and dispute resolution. Decision-making related to forest and land use also loses its importance with the demise of the self-determined swidden systems, and this also disempowers traditional leadership. This, in turn, may have serious social repercussions in villages with fewer, effective social controls and could lead breakdown of traditional culture of different ethnic groups.²⁰⁶

Results of consultations

In developing the proposed programme, information has been gathered from a series of consultations with the different ethnic groups in the programme's areas to inform the development of the feasibility study, social and environmental impact assessment stages, as well as the development of a gender action plan, and an environmental and social management plan (ESMP). The consultations were conducted in a culturally sensitive and gender-sensitive manner. Information was effectively communicated and feedback provided by communities and ethnic groups in their own languages.

Consulted villagers expressed interest in the programme. They confirmed that they understood the programmes intentions, and fully support the intention for village forest protection and sustainable management. The consulted villagers proposed many agriculture activities with the assessment team during the discussion on deforestation free agriculture, and they expressed their willingness to explore options regarding stable agriculture and cash crops productions. The programme enables ongoing stakeholder consultations, based on the principles of FPIC, understanding that the importance of developing ownership over the programme and its activities, and to provide continuous two-way communication and information dissemination. It further provides an approach that enables communities to jointly design interventions, which are based on their local context, priorities and needs (e.g. through participatory land use planning, and participatory management planning processes).

²⁰⁵ Not as prevalent anymore, but has led to notable impacts on the solidarity of some villages/ communities). More often practiced with large investment projects (e.g. hydropower, mines)

²⁰⁶ ESIA of SUFORD-SU (2012: Chapters 5.3 – 5.5 on ethnic groups, no page numbers given)

In addition the risks mentioned in the previous sub-section, the stakeholders consulted discussed additional concerns that require special attention within Ethnic Group Development Plans and ESMP, including:

- **Access to Land and forests:** The availability and accessibility of land are becoming the leading issues in the programme's areas. Villagers can secure their land if they chose to practice rice paddy cultivation whereas shifting cultivation practices and the collection of NTFPs is restricted by the government's policies. It is important that the programme supports local people to safeguard their land use.
- **Language Barriers:** Although many members of ethnic groups understand and speak Lao, the ESMP consultations in three villages within three provinces did require the use of interpreters for the village meetings. The language barrier may limit their understanding and continue to hamper their active engagement in the programme's activities. They also have received little exposure and have a limited awareness of their rights and options, and therefore targeted efforts are needed in order to allow them to understand the government's policy, and the programme's activities, policies and frameworks (incl. the programme's grievance redress mechanism).
- **Women in Livelihood Development:** Programme's activities could result in changes in agricultural practices, which could alter the roles of men and women. Participants noted that while most ethnic groups have a break after the rice harvest from December to April, women have increasingly become engaged in other "off-season" activities, including weed clearing for rubber and cardamom plantations, preparation and planting of maize, collection of soy beans and broom grass,²⁰⁷ and cultivating their routine of dry season vegetables along river banks and in home gardens. Meanwhile the men have only engaged themselves with weed clearing, and the preparation of land. The programme's gender action plan ensures that gender is a cross-cutting element in the programme, and further outlines the monitoring of the gender action plan and gender-specific impacts of the programme, enabling gender-sensitive and adaptive programme management.
- **Health and Safety Issues:** In most of the consulted villages respondents reported that they are using herbicides and insecticides for weed control and to kill insects. Some of the villagers said that it was a condition in their farming contracts with the Chinese investors which stipulates that they have agreed to use chemicals to control the quality of crops. Also herbicides and pesticides can easily be bought in small shops. There is relatively limited awareness about the potential negative health and environmental impacts from inappropriate agrochemical use, and often agrochemicals are applied without suitable safety precautions applied (as described in the ESIA). While many villagers did not note negative environmental or health impacts as the result of agrochemical use (with the exception of banana plantations, where several villages had heard stories of people working in banana plantations having health problems), it was discussed that this is major.

²⁰⁷ The broom grass is collected by villagers to manufacture brooms and local mattresses. This grass is in high demand in the market place as almost every household in Lao PDR uses brooms made from this particular grass.

Measures to avoid, minimize and mitigate negative impacts, and enhance positive impacts and opportunities

The programme will make sure that ethnic groups, especially particularly vulnerable groups (e.g. female-headed households, disabled persons, poor households, among others), will benefit from the programme's activities. Vulnerable households at the village level will be positively targeted through programme activities utilizing participatory approaches and providing necessary technical support and other inputs.

For the successful implementation of this programme, the specific situation of different ethnic groups, and in particular vulnerable households, are taken into account. The programme will finance measures that enable diverse ethnic groups to have better access to land, technical support for implementing good agriculture practices, sustainable land management (SFM, FLR, etc.), and green finance measures. Such measures are as follows:

- Ensure fair representation of men and women from diverse ethnic groups in the programme's activities, and ensure that there is fair distribution of knowledge, and equitable access to and benefits from programme activities.
- FPIC and existing national laws and international commitments related to ethnic groups (and indigenous peoples) must be respected. FPIC processes will be initiated with all participating villages prior to the implementation of land use investments. FPIC agreements are mandatory to participate in programme activities (refer to the next sub-chapter for detailed information on the programme's FPIC approach).
- Ensure the mobilization of ethnic group specialists and experts to support the programme to ensure the context of Lao PDR's ethnic diversity is fully integrated in programme activities, information, and monitoring. Ethnic group specialist(s) to develop ethnic groups' engagement field guide/ guidebook that incorporates the concept of cultural responsiveness, promoting inclusive consultations, gender equality and social inclusion within the framework of the programme. Training should be provided to government and programme staff on the above mentioned guidebook.
- Special attention should be paid to gender and ethnic group sensitivity during policy revision/ development processes. The development of policies/ regulations/ plans should be revised by an ethnic group specialist, and participatory processes conducted that receive feedback from men and women from diverse ethnic groups.
- Aim to direct programme activities and financing measures that enable the most vulnerable ethnic groups to have better access to land, and technical support for the implementation of good agricultural practices, SFM and FLR.
- A participatory and inclusive approach will be applied that take into account regional and cultural diversity within the programme area. For example, Activity 1.4 allows for village land use planning to be based on participatory processes, where prioritized activities are identified based on the village's priorities, context and differentiated vulnerabilities and needs. The programme should respect and recognize traditional knowledge, livelihood systems, and use of land and forests including ways of ownership and knowledge transmission. Meaningful engagement with men and women from diverse ethnic groups will help enable that such knowledge and land use systems are respected.
 - It is recommended to follow the 9 participatory tools identified within the ER Programme's Environmental and Social Management Framework (see Chapter 12 within the ER Programme's ESMF or Annex 12 of this report):
 1. Adding women and ethnic group facilitators to the team
 2. Preparing non-literal, visual materials and methods

3. Preparing for the field visit phase and dividing roles and responsibilities
 4. Adjust timing of visits to the convenience of villagers and ensure they are informed prior to the field visit
 5. Apply participatory facilitation
 6. Ensure equality of right to participate for women, ethnic groups and poor households, and voice their concerns
 - LFND and LWU to monitor and promote appropriate facilitation approaches, labeling and ensure culturally-sensitive consultations
 - In multi-ethnic groups, consultations should be organized for each ethnic group
 - Culturally important individuals should play an advisory role and where possible assist facilitators
 - Indigenous knowledge, customary leadership and regulations in accessing resources must be acknowledged and built upon
 - Translations should be available in ethnic languages (bridging the programme and local community from a linguistic and cultural perspective)
 - Allow enough time for ethnic people to express their views and review/ process information to provide feedback
 - Use local categories for land and local ecological knowledge, ethnic groups classifications of landscapes within land use planning, local seasonal and ritual calendars, gendered division of labor, livelihood characteristics – ensure consultations and programme activities are conducted in a manner that is culturally aware of local customs and traditions (ensure consultations are effective and culturally informed)
 7. Ensure all participants understand key issues (use ethnic language)
 8. Recording voices, processes and concerns
- Secure access to customary forest and land, while respecting ethnic groups' traditional culture. In particular:
 - Customary forest and land use should be included in the FPIC and PLUP processes through participatory processes and effective stakeholder engagement
 - The programme should respect and be sensitive to village spiritual/ holy land and forest during village forest management planning and PLUP
 - Where forestland and natural resources are currently used by villagers yet PLUP or forest management plans could restrict access (e.g. restoration or protection of forest land), alternative access and livelihood options should be discussed and provided. In the case of highly vulnerable households (poor and landless households), suitable land alternatives must be identified.
 - Ensure that land acquisition from an individual farmer/household will not occur or cause by the programme and that the villagers can continue to have access to their land and livelihoods
 - Provide adequate information as well as engage with and seek the support of those who could be affected by land classification and zoning, prior to decisions being taken, and response to their contributions; taking into consideration existing different traditional land-use by the different villagers and ensuring active, free, effective, meaningful and informed participation of individuals and groups in PLUP processes.

- Ensure programme staff and trainers include male and female representatives from diverse ethnic groups, and positively target particularly vulnerable groups. Programme staff should further receive trainings on gender equality and social inclusion within the context of the programme.
- Empower ethnic group representatives to actively represent their group, engage in programme activities, and support the long-term implementation of sustainable land use practices. It is recommended to:
 - Select key members/ leaders of ethnic groups, including men and women, in the targeted villages to grow with the programme. They can be points of contact and communication, or they could be integrated into land use and forest management committees at the village level.
 - Provide adequate guidance, training opportunities and knowledge to members of diverse ethnic groups
 - Train trainers, including men and women, from diverse ethnic groups.
- Outreach, extension / technical support at the community-level, workshops and capacity building activities will be socially inclusive, aware of culturally diverse contexts and norms, and take into consideration local knowledge.
- All information on programme activities will be made easily accessible, and in appropriate ethnic languages. Land use planning activities will also be conducted in appropriate ethnic languages, where translators can be made available if necessary. Translators will be made available as necessary (either from within the community, or external translators)
- Where necessary, the programme will ensure the availability of translators (either from within the community or from external sources, if necessary) to facilitate the dissemination of knowledge and information. Translation can be provided for oral workshops, extension materials and other programme-related materials (e.g. videos, radio programmes, publications, etc.).
- Particular attention will be paid to women, ethnic groups, illiterate or technologically illiterate people, and people with hearing or visual disabilities, people with limited or no access to internet and other groups with special needs. The dissemination of information among these groups will be carried out with the programme counterparts and local actors such as village and *kumban* leaders, producer associations, CSOs, Lao Women's Union, among other regional actors.
- Alternative livelihood activities will be supported in the agriculture and forest sectors, where extension trainers will develop a strategy to target and engage highly vulnerable households and provide technical support in culturally-appropriate ways (see Activity 2.1). Livelihood interventions were identified as important to support the transition to low-carbon development pathways, based on REDD+.
- Opportunities for collaboration with other stakeholders (e.g. CSOs) will be sought out to strengthen stakeholder outreach and the engagement of various ethnic groups and vulnerable households. This includes local CSOs/ NGOs, the LFND, and the Lao Women's Union.
- LFND will play an important role in local consultations to ensure they are conducted in culturally sensitive and an appropriate manner. They will also support programme steering, providing key insight for the programme related to ethnic groups and ensuring the programme applies an inclusive gender and culturally sensitive approach.

Free, Prior, and Informed Consent (FPIC)

Participation within the programme is voluntary, and FPIC will be a core underlying principle, which is applied to all direct programme beneficiaries. In order to participate in the programme, FPIC agreements will be developed with all participating villages. Participating villages are comprised of men and women from diverse ethnic groups, as 23 ethnic groups are present in the programme area. While the specific villages are not yet identified, the provinces and target districts have been identified during the programme preparation phase.

The proposed FPIC process builds on substantial experience of developing and implementing FPIC in the context of REDD+ in Lao PDR. GIZ's CliPAD further developed a FPIC process to support their field work in 70 villages, which resulted in the development of a guideline on FPIC²⁰⁸ that is tailored to the context in northern Lao PDR. The guideline defines FPIC as the following:

- **Free:** The consent of people shall be obtained without using power, intimidation or any kind of force. In addition, people will not be lured or tempted in order to make them give consent. Ideally, the FPIC facilitator should not hold any stakes in the outcome from consultation.
- **Prior:** The community shall be informed about the programme or activities, and have sufficient time to review this information before the programme starts.
- **Informed:** Information provided should include details about both positive and potential negative impacts that may arise due to programme activities. This includes sufficient information on the implications of contracts or agreements concerning current and future rights over the land, or over access to resources). Information should be presented and translated in languages and formats that are easy to understand, and acceptable by many stakeholders in the community.
- **Consent:** The right of the community to agree or not agree on the programme before starting, and to revoke their consent if the programme shows that there are negative impacts on their livelihood during programme implementation.

As an outcome of the FPIC process, people of all ethnic groups, including both women and men are expected to:²⁰⁹

- know and understand their rights in the FPIC process
- understand the disseminated information related to programme activities, namely its objectives, goals, benefits and impacts/risks
- [freely] come up with clear and fair decision making processes related to how they will agree or disagree with proposed procedures and interventions implemented in their community and allocated lands.

The FPIC process is summarized in the following Table.²¹⁰

²⁰⁸ Guideline "Concerning the Process of Free Prior Informed Consent (FPIC) Under Climate Protection through Avoided Deforestation (CliPAD) in Houaphan Province", 2017

²⁰⁹ CliPAD FPIC Guideline 2017

²¹⁰ One of the main differences with the CliPAD approach and the proposed approach for the GCF programme is that FPIC will be established prior to programme implementation (incl. prior to participatory land use planning), whereas CliPAD conducted FPIC after PLUP and prior to establishing village forest management agreements.

Table 35. Overview of the FPIC process

Step	Description
a) Establishment of FPIC team	Teams of four people (ideally 2 men and 2 women, incl. people from district LFNC, LWU, and if possible additional representatives from social organizations, local staff of development organizations,) who will conduct the FPIC process at the local level will be formed in this initial step. At least 2 people should speak the language of the main language of the community.
b) Instructions and training for FPIC team	Once the FPIC team is formed, the FPIC team will be instructed and trained by FPIC specialists in the programme team and government, so the team can understand the significance and necessity of the FPIC process, ²¹¹ as well as the proposed programme and its activities (content, background information, objectives, benefits, timeline, risks and impacts). They will be further trained in culturally appropriate and gender-sensitive facilitation practices.
c) Preparation for FPIC consultations	Once the FPIC team is trained, they will coordinate with local community and prepare for the FPIC consultation (arranging the time/date for the consultation, ensuring it is convenient for the village). The District LFNC is the main actor responsible for FPIC preparation, even though representatives from other organizations also attend the consultations. It is recommended that at least 2-4 weeks are dedicated for the preparation of the FPIC process (incl. introducing FPIC objectives to the village administration authority, organizing the venue for the consultation, requesting the village administration authority to report on appropriate information concerning the FPIC consultation [specific invitation of adults, in particular women, at least 60% of all ethnic groups living in the local community, etc.]. ²¹² A draft agenda for the consultation will be drafted with the FPIC team members, and the necessary equipment/ transportation will be organized for the consultations. ²¹³ If none of the FPIC team members speak the local language well, additional interpreters will be hired.
d) Organization and implementation of FPIC consultations	On the day of the consultation, ²¹⁴ all participants will be registered (based on standard form attached in FPIC guideline, available in Annex 6). The village administration authority will give a welcoming remark, and briefly introduce the participants, incl. the no. of people from village organizations and other key statistics (population, no. of ethnic groups living there, area of village, etc.). An appointed member of the FPIC team will present the objective of the consultation, as well as the FPIC team, and agenda. They will make clear that the decision to participate is up to the community, and encourage them to ask questions and be actively engaged during the consultation. They will then present the programme (objectives, types of activities, timeframes, etc.). All questions, comments and issues raised in the meeting will be documented by the FPIC team. At the end of the meeting participants will be informed that they have 1-2 weeks (or more if requested) to decide whether or not they would like to

²¹¹ The main task of FPIC team is to facilitate women and men of all ethnic groups living in local community to make them understand a number of significant issues, such as: What FPIC means; How important the land use planning and the forest management are; How such planning impacts on the livelihood of people; The purpose of the programme; Why the programme wants to implement in the areas allocated to people; The negative and positive impacts that may happen when accepting particular land use type in the areas already allocated; The possible impacts from the project; and The potential options, etc..

²¹² A more detailed list of considerations for FPIC consultation preparation are included in the FPIC guideline.

²¹³ E.g. programme related documents (incl. in simple language), hard copy of programme information in local languages, generator (if no electricity), sound system (microphone, speakers, batteries, etc.), camera and video camera (if available), paper sheets, laptops for FPIC team, market and pens, folders, etc.

²¹⁴ Note: If the number of participants is too small, no matter the reason, the consultation must be postponed.

Step	Description
	<p>participate in the programme. The village's decision making process should be discussed (incl. customary binding processes if appropriate), including what consent will look like and who will be responsible for the consent.²¹⁵ Local people should not be asked to make decision immediately at the end of information-dissemination meeting or consultation since they need additional time to do the internal consultation among themselves. Near the end of the meeting, the meeting minutes will be read through, and participants are able to propose adjustments. Once there is an agreement on the meeting minutes, the meeting minutes will be signed by the FPIC team and participants.</p> <p>When two-thirds of the people give consent that they are willing to participate in the programme, the programme may start with implementation in the target village based on the agreed plan, ensuring the FPIC agreement is regularly monitored (see below). The FPIC agreement should include the following information: signatory parties (or customary binding practices) to close the agreement,²¹⁶ mutually agreed evidence of consent, summary of programme/ project information (timeline, area, objectives, activities/ sub-activities), communication and stakeholder engagement plans and mechanisms, agreed complaints mechanism, plan for monitoring and evaluation, terms of the agreement (incl. for the withdrawal of consent). In addition, information on the programme's grievance redress mechanism will be disseminated, including in local languages as necessary.</p> <p>Follow-up village meetings, and FPIC principles will be applied for participatory land use planning (for those villages without a land use plan), as well as village forest management agreement development.</p>
e) Documenta- tion of FPIC process, in- cluding les- sons learned	<p>Once the FPIC consultation is completed, the team makes a report documenting the process, and noting opportunities, challenges, lessons learned, and suggestions. This will support the continuous improvement of FPIC processes in the future, strengthening social inclusion.</p>
Monitoring and evaluation	<p>The following stakeholders are responsible for monitoring the FPIC agreements: government authorities from relevant agencies (province, district, village level), LFNC (province, district, village), LWU (province, district, village), programme management team, among others.</p> <p>In the signed agreement, monitoring and evaluation mechanisms will be presented, including specific procedures, and roles/ responsibilities. Village authorities are typically responsible for providing biannual reports. Monitoring meetings will be organized at least once every 6 months, usually at the district level, and will discuss the submitted village monitoring reports, in particular irregularities and challenges.</p> <p>A written record of all feedback and complaints will be kept by the programme management team. Villagers can access the programme's grievance mechanism, if they have a problem with the programme, including non-compliance with FPIC.</p>

²¹⁵ Including information on chosen representatives – their role in the community, how they were chosen, as well as a description of their roles and responsibilities as a village representative.

²¹⁶ See previous footnote on necessary information on representatives/ signatories.

The programme aims to engage 700 villages in six provinces in northern Lao PDR. For the first and third project submitted under the programme, 200 villages from 16 districts are expected to participate from three provinces (Luang Prabang, Houaphan and Sayaboury). Prior to GCF fund disbursement, FPIC processes will be conducted with one quarter of targeted villages. After the initial GCF fund disbursement, the FPIC process with the remaining villages will be continued immediately.

Prior to the implementation of activities at the local level, villagers in target villages will be informed on programme activities, and the possibility for them to directly participate in the programme. This process will ensure full information is provided in a timely manner before the implementation of measures in communities, emphasizing that participation in the programme is completely voluntary and that in case of non-compliance with the concurred arrangements, villagers have the right to withdraw their consent following the procedure established and mutually agreed upon in the FPIC agreements. They further have the right to ask for additional time to deliberate or request technical assistance to help explain and provide additional details for them to inform their decision-making.

Written FPIC agreements will be established for all participating villages. A proposed template for such a process will be developed together by the MAF, the Lao Front for National Construction (LFNC), and GIZ during the programme inception phase. Interventions targeting community based organizations (particularly Activity 1.5, and Outputs 2 and 3) will not be implemented until FPIC agreements are established, and consent is obtained.

Once FPIC agreements are established, programme interventions will be closely monitored according to the FPIC agreement, and relevant programme documents, including the gender action plan, ESMP, and ethnic group development planning framework. Regular reporting will be conducted through programme reports, programme management meetings (NPMU, PPMU, DPMU), programme steering committee meetings and at stakeholder events and consultations. Affected peoples are able to submit a complaint or grievance at any time during programme implementation through the programme's grievance redress mechanism. Participation in the programme is voluntary, and if local communities decide, they are no longer interested in the programme they are able to freely leave the programme in accordance with the procedures established in the FPIC agreement.

The following Figure summarizes the proposed FPIC processes, and includes examples of follow-up meetings for Village Forest Management Agreements.

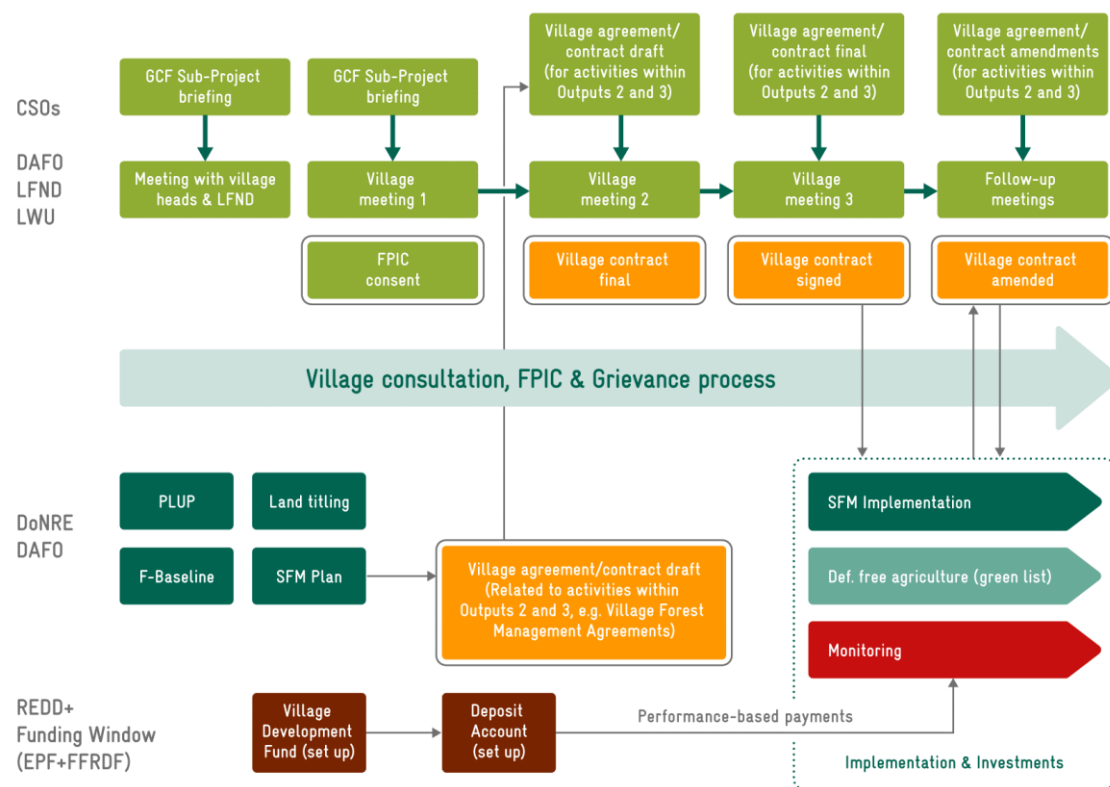


Figure 21. Overview of local level processes and arrangements for programme implementation

Community-based natural resource management

Village-based natural resource management is commonly applied in Lao PDR. The country has long-standing experience developing participatory land use plans, outlining village land use. Village forestry is also embedded in legislation related to land use and forest management, and was formally established in the early 1990s.²¹⁷ Village forest management involves local management, community participation, devolved forest management and benefit flows to the local population.²¹⁸ Detailed guidelines have been developed to support village-based land use planning and forest management, designed in a way that takes into account the varied socio-economic, cultural and environmental contexts in the country.

Participatory land use planning is conducted as a precursor to the elaboration and implementation of village forest management plans. It is based on the PLUP Manual of 2009 (i.e. the Green Book), and the “NAFRI Handbook PLUP and Toolbox“, published in 2012. PLUP processes:²¹⁹

- Strengthen the management of land and forest resources by villages, ensuring clear and uncontested village boundaries
- Provide information on the socio-economic situation, as well as land use practices and natural resource management systems – addressing key information gaps at the local level, and providing insight into social and environmental dynamics of various ethnic groups

²¹⁷ CiPAD FC 2016 – Feasibility Study Village Forestry Management Project

²¹⁸ Ibid.

²¹⁹ GIZ 2019 – Village Forest Management Planning Guideline

- Support further work promoting sustainable and site-adapted agriculture and land management practices, enabling future capacity building, as well as improved learning and monitoring
- Provide the basis for land registration in rural areas, including the registration of individual collective, communal and state land areas.

Based on PLUPs, villages can establish Village Forests, based on Village Forest Management Agreements, developed in a participatory manner²²⁰ together with Government authorities. PLUP and Village Forest Management involve the development of detailed village forest maps, village regulations, and signed village forest management agreements. These documents can help villages to officially register and obtain official land use rights.

Thus, it is expected the GCF programme will strengthen community-based natural resource management in the programme area, building on the lessons learned from PLUP, village forest management, agricultural extension and support, village development funds, and other village-based initiatives.

Gender-assessment and action plans

Gender equality is additionally influenced by ethnic background in Lao PDR. Many traditional norms within Lao-Tai cultures are favorable with regard to gender equality: women are often financial decision-makers, inherit land and property more often, and have gained equal access to education. The other three ethno-linguistic groups mostly have stronger patriarchal traditions and norms, where women's access to decision-making, property and education may be limited – although it varies among ethnic groups.²²¹ For instance, Khmu women often lead in making household decisions, which includes their children's education, their son's selection of wife, as well as the saving and spending of all household income. The Khmu women let their husbands partake in the decision making regarding larger assets and the passing of inheritance onto the children. The selection of land and forest and the choice of location of residency remains the men's responsibility. The Hmong ethnic groups strictly follow a patrilineal structure in relation to social and household decision making. Therefore for Hmong women the decisions are made by their father in-law and husband or otherwise their own father and brother. Once the women gain independence from their parents in-law through the ownership of their own homes are sometimes able to consult their husband on domestic issues. Thus, to actively engage ethnic groups' men and women in programme activities, it is important to understand their roles.

A Gender Action Plan has been elaborated, based on a gender assessment, to mainstream gender-related measures into the programme, ensuring that gender-related risks are avoided or mitigated, and to maximize climate and development co-benefits for both men and women from diverse ethnic groups. It pays special attention to women, considering that women are not a homogenous group, and the additional challenges that women from different ethnic groups may face. The plan includes:

²²⁰ Summary of stages and working steps of the Village Forest Management Approach is provided in Annex 7.

²²¹ King & van de Walle, 2007.

- Gender-responsive actions for all programme activities, as well as cross-cutting measures that address and strengthen the voice and agency of women in climate action within the context of the proposed programme. Timelines and responsibilities are indicated within the gender action plan.
- Gender-responsive result indicators and sex-disaggregated targets to be integrated into the programme's results framework.
- Presentation of gender-responsive development impacts

The plan provides an overview of how women's engagement throughout the programme will be positively targeted, and how the programme will promote gender equality through all of its activities and within programme management (refer to the gender assessment and gender action plan for more detailed information).

Benefit sharing plans

General

The GCF programme will work together with the ER-PD to apply a benefit sharing approach that aims to empower local villagers, including women and members of different ethnic groups, by strengthening their capacities on REDD+ and sustainable land use management, and supports them not only in planning but also in the implementation, monitoring and enforcement of activities.

The programme will undertake proactive measures to ensure inclusion of the priorities of all village members and equitable sharing of ensuing programme benefits. It aims to build on years of experience working with Village Development Committees, while providing targeted support and close monitoring to ensure that all men and women are able to equitably benefit from the programme (ensuring engagement and benefits to men and women from diverse ethnic groups).

Again, participation in the programme is voluntary and based on the FPIC principles. FPIC agreements will be established with all participating communities. If there are concerns with benefit sharing during programme implementation, beneficiaries and affected people are able to submit complaints or file a grievance.

Forest Resource Development Fund

The FFRDF (under the Ministry of Agriculture and Forestry, MAF) has the legal mandate to collect and disburse forest sector financing to the district and village level. Though, it currently has limited capacity to manage and disburse significant amounts of financing that meet international fiduciary standards. The Environmental Protection Fund (EPF) (under MONRE) is currently being used as the national financing institution to manage and disburse international grants for forest sector development and environmental protection. The government of Lao PDR aspires to channel the ER-P REDD+ results-based payments (as well as international donor funding) through the FFRDF, acknowledging that capacities are still lacking (See Chapter 5 of the GCF programme proposal on FFRDF capacity needs assessment).

Unlike the EPF, the FFRDF is also legally mandated to collect and disburse forest sector revenues (see technical evaluation below), thus is pre-destined to become the National REDD+ Fund if sufficient capacities are in place. However, such collection and disbursement has been limited to date, primarily due to lack of capacity. KfW's Integrated Conservation and Biodiversity project has initiated capacity development of the FFRDF and channels small grants to village groups in proximity to the National Protection Areas (NPAs). In short, FFRDF has the legal mandate and tools to make it the central financing actor in the forest sector – but it is currently unable to fully exercise this capability.

The GCF programme will build upon these existing experiences and will enable the EPF to become the National REDD+ Fund to receive, manage and disburse REDD+ results-based payments, other international sources and the enhanced national forest sector revenues streams to the province, district and village level. FFRDF will play a role in managing specific activities under the EPF and will have its capacity built up in this manner. In that sense:

- EPF will be the direct recipient of GCF funds for a number of programme activities. With the input of the NPMU, EPF will then disburse and monitor funds to programme beneficiaries. Details on how the EPF and its interaction with the FFRDF are found in the Programme Implementation Manual. Additionally, a Programme Operational Manual will be developed within the first few months of the programme.
- FFRDF will be supported in redesigning its governance structure, developing standard operating procedures (SOPs), manuals and internal guidance documents that meet international fiduciary and safeguards standards. This will also require the introduction of IT infrastructure that allows FFRDF to operate professionally and to undertake financial transfers managed on an electronic basis.
- Based on the standard operating procedures, FFRDF staff will be provided with training and capacity development support to build the needed skills. The capacity building will be provided by on-the job coaching.
- The NPMU will annually transfer small grants to the FFRDF and slowly increase these based on good performance. FFRDF will be responsible for providing village-based grants for forestry activities in the target villages in the framework of Activities 3.1-3.3 and in compliance with the eligible activities of FFRDF Decree PMO No 38 (2005). There are three distinct different scenarios for the ways in which the EPF and FFRDF could interact in the future to become the National REDD+ Fund.
- If the FFRDF meets more ambitious milestones during the programme duration (for example passing a GIZ due diligence), then the FFRDF can take on more responsibility from EPF, and eventually the entire National REDD+ Fund can be transferred to EPF.
- Another scenario is that the EPF and FFRDF are merged in order to take advantage of the synergies between the two institutions.
- A final scenario is the REDD+ window will remain with the EPF. FFRDF may still receive funding from the EPF to manage smaller transactions, if it meets EPF standards.

The GCF programme will support transformation of the Forest and Forest Resource Development Fund (FFRDF) towards a National REDD+ Fund and finance forest sector development as follows:

- The FFRDF started to receive manage and disburse international financing from KfW in 2018/2019 to support ICBF project implementation (EUR 1.6 million until 2022)
- In 2017, EUR 0.18 million were collected and disbursed from national forest sector financing (nationally)

Target funding:

- FFRDF is operational (according to developed SOPs) and at least EUR 5 million international finance channeled finance to the districts whilst meeting international fiduciary standards
- FFRDF increased governmental revenues collection (to at least EUR 1 million/year) (>400% increase) and disbursement to support REDD+ implementation (compared to baseline)

Tenure arrangements

The programme will help to strengthen land tenure agreements, supporting communal and collective land titling, as well as communal and collective forest and land-use rights to provide tenure security for forest management and its outputs (see sub-Section above on community-based natural resource management). Participation in the programme's activities is voluntary, and FPIC agreements will be established with participating communities based on nationally appropriate best practices. If anyone believes their land tenure has been compromised by the programme they are able to file an official complaint or grievance.

Integration of ethnic groups in programme implementation arrangements

The Lao Front for National Development (LFND) is the main institution representing ethnic groups within Lao PDR, specifically LFND's Ethnic Affairs Department. They will play a central role in programme implementation, acting as a key focal point for all matters related to the engagement of men and women of diverse ethnic groups within the program.

LFND has representatives at the national, provincial and district level, allowing them to work at all levels – reaching local communities and ensuring that concerns can be adequately communicated to the district, provincial and national level as necessary. LFND has been consulted during the programme development phase, and will further be consulted throughout the programme to ensure that the approaches applied are culturally appropriate. They will be actively engaged, along with the Lao Women's Union, to support local level consultations – especially related to FPIC, and supporting staff training to ensure culturally appropriate approaches are applied in trainings, consultations and general programme outreach.

LFND is permanently represented within the REDD+ Task Forces at all levels (i.e. national, provincial and district level), and has been actively engaged throughout the REDD+ process within the country (e.g. ER-PD development, National REDD+ Strategy, etc.).

LFND will further hold permanent representation on the Programme Steering Committee (at the National and Provincial Level), where they are expected to provide targeted support and feedback into how the programme can best engage diverse ethnic groups. LFND staff at all levels will

be trained on the program's grievance mechanism, and will be focal points in supporting local communities to access the grievance mechanism if needed.

Ethnic communities will actively participate in the program, and contribute towards achieving the program's outcomes. The stakeholder engagement plan describes in detail how local communities will be involved in programme implementation (see Chapter 7 in the ESIA and Annex 9 for a detailed plan for project 1).

More detailed text has been provided in the ESIA and Ethnic Group Development Planning Framework on the role of LFND in ensuring that ethnic groups can participate in decision-making and programme implementation. The revised stakeholder engagement plan (see Comment 6 below) further clarifies how ethnic groups will participate in decision-making and project implementation

Grievance redress mechanisms

A programme-level grievance mechanism has been developed to acknowledge and address any negative impacts or complaints that arise as a result of the programme. Any grievances should be analyzed and mitigated as quickly as possible to avoid any tensions or conflicts. The objectives of the grievance redress mechanism are to:

- Provide affected people an avenue through which they can voice their concerns and dissatisfactions;
- Create a platform in which stakeholders and village members can freely raise concerns and complaints to be effectively addressed;
- Demonstrate to programme stakeholders and villages that they play an important role in programme design and implementation;
- Follow up and report on efforts to take corrective action.

Traditional, customary complaint resolution processes

Traditional dispute resolution mechanisms vary by ethnic group, and are used to settle disputes based on customary law and tradition. For instance, members of the Hmong ethnic group are socially organized into clans, and traditionally disputes are settled by the (male) clan elders. Other ethnic groups have different arrangements.

While mechanisms vary by ethnic group, at the village level, if any issue arises, often villagers will firstly consider amongst themselves whether the issue can be resolved internally. This first stage of mediation is preferred by villagers. If the issue cannot be dealt with internally, they will then bring it up verbally with the village authorities. The village authorities often seek the advice of the villager elders, and call for a meeting which includes the complainants and the elders as mediators. If the issue cannot be resolved then the next formal step involves the village authority to either assist in drafting a written complaint, or the complainant will be asked to draft a complaint by themselves. It then will go through the village authorities for comments, and a formal referral letter will then be sent to district authorities. District authorities will then take up the case, investigate, and mediate with the complainants and village authorities, as appropriate. If the issue still cannot be solved, then the same steps are taken at the provincial level. If provincial authorities cannot solve the issue, then they will be referred to the provincial courts.

The Neo Hom, the village elderly with official titles established in each village by the government, will represent a particular ethnic group together with village authority and the village mediation committee during a complaints and mediation process at the village, district and provincial levels. All of the villages consulted for the elaboration of the ESMP shared the same view on both informal and formal grievance procedures.

As described in the ESIA, customary and traditional dispute mechanism are integrated in the programme's grievance mechanism (Chapter 7.5 of the ESIA). Often grievances are addressed in an informal manner by villagers under the direction of village elders or authorities. If formally applied grievances are filed, the responsible safeguards officer within the DPMU, PPMU or NPMU (depending on where grievances are filed), may coordinate with village or traditional leaders as necessary to consider opinions or recommendations from informal redress mechanisms to support their decision making.

Costs, budget, organizational responsibilities

The implementation of the ethnic group development planning framework is seen as an important contributor to the programme's success. A long-term safeguard and M&E specialists as well as a gender specialist will be hired by GIZ to join an ESM Team (see ESMP Action 1), support, and train the NPMU, PPMUs and DPMUs, which will nominate focal points for implementing all safeguards-related actions. He/she will oversee, guide and coordinate stakeholder engagement and ethnic group development within the programme, and ensure the successful implementation of the ESMP, ethnic group development plans, and the gender action plan. Monitoring will be compiled also by the NPMU safeguard officer and will require close coordination to use synergies.

Responsibilities

The responsibilities of the ESM Team include (among others):

- Liaison with all programme stakeholders
- Responsibility for overseeing programme communication and stakeholder engagement
- Dissemination of information about the grievance mechanism to programme partners, LFND, LWU local communities, CSOs, among others
- Identification of local and provincial CSOs for collaboration on community outreach, information dissemination and other programme activities
- Mediation between the programme and the community
- Overseeing (implementing, monitoring and reporting) the grievance resolution system
- Monitoring programme progress, including in achieving the ESMP, and ensuring adaptive management (as needed).

The responsibilities of the NPMU and PPMUs include (among others):

- Liaison with programme stakeholders at the province level
- Responsibility for overseeing programme communication and stakeholder engagement in their province

- Dissemination of information about the grievance mechanism to programme partners, LFND, LWU, local communities, CSOs, among others within the province
- Identification of local and provincial CSOs for collaboration on community outreach, information dissemination and other programme activities
- Mediation between the programme and the community for grievances filed at the provincial level
- Monitoring the grievance resolution system (in cooperation with the NPMU M&E/ safeguard specialist), with a focus on grievances filed in the province
- Supporting NPMU safeguard and M&E specialist for programme monitoring as required

The responsibilities of the DMPU officer responsible for safeguards include (among others):

- Overseeing programme implementation at the district level
- Liaison with programme stakeholders at the district level
- Programme communication at the district level (in coordination with the PPMU and NPMU)
- Dissemination of information about the grievance mechanism to programme partners, LFND, LWU, local communities, CSOs, among others within the district
- Mediation between the programme and the community for grievances filed at the district level in coordination with the PPMU and NPMU safeguard and M&E specialists (as requested)
- Supporting NPMU and PPMU safeguard and M&E specialists for programme monitoring as required

Budgetary implications

GIZ will hire a gender, safeguards and M&E specialist to join the ESM Team. Their core responsibilities will be overseeing safeguards and programme M&E, including the ethnic group development planning framework, and the implementation of identified Actions.

At the district level, a district officer will be appointed the responsibility of overseeing safeguards and will receive training on safeguards and the programme's grievance redress mechanism. They will have other tasks (i.e. will not only work on safeguards and monitoring), but they will support the safeguard and M&E specialists within the NPMU and PPMU as needed.

All costs have been integrated into the programme budget under Activity 1.7., see ESMP budget for details. Beyond the implementation of the EISA/ESMP/Ethnic Group Development Plan and gender action plan, the programme is focused on participatory land use planning and the implementation of sustainable land use practices for forests and agriculture land in areas where the majority of residents are from non-Tai-Lao ethnic groups. Thus, it can be assumed that majority of the programme's budget will directly benefit rural ethnic groups in northern of Lao PDR.

Monitoring, evaluation and reporting

Monitoring, reporting and evaluation arrangements will comply with the relevant GCF policies, as stipulated in the AMA, FAA and programme-related Financing Agreements and Implementation Agreements with Executing Entities and Implementation Partners, which EEs will extend to sub-grantees.

The programme will apply a customized results-based Monitoring and Evaluation (M&E) system. The system will be based on:

- GIZ Standard Operating Procedures (“GIZ’s evaluation policy - Principles, guidelines and requirements”)
- The programme logical framework
- The programme implementation schedule
- Requirements of the GCF’s Annual Performance Report
- Development partners’ Standard Operating Procedures
- Procedures and requirements of programme partners and stakeholders in Lao PDR

The M&E system will track programme inputs, actions, activities, outputs, and impacts as well as associated financial flows across all components in all programme districts, provinces and at national level in Lao PDR. This includes progress on ESMP, and ethnic group development plans.

The overall responsibility and oversight for M&E and reporting lies with the GCF AE unit of GIZ head office. The national programme management unit (NPMU) in Lao PDR will implement the M&E system and work closely with provincial programme management units (PPMUs), district programme management units (DPMUs), GIZ EE in Vientiane, Government programme partners and development partners. M&E measures are integrated in Output 4, Activity 4.1.2 Monitoring and evaluation and reporting to GCF.

The implementation of the ethnic group development planning framework and plans will be overseen by the NPMU safeguard specialist, in coordination with responsible staff at the provincial and district level PMUs.

ANNEX 4: GIZ CLIMATE CHANGE SAFEGUARD

Climate Change Related Risks

This section examines:

- a. Climate change-related risks to the programme, its desired impacts, and its beneficiaries
- b. Unintended negative impacts on the resilience or adaptive capacity of people, ecosystem, or physical assets
- c. Potentials for improving adaptive capacity or resilience

The programme aims to reduce greenhouse gas emissions originating mainly from deforestation and forests degradation. To this end, it seeks to introduce comprehensive changes toward sustainable management practices in land-use in six Northern provinces of Lao PDR (formally Lao PDR), including sustainable forest management, community-based forestry, forest landscape restoration, good agricultural practices and deforestation-free agriculture. Therefore, the two systems of concern for assessing climate change related risks are forest ecosystems and agricultural systems, and indirectly the population living in and off these systems. The programme does not support activities related to physical infrastructure.

Key literature sources for climate change related risks and vulnerabilities in Lao PDR are:

- Lao PDR's Second National Communication to the UNFCCC
- ADB (2016) Climate Risk and Vulnerability Assessment "LAO Northern Rural Infrastructure Development Sector Project – Due Diligence for Additional Financing"
- Climate-Fact-Sheet (2015): Cambodia - Laos
- MRC (2010). Impacts of climate change and development on Mekong flow regime, First assessment - 2009. MRC technical paper. MRC Vientiane.
- Eastham, J., et al. (2008). Mekong River Basin Water Resources Assessment: Impacts of Climate Change. CSIRO: Water for a Healthy Country National Research Flagship.
- IPCC (2014). Climate Change 2014, Impacts Adaptation and Vulnerability Part B: Regional aspects, p1335. Geneva www.ipcc.ch

The National Adaptation Plan (NAP) and the Third National Communication (NC3) were still in the early phases of preparation at the time of writing this assessment, and could not be taken into account.

In its Second National Communication to the UNFCCC, Lao PDR identifies itself as an LDC with limited adaptive capacities that is highly vulnerable to climate change impacts. Within Lao PDR, poor and marginalized groups disproportionately face climate risks, among them temperature increases and erratic rainfall, given that they are more exposed to such changes and generally have a lower capacity to adapt given their reliance on the immediate environment.

Recent climatic changes:

The annual mean temperature in Southeast Asia consistently increased from 1970-2010. From 1951 to 2000, mean annual temperatures increased by 0.1 to 0.3°C per decade in Lao PDR. Historical analyses also reveal increased seasonal (2,046 mm/year) and annual (2,741 mm/year) rainfall rates. These trends are due to increased frequency of extreme rainfall events. Probability analyses reveal that monthly rainfall events with more than 600 mm precipitation have increased while those with 300-500 mm precipitation have decreased in the same time period. During the last century, a slight delay has been observed in the rainy season, indicating that rainfall variability and uncertainty remains a “critical issue”. Other studies indicate that the dry season is becoming longer, and that climate change will result in increasing droughts, especially within the dry season.

From 1966-2009, about three-quarters of national disasters were climate-related (flood 50%, storm 14%, drought 14%). The frequency of natural disasters has increased from once every two years before 1992 to once per year or even twice per year after 1992. The country is considered to have a high risk of river flooding, landslides, cyclones and wildfires, a medium risk for extreme heat, and a low-risk for water scarcity.

Projected climatic change:

Climate change projections for the Mekong region as a whole, including the programme area, based on a range of different scenarios, models and geographical scales, agree that the Mekong sub-region is predicted to experience a temperature rise of between 0.01°C and 0.036°C per year. Seasonal precipitation patterns will likely change, pointing to increased precipitation although significant risks of drier conditions and a longer dry season also exist, and increased incidences of extreme weather events such as typhoons

Ad a): Climate-induced risks to the programme:

The ADB CRVA examined risks from both climate change and current climate variability. The findings suggest the following potential impacts of climate change on the programme area:

- Temperature increased
- Annual precipitation signals both for increase and decrease in different seasons (signals for increase in more studies)
- Also shifts in seasons therefore;
- Agricultural productivity decreased, existing food scarcity increased
- Annual runoff increased, dry season runoff increased and therefore;
- Potential for increased flooding (not quantified)

The consulted studies do not warn of climate-induced risks for forest ecosystems. Research suggests that (tropical) forests are generally rather resilient to climate change.²²² But this topic may be under-researched – including in Lao PDR. The projections for Lao PDR indicate some potential future stressors for forest ecosystems such as seasonally reduced precipitation or increased drought, which could suggest a higher risk of more wildfires, changes in species composition or

²²² <https://www.nature.com/news/tropical-forests-unexpectedly-resilient-to-climate-change-1.12570>

loss of biodiversity. However, it remains generally uncertain, how the forest ecosystems especially in Northern Lao PDR will be affected.

Ad b): Unintended negative impacts

None anticipated. The programme support on agriculture generally does not contribute to expanding agriculture, but improves skills, diversification and efficiency for using existing agricultural lands. Sustainable Forest Management (SFM) and Forest Landscape Restoration (FLR) will not contribute to diminishing resilience or adaptive capacity.

Risk assessment:

The overall effects for agriculture and forests will likely be low, because the literature found climate impacts related to rain and water until mid-century and end-century to be considered weak (see Climate Fact Sheet).

Ad c): Potential opportunities to address climate change

The programme has the potential to promote:

- The integration and consideration of climate risks in land-use planning to reduce the exposure of communities and economic activities
- Flood and drought-resilient crops and varieties through agricultural capacity building/ trainings to increase the adaptive capacity of farmers.
- Connectivity between habitats to increase the resilience of migratory species and ecosystems as part of FLR

Adaptation Options

The following adaptation action options were identified to improve the resilience of the programme's activities to climate change, and avoid environmental and social risks that could increase the vulnerability of ecosystems and local people to climate change:

For forest ecosystems:

- Include climate-induced stressors in forest monitoring including national forest inventories.
- As part of management plans, forest landscape restoration activities, and improved protected area management promoted by the programme under Output 3, include wild fire management measures
- Promote establishing corridors between ecosystems in order to support connectivity and natural resilience (part of FLR).
- Support protection and sustainable management of forested watersheds.

For agriculture:

- Support to dry-season irrigation schemes, in Output 2 in partnership with ADB
- Capacity building and training on sustainable water harvesting techniques and reducing water needs through crop mix in partnership with ADB, FAO, and IFAD.
- Promotion of diversification in agriculture (opposed to increasingly prevalent monoculture land-use in the Northern provinces).
- Inclusion of flood and drought-resilient crops and varieties. This can mainly be applied for rice, where ample experience exists in the region (esp. Thailand and Vietnam). For other

supported cultivation plants, including cardamom and Non-Timber Forest Products, little research on climate risks was found to be available. The programme should undertake a more comprehensive stocktaking of the available research when it commences activities.

- The programme can promote risk mitigation processes, including, for example, reducing shifting cultivation and increasing vegetative cover on slopes and in upland areas in order to help reduce erosion and sedimentation that contribute to riverbank cutting and riverbed rise downstream, as well as landslides in steep areas.
- Capacity building for farmers on sustainable pest and disease management
- Land use planning can help improve land use practices, including reducing exposure to risk (e.g. identifying high-risk areas for landslides, flooding, etc.), and can support the planning, adoption and monitoring of sustainable land use processes that can help reduce risk (for example, increased forest cover can reduce the risk of flooding, landslides or wildfires in certain contexts).
- Regular and comprehensive monitoring conducted within the framework of the programme at local level, including with various ethnic groups in order to benefit from their knowledge, can lead to early detection, follow-up and the identification of suitable management practices/adjustments as necessary.

The programme team should include a qualified staff member responsible for monitoring the impact of the programme and implementation of the Environmental and Social Management Plan (ESMP), including climate change related risks.

ANNEX 5: SUMMARY OF E&S PS AND GIZ SAFEGUARDS TRIGGERED

The following Table provides a summary of the standards and safeguards triggered by the programme, which are described in greater detail in Chapter 5.

Overview of safeguards and performance standards triggered by the programme

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
<p>PS1: Assessment and Management of Environmental and Social Risks and Impacts</p>	<p>Yes</p>	<p>Medium</p>	<p><u>ES risk:</u> Category B projects are required to have a project-level ESMP for its entire duration. The project will need to:</p> <ul style="list-style-type: none"> - Plan and budget for qualified human resources to support the implementation of the ESMP as well as monitor and continuously adapt the ESMP implementation in close cooperation with partners and stakeholders in Lao PDR - Establish a mitigation hierarchy (anticipate, avoid; minimize; compensate or offset) - Ensure that regular dialogues and consultations take place including at local level - Establish appropriate communication and redress mechanisms <p><u>Risk assessment:</u> The ES risk associated with implementing the ESMP is assessed as medium. Generally, the programme will mainly have positive social and environmental impacts, but if not managed adequately, it can have unintended negative impacts (UNIs or ES risks) in the context of working with ethnic groups, land-use planning, influencing regulated and customary land-use, and in the agricultural sector for example with herbicides and pesticides. The ESMP implementation risks can readily be addressed and best practices are available. The programme's long duration of 9.5 years and its concept allows for participatory, consent-based and adaptive approaches that the programme can test in a selected site before scaling up activities to other target areas. The programme will follow the Pesticide Management Plan developed for the ER-PD (see Annex 10 for more detailed information).</p> <p><u>Potential measures:</u></p>

²²³ Applicable are GCF/B.07/11 dated 2014 and including the ESS at Annex III and GIZ Sustainability Policy with associated Safeguards.

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - Budget for and hire a dedicated ES team consisting with an adequate number of ES specialists including sufficient qualifications to manage the different ES risks identified for the programme (in particular stakeholder engagement, indigenous peoples, environmental, safety and health, ESMP implementation, monitoring and learning) - Follow the Pesticide Management Plan developed for the ER-PD. This includes the following measures (see Annex 10 for more detailed information): <ul style="list-style-type: none"> o Prohibition of dangerous pesticides (non-eligibility list) o Emphasis on training staff, and disseminating information on agrochemical use including, among others: <ul style="list-style-type: none"> • The risks and dangers of agrochemical use; • Identification of prohibited/ banned substances, key government regulations and available resources; • Safety measures; • Low-risk non-chemical alternatives to address common issues (e.g. good agricultural practices to reduce soil nutrient depletion and/or erosion, integrated pest management practices, etc.); • Monitoring agrochemical use. <p>(Associated GIZ policy/safeguard: GIZ Sustainability Policy)</p>
PS2: Labor and Working Conditions	Yes	Low	<p><u>ES risk 1:</u> Labour and working conditions for staffs directly employed under the programme are not up to the standards</p> <p><u>Risk assessment:</u> The ES risk is assessed as low. Programme staff will be in capacity building, advisory and management positions. As with other GIZ programmes in Lao PDR, proper HR policies are in place</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>since 1993, when Germany commenced its cooperation with Lao PDR. The policies are in line with GIZ standard operating procedures and apply for all staff directly engaged with the programme by GIZ.</p> <p><u>Potential measures:</u></p> <ul style="list-style-type: none"> - Provide access to information that is clear and understandable, regarding rights under national labor and employment law and any applicable collective agreements, including rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any change occurs - Hire, train and promote women and members of ethnic groups where possible - Develop safety operational procedures for all programme activities that may pose risks to people or equipment (see PS4 for additional details) including for GoL partners and other stakeholders involved in programme implementation - Organize training on safety procedures - Require medical certificates to ensure staff are fit to work in various work conditions of the programme - Under no circumstances will child labour be allowed - First Aid Kits will be available at all times - Use of personal protection equipment will be mandatory and adequate trainings will be provided - Drinking water and sanitation facilities will be available to workers whenever possible <p><u>ES risk 2:</u> Forest workers sustain injury during cutting operations</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p><u>Risk assessment:</u> The risk is assessed as low. Staff directly employed by the programme will not be involved in cutting operations. Forest workers may work for the GOL or on other contractual arrangements financed indirectly through grant funding from the programme in the context of promoted sustainable forest management activities (Output 3). The type of works may include maintenance cuttings and final harvesting of timber. Official records of accidents of forest workers were not available or obtainable. Consulted partners indicated low numbers of incidents in recent years. Best practices and occupational health and safety (OHS) guidelines are available for forest workers and can be applied by the programme</p> <p><u>Potential measures:</u></p> <ul style="list-style-type: none"> - Staff supporting the implementation of activities related to forest management to be trained on OHS good practices, protocols and equipment (including protective equipment) - Train programme beneficiaries on relevant OHS practices involved with the establishment of forest plantations, agroforestry systems, and sustainable forest management - Support the procurement of safety equipment including cut-resistant pants and protective goggles that should be used by beneficiaries to reduce risk. <p>(Note: Existing gender dynamics and inequalities are described in gender assessment and action plan)</p> <p>(Associated GIZ policy/safeguard: Safeguard Human Rights)</p>
PS 3: Resource Efficiency and Pollution Prevention	No	n/a	<p>Not triggered, PS refers to industrial and urbanization activities, hence not applicable to this programme.</p> <p>(Associated GIZ policy/safeguard: Safeguard Environment and Climate Change Mitigation, see below for details))</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
<p>PS4: Community Health, Safety, and Security</p>	<p>Yes</p>	<p>Medium</p>	<p><u>ES risk 1</u>: Potential use of pesticides/herbicides in programme-promoted annual cropping and plantations can have negative health impacts on exposed people.</p> <p><u>Risk assessment</u>: The ES risk is assessed as medium. The programme promotes agricultural activities that may require limited use of herbicides or pesticides, such as maize and cassava, but mainly focuses on supporting deforestation-friendly, predominantly diversified agriculture and agroforestry and good agricultural practices. Best practices for managing pesticides are available and will be included in the ESMP (including guidelines from FAO and a pesticides management plan prepared for the ERPD ESMF). The programme excludes supporting crops that require intensive use of potentially harmful substances and that are currently prohibited in Lao PDR through a national moratorium, such as bananas, because dangerous misuse and use of banned substances happened in the past.</p> <p><u>Potential measures</u>:</p> <ul style="list-style-type: none"> - Continued consultations and socio-economic monitoring at village level throughout the programme - Blacklisting support to selected crops where extensive negative impacts from agrochemicals are widely documented (i.e. bananas) - Capacity building and awareness raising for villagers, farmers, partners and trainers/ extension staff on the hazards and responsible use of pesticides - The programme will not support the direct procurement of agrochemicals - Promoted agro-chemicals will be preceded by a thorough risk assessment, and the identification of adequate measures to reduce health and environmental risks to acceptable levels - Quantities promoted will be based on an accurate assessment of actual requirements to prevent overuse or accumulation of stockpiles.

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - Appropriate application equipment and protective gear will be provided in adequate quantities when agro-chemical use is promoted by extension agents, unless it is explicitly confirmed that equipment and suitable safety attire is sufficiently available - All users will be trained to ensure the responsible use of agrochemicals, and awareness of the potential harmful social and environmental impacts - Proper storage will be ensured in accordance with international guidelines (e.g. FAO's Guidance Document for Pest and Pesticide Management in Field Projects) <p><u>ES risk 2:</u> Unexploded Ordnance (UXOs) from the Second Indochina War still are present in some parts of the programme area and can affect the health and safety of people involved in the programme activities.</p> <p><u>Potential measures:</u></p> <ul style="list-style-type: none"> - Perform mandatory "UXO checks" before agriculture and forestry related measures take place as well as after extreme weather events (e.g. floods, land-slides): UXO checks should include for example (a) clarification with village/district/provincial authorities to confirm current clearance/status of UXO, (b) impact assessments based on historical bombing data or latest UXO district maps through the NRA/UXO provincial offices as well as on the Information Management System for Mine Action (IMSMA); see http://www.nra.gov.la/imsmadatabase.html, and (c) consultations with local population - Assign clear responsibilities for UXO checks, for example: The mandatory "UXO check" for each target village will be a task of the Provincial REDD+ Task Forces (Steering Committee), who will delegate it to the District Programme Management Units (DPMU) and the Provincial Programme

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>Management Units (PPMU) for following up. Only after a confirmed check is done as a precondition for the implementation of programme activities and no harm can be expected, the Environmental Protection Fund (EPF) can release related and planned funds.</p> <ul style="list-style-type: none"> - Require documented confirmation of clearance of UXOs from village/district/provincial authorities before approving funding for implementation partners through EPF - Applying NRA UXO guidelines and other standardized resources available online at http://www.nra.gov.la/resources.html - Working with local population and guides, who know the area - Integrate UXO issue as a general topic into Farmer-Field-Schools courses (Agriculture Sector) and Village Forest Management Planning processes (Forest Sector) - If needed, clearance of UXOs can be initiated through the Government's National Unexploded Ordnance Programme (UXO Lao or international NGOs) through proved and trained approaches (systematic and technical survey, detection of UXO with metal detectors, removal and destruction) or alternative land plots or other forms of cultivation must be identified - Community-based Mine Risk Education activities to offer people knowledge and alternatives for living and working safely in mine/UXO contaminated areas (available online at http://www.nra.gov.la/resources.html) <p>(Associated GIZ policy/safeguard: Safeguard Conflict & Context Sensitivity, Safeguard Human Rights, Safeguard Environment, Safeguard Climate Change Adaptation, see below for details)</p>
<p>PS 5: Land Acquisition and Involuntary Resettlement</p>	Yes	Medium	<p><u>ES risk:</u> The programme may contribute to changed or reduced or denied access to land through some activities (for example participatory land-use planning and management plans for different forest types) resulting in unintended negative livelihood impacts.</p> <p><u>Potential measures:</u></p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - FPIC processes to be initiated and maintained throughout the lifetime of the programme with all participating villages, affected ethnic groups and other stakeholders prior to the implementation of any activities - Land-use planning as well as developing or changing management plans to be conducted in participatory manner with local stakeholders always, taking into account the inclusion of ethnic groups and gender balance - Regular dialogues and meaningful consultations at local level to identify emerging problems - Programme grievance mechanism to deal with any complaints and issues that may arise as a result of the programme; include national grievance mechanisms (for example citizens' hotline to National Assembly members) in programme communication; ensure with guidelines, policies or laws of Lao PDR <p>To be seen together with the GCF Indigenous Peoples Policy in which the definition of “involuntary resettlement” also includes denial of access to land. The ESMP will need to address this in detail under a dedicated ESMP Action (see PS7 and PS8).</p> <p>(Associated GIZ policy/safeguard: Safeguard Conflict & Context Sensitivity, Safeguard Human Rights, see below for details)</p>
PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Yes	Low	<p><u>ES risk 1:</u> Promoting timber plantation and permanent agriculture may contribute to reducing biodiversity.</p> <p><u>Risk assessment:</u> The programme's negative impact on biodiversity is assessed as low. The programme will not promote the expansion of agriculture or timber plantations. Instead, all programme activities</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>will happen on land that is already under agricultural use or heavily degraded production forest. However, loss of residual biodiversity at a small scale cannot be ruled out when changing rotation agriculture to permanent agriculture or degraded production forest into timber plantations.</p> <p><u>Potential measures:</u></p> <ul style="list-style-type: none"> - Check, if businesses (agriculture, agroforestry, timber plantations) interested in working with the programme, have appropriate Environmental and Social Governance (ESG) policies and record of accomplishment in place. - As part of the participatory land use planning, ensure existing biodiversity, ecosystems and ecosystem services are safeguarded and sufficient room for regeneration is available - Cooperate with potential investors on site-specific impact assessments - Develop and apply guidelines in consultative processes together with potential investors, farmers and communities to leave room for biodiversity to recover - Make available best national and international practices to inform activities - Monitoring of land-use changes and, when necessary in case of concern, site-specific impact assessments on biodiversity or ecosystems - Train stakeholders about ecosystem services, to be aware of sensitive flora and fauna and to apply best practices for their protection <p><u>ES risk 2:</u> Programme activities could lead to (increased) use of pesticides, herbicides and other chemicals, which could have negative impact on biodiversity and natural resources</p> <p><u>Risk assessment:</u> The ES risk is assessed as low. The programme promotes agricultural activities that may require limited use of herbicides or pesticides, such as maize and cassava, but mainly focuses on supporting deforestation-friendly, predominantly diversified agriculture and agroforestry and</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>good agricultural practices. Best practices for managing pesticides are available and will be included in the ESMP (including guidelines from FAO and a pesticides management plan prepared for the ERPD ESMF). The programme excludes supporting crops that require intensive use of potentially harmful substances and that are currently prohibited in Lao PDR through a national moratorium, such as bananas, because dangerous misuse and use of banned substances happened in the past. Overall the impact on biodiversity will be very limited, site-specific, can be anticipated, and is readily manageable through available best practices.</p> <p><u>Potential measures:</u></p> <ul style="list-style-type: none"> - Continued consultations and monitoring at village and landscape level throughout the programme - Blacklisting support to selected/banned crops where extensive negative impacts from agro-chemicals are widely documented (i.e. bananas) - Capacity building and awareness raising for villagers, farmers, partners and trainers/extension staffs on the impacts of chemicals on biodiversity and responsible use of pesticides - The programme will not support the direct procurement of agrochemicals - Promoted agro-chemicals will be preceded by a thorough risk assessment, and the identification of adequate measures to reduce environmental risks to acceptable levels - Quantities promoted based on an accurate assessment of actual requirements to prevent over-use or accumulation of stockpiles. - Appropriate application equipment and protective gear will be provided in adequate quantities when agro-chemical use is promoted by extension agents, unless it is explicitly confirmed by DAFO Agriculture Unit that equipment and suitable safety attire is sufficiently available - All users will be trained to ensure the responsible use of agrochemicals, and awareness of the potential harmful social and environmental impacts

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - Proper storage will be ensured in accordance with international guidelines (e.g. FAO's Guidance Document for Pest and Pesticide Management in Field Projects) - Integrate knowledge about biodiversity conservation and ecosystem services into capacity building for stakeholders involved in trainings/ capacity development, land-use planning, and management plans for various forest categories - Awareness raising and trainings on the safe use of pesticides/herbicides through agricultural capacity building, extension and trainings - Trainings for local authorities involved in the programme on regulation and best practices to monitor and enforce the proper use of legal pesticides/herbicides in case such applications are inevitable as well as introduction of alternatives to pesticides and herbicides - Promotion of good agricultural practices, which in turn can reduce pesticide use or at least encourage responsible pesticide use - Awareness raising for farmers, traders and investors on the potential financial and marketing advantages of reducing or stopping the use of pesticides/herbicides (e.g. through the use of alternative agricultural practices, marketing of organic products, etc.) <p>(Associated GIZ policy/safeguard: Safeguard Environment, Safeguard Conflict & Context Sensitivity, Safeguard Human Rights, see below for details)</p>
<p>PS7: Indigenous Peoples</p> <p>GCF Indigenous Peoples Policy</p>	Yes	Medium	<p><u>ES risk:</u> Programme area has more people of the non-Lao-Tai ethnic groups than of the Lao-Tai in most of the selected districts.</p> <p>(Note that the GCF Indigenous Peoples Policy in some respects supersedes PS7 because of its broader scope and stringent clauses)</p> <p><u>Potential measures:</u></p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - Develop Indigenous Peoples Plan (IPP) or Community Engagement Plan and/or dedicated ESMP Action(s) for Indigenous Peoples in line with the associated GIZ policies listed below, providing the following information: <ul style="list-style-type: none"> (i) Programme area, components and activities and their potential impact on indigenous peoples (ii) Affected indigenous peoples and their locations (land, territories, resources, etc.) (iii) Vulnerable groups within the affected peoples (e.g. women and girls, the disabled and elderly, etc.) (iv) Summary of relevant legal framework – both national and international applicable to the programme context (v) From this and other relevant social and environmental assessments and mitigation measures, extract findings and recommendations pertaining to potentially adverse impacts to indigenous peoples, their lands, resources and territories, the details and associated time-lines for the planned measures to avoid, minimize, mitigate, or compensate for these adverse effects; description of measures to protect traditional knowledge and cultural heritage (vi) Description of participation, consultation and FPIC processes taking needs of indigenous peoples into account (vii) Capacity building - measures to strengthen the social, legal, and technical capabilities of government (national, provincial, local) and the affected indigenous peoples (viii) Grievance redress mechanism and procedures taking needs of indigenous peoples into account (ix) Institutional arrangements and roles and responsibilities for IPP or IP action implementation (x) Budget and timeline

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - Ensure IP Action(s) and plans minimize, mitigates and enables the programme to compensate appropriately when programme activities impact on indigenous people's rights, regardless of whether there is a legal recognition of land titles, resources and territories - FPIC processes to be initiated and maintained throughout the lifetime of the programme - Ensure existing national laws related to ethnic groups are fully respected - The programme should identify and seek financing measures that specifically enable the most vulnerable ethnic groups to have better access to land, technical support for implementing good agriculture practices, sustainable land management (SFM, FLR, etc.), and green finance measures - Programme staff and trainers to include male and female representatives from diverse ethnic groups; positively target particularly vulnerable groups; all to receive training on gender equality and social inclusion within the context of the programme - Outreach, extension and technical support at the community-level, workshops and capacity building activities to be socially inclusive, aware of culturally diverse contexts and norms, and are to take into consideration local knowledge - Take into account local languages and indigenous customs for consultations and all communication and outreach activities - Where necessary, the programme should ensure the availability of translators (from within the community or externally as appropriate) to facilitate the dissemination of knowledge and information; translation to be provided for workshops, extension materials and other programme-related materials (e.g. videos, publications, etc.) - Particular attention to be paid to women, ethnic groups, illiterate people, and people with hearing or visual disabilities, people with limited or no access to internet and other groups with special needs; carry out the dissemination of information among these groups with the programme counterparts and local actors such as village and kumban leaders, producer associations, CSOs, Lao Women's Union, among others

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>- Opportunities for collaboration with other stakeholders (e.g. CSOs) to be sought out to strengthen stakeholder outreach and the engagement of various ethnic groups and vulnerable households</p> <p><u>Interpretation of the GCF's Indigenous Peoples Policy:</u> The GCF's Indigenous Peoples Policy provides the following guidance for programmes where beneficiaries include both indigenous and non-indigenous peoples:</p> <p><i>“When indigenous peoples are not the only beneficiaries of the activities proposed for GCF financing, the planning documents and procedures may vary in form and presentation and will meet the requirements of this Policy regardless of form and presentation. The accredited entities will design and implement the GCF-financed activities in a manner that provides affected indigenous peoples with equitable access to project benefits. The concerns or preferences of indigenous peoples will be addressed through meaningful consultation, including a process to seek and obtain their free, prior and informed consent and documentation will summarize the consultation results and describe how indigenous peoples’ issues have been addressed in the design of the GCF-financed activities. Arrangements for ongoing consultations during implementation and monitoring will also be described.</i></p> <p><i>The accredited entities will prepare a time-bound plan, such as an IPP, setting out the measures or actions proposed. In some circumstances, a broader integrated community development plan will be prepared, addressing all beneficiaries of the GCF-financed activities and incorporating necessary information relating to the affected indigenous peoples. A community development plan may be appropriate in circumstances where other people, in addition to the indigenous peoples, will be affected by the risks and impacts of the GCF-financed activities, where more than one</i></p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p><i>indigenous peoples group is to be included, or where the regional or national scope of a programmatic project incorporates other population groups.“</i></p> <p>Given the diverse programme beneficiaries involved in the proposed programme, it was decided to develop a stakeholder engagement strategy and a community development plan (see Annex).</p> <p>(Associated GIZ policy/safeguard: Safeguard Conflict & Context Sensitivity, Safeguard Human Rights, see below for details)</p>
<p>PS8: Cultural Heritage</p>	<p>Yes</p>	<p>Medium</p>	<p><u>ES risk:</u> There may be areas where people’s access to exercising their cultural heritage, especially of an intangible nature, may be affected, if there is a change in land use, or if they are denied any access rights.</p> <p><u>Risk assessment:</u> Risk assessed as medium. During programme preparation and consultations, no cultural heritage places, buildings or monuments were identified in areas where the programme will be undertaken and where access could become a problem. Still, residual uncertainty remains, therefore further investigation of places and practices of cultural and historic heritage significance will have to be done before activities are to be. The programme must work with communities to identify village areas of traditional or cultural significance. The programme must respect ancestral and spiritual land and forest use, and sensitivity to customary use of land by the community, especially ethnic groups, and ensure rights remain to conduct ritual ceremonies (often taking place in forests). In addition to this, the programme will have to preserve and respect indigenous knowledge, including traditional knowledge and use of medicinal plants whenever needed.</p> <p><u>Potential measures:</u></p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - National, regional and/or local museums will be consulted on any historical, indigenous or cultural heritage areas - All information on programme activities will be made easily accessible and in appropriate ethnic languages - Ensure that information dissemination campaigns make use of images, cartoons and drawings, as well as clear and simple language, to support the comprehension of those who are less literate - Consultations with stakeholders will continue throughout the programme implementation as local stakeholders and community members have a key role in the implementation and monitoring of the programme. This will ensure that stakeholders are at any time aware of the programme, its progress as well as any changes. This will also be used as a mechanism to identify any arising issues, including areas of traditional or cultural significance - For activities that will be undertaken in or near known areas of historic value a training on cultural heritage awareness to all involved will be provided - Application of the chance finds procedure developed for the ER Programme (see Annexure 3 in the ESMF, included within Annex 12 of this document) <p>(Associated GIZ policy/safeguard: Safeguard Environment, Safeguard Conflict & Context Sensitivity, Safeguard Human Rights, see below for details)</p>
GIZ Sustainability Policy	Yes	n/a	Identical to PS1. See above for details.
GIZ Safeguard Environment	Yes	Medium	Identical to PS6 (low risk), PS4 (medium risk) and PS8 (medium risk). See above for details.

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
GIZ Safeguard Climate Change	CCM ²²⁴ : No CCA ²²⁵ : Yes	Low	<p><u>ES Risk:</u></p> <p>Climate change can potentially lead to:</p> <ul style="list-style-type: none"> - Temperature and annual precipitation increase - Dry season precipitation increase - Annual runoff increase - Dry season runoff increase - Potential for increased flooding (not quantified) and therefore: - Agricultural productivity decreased and; - Existing food scarcity aggravated <p><u>Risk assessment:</u> Climate change related risks to the programme are assessed as low, because:</p> <ul style="list-style-type: none"> - Impact on forests likely low - Impact in relation with precipitation and water availability on agriculture and food security likely low (CFS: “weak signals”) <p><u>Potential measures:</u></p> <p>For forest ecosystems:</p> <ul style="list-style-type: none"> - Include climate-induced stressors in forest monitoring including national forest inventories. - As part of management plans, forest landscape restoration activities, and improved protected area management promoted by the programme under Output 3, include wild fire management measures - Promote establishing corridors between ecosystems in order to support connectivity and natural resilience (part of FLR).

²²⁴ CCM stands for “Climate Change Safeguard: Mitigation of Greenhouse Gas emissions”.

²²⁵ CCA stands for “Climate Change Safeguard: Adaptation to the Impacts of Climate Change”

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<ul style="list-style-type: none"> - Support protection and sustainable management of forested watersheds. <p>For agriculture:</p> <ul style="list-style-type: none"> - Support to dry-season irrigation schemes, in Output 2 in partnership with ADB - Capacity building and training on sustainable water harvesting techniques and reducing water needs through crop mix in partnership with ADB, FAO, and IFAD. - Promotion of diversification in agriculture (opposed to increasingly prevalent monoculture land-use in the Northern provinces). - Inclusion of flood and drought-resilient crops and varieties. This can mainly be applied for rice, where ample experience exists in the region (esp. Thailand and Vietnam). For other supported cultivation plants, including cardamom and Non-Timber Forest Products, little research on climate risks was found to be available. The programme should undertake a more comprehensive stocktaking of the available research when it commences activities. - The programme can promote risk mitigation processes, including, for example, reducing shifting cultivation and increasing vegetative cover on slopes and in upland areas in order to help reduce erosion and sedimentation that contribute to riverbank cutting and riverbed rise downstream, as well as landslides in steep areas. - Capacity building for farmers on sustainable pest and disease management - Land use planning can help improve land use practices, including reducing exposure to risk (e.g. identifying high-risk areas for landslides, flooding, etc.), and can support the planning, adoption and monitoring of sustainable land use processes that can help reduce risk (for example, increased forest cover can reduce the risk of flooding, landslides or wildfires in certain contexts). - Regular and comprehensive monitoring conducted within the framework of the programme at local level, including with various ethnic groups in order to benefit from their knowledge, can

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>lead to early detection, follow-up and the identification of suitable management practices/adjustments as necessary.</p> <ul style="list-style-type: none"> - The programme team should include a qualified staff member responsible for monitoring the impact of the programme and implementation of the Environmental and Social Management Plan (ESMP), including climate change related risks.
GIZ Safeguard Conflict & Context Sensitivity	No	n/a	Lao PDR is categorized as a green (=safe) country in both reference lists relevant to GIZ's Safeguard Conflict and Context Sensitivity, which are the BMZ Crisis Early Warning & General Overview of Countries with Risk Potential for GIZ. As per GIZ's S+G management system, an in-depth assessment is not necessary.
GIZ Safeguard Human Rights	Yes	Medium	<p>Lao PDR is Party to a number of core human rights instruments including the:</p> <ul style="list-style-type: none"> - International Convention on the Elimination of Racial Discrimination (ICERD) - Convention on the Elimination of Discrimination against Women (CEDAW) - Convention on the Rights of the Child (CRC) - International Covenant on Economic, Social and Cultural Rights (ICESCR) - International Covenant on Civil and Political Rights (ICCPR) - Convention on the Rights of Persons with Disabilities (CRPD) and - Convention against Torture and other Cruel, Inhumane or Degrading Treatment or Punishment (CAT). <p>Human rights context:</p> <p>Lao PDR has ratified a total of eight ILO Conventions, including five of the eight ILO core Conventions. During the Universal Periodic Review (UPR), a process which involves a review of the human rights records of all UN Member States, the national report for Lao PDR presents a range of rights issues</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>faced at the national level, which are of relevance to GIZ's GCF programme. The range of issues includes outstanding challenges such as unexploded ordnance (UXOs), poverty levels, lack of awareness about human rights obligations, limited grassroots capacity and insufficient implementation of gender inequality policies as well as the need for further coordination among ministries. Also of relevance were national commitments in the field of cultural rights including an emphasis on heritage conservation. Discussions raised in the UN process and recommendations during the 2015 UPR, among other things, related to land and resource issues, forced disappearances, trafficking, ethnic minorities and indigenous peoples' rights and civil society space. General infringements in the natural resource management sector are affected by broader processes of political participation and decision-making, and a relatively restrictive environment for civil society organizations (CSOs). Also important is the relatively low overall capacity in terms of human rights standards and their implementation modalities. These are arguably further impaired by a restrictive CSO environment. It is clear that considerable attention in international human rights processes has concerned questions of land and natural resources, indigenous and ethnic minority communities, cultural rights and consultation measures. A new UPR is scheduled for 2020, and GIZ through its GCF programme can contribute towards the implementation of some of these national commitments through clearly identified activities.</p> <p>The programme preparation team in its GIZ-internal ESS risk pre-screening have indicated a number of potential risks of unintended impacts due to the fact that the programme plans to operate in Northern Lao PDR where the population is potentially faced with the following human rights implications:</p> <ul style="list-style-type: none"> - Disadvantages in terms of access to (state) services, productive resources or sources of income - Restricted civic space and infringement of participation rights - Infringement of the rights of indigenous people to consultation and consent - Forced evictions or forced displacement - Infringement of fundamental labour rights

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
			<p>- Forestry and agriculture are human rights-sensitive sectors in Lao PDR</p> <p>Unintended human rights implications may occur in particular in the context of Activity 1.3 “Improved law enforcement and monitoring” and all activities under Output 3 “Implementation of sustainable forest landscape management and forest and landscape restoration (FLR)” because of a combination of factors: The programme works with underserved population groups and ethnic groups. The programme also supports the Government of Lao PDR in Participatory Land Use Planning (PLUP) as well as in forest supervision and law enforcement. PLUP and law enforcement may affect individuals or groups in the ways they are used to access and use land and/or natural resources. Furthermore, the programme promotes the participation of non-government stakeholders in decision-making over land-use. Stakeholders include cooperatives and village forestry associations, which is to a degree new and innovative in the context of Lao PDR and could potentially contribute to frictions or conflict (relevance and risk is likely low) for example between citizens and government officials. CSOs, even though low in number in Lao PDR, will participate in the programme’s Monitoring and Evaluation activities and potentially the programme’s Steering Structure.</p> <p>Human rights-relevant aspects have been examined under: PS2: Labor & Working Conditions (ES risk: low) PS4: Community Health, Safety & Security (ES risk: medium) PS5: Land Acquisition & Involuntary Resettlement (ES risk: medium) PS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources (ES risk: low) PS7: Indigenous People (ES risk: medium) PS8: Cultural Heritages (ES risk: medium)</p> <p>In summary, the risk classification of GIZ’s safeguard “Human Rights” is medium (as informed by related IFC Performance Standards).</p>

ES Policy/ Standard ²²³ :	Triggered:	Risk Assessment:	Description of ES risk:
GCF & GIZ Gender Policy	Yes	n/a	Promotion of gender equality and gender equity must be applied as stated in the Policy. A separate Gender Assessment and Gender Action Plan addressed this in detail.
GCF Independence Redress Mechanism/GRM	Yes	n/a	Given the number of different ethnic groups, must be applied in a way suitable to their cultures and that ensures access to all people. Anonymity must be assured.

ANNEX 6: FPIC CONSULTATION ATTENDANCE FORMS

Source: "The guideline concerning the process of free prior informed consent (FPIC) under Climate Protection through avoided Deforestation in Houaphan Province"

Registration form for people who attend the FPIC consultation in the village level

On date...../...../....., in Village....., District....., Province.....

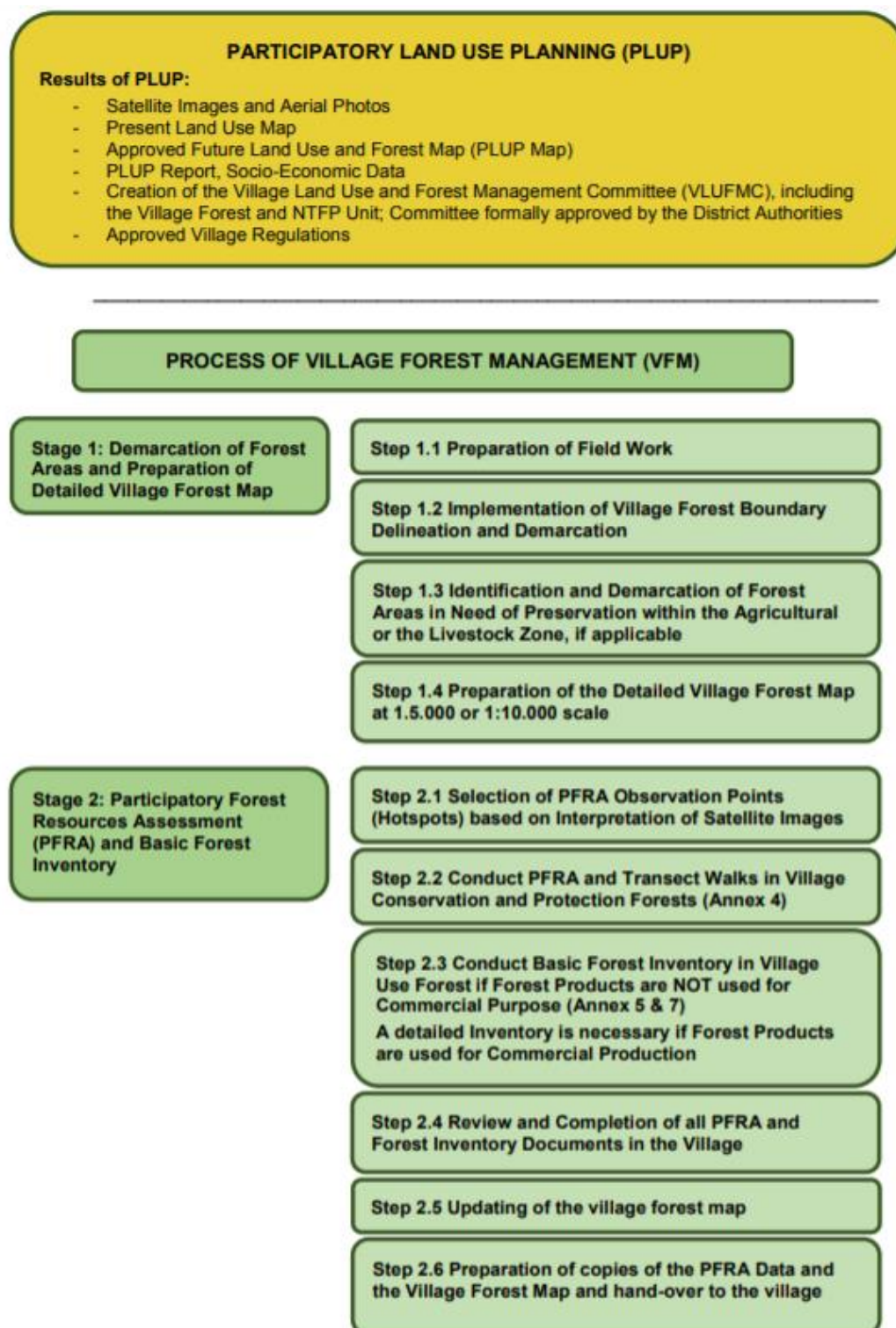
No.	Names and surnames	Age	Sex	Ethnic group	Occupation	Phone number	Signature/finger print
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
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17.							
18.							
19.							
20.							
21.							
22.							
23.							
24.							

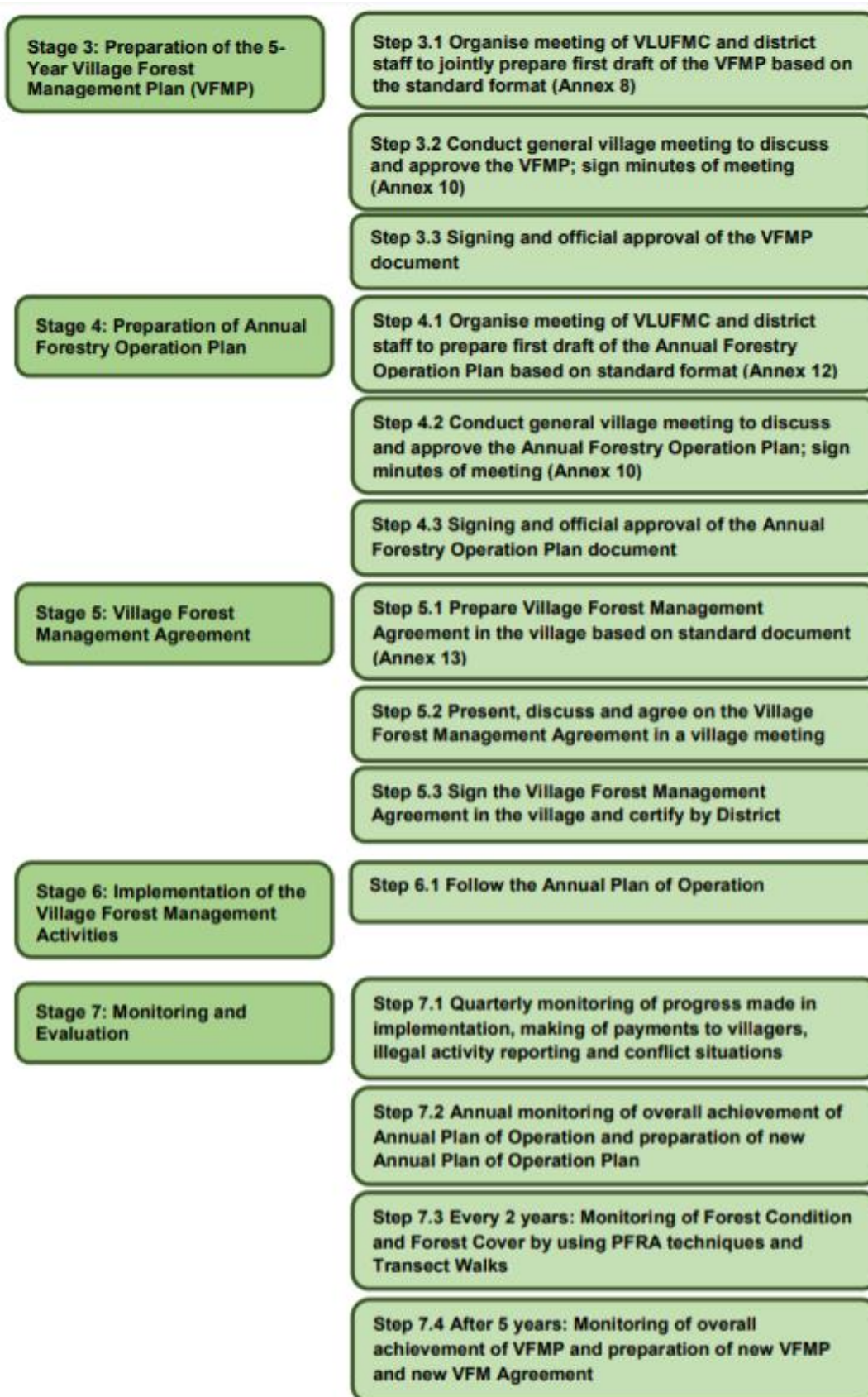
The sheet summarizing people who attend the consultation No. , in village.....,
 District....., Province.....

Ethnic group	Total number of people attending			Age				Remarks
	Female	Male	Total	15-25	26-35	37-60	>60	
Percentage %			100					
Percentage of participants compared with the total number of villagers:								
Youngest ages:								
Oldest ages:								
General comment								

ANNEX 7: ADDITIONAL INFORMATION, GUIDELINES AND DIAGRAMS

Summary diagram of all stages and working steps of VFM approach





Source: GIZ. 2016. VFM Planning Guideline. Available online: <https://www.giz.de/de/downloads/Village-Forest-Management-Planning-Guideline.pdf>

ANNEX 8: PROGRAMME EXCLUSION LIST

The following is the Programme Exclusion List, a list of activities that the programme will not support:²²⁶

- Activities that result in a negative change to existing legitimate tenure rights
- Activities that result in the involuntary resettlement of households
- Activities that may increase greenhouse gases substantially
- Activities that support the clearing of native/ primary forests.
- Introduction of non-native species, unless they are already present in the vicinity or known from similar settings to be non-invasive, and the introduction of genetically modified plant varieties into a designated project area.
- New settlements or expansion of existing settlements outside the area defined by the PLUP or in any zone not gazetted for agriculture or habitation in the macro-zoning of the NPA
- Activities that create adverse significant impacts on local people, including ethnic groups, that are not acceptable to them, even with the mitigation measures developed in their participation
- The physical relocation and/or demolition of residential structures of household use.
- Activities resulting in significant damage or loss to cultural property, including sites with archeological (prehistoric), paleontological, historical religious cultural and unique natural values
- Construction of new roads, road rehabilitation, road surfacing or track upgrading of any kind inside natural habitats, and existing or proposed protected areas, and in general any construction expected to lead to negative environmental impacts.
- Forestry operations on land or in watersheds in a manner that is likely to contribute to villages' increased vulnerability to natural disasters
- Conversion or degradation of natural habitat and any unsustainable exploitation of natural resources, including NTFPs.
- Production or trade in wildlife products or any other product/ activities deemed illegal under Lao PDR laws, regulations, or international conventions and agreements, or subject to international bans.
- The production, processing, handling, storage or sale of tobacco or products containing tobacco
- Trade in any products with businesses engaged in exploitative environmental or social behaviour, or engaged in any unauthorized activities, especially related to natural resources.
- Crops that require intensive use of potentially harmful substances (see Table below) and that are currently prohibited in Lao PDR through a national moratorium (e.g. banana plantations)

List of banned agrochemicals in Lao PDR, June 2010

Insecticides and acaricides	Fungicides
1. Aldrin	30. Binapacryl
2. BHC	31. Captafol
3. Chlordane	32. Cycloheximide
4. Chlordimeform	33. Mercury and mercury compounds
5. Chlorfenvinphos	34. MEMC

²²⁶ Has been cross-checked with the exclusion criteria of the ESMF of the ER-PD (page 150, Checklist 1)

6. Chlorthiophos	35. PMA
7. Cyhexatine	36. Selenium compound
8. DDT	Rodenticides
9. Dieldrin	37. Chlorobenzilate
10. Dimefox	38. Sodium fluoroacetate
11. Dinitroresol	Herbicides
12. Demeton	39. 2, 4, 5 –T
13. Endrin	40. Dinoseb
14. Endosulfan	41. Dinoterb acetate
15. Ethyl Parathyon	42. Paraquat
16. EPN	43. Sodium chlorate
17. Heptachlor	Fumigants
18. Hexachloro cyclohexane	44. EDB
19. Leptophos	45. Ethylene oxide
20. Lindane	46. Methyl bromide
21. Methamidophos	Others
22. Methomyl	47. Arsenic compound
23. Methyl parathion	48. Calcium arsenate – herbicide, rodenticide, molluscicide, insecticide
24. Monocrotophos	49. DBCP – Nematocidide
25. Polychlorocamphene	50. Daminozide – Plant growth regulators
26. Phorate	51. Fluoroacetamide – Insecticide, rodenticide
27. Schradan	52. Oxamyl – Insecticide, acaricide, termiticide
28. TEPP	53. Phosphamidon – Insecticide, nematocidide
29. Toxaphene	54. Sodium Arsenite – Insecticide, fungicide, herbicide, rodenticide
	55. Thallium (i) sulfate – Rodenticide, insecticide.

Source: Annex 2 of the ESMF for the ER-PD, p.

The programme will also not involve the procurement of agrochemicals. As some households may already use agrochemicals, trainings will also include components on awareness raising about environmental and social risks, alternatives (e.g. integrated pest management associated with good agricultural practices), and information on safety for agrochemical use. For more information refer to Annex 10 – The Pesticide Management Plan for the ER-PD, which this programme will also follow.

ANNEX 9: STAKEHOLDER ENGAGEMENT PLAN FOR PROJECT 1

Stakeholder engagement plan for project 1

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity	
Monitoring and reporting																						
Cross-cutting	Monitoring and reporting on safeguards performance and stakeholder engagement	Project reports																	NPMU safeguards and M&E specialist	-		Included within Activity 1.7
Stakeholder engagement																						
Cross-cutting	Invitation of stakeholders to participate in National and Provincial Programme Steering Committees	Invitation letter																	MAF	-	Included in Activity 1.7	
	Appointment of programme management units (NPMU, PPMU and DPMU)	Formal letters																	MAF	-		
	Appointment of officers responsible for safeguard-related issues within DPMU, PPMU and PSC	Formal letters																	NPMU and MAF	-		
	Integration of updated contact information for grievance mechanism	Website, information materials																	NPMU	-		

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			Stakeholder engagement plan (only)		Costs integrated in Activity		
Output 1: Enabling environment for REDD+ implementation																									
1.1.1	Dialogue events, trainings, awareness raising and workshops with concerned key experts from the government	Attendance sheets, photos, meeting summaries																			NPMU	-	24,000	6 workshops (2 per year, Y2-4)	
1.1.2	Capacity building events with EPF and FFRDF																					NPMU	-	24,000	12 total (3 per year)
1.2.1	National-level workshops for mainstreaming REDD+ into NDC																					NPMU	-	4,000	1 workshop
1.2.2	Provincial-level workshops (1 per province) to mainstream REDD+ into provincial SEDPs (2021-2025)																					PPMU	-	12,000	3 total
1.2.3	District-level workshops(1 per district) to mainstream REDD+ into district SEDPs (2021-2025)																					DPMU	-	16,000	16 total
1.3.1	Stakeholder consultations on the legal and regulatory framework and exchange on creating an enabling environment for SFM and private sector investment in community-based agroforestry/ plantation development																					NPMU	-	32,000	10 total (2 per year)
1.4.1	Workshops for exchange and coordination between government agencies on procedures, systems, standards for law enforcement		Attendance sheets, photos,																			NPMU	-	60,000	15 total (for 17 districts within 3 provinces)

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments	
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity		
		meeting summaries																					
1.5.2	Participatory land use planning within villages	Village land use plans																		NPMU, PPMU, DPMU	-	2.62 million	130 are supported in this activity within SP1 phase 1; ²²⁷ Full cost of sub-activity.
1.7.1	Awareness raising campaigns on REDD+, regulatory framework, campaigns to various stakeholders	Publications, project info published																		NPMU, PPMU, DPMU	-	40,000	
1.72	SP 1 (HP, SB, LP): District level consultation and training events, FPIC, awareness raising events for (15 districts and excl. Houaphan districts (2), 2 consultations per district)	Attendance sheets, photos, meeting summaries																		NPMU (especially project safeguard and M&E specialist), PPMU, and DPMU	-	15,000	15 districts, (2 consultations per district), excluding Houaphan districts (because it has already been conducted in Houaphan)

²²⁷ 200 villages in total, but 70 already have recently developed LUPs from GIZ support (CiPAD)

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments	
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity		
	FPIC 1 (Project 1): Initial awareness raising campaigns, consultation in 100 villages	Attendance sheets, photos, meeting summaries, FPIC agreements																		GIZ and MAF	-	40,000	100 meetings (1 meeting per village, 100 villages total) Conducted by GIZ/BMZ prior to project start (right after board approval, to avoid raising expectations)
	FPIC 1 (Project 3): Initial awareness raising campaigns, consultation in 200 villages	Attendance sheets, photos, meeting summaries, FPIC agreements																		NPMU (especially project safeguard and M&E specialist), PPMU, and DPMU	-	80,000	200 consultations (1 per village, 200 villages total in project)
	Preparation for project 2 (BK, LN, OX): District-level consultation and training events, FPIC, awareness raising events	Attendance sheets, photos, meeting																		NPMU	-	12,000	12 districts (2 consultations per district)

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity	
		summaries, FPIC agreements																				
	Preparation for project 2: Initial awareness raising campaigns, consultation in 300 villages	Attendance sheets, photos, meeting summaries, FPIC agreements																	NPMU	-	120,000	300 consultations (1 per village, 300 additional villages in project 3)
	FPIC 2 & 3 (SP 1 & Phase 1): Village forest management agreement etc. consultation in 80 villages	Attendance sheets, photos, meeting summaries,																	NPMU (especially project safeguard and M&E specialist), PPMU, and DPMU	-	14,300	80 villages & 2 meetings per village; not incl. 70 CliPAD KfW villages = 1,370 Total No. of villages in SP1/Phase 1: 200

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments	
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity		
		training materials																					
2.1.3	Exchange on Good Agricultural Practices in Kumban and districts	Attendance sheets, photos, meeting summaries																		DPMU and PPMU	-	45,000	Not including staff costs, travel costs (included in 2.1.3)
	Exchange workshops to share lessons learned and to aggregate key information	Attendance sheets, photos, training materials																		PPMU and NPMU	-	32,000	1 per year per province and 1 per year at the national level
Output 3: Mitigation action through forestry																							
3.1.1	Participation of villagers in management planning (including labor inputs)	Time-sheets, project reports																		PPMU and DPMU	-	134,357	Not including staff and travel costs, which are also included in the budget for 3.1.1

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity	
		and visits																				
3.1.2	Implementation of annual operational plans based on approved annual plan of operation (including seedling material, labor inputs for weeding, thinning, enrichment planting, fencing, etc.)	Time-sheets, project reports, project visits																	PPMU and DPMU	-	922,500	200 villages without 2x KfW; Not including staff, travel costs, equipment, etc. (see Budget for more detail)
	Trainings on village forest management in villages and districts																		PAFO and DAFO	-	102,000	
3.2.1	Province level consultations and trainings on production forest management (PFAs) and preparation of maps and planning processes & exchange with national level	Attendance sheets, photos, meeting summaries, training materials																	PPMU	-	8,000	
	District level consultation and training events, awareness raising events for PFAs																		DPMU	-	6,000	3 consultations per PFA, but only Hongsa/2x PFAs covered by 3.1
	Village level consultations to identify and develop village investment and agree on access rules for PFAs																		PPMU and DPMU	-	8,000	10 villages per PFA/10 villages * 3x PFAs = 30, but 20 covered by 3.1
3.2.2	Village engagement in PFA management (village development grants for livelihood development,	Project reports and																PPMU and DPMU	-	171,120	Including other costs within Activity 3.2.2	

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity	
	implementation of forest restoration, including labor inputs, etc.)	visits, attendance sheets, meeting summaries																				
	Trainings on Forest management by PPMU in villages and districts	visits, attendance sheets, meeting summaries																	PPMU	-	2 per district per year for 1x PFA - 2x PFA covered by 3.1	
3.3.1	Conduct stakeholder consultations and events with province, district and village level and dissemination events for NPAs	Attendance sheets, photos, meeting summaries																	PPMU	-	45,000	
	Capacity building for forest officers and patrolling teams, monitoring, exchange meetings	Attendance sheets, photos, meeting summaries																	NPMU and PPMU	-	18,000	2 events per NPA per year
3.3.2	Conduct regular interagency meetings NPA management, POFI, DOFI, DONRE, PONRE, to coordinate activities and improve law enforcement	Attendance sheets, photos, meeting summaries																	PPMU	-	18,000	2 meetings per year per NPA in 3 NPAs

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments		
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity			
	National (1x) and provincial (3x) NPA related steering and coordination meetings	Attendance sheets, photos, meeting summaries																			NPMU and PPMU	-	64,000	
3.3.3	Village based consultations to negotiate and close village conservation contracts	Attendance sheets, photos, meeting summaries, village conservation contracts																			PPMU and DPMU	-	96,000	40 villages per NPA; 3 events per village), 1 follow-up meeting per year
	Preparation of material on regulations, livelihood options, and	Materials																			NPMU	-	12,000	40 villages per NPA in 3 NPAs

Activity	Task	Means of Verification	Timing																Responsibility	Costs (EUR)		Comments	
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4		Stakeholder engagement plan (only)	Costs integrated in Activity		
	training related information villagers																						
	Village conservation grants to NPA adjacent communities	Project reports and visits																		DPMU	-	480,000	40 villages per NPA (3) over 4 years; each village receives a grant once

ANNEX 10: PESTICIDE MANAGEMENT PLAN

Note: The programme will follow the pesticide management plan developed for the ER-PD, which is described in the text below. However, that the plan is only currently available in draft form as it is not yet approved (approval is expected in September 2019). Thus, upon programme approval the programme's gender, safeguards and M&E expert will cross-check this Annex with the revised ER-PD ESMF, in particular the pesticide management plan to ensure their full alignment.

ER-PD Pesticide Management Plan²²⁸

The Pesticide Management Plan (PMP)²²⁹ aims to provide basic knowledge to the national, provincial and district government, the REDD+ team, consultants, Kumban (KB) staff, village officials, private and public sector agencies with adequate guidance for effectively addressing the safeguard issues in line with World Bank's OP 4.09. The process will be implemented as part of the REDD+ programme and fully integrated into the subproject selection, approval, implementation, and monitoring and evaluation process. The REDD+ programme does not include procurement of pesticides, but the ESMF identifies key issues related to the existing use of pesticide and chemical fertilizers and identified mitigation measures required in relation to prohibited items, training, and guidelines on safe use and disposal of pesticides. The PMP will be applicable for all REDD+ activities related mostly to **Component 2 on agriculture and sustainable livelihoods development**. Agriculture is the default livelihood of the rural population and the most direct pressure on forests. As such, the ER Programme will offer direct measures for value chain integration, and agro-technological solutions for improved yields. Engaging the private sector for climate-smart and responsible investments is critical for ensuring sustainable decisions on land use. Activities under this component aim to support a private-public dialogue on REDD+ and climate-smart agriculture, and to directly invest in scalable models that sustainably engage with local communities including ethnic groups, and supporting alternative livelihood options. Chemical based fertilizers and pesticides are currently being used in the project areas, particularly in instances where monoculture is practiced.

All responsible agencies at central, provincial, and local levels will be responsible for implementation of the PMP and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank.

This PMP document is considered a living document and could be modified and changed as appropriate. Close consultation with the World Bank and clearance of the revised PMP will be necessary.

Section I. Policy and Regulations

World Bank's safeguard policy on pest management (OP 4.09)

The policy requires projects involving procurement of pesticide to prepare and implement a Pest Management Plan to ensure that the handling, transportation, usage, disposal of pesticide be safe for both human and the environment. The REDD+ will not promote the procurement of any chemical pesticides or herbicides. However, if pest invasion occurs, small amount of eligible and registered pesticides in the project provinces is allowed if supplemented by additional training of farmers to ensure pesticide safe uses in line with World bank's policies (OP 4.09). And, given that the project is designed to promote the reduction in chemical pesticide and fertilizer use in existing farm land by enhancing sustainable farming practices, this simplified Pest Management Plan was prepared, along with a negative list. While the project will not procure and promote use of chemical pesticides and fertilizers, which are included in the non-eligibility list, it may be unrealistic to completely prevent all farmers from applying chemical inputs. Specifically, rehabilitation of irrigation, building of small irrigation/agriculture production, and/or control of infestation of diseases may involve the use of pesticides, herbicides, and insecticides. To mitigate this potential impact, this simplified PMP has been prepared outlining clear regulations and procedures for management of pesticides and/or toxic chemical as well as providing

²²⁸ Text copied from Annex 2 of the Draft ESMF

²²⁹ Based on: Lao PDR Agriculture Commercialization Project (LACP), ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (DRAFT), October, 2017

knowledge and training on health impacts and safe use of pesticides and/or, when possible, promotion of non-chemical use alternatives such as organic farming.

The simplified PMP is informed by the Decree on Pesticide Management, No 258 /GOV, 24 August 2017, the Regulation on the Control of Pesticides in Lao PDR (2014), as well as guidelines on Integrated Pest Management (IPM) provided by the Food and Agriculture Organization of the United Nations (FAO).

Government regulation related to pest management

In March 2000, with support from Japan International Cooperation Agency (JICA) and Food and Agriculture Organization (FAO), the MAF established the Regulation number 0886/MAF and updated it on June 11, 2010 into Regulation 2860/MAF (Annex 3) on Pest Management in Lao PDR. The regulation was developed based on the WHO recommended Classification of Pesticide by Hazard and Guideline to Classification 1994-1995. The GoL had registered in January 2010 the companies who import pesticides, fertilizers and seeds into Lao PDR. The list of registered pesticides was adjusted in May 2010 based on the updated regulation. The regulation was uploaded to the Lao e-Gazette on July 11, 2014.²³⁰ The list of prohibited or banned pesticides is found at the end of this Annex. The Department of Agriculture (DoA) under MAF is mandated to oversee all pesticide use.

Section II. Key Issues and Mitigation Measures

Key issues related to use of pesticide and chemical fertilizer

The PMP is developed to support project community and a responsibility of all parties to support the implementation and proper applicability of the WB OP 4.09. Negative impacts from the use of pesticides and chemical fertilizers are expected to be minor and localized and could be mitigated during the planning and implementation of the project. Given that uses of pesticides and inorganic fertilizers are normal practices of some farmers, the REDD+ will promote IPM to avoid inappropriate use of them. However, it is important for MAF staff and local communities to understand the nature of such activities to encourage farmers to reduce the uses of pesticides and inorganic fertilizers. Implementation of subprojects related to increasing agriculture productivity (rice, corn and vegetables production) for commercialization as well as improving irrigation systems may lead to increase of pesticide, chemical, and fertilizer uses.

Actions for mitigation

The negative impacts from the use of pesticides and chemical fertilizers from REDD+ activities would be minor and localized and could be mitigated during the planning and implementation of the subprojects. During the consultation stage with villages, there are opportunities to enhance positive impact during the planning and selection of the subprojects. Below is a summary of the activities to be carried out during the planning and implementation of REDD+ subprojects on pest management.

a) Prohibition

To avoid adverse impacts due to pesticides, procurement of pesticides will not be promoted and this has been included in the “non-eligibility list”.

b) MAF staff training

The REDD+ team will continue providing basic knowledge on alternative options for agriculture development and /or livelihood activities, including safe use of pesticides and other toxic chemicals. Budget would be allocated for project staff training to understand 1) overall policy on Pest Management (government and Bank policy); 2) basic knowledge on possibly negative impact on environmental and health from the use of pesticide and chemical fertilizer; and 3) basic knowledge on how to prevent these negative impacts including what are the prohibited items in the country for pesticide and chemical fertilizer, how to prevent or mitigate the negative impact from the use etc. (staff training could be

²³⁰ http://laoofficialgazette.gov.la/index.php?r=site/listlegislationcp&agencies_id=3&old=0

done jointly with other topics). This training would be provided for subprojects that involve the use of fertilizer, pesticides, and/or toxic chemicals.

c) Provide knowledge to farmers

Prior consultation would be provided to project KBs. Pest management will be included as one topic for village consultation meeting at the KB. Both for agriculture infrastructure and livelihood support, training on pest management should be provided in the following areas:

- Pest management training: The objective is to provide basic knowledge to the target farmer on prohibited pesticides, the negative impacts of the use of pesticides and chemical fertilizers both on environmental and human health, and how to mitigate their negative impacts if there is a need for using them. It is also to inform farmers that, the GoL is not intended to support the use of any pesticides and chemical fertilizers in any agricultural productivity but promote conservation agriculture instead.

However, the country has experienced severe pest invasions, and could lead to the usage of pesticides and chemical fertilizers in some cases to limit losses and damages to the agriculture products. The procurement of pesticide and chemical fertilizer will not be funded under REDD+ budget except for the special circumstances of the insect invasion occurred and the proper training has been provided to farmers.

- Training on GoL regulations: The country is experienced in the use of pesticides and chemical fertilizers and learnt from its neighboring countries. The REDD+ will train target farmers on Regulation number 2860/MAF on Pesticide Management before any subprojects are implemented, subject to compliance with the Bank's safeguard policy OP 4.09 on Pest Management.
- Technical training: This training would aim at providing the target farmers to understand clearly the technical aspects of pesticides and skills in using them such as what are the eligible and prohibited items of pesticides in Lao, the level of negative impacts of each eligible item, how to use them, how to protect and minimize the negative impacts while using them, how to keep them before and after used etc. Thus, the trainers would be someone from PAFO or DAFO who is knowledgeable on this. REDD+ will finance the training cost and per diem and transportation cost for the trainers.
- Procurement, storage, and usage of pesticide: the REDD+ will not involve procurement of pesticides. That said, any pesticides currently used in the project areas would require proper storage and usage monitoring throughout the course of the REDD+, and this responsibility will lie fully with the DOA. The DOA should strictly follow with articles 18 and 19 of the MAF's regulation number 2860/MAF for procuring the pesticide; articles 20, 21 and 22 for transportation, storage and trans-boundary transportation of pesticides; and articles 23 and 24 for the safety use of pesticide. The DOA or user may refer in addition to the article 25 and 26 for the storage and usage of pesticide.
- Continued monitoring of pesticide use: As part of the regular monitoring of project activity, the World Bank and REDD+ teams will continue to monitor changes in pesticides, insecticides and chemical fertilizers use in all project related activities. Programmes and trainings will be specifically amended to address any such changes.

Promotion of non-chemical agriculture

The REDD+ has been designed also to promote good agricultural practices and conservation of natural resources when possible. It is anticipated that linking the REDD+ agriculture activities with conservation agriculture techniques will be important for improving quality of life among farmers. Subprojects for REDD+ are still being determined, but for instances where subprojects are located in remote areas, the sustainable use of natural resources would be critical for farmers' livelihoods development and poverty reduction. If protected areas or critical natural habitats are located nearby, it is necessary to

also take measures to minimize potential negative impacts and/or enhance positive impacts through community-driven processes. In this context, a “conservation agriculture technique” should be introduced for target communities, if and when applicable. During the planning process, actions will be carried out jointly between the REDD+ and DAFO to plan and train farmers.

Implementation arrangement and budget

(a) Planning and implementation

In close cooperation with PAFO, REDD+ staff at central level will be responsible for providing training to REDD+ staff at province and local level during the consultation and planning stage. Budget for training will be included in the subproject cost or capacity building as appropriate.

(b) Monitoring

REDD+ staff at local level will work with DAFO staff for the monitoring of the use of pesticide in target community including: a) ensure the procured pesticide is not in the non-eligibility list below; b) ensure procured pesticides are properly kept and transported to the target area; c) ensure training delivery to the user before distribution; and d) monitor compliance usage of pesticide according to the MAF’s regulation number 2860/MAF. The World Bank and REDD+ team at central will carry out a joint Implementation Support Mission in every six months period to review the compliance. The World Bank will use its Pest Management Guidebook as a standard to monitor compliance of the use of pesticide procured under the project.

List of banned agrochemicals in Lao PDR, June 2010

Insecticides and acaricides	Fungicides
1. Aldrin	30. Binapacryl
2. BHC	31. Captafol
3. Chlordane	32. Cycloheximide
4. Chlordimeform	33. Mercury and mercury compounds
5. Chlorfenvinphos	34. MEMC
6. Chlorthiophos	35. PMA
7. Cyhexatine	36. Selenium compound
8. DDT	Rodenticides
9. Dieldrin	37. Chlorobenzilate
10. Dimefox	38. Sodium fluoroacetate
11. Dinitrocresol	Herbicides
12. Demeton	39. 2, 4, 5 –T
13. Endrin	40. Dinoseb
14. Endosulfan	41. Dinoterb acetate
15. Ethyl Parathyon	42. Paraquat
16. EPN	43. Sodium chlorate
17. Heptachlor	Fumigants
18. Hexachloro cyclohexane	44. EDB
19. Leptophos	45. Ethylene oxide
20. Lindane	46. Methyl bromide
21. Methamidophos	Others
22. Methomyl	47. Arsenic compound
23. Methyl parathion	48. Calcium arsenate – herbicide, rodenticide, molluscicide, insecticide
24. Monocrotophos	49. DBCP – Nematocicide
25. Polychlorocamphene	50. Daminozide – Plant growth regulators

26. Phorate	51. Fluoroacetamide – Insecticide, rodenticide
27. Schradan	52. Oxamyl – Insecticide, acaricide, termiticide
28. TEPP	53. Phosphamidon – Insecticide, nematocide
29. Toxaphene	54. Sodium Arsenite – Insecticide, fungicide, herbicide, rodenticide
	55. Thallium (i) sulfate – Rodenticide, insecticide.

ANNEX 11: STRATEGIC ENVIRONMENTAL AND SOCIAL ASSESSMENT (SESA) FOR LAO PDR'S EMISSIONS REDUCTION PROGRAMME

Annex 11 - Strategic Environmental and Social Assessment (SESA) can be accessed [here](#).

ANNEX 12: ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF) FOR LAO PDR'S EMISSIONS REDUC- TION PROGRAMME

Annex 12 - Environmental and Social Management Framework (ESMF) can be accessed [here](#).

ANNEX 13: RESETTLEMENT POLICY FRAMEWORK (RPF) FOR LAO PDR'S EMISSION REDUCTIONS PROGRAMME

The following is a *brief* summary of the Resettlement Policy Framework (RPF) prepared for the ER-PD, and applicable for the proposed programme. For more detailed information, refer to the full Resettlement Policy Framework (RPF) [here](#).

Overview

A resettlement policy framework was prepared for the World Bank's Emission Reductions Program, which "[...] provides guidance to decision-makers if the project requires use of land on a temporary or permanent basis, and/or the acquisition of land. Accordingly, the RPF was prepared to establish policies and procedures for preventing (avoiding), minimizing, mitigating and compensating for negative (adverse) impacts related to land acquisition resulting from the project."²³¹

Specifically, the RPF establishes key principles, institutional arrangements, funding mechanisms and conditions, eligibility criteria for compensation, resettlement and livelihood restoration, and ensures the feedback and grievance mechanism as well as monitoring and evaluation processes adequately operationalize the RPF.

It has the following main governing principles:

1. "Physical displacement, economic and physical adverse impacts should be avoided where feasible or, if not possible, minimized by examining all available design alternatives, technology, and/or site selection. Where avoidance is not possible, impacts have to be mitigated
2. If the need for resettlement is unavoidable, resettlement activities should be conceived and executed as an integral part of the project, providing sufficient investment resources to enable the persons displaced by the project to enjoy the project benefits; and
3. All project affected people will be meaningfully consulted, and have the opportunities to participate in planning and implementing resettlement programmes"

It further aims to "[...] minimize involuntary resettlement and provides a framework for assessing concerns of project-affected persons (PAP) and project-affected households (PAH) which may be subject to loss of livelihoods, assets and well-being because of the proposed project."²³²

The following principles of land acquisition and donation for the programme will be followed:

- "Minimize negative or adverse impacts as much as possible
- Carry out land adjustment or compensation to improve or, at least, restore the pre-project income and living standards of PAP and PAH
- Ensure free, prior and informed consultation with PAP and PAH on land donation, land acquisition and compensation arrangements, and ensure the process is well documented; and
- Provide compensation, if applicable, for private assets at replacement rates, prior to commencement of works."²³³

²³¹ RPF 2019, pages 4-5

²³² RPF 2019, page 5

²³³ RPF 2019, page ii

Displaced Persons Eligibility Criteria:

Displaced persons are considered...

- a) “Those who have formal legal rights to land including customary and traditional rights recognized under the laws of the country; will be entitled to compensation for the land they lose, all assets affixed to the land, as well as income restoration measures
- b) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets—provided that such claims are recognized under the laws of the country or become recognised through a process identified in the resettlement plan will be entitled to compensation for the land they lose, all assets affixed to the land, as well as income restoration measures; and
- c) Those who have no recognizable legal right or claim to the land they are occupying, will be entitled to all assets affixed to the land, as well as income restoration measures. In cases where the remaining portion of land is no longer viable they will be entitled to a replacement plot.

Persons covered under a) and b) are provided compensation for the land they lose, and other assistance. Persons covered under c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the sub-project area prior to a cut-off date established by the PAFO/DAFO and acceptable to the WB.

All PAP and PAH comprised of different populations (Refer 1: Entitlement Matrix) will be provided with compensation (if deemed legal owner or occupant during census), and rehabilitation and restoration if: (i) their land is acquired for project purposes (ii) their income source is directly and adversely affected; (iii) their houses are partially or fully demolished; and (iv) other assets (i.e., crops, trees and facilities) or access to these assets will be reduced or damaged due to land acquisition. Those PAPs or PAHs who have encroached upon public land will have the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and will not necessarily have the right to compensation for land that they cannot establish ownership of or a right of access compares applicable GoL legislation with the WB’s Policy Framework (OP/BP 4.12).”²³⁴

Potential resettlement and/or displacement in the programme

As described in the ESIA, it is envisioned that the programme will not result in the involuntary displacement of local people. However, there is a risk of minor economic and livelihood displacement.

“In all cases, every effort will be made to avoid permanent land acquisition and physical resettlement. However, where avoidance is not possible, compensation will be paid to the affected households. For example, for local people who lose their land permanently, compensation will be made in accordance with this RPF. Temporary environmental impact due to dust, noise, etc. which affects the income generation activities of local people affecting shops, local businesses, etc. will be duly compensated.”²³⁵

The RPF further states the following in regards to linking resettlement to the ER-PD: “It is envisaged that the projects will not cause any physical relocation as a result of nature of proposed forestry related activities, but some minor physical relocation may occur due to new developments. Acquisition of land would be identified during project planning when feasibility studies of proposed projects become available, which allow assessment of the scope of land acquisition and its potential impact on local people. It is anticipated that there would be minor physical resettlement while land acquisition (both permanent and temporary) would be negligible.

Natural forest and forest land is considered “the property of the nation community”, which is managed by the state with the participation of the people. Forests and trees planted by individuals and legal

²³⁴ RPF 2019, page 6

²³⁵ RPF 2019, page 4

entities, recognised by the Forest and Forestland Management Organization/MAF, shall become property of the individuals and entities. Under these regulations restrictions on resource use will be negligible.”²³⁶

Resettlement Action Plan

A screening and review process will be used for land acquisition, relocation and resettlement, and a compensation planning process. DoF, PAFO/DAFO will carry out a census survey to identify and enumerate all programme-affected persons and –households. The socio-economic survey will be conducted to determine the range and scope of impacts in the programme area. The RPF states: “Although all project activities have the potential to affect all categories of people in the respective locations (whether categorized by race, religion, ethnicity, gender, age, economic status, land tenure, squatters, illegal users or other), only activities that require relocation are considered to have the potential of causing serious displacement problems. The RPF recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels; and therefore, are at greater risk of impoverishment when their land and other assets are affected. During social screening for identified ARAP/RAP social assessment, the survey and initial consultations (see FPIC process described in the ESIA and ESMF) will identify any specific needs or concerns that should be considered for the different populations [...]”The household survey and census will be used to “develop an inventory of loss so as to assess the potential impact. A binding legal instrument will be used to record all losses of assets, which will be signed by PAP and PAH, their neighbours and representatives of the provincial administration. Compensation paid to each affected entity will be based on the legal instrument and a detailed methodology to calculate compensation which is articulated in the ARAP/RAP.”²³⁷ More detailed information on the objectives and content of the socio-economic studies is provided in the ER-PD full RPF on pages 50-51.

If any resettlement/ land acquisition impacts are identified, it will be necessary to develop a Resettlement Action Plan (RAP) or an Abbreviated Resettlement Action Plan (ARAP),²³⁸ with support from a social safeguard consultant. DoF/MAF will be responsible for preparing a RAP under the support and guidance from the programme’s gender, safeguards and M&E specialist, and other safeguard specialists (as necessary).

Table A13-1. Comparison of ARAP and full RAP outline

ARAP	Full RAP
(i) Census survey of affected people and affected assets	(i) brief description of the project, location and its impacts;
(ii) Description of compensation and other resettlement assistance to be provided	(ii) principles and objectives governing resettlement preparation and implementation;
(iii) Consultations with affected people about alternatives	(iii) legal framework;
(iv) Institutional responsibility for implementation	(iv) baseline information of PAP and PAH;
(v) Feedback and grievance redress mechanism	(v) category of PAP and PAH by degree and type of impact(s);
	(vi) entitlement to compensation, allowances, and rehabilitation or restoration assistance by category of impacts in a compensation matrix;
	(vii) information on relocation site together with socio-economic conditions on the secondary PAP and PAH and host

²³⁶ RPF 2019, page 26

²³⁷ RPF 2019, pages 26-27

²³⁸In cases where the project affects more than 200 people, or the project requires physical resettlement of people, a full RAP will be prepared. In cases where less than 200 people are affected, they are not physically displaced and less than 10% of productive assets are lost then it is possible to develop an Abbreviated RAP. As Annex 1 A and 1 B in the RPF provide resettlement outline formats including annotated ARAP and RAP documents.

ARAP	Full RAP
(vi) Monitoring and evaluation arrangements; and (vii) Timetable and budget.	communities (only in case where physical resettlement take places); (viii) institutional arrangement for planning and implementation; (ix) participatory procedures during planning and implementation; (x) feedback and grievance redress mechanism and procedures; (xi) estimated cost of resettlement and annual budget; (xii) time-bound action plan for implementation; and (xiii) internal and external monitoring procedures, including the ToR for external monitoring and evaluation.

Source: RPF 2019, pages 8-9

The ARAP/RAP development process is summarized in the following Figure:

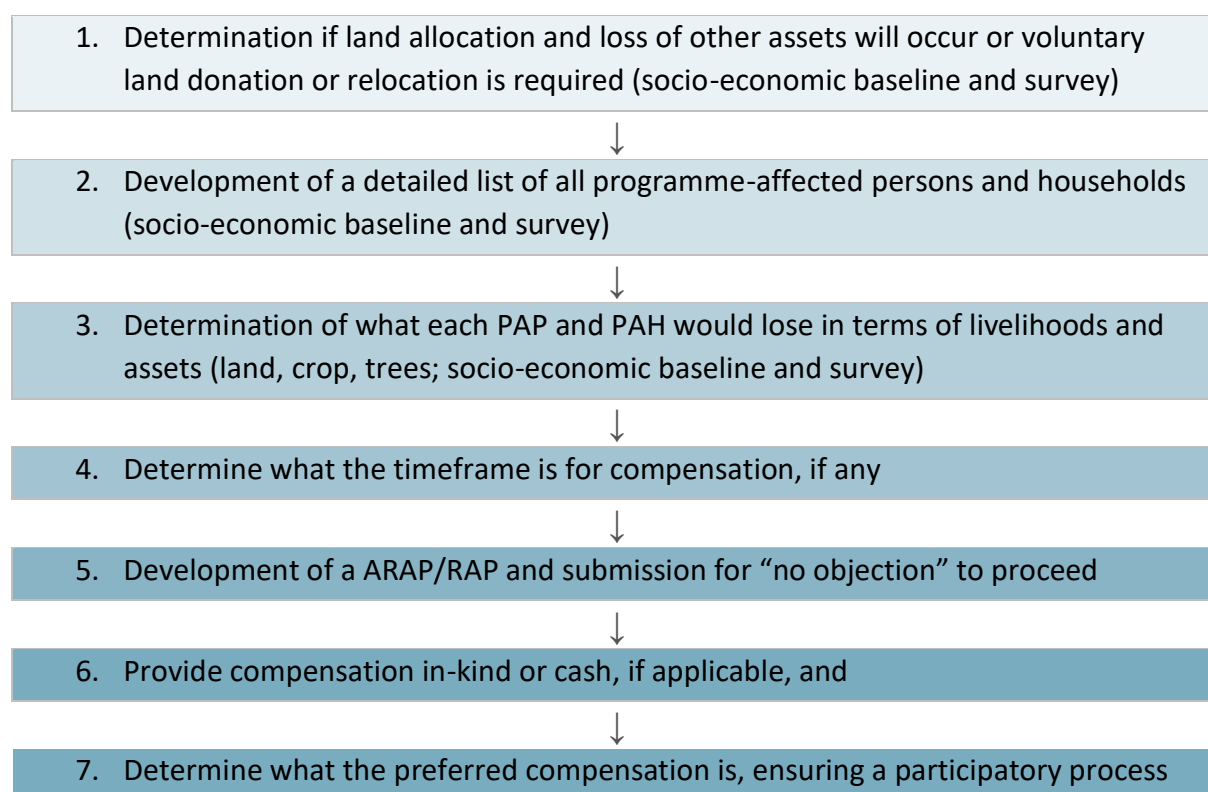


Figure A13-1 Overview of the RAP screening and development process

Source: Adapted from RPF 2019, page 25

The RPF notes that: “RAP preparation must follow the following principles, where programme-affected persons and –households are:

- Informed of compensation policies, including options related to physical relocation, if they are to be resettled as a result of the project
- Consulted and offered with alternative resettlement options that are technically and economically feasible, for their informed choices; and

- Timely (in advance of commencement of works) provided with compensation payment - at full replacement cost, for their affected assets and income generation activities which are attributable to the sub-project.²³⁹

“In addition, programme-affecter persons and households must be made aware of:

- Their options and rights pertaining to land donation, relocation and/or compensation
- Specific technically and economically feasible options and alternatives for relocation or resettlement sites
- Process of and proposed dates for relocation, resettlement and/or compensation;
- Compensation rates, at full replacement costs for loss of assets and services, and
- Proposed measures and costs to restore their pre-project livelihoods and/or improve their standard of living and well-being.”²⁴⁰

If PAP or PAH are not satisfied with the RAP and its implementation, they can file a complaint through the programme’s grievance mechanism, described in greater detail within the ESIA.

Entitlement Matrix

The Table on the following page is the RPF’s Entitlement Matrix, which provides a description of the types of losses, entitled persons, and entitlements included within the RPF, as well as potential implementation challenges. They are organized into five categories of losses:

- a) Loss of land
- b) Loss of structure
- c) Loss of livelihood activities including crops, trees and ponds
- d) Loss of common property resources, and
- e) Temporary impacts due to sub-project construction or maintenance.

²³⁹ RPF 2019, page 8

²⁴⁰ RPF 2019, page 8

Table A13-2: RPF - Entitlement Matrix

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
A. Loss of land			
Residential Land	Legal owner or occupant identified during census and tagging	<ul style="list-style-type: none"> ▪ With remaining land sufficient to rebuild houses/structures: (i) Cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, and free from transaction costs (taxes, administration fees) and (ii) District government to improve remaining residential land at no cost to PAP/PAH (e.g., filling and levelling) so PAP/PAH can move back onto a plot. ▪ Without remaining land sufficient to rebuild houses/structures: (i) Replacement land equal in area, same type and category, without charge for taxes, registration and land transfer, with land title (assuming Land Titles are available in the area); if not, land survey certificate, OR (ii) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, free from transaction costs (taxes, administration fees) plus assistance to purchase and register land. 	<ul style="list-style-type: none"> ▪ Legal owners are those who have land use certificates or land titles ▪ Voluntary donation of minor strips of residential land will only be allowed by the project provided that the following criteria are strictly complied with: (i) the land lost is less than 10 per cent of the PAP's total residential land area; (ii) if the PAP/PAH's total residential land area is more than 10 per cent, and (ii) there are no houses, structures or fixed assets on the affected portion of land. Donating households should be direct project beneficiaries. ▪ Voluntary donation according to these criteria will follow the process in accordance with WB's Operational Policy, which is largely in line with the Government's Decree 84/PM/2016.
B. Loss of structure			
Totally Affected Houses/Shops, and Secondary Structures (kitchen, rice bins) Partially Affected Houses/Shops but no longer viable (Will require relocation)	Owners of affected houses whether or not land is owned (regardless of legal status)	<ul style="list-style-type: none"> ▪ Cash compensation at replacement cost for the entire structure equivalent to current market prices of (i) materials, with no deduction for depreciation of the structure or salvageable materials; (ii) materials transport; and (iii) labor cost to cover cost for dismantling, transfer and rebuild; and ▪ Timely provision of trucks for hauling personal belongings at no cost to the PAP 	<ul style="list-style-type: none"> ▪ Adequate time provided for PAP/PAH to rebuild/repair their structures. ▪ Affected houses and shops that are no longer viable are those whose remaining affected portion are no longer usable/habitable

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
Partially Affected Houses and Shops and secondary structures (Will not require relocation)	Owners of affected houses whether or not land is owned	<ul style="list-style-type: none"> ▪ Cash compensation at replacement cost for the affected portion of structure equivalent to current market prices of (i) materials and labor, with no deduction for depreciation of the structure or for salvageable materials (ii) materials transport, and (iii) cost of repair of the unaffected portion. 	
Electricity Poles	Electricity Companies	<ul style="list-style-type: none"> ▪ Cash compensation for cost to dismantle, transfer and rebuild 	
C. Loss of livelihood activities including crops, trees and ponds			
Productive Land (paddy, garden, and Teak Plantation)	Legal owner or occupant identified during census and tagging	<ul style="list-style-type: none"> ▪ For marginal loss of 10 per cent (or less) of land, cash compensation at replacement cost which is equivalent to the current market value of land within the village, of similar type, category and productive capacity, free from transaction costs (taxes, administration fees), or 	<ul style="list-style-type: none"> ▪ Legal owners are those who have land utilization certificates or land titles
		<ul style="list-style-type: none"> ▪ Replacement land of similar type, category and productive capacity of land within or nearby the village, with land title 	<ul style="list-style-type: none"> ▪ Voluntary donation will not be applied for any assets except for very minor losses of land holding as defined under this RPF.
		<ul style="list-style-type: none"> ▪ If the impacts on the total productive land is 10 per cent or more, as a priority, replacement land of similar type, category and productive capacity of land within or nearby the village, with land title (assuming Land Titles are issued in the area). If not, land use certificate to be issued. Alternatively, at the request of PAP or PAH, cash compensation at replacement cost plus assistance to purchase and register land 	
Fishpond (Remaining area is still viable or can still meet expected personal or commercial yield)	Owner of affected fishpond	<ul style="list-style-type: none"> ▪ Cash compensation of affected portion at replacement cost which is equivalent to the current market value of fishpond, labor and rent of equipment to excavate fishpond, free from transaction costs (taxes, administration fees) 	<ul style="list-style-type: none"> ▪ Adequate time provided for PAP to harvest fish stock.

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
		<ul style="list-style-type: none"> <li data-bbox="745 236 1417 379">▪ If the currently held fish stocks will not be harvested before the project takes possession of the fishpond, then cash compensation for the projected mature value of fish stock held at the time of compensation <li data-bbox="745 395 1417 563">▪ District government to restore/repair remaining fishpond. If support cannot be provided by the contractor, the PAP will be entitled to cash assistance to cover for payment of labor and rent of equipment to restore/repair fishpond 	<ul style="list-style-type: none"> <li data-bbox="1440 236 2036 308">▪ Voluntary donation of fishpond land will not be allowed by the project
Crops and Trees	Owner of crops and trees whether or not land is owned.	<ul style="list-style-type: none"> <li data-bbox="745 582 1417 726">▪ If standing annual crops are ripening and cannot be harvested, cash compensation at replacement cost equivalent to the highest production of crop over the last three years multiplied by the current market value of crops <li data-bbox="745 742 1417 845">▪ For perennial crops and trees, cash compensation at replacement cost equivalent to current market value based on type, age, and productive capacity <li data-bbox="745 861 1417 962">▪ For timber trees, cash compensation at replacement cost equivalent to current market value based on type, age and DoF meter at breast height (DBH) of trees 	
Loss of business income during relocation or during dismantling/repair of affected portion (without relocation)	Owners of shops	<ul style="list-style-type: none"> <li data-bbox="745 981 1417 1082">▪ For businesses (shops) cash compensation equivalent to the average daily revenue for the business over the previous 12 months 	<ul style="list-style-type: none"> <li data-bbox="1440 981 2036 1369">▪ It is estimated that it will take one day to move the shops if made of traditional materials (bamboo)/movable (can be carried without totally dismantling the structure) and approximately four weeks – maximum - to re-establish business in another location. It will take about two days to remove and repair affected portion of shop made of permanent materials (such as good wood and concrete). Because these structures will not be relocated, business can commence as soon as repairs are completed

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
			<ul style="list-style-type: none"> ▪ The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.
Severe impacts on vulnerable PAP (Relocating PAP and those losing 10 percent or more of their productive assets)	Vulnerable PAP/PAH such as the poorest, or households headed by women, the elderly, or disabled, and ethnic group	<ul style="list-style-type: none"> ▪ An additional allowance of 1-month supply of rice per person in the household ▪ Eligible to participate in income restoration programme ▪ The contractors will be required make all reasonable efforts to recruit severely affected and vulnerable PAP as laborers for road construction and road maintenance works 	<ul style="list-style-type: none"> ▪ The poorest will be those below the national poverty line as defined in the poverty partnership agreement with WB
Transition subsistence allowance	Relocating households – relocating on residual land or to other sites. Severely affected PAP losing 10 per cent or more of their productive land	<ul style="list-style-type: none"> ▪ Relocating PAP/PAH without any impact on business or source of incomes will be provided with cash or in-kind assistance equivalent to 16 kg of rice at current market value for 3 months per household member. ▪ Relocating PAP/PAH with main source of income affected (i.e., from businesses) or PAP losing more than 10 per cent of their productive land will be provided with cash or in-kind assistance equivalent to 16 kg of rice at current market value for 6 months per household member 	
D. Loss of common property resources			
Permanent loss of physical cultural resources/public structures/village or collective owner-ships	Villagers or village households	<ul style="list-style-type: none"> ▪ Compensation at replacement cost for present/existing structures based on its present value. 	
Graves located in the affected areas	Owners of graves	<ul style="list-style-type: none"> ▪ Compensation for the removal, excavation, relocation, re-burial and other related costs will be paid in cash to each affected family 	

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
E. Temporary impacts due to sub-project construction or maintenance			
Temporary Use of Land	Legal owner or occupant.	<ul style="list-style-type: none"> For agricultural and residential land to be used by the civil works contractor as by-pass routes or for contractor's working space, (i) rent to be agreed between the affected households and the civil works contractor but should not be less than the unrealized income and revenue that could be generated by the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g., structures, trees, crops); and (iii) restoration of the temporarily used land within 1 month after closure of the by-pass route or removal of equipment and materials from contractor's working space subject to the conditions agreed between the affected households and the civil works contractor 	<ul style="list-style-type: none"> The construction supervision consultant will ensure that the (i) location and alignment of the by-pass route to be proposed by the civil works will have the least adverse social impacts; (ii) that the affected households is adequately informed of his/her rights and entitlements as per the Project resettlement policy; and (iii) agreement reached between the affected households and the civil works contractor are carried out
Transportation allowance	Relocating households to other sites	<ul style="list-style-type: none"> Provision of dump trucks to haul all old and new building materials and personal possessions 	<ul style="list-style-type: none"> PAP/PAH may also opt for cash assistance. The amount (cost of labour and distance from relocation site) to be determined during implementation.
Temporary loss of crop production due to loss of access to water during construction works	Agricultural Producers affected by the works on irrigation sites	<ul style="list-style-type: none"> Compensation sufficient to restore incomes based on market rates for quantity of crops lost during construction works 	<ul style="list-style-type: none"> Timing construction works to correspond with period where production is not taking place Payment should be made before works are initiated, and additional payments should be made if delays are anticipated

Source: ER-PD Resettlement Policy Framework 2019, pages 12-16

