

## REDD + ANNUAL COUNTRY PROGRESS REPORTING (with semi-annual update)

### COUNTRY: Lao PDR PERIOD: July 2016 – June 2017

**Background:** This country reporting framework has been developed following the structure of the FCPF Monitoring and Evaluation Framework, its logical framework and Performance Measurement Framework (PMF), so as to facilitate and systematize the data analysis. The semi-annual country reporting should provide the FCPF's Facility Management Team (FMT) with indications of REDD+ countries' progress towards the achievement of their readiness activities and the implementation of their Emission Reductions programs overtime, in a way that data are easily consolidated and provide indications on the level of achievement of the FCPF output, outcome and impact indicators as defined in the FCPF M&E Framework.

**Report preparation:** Submitted country reports should draw upon the country M&E system for REDD + (component 6 of R-PP) and should be prepared in consultation with members of REDD task force or equivalent body. Inputs from stakeholders including IPs and CSOs should be integrated into national reporting, and divergent views indicative of lack of consensus on specific issues should be recorded in the country report.

**Reporting schedule:** It is expected that the annual progress country reporting will be submitted to the FMT by July 15<sup>th</sup> each year. The reporting should be based on a self-assessment of progress. An update of this country reporting will also be submitted by March 15<sup>th</sup> each year.

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## 1. SUMMARY OF REPORT

This section should provide a short description of FCPF support in country (bullets on FCPF-financed activities only). Information should summarize progress, key achievements with a focus on higher level results and important issues/problems that arose during the reporting period. Highlights of next steps in following period should also be provided (key bullets only).

### SUMMARY:

#### Progress and Key Achievements:

- The FCPF Readiness Grant is supporting work to develop the National REDD+ Program and National REDD Strategy, including preparation of the Strategic Environmental and Social Assessment and safeguard plans (Environmental and Social Management Framework).
- A draft National REDD+ Strategy (in Lao language, to later be translated into English) is nearing completion and a draft SESA report has been prepared. Work has been done on the Benefit-Sharing and Grievance Redress Mechanisms.
- A comprehensive review has been done of relevant policy, legislation and regulations, including the Forestry and Land Laws, both of which are currently under revision.
- In parallel, work is ongoing to prepare a sub-national Emissions Reduction Program Document, for six northern provinces, to submit to the FCPF Carbon Fund. The FCPF Readiness Grant is supporting two of the six provinces to prepare Provincial REDD+ Action Plans (PRAPs): other projects are supporting the remaining four provinces.

#### Important Issues:

- Continued need for capacity-building for REDD+, particularly at the provincial, district, and local

levels. Further support for REDD+ readiness is needed.

- Challenges of responding to national demands for socio-economic development and poverty reduction, as well as regional demands for agricultural commodities and forest products, while also promoting conservation of natural forests and increasing national forest cover to target of 70%.

Next Steps:

- FCPF and World Bank Mission to take place to review progress from 24 to 27 July 2017.
- Program document for second FCPF REDD+ Readiness grant is under preparation.
- Aim is to complete REDD+ Readiness self-assessment and preparation of ER-PD by the end of 2017, so that the ER-PA can be signed in mid-2018.

## 2. MAIN ACHIEVEMENTS AND RESULTS DURING THE PERIOD

*The section below should provide qualitative and quantitative data on the progress towards expected results along the following subsections. Information is to be provided cumulatively. If the information requested is not available or not relevant at the time of the reporting, mention “does not apply – n/a”.*

Amount of non-FCPF investments received under R-PP process (FCPF M&E Framework Indicator I.2.B.i.):	
<b>Source:</b> Climate Protection through Avoided Deforestation (CliPAD) Program – Government of Germany (GiZ and KfW)	<b>Amount provided:</b> n/a
<b>Source:</b> Sustainable Forest Management and REDD+ Program (F-REDD) – Government of Japan (JICA)	<b>Amount provided:</b> n/a
<b>Source:</b> Capacity building (FAO)	<b>Amount provided:</b> n/a (in kind and small grant)
Amount of non-FCPF investments received for implementation of activities relevant to ER Programs (e.g. FIP, bilateral donors, private sector), if relevant (FCPF M&E Framework Indicator I.2.B.i.):	
<b>Source:</b> CliPAD – supporting three Provincial REDD+ Action Plans (PRAPs), other activities	<b>Amount provided:</b> n/a
<b>Source:</b> F-REDD – supporting one PRAP, other activities	<b>Amount provided:</b> n/a
<b>Source:</b> FAO – support for ER-PD preparation	<b>Amount provided:</b> n/a (in kind)

**Describe how stakeholders are participating and engaging in REDD+ decision making processes (FCPF M&E Framework Indicator 1.3.A):**

**Provide examples of how IPs and CSOs are represented in institutional arrangements for REDD at the national level.**

Lao Front for National Construction and Lao Women's Union, two mass organizations responsible for ethnic affairs and women's issues respectively, are members of the National REDD+ Task Force and REDD+ Technical Working Groups.

**Examples of stakeholder engagement platforms in country which meet regularly to discuss and provide inputs to the REDD+ readiness process (FCPF M&E Framework 3.2.a.):**

<p><u>Frequency:</u>  Monthly (or more often)  Quarterly  Quarterly  Quarterly  Periodically  Periodically</p>	<p>Six REDD+ Technical Working Groups (TWGs)  Natural Resource Management Working Group  Agriculture and Rural Developing Working Group  Forestry Sub-Sector Working Group (FSSWG)  Land Issues Working Group and its focal sub-groups  Network of CSOs working on FLEGT issues</p>
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**Examples of resources made available to enable active participation of IPs , CSOs and local communities in national REDD+ readiness.**

Consultation meetings, for both the SESA and the PRAPs, have enabled their participation in national REDD+ readiness.

**Number and type of policy reforms initiated, completed or underway complying to REDD+ standards, if any (*FCPF M&E Framework Indicator I.3.B.*):**

**Number of policy reforms during the reporting period that are:**

**Underway:**

- implementation of Prime Minister's Order No. 15 (13 May 2016)
- revision of Land Law, Forestry Law, and Decree No. 38

**Completed:**

**Please describe these policy reforms:**

- PMO 15 prohibits exports of logs and timber, and tightens controls on sawmills and furniture factories, to decrease illegal logging, which is a major driver of forest degradation.
- Land Law has been under revision for some years, but it is rather sensitive so it is taking time to reach consensus
- Forestry Law is being revised to correspond with revisions in Land Law, to account for Payments for Environmental Services and REDD+, and to address other gaps
- Decree No. 38 is being revised to update provisions of the Forestry and Forest Resources Development Fund, to authorize use for Payments for Environmental Services and REDD+, and to address other gaps

**Design of national REDD+ Strategies addresses indicators for enhancement of livelihoods of local communities and for biodiversity conservation (FCPF M&E Framework Indicator 3.B.):**

**Provide examples of how national REDD Strategies address livelihoods of local communities and biodiversity conservation.**

REDD+ strategies address the issue of agricultural expansion into forest lands – and rural livelihoods -- by seeking to support more intensive agricultural development, alternative livelihood development, agroforestry, management of NTFPs, village forestry, and participatory sustainable forest management for all categories of forest.

REDD+ strategic interventions aim to promote biodiversity conservation by reducing the amount of forest land converted to agriculture and other land uses, and also reducing forest degradation, due to illegal or unsustainable logging and harvesting of non-timber forest products. Moreover, the National REDD+ Strategy will aim to increase the environmental awareness of entire Lao society, especially in hot spot areas, and increase awareness of dangers of uncontrolled forest fires. Major emphasis will be placed on further strengthening the law enforcement of Wildlife and Aquatic Law, as well as Forestry Law.

The National REDD+ Strategy will promote Payments for Environmental Services and REDD+ payments, which will support both rural livelihoods and also increase the value of conserving forests. The NRS will also promote eco-tourism as another intervention that will benefit both rural livelihoods and biodiversity conservation, i.e., Nam Et and Phoy Loi (tiger conservation); areas for gibbons in Bokeo; elephant conservation camp in Oudomxay; and natural landscape features, like waterfalls and Thonglor caves.

Finally, the NRS will promote the national use of Initial Environmental Examination (IEE), Environmental and Social Impact Assessment (ESIA), and other safeguard screening and monitoring, to enhance rural livelihoods and biodiversity conservation.

### 3. PROGRESS AT R-PP sub component level

#### 3.1. REDD Readiness Progress

As a synthesis of the following output level assessments, please briefly describe here the progress made during the reporting period in developing the country Readiness Package (FCPF M&E Framework Indicator 1.A.): up to 300 words, if applicable

##### Progress made during the reporting period in developing the country Readiness Package:

Lao PDR has made strong progress in developing its national REDD+ Readiness Package. A Mid-term Report was submitted in October 2016. A second REDD+ Readiness grant was requested for \$4.575 million: program design is currently underway.

Since July 2016, a technical assistance team has been working with the government and six multi-sectoral REDD+ Technical Working Groups (TWGs) to prepare the National REDD+ Strategy (NRS) in the Lao language and its key elements, as well as to undertake the Strategic Environmental and Social Assessment (SESA) process. A draft SESA report has been prepared: it will be reviewed with a World Bank and FCPC Mission in late July 2017. Then the Environmental and Social Management Framework will be prepared. The M&E plans for the ESMF will provide the starting point for the development of the national Safeguards Information System (SIS), to be further developed in late 2017-2018.






Work on the Reference Emissions Levels, for both the national and sub-national (proposed ER-PD) programs, and on the National Forest Monitoring System has been underway for some time, with considerable support provided for many years by the Government of Japan (JICA) and other donors. FCPF Readiness grant has provided some additional support. Work on the Safeguards Information System will begin later in 2017.

In parallel, work is ongoing to prepare the Emissions Reduction Program Document (ER-PD) for six northern provinces. Provincial REDD+ Offices (PROs) and Provincial REDD+ Task Forces (PRTFs) are being established, and Provincial REDD+ Action Plans (PRAPs) prepared. One PRAP has already been completed, the second is nearing completion, and the other four will be done by late September. of the latter four are being supported by the FCPF Readiness Grant. The provincial and national-level readiness work are mutually supportive.

By the end of 2017, the REDD+ Readiness self-assessment will be completed, a draft ER-PD will be ready for submission to the FCPF for technical review, and the REL should be ready for submission to UNFCCC.

Please indicate which of your country R-PP components and sub-components have received support from FCPF through the Readiness Preparation Grant (>3.4 million USD)

Components	Sub-components	Support from FCPF (Yes/No)
1. Readiness Organization and Consultation	1a. National REDD+ Management Arrangements	Yes
	1b. Consultation, Participation, and Outreach	Yes
2. REDD+ Strategy Preparation	2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance	Yes
	2b. REDD+ Strategy Options	Yes
	2c. Implementation Framework	Yes
	2d. Social and Environmental Impacts	Yes
3. Reference Emissions Level/Reference Levels		Yes
4. Monitoring Systems for Forests and Safeguards	4a. National Forest Monitoring System	Yes
	4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	Yes

Level of overall achievement of planned milestones according to approved FCPF-financed Readiness Fund Grant (>3.4 million USD) (FCPF M&E Framework 1.3.b.):			
Planned Milestones:	Level of Achievement <sup>1</sup> :	Tracking <sup>2</sup> :	
TWGs prepare inputs for strategy	Most inputs ready		<i>Significant progress</i>
Stakeholder consultations held	Stakeholder consultations held on drivers, strategic interventions, environmental and social issues	 <b>X</b>	<i>Progressing well, further development required</i>
Strategy drafted	Partial draft of strategy (in Lao language) – further work to be done on strategic interventions		<i>Further development required</i>
SESA report drafted	Draft of SESA report		<i>Not yet demonstrating progress</i>
Benefit-sharing mechanism proposed	BSM proposed		<i>Non Applicable</i>
Grievance redress mechanism proposed	Existing GRM reviewed and adjustments for REDD+ proposed	<i>Please explain why:</i>	
REL developed for national and sub-national (ER-PA) areas	Data for collected for REL/RL; sources, carbon pools and gasses are preliminary assessed; and construction of REL/RL has just started.		
Further development of National Forest Monitoring System	Initial design and institutional arrangements done; further developments forthcoming, including for Safeguards Information System.		

<sup>1</sup> Countries are expected to provide data on the overall level of achievement of planned milestones as defined in their Readiness Preparation Grant Agreement, and, if applicable, on their Supplementary Grant Agreement for an additional grant of up to \$5 million. For instance, under their Preparation Readiness Grant Agreement (>3.4 million USD), Countries should provide data on (i) the support to the Coordination of the REDD+ Readiness Process and Multi-Stakeholder Consultations; (ii) the contribution to the Design of a National REDD+ Strategy; and (iii) the preparation of a National Reference Scenario for REDD+

<sup>2</sup> The level of achievement of planned milestones according to approved RF grant will be summarized through progress scores related to the synthesis of an overall achievement, qualitatively expressed on a four-color 'traffic light' scale and then explained. In case the assessment is not applicable, a fifth color scale "Non Applicable" can be selected.











This 'traffic light' scale is based on the system contained in the R-Package Assessment Framework

**Degree of achievement of planned milestones per R-PP component and sub-component (FCPF M&E Framework 1.3.c.).**  
**Countries are expected to rate progress toward the implementation of R-PP sub-component only once a year, as part of the reporting submitted by July 15<sup>th</sup> each year**






	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)
		Planned milestones	Achievements	
R-PP Component 1 – Readiness Organization and Consultation	<b>Sub-Component 1a</b> – National REDD+ Management Arrangements <i>Purpose: setting-up national readiness management arrangements to manage and coordinate the REDD-plus readiness activities whilst mainstreaming REDD-plus into broader strategies</i> <i>Country Self-Assessment Criteria: (i) accountability and transparency; (ii) operating mandate and budget; (iii) multi-sector coordination mechanisms and cross-sector collaboration; (iv) technical supervision capacity; (v) funds management capacity; (vi) feedback and grievance redress mechanism</i>	Two national-level REDD+ offices under two ministries merged into one national REDD+ Division	REDD+ Division under Department of Forestry within Ministry of Agriculture and Forestry; TOR revised	<div><div></div><div></div><div>Significant progress</div></div>
		Provincial REDD+ Task Forces (PRTFs) and Provincial REDD+ Offices (PROs) established in 4 more provinces, making a total of 7 provinces	Work ongoing to establish 4 additional PROs and PRTFs	<div><div></div><div>X</div><div>Progressing well, further development required</div></div>
		National REDD+ Task Force moved from Ministry of Natural Resources and Environment (MONRE) to Ministry of Agriculture and Forestry (MAF)	Reconstituted NRTF established on 23 May 2017	<div><div></div><div></div><div>Further development required</div></div>
		Six multi-sector REDD+ Technical Working Groups operational	Six multi-sector REDD+ Technical Working Groups operational	<div><div></div><div></div><div>Not yet demonstrating progress</div></div>
		Existing Feedback and Grievance Redress Mechanisms reviewed, and gaps filled to address REDD+ needs	Existing Feedback and Grievance Redress Mechanisms reviewed, and modifications proposed for REDD+ purposes	<div><div></div><div></div><div>Non Applicable</div></div>
		Please explain why:		

<sup>3</sup> The level of achievement of planned milestones per R-PP component should be self-assessed and reported, as well as summarized through progress scores related to the synthesis of this overall achievement, qualitatively expressed on a four-color 'traffic light' scale and then briefly explained. In case the assessment is not applicable, a fifth color scale 'Non Applicable' can be selected. This 'traffic light' scale is based on the system contained in the R-Package Assessment Framework. The R-Package assessment criteria are included to assist countries identify, plan and track their readiness preparations progress with the core aspects and desired outcomes of readiness preparation activities as contained in R-Package Assessment Framework.













	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)		
		Planned milestones	Achievements			
	<b>Sub-Component 1b</b> – Consultation, Participation, and Outreach <i>Purpose: broad consultation with and participation of key stakeholders for future REDD+ programs, to ensure participation of different social groups, transparency and accountability of decision-making</i> <i>Country Self- Assessment Criteria: (i) participation and engagement of key stakeholders; (ii) consultation processes; (iii) information sharing and accessibility of information; (iv) implementation and public disclosure of consultation outcomes</i>	<p>Broad consultation with stakeholders, including several provinces, districts, and <i>kumbans</i> (village clusters)</p> <p>Consultations with civil society organizations, representatives of private sector, development partners, and senior government forestry staff.</p> <p>Information accessible and publicly disclosed on National REDD+ Program website</p>	<p>SES TWG and SESA technical advisers undertook a training-of-trainers course, then led teams to consult with five provinces, six districts, and eight <i>kumbans</i>; also six northern provinces consulted (and further work on PRAPs is ongoing)</p> <p>Other consultations held in Vientiane and Luang Prabang, with CSOs, private sector, development partners, etc.</p> <p>Website under development</p>			Significant progress
					X	Progressing well, further development required
						Further development required
						Not yet demonstrating progress
						Non Applicable
				Please explain why:		
R-PP Component 2 – REDD+ Strategy Preparation	<b>Subcomponent 2a:</b> Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance <i>Purpose: identification of key drivers of deforestation and/or forest degradation, as well as activities concerning conservation, sustainable management of forests, and enhancement of forest carbon stocks</i> <i>Country Self- Assessment Criteria: (i) assessment and analysis; (ii) prioritization of direct and indirect drivers/barriers to forest enhancement; (iii) links between drivers/barriers and REDD+ activities; (iv) actions plans to address natural resource right, land tenure, governance; (v) implications for forest law and policy</i>	Land use change assessment and analyses undertaken.	Land use change drivers assessed and analysed through: 1) satellite imagery analysis; 2) review of secondary data; and 3) consultation process.			Significant progress
		Drivers and strategic REDD+ interventions prioritized.			X	Progressing well, further development required
		Land Issues REDD+ Technical Working Group examined natural resource rights and land tenure.	This approach included prioritization of drivers and strategic interventions to address drivers.			Further development required
						Not yet demonstrating progress
		Forest law and policy assessed by REDD+ Technical Working Group.	Land Issues TWG assessed natural resource rights and land tenure issues vis-à-vis REDD+. Policy and Legal TWG assessed not only forest law and policy, but also relevant policy, strategies, laws, and regulations from related sectors.			Non Applicable
				Please explain why:		






	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)															
		Planned milestones	Achievements																
	<p><b>Subcomponent 2b:</b> REDD+ Strategy Options</p> <p><i>Purpose: Develop a set of policies and programs for addressing the drivers of deforestation and/or forest degradation</i></p> <p><i>Country Self- Assessment Criteria: (i) selection and prioritization of REDD+ strategy options; (ii) feasibility assessment; (iii) implications for strategy options on existing sectoral policies.</i></p>	Draft strategy ready for stakeholder consultation and verification.	Strategy draft is nearing completion, additional discussion of strategy options, their feasibility, and implications planned very soon. Consultations will be conducted in August 2017.	<table><tr><td></td><td></td><td>Significant progress</td></tr><tr><td></td><td>X</td><td>Progressing well, further development required</td></tr><tr><td></td><td></td><td>Further development</td></tr><tr><td></td><td></td><td>Not yet demonstrating progress</td></tr><tr><td></td><td></td><td>Non Applicable</td></tr></table> <p>Please explain why:</p>			Significant progress		X	Progressing well, further development required			Further development			Not yet demonstrating progress			Non Applicable
		Significant progress																	
	X	Progressing well, further development required																	
		Further development																	
		Not yet demonstrating progress																	
		Non Applicable																	






	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)		
		Planned milestones	Achievements			
	<b>Subcomponent 2c:</b> Implementation Framework <i>Purpose: Set out credible and transparent institutional, economic, legal and governance arrangements necessary to implement REDD+ strategy options</i> <i>Country Self- Assessment Criteria: (i) adoption and implementation of legislation/regulations; (ii) guidelines for implementation; (iii) benefit sharing mechanism; (iv) national REDD+ registry and system monitoring REDD+ activities</i>	<p>Institutional arrangements agreed for at central and provincial level.</p> <p>Support being provided for two Provincial REDD+ Action Plans (PRAPs), in Bokeo and Oudomxay Provinces.</p> <p>Legislative and regulatory framework analyzed and gaps identified.</p> <p>Benefit-sharing mechanism designed</p> <p>National REDD+ registry to be designed in late 2017.</p>	<p>Institutional arrangements agreed for at central and provincial level. Human resource development assessment and planning, and other capacity building needed.</p> <p>Work on PRAPs ongoing.</p> <p>Legislative and regulatory framework analyzed and gaps identified. Many good policies, laws, and regulations already in place. Improvement is needed, however, in implementation and enforcement of that framework. An action plan to address gaps in policies, laws, regulations (guidelines for implementation) is being prepared.</p> <p>Benefit-sharing mechanism framework designed, details for specific programs or projects to be negotiated with beneficiaries and program or project proponents.</p>			Significant progress
					X	Progressing well, further development required
						Further development
						Not yet demonstrating progress
						Non Applicable
				Please explain why:		






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	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)			
		Planned milestones	Achievements				
R-PP Component 3 – Reference Emissions Level/Reference Levels	<b>R-PP Component 3</b> - Reference Emissions Level/Reference Levels <i>Purpose: Development of the general approach to establish a REL/RL</i> <i>Country Self- Assessment Criteria: (i) demonstration of methodology; (ii) use of historical data, and adjusted for national circumstances; (iii) technical feasibility of the methodological approach, and consistency with UNFCCC/IPCC guidance and guidelines</i>	Construction of preliminary REL/RL for the Carbon Fund area in ER-PIN.	Preliminary REL/RL for the Carbon Fund area was constructed and presented in ER-PIN.			<b>X</b>	Significant progress
							Progressing well, further development required
							Further development
							Not yet demonstrating progress
							Non Applicable
						And explain why:	
				Necessary data for construction of REL/RL are collected and significance of sources, carbon pools and gasses are preliminary assessed.			
				Construction of REL/RL including method is just started.			
		1.Second National Forest Inventory for collection of bio-data by major forest type completed. 2. Lao specific allometric equations for major forest types to convert NFI data to carbon stock estimate constructed. 3. Land/forest use maps for the years 2000, 2005, 2010 and 2015 constructed. 4. Initial national circumstances examined. 5. Significance of sources, carbon pools and gasses assessed.	1. 2 <sup>nd</sup> NFI was completed as planned. 2. Lao specific allometric equations were constructed as planned 3. Land/forest maps for the four time points were completed. 4. No significant national circumstances were identified. 5. Significance of sources, carbon pools and gasses were assessed and emissions from logging inside forest were found very significant by stump survey.				
		1. Preliminary historical forest carbon stock change estimated. 2. UNFCCC/IPCC guidance and guidelines understood by technical team responsible for REL/RL construction	1. Preliminary gross emissions and removals were estimated for the three time periods. 2. Training on the guidance and guidelines was conducted.				

	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)		
		Planned milestones	Achievements			
R-PP Component 4: Monitoring Systems for Forests and Safeguards	<b>Subcomponent 4a:</b> National Forest Monitoring System <i>Purpose: Design and develop an operational forest monitoring system and describe the approach to enhance the system over time</i> <i>Country Self- Assessment Criteria: (i) documentation of monitoring approach; (ii) demonstration of early implementation; (iii) institutional arrangements and capacities- Forests</i>	1. Agreement on changes (Activity Data (AD) and/or Emission Factors) to be monitored, first timing, frequency and methods including satellite images to be used.	1. Due to acceptance of Laos into the pipeline of FCPF Carbon Fund and commencement of ERPD drafting, Tentative agreement on monitoring of AD only has been made.			Significant progress
		2. Agreement on design and model construction of NFMS.	2. Design of the core part of NFMS, which is MR(V) for UNFCCC as well as FCPF CF, has been done and the past data (AD) are stored.			Progressing well, further development required
		3. Coordination with GHG inventory of National Communication and Biennial Update Report	3. Discussion with the Department of Disaster Management and Climate Change, which is responsible for GHG-I, has been initiated.		X	Further development required
			N.A.			Not yet demonstrating progress
						Non Applicable
				And explain why:		
	Demonstration of early implementation not applicable.	5-year activity plan of REL/MRV Technical Working Group was agreed and the Forest Inventory and Planning Division of Department of Forestry was identified as the main agency for MRV.	Only design and data storing of past AD of NFMS has been done. Since a single data set is to be used for MRV of both UNFCCC and Carbon Fund, first timing and other elements of MRV are not discussed, yet. Monitoring method of emissions from logging inside forest needs to be developed.			
	Agreement on institutional arrangements and capacity building		Functions of NFMS other than MRV including SIS and linkage with local level forest monitoring to be piloted in CF Provinces are being discussed and NFMS is to be designed as agreed. Capacity building of local agencies needs to be identified and implemented.			

	Sub-component	Progress against annual targets		Tracking <sup>3</sup> (Please select your light rating)		
		Planned milestones	Achievements			
	<b>Subcomponent 4b:</b> Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards <i>Purpose: Specify the non-carbon aspects prioritized for monitoring by the country</i> <i>Country Self- Assessment Criteria: (i) identification of relevant non-carbon aspects, and social and environmental issues; (ii) monitoring, reporting and information sharing; (iii) Institutional arrangements and capacities – Safeguards</i>	Work planned to commence in late 2017.  [The ESMF will include M&E frameworks, which will be the starting point for monitoring of safeguards.]				Significant progress
						Progressing well, further development required
					X	Further development
						Not yet demonstrating progress
						Non Applicable
				And explain why:		






Disbursement rate of FCPF-financed Readiness Fund Grant (>3.4 million USD), in percentage (FCPF M&E Framework 1.3.d.):				
	Rate	Tracking		
RF Grant - disbursement rate vs. planned disbursements  Grant is USD 3.6 million  As of May 2017, <ul style="list-style-type: none"> <li>Commitments totaled USD 2,572,760 (71%)</li> <li>Actual disbursements USD 1,959,218 (54%)</li> </ul>	•	Please select your rating:		
				Up to 10% variance with plans
			<b>X</b>	Between 10-25% variance with plans
				Between 25-40% variance with plans
				More than 40% variance
				Non Applicable

Disbursement rate of Total R-PP Budget in percentage (FCPF M&E Framework 1.3.d.):				
	Rate	Tracking		
		Please select your rating:		
				Up to 10% variance with plans
				Between 10-25% variance with plans
				Between 25-40% variance with plans
				More than 40% variance
				Non Applicable

### 3.2. Engagement of stakeholders within the approach to REDD +

Examples of actions/activities where IPs, CSOs, and local communities participate actively, if relevant (FCPF M&E Framework 3.1.a.):	
Action/activity:	Describe IP, CSO, and local community participation:
Technical working groups	Representatives of Lao Front for National Construction and Law Women's Union, which represent ethnic minorities' and women's issues, down to the community (grassroots) levels.
Consultations on drivers and strategic interventions, issues	Consultations with village representatives at village cluster ( <i>kumban</i> ) meetings taking place in 5 provinces as part of SESA process, and in 6 other provinces as part of ER-PD and Provincial REDD+ Action Plan preparations.  SESA consultations with CSOs.



Number of IP and REDD country CSO representatives (men/women) having been successfully trained by FCPF training programs (FCPF M&E Framework 3.1.b.):				
<u>Please list the training conducted:</u>	<u>Duration (# of days)</u>	<u># of participants # of men / # of women</u>		<i>Targets in terms of number of men and women to be trained by country to be defined</i>
No such training planned for 2016-17, but some is planned for future.				
				
				
				
				Non Applicable

### 3.3. Knowledge sharing

Has your country developed and published REDD+ knowledge products with FCPF support:	
<u>Yes/No:</u>  NO	<u>Please provide the list of published REDD+ knowledge products, if any during reporting period :</u>  Nothing published yet, but materials being prepared for publication on forthcoming website.

How many people have been reached by these knowledge products, if any:	
<u>Overall number by product:</u>	
<u># of Men:</u>	
<u># of Women:</u>	

Have some experts of your country participated in any South-south learning activities? If yes, how many (men and women)?		
<u>Yes/No:</u>	<u>List the South-South learning activities:</u>	<u># of men:(IP/CSO representatives, private sector representatives)</u>
Yes	Voluntary REDD+ meeting at UNFCCC mid-year meeting in Bonn UNFCCC COP in Morocco  SNV Multiple Benefits from REDD+ Program did REDD+ training for Vietnam and Lao PDR, also study tour to Cambodia in 2016	<u># of women: (IP/CSO representatives, private sector representatives)</u>  Gender breakdown of SNV workshops and study tours not available

#### 4. ISSUES, CHALLENGES AND RISKS

This section should present any problems, difficulties or constraints faced by the country in making progress towards the intended REDD+ results (outputs, outcomes and possible impacts), the main causes and their expected effect on the work plan. Actions that have been taken to overcome or manage these constraints/flaws/problems identified should be stated. Each problem/constraint should be stated as a separate point, along with associated proposed changes in work planning for the next six month/year to address it, as relevant.

It is expected that the country monitors any changes in the assumptions that underpin the logic of intervention of FCPF at the national level and other significant risks that may arise. This section should explain through a narrative any changes in the level of risk associated with the different assumptions, or describe new risks that may have emerged and have a significant bearing on the national work-planning with respect to FCPF support for the next year and beyond, along with the associated measures required to address this change.

- The work to address drivers of deforestation and forest degradation is challenging, as it involves not only forces and actors outside of the forest sector, but also those outside of the country. A major driver is **agricultural expansion into forest lands**, which is being driven by regional demand for agricultural commodities, especially from neighboring countries such as Viet Nam and China. Many relatively small-scale investors and traders from these neighboring countries are involved -- in agricultural concessions, smallholder outgrower schemes or simply buying agricultural crops. Policies, laws, and regulations already prohibit such expansion of agriculture onto forest lands, but their implementation is uneven and law enforcement on this issue is weak. A similar problem also exists with tree plantations (of rubber, eucalyptus, acacia, etc.) -- in some cases replacing natural forests. The Government of Lao PDR has, however, been able to address regional demand for timber and logs through a Prime Ministerial Decree No. 15 (of 13 May 2016) that prohibits their export and has resulted in a dramatic decrease in illegal logging. The challenge, thus, will be to win political support for taking similar measures with respect to eliminating agricultural expansion onto forest lands, and/or clearing of natural forests to develop tree plantations.
- Policy makers in Lao PDR still continue to see exploitation of natural resources, especially forests and forest land, as a primary means for socio-economic development and poverty reduction. A challenge, thus, is to **change the thinking**, so that policy makers – and the general public – can come to understand that socio-economic development, poverty reduction, agricultural development, and sustainable management and conservation of forests can all co-exist.
- Building **Lao human resources capacities** to meet international REDD+ requirements is a time-consuming challenge. Only a very small group of Lao experts have the expertise, and English language fluency, to follow the international REDD+ issues. To address this challenge, the Lao National REDD+ Strategy is being developed by national technical working groups, and the strategy is being written in the Lao language. This approach is time-consuming, but necessary to develop good understanding and ownership of the process.
- **Civil society** in Lao PDR is not yet well developed. To respond to this situation, the REDD+ process is making use of the mass organizations, the Law Women's Union and the Lao Front for National Construction, to better engage women and ethnic minorities in the REDD+ consultations and to better incorporate their concerns.

## 5. MAIN LESSONS LEARNED

This section should be used to provide information on important lessons learned since the beginning of the readiness process. It is expected that this section will be fairly substantial, making reference to different lessons learned, analysis documents developed, and/or experiences made in dealing with issues of particular interest to REDD+.

In Lao PDR, the main lessons learned to date in developing the National REDD+ Readiness and preparing the Emissions Reduction Program Document (ER-PD) for a sub-national program with the FCPF Carbon Fund, include the following:

- The **length of time** needed to undertake certain processes, especially participatory data collection and analysis, has taken far longer than originally foreseen.
- **Working in two languages** (Lao and English), to promote national understanding and to meet international requirements, has been a major challenge. It is difficult to find competent translators who understand the technical issues, so the national technical staff end up spending considerable amounts of time undertaking the translations themselves.
- **Capacity gap between existing technical capacities and technical requirements** in the country, i.e., to meet IPCC requirements, results in heavy reliance on international experts. It is evident in attending international meetings that many other REDD+ countries have stronger national expertise in several key REDD+ technical areas than does Lao PDR.
- **Lack of formal mechanism to coordinate actions of REDD+ Technical Working groups.** The responsibilities assigned to the members of TWGs, especially the staff coming from outside of the Department of Forestry, are additional to their daily work (normal job), so it is difficult for them to engage fully.
- The **impact of political or administrative changes in the forest sector** has considerably slowed down the whole REDD+ Readiness process. In 2012, the forest sector was split between two Ministries, the Ministry of Agriculture and Forestry (MAF) and the Ministry of Natural Resources (MONRE), then later in 2016-17, it has been recombined under one Ministry (MAF). Each change has resulted in changes in the national REDD+ office, staff working on REDD+ issues, and the composition and leadership of the National REDD+ Task Force. The initial change greatly delayed the start-up of the FCPF Readiness grant, which was not signed until August 2014, even though the R-PP had been submitted in December 2010.
- Given the existing human resources, it is very **difficult trying to do many things at the same time**, i.e., developing national REDD+ program while also developing sub-national ER-PD and six PRAPs.