

CF18 Feedback	Update
<p>1. CFPs expressed that statistically robust estimates are paramount considering the highly dynamic land use patterns in Lao PDR, in particular shifting cultivation. Going forward, CFPs strongly encouraged Lao PDR to initiate and engage in a process that allows for a thorough technical review to identify opportunities to improve the quality of estimates of degradation emissions and removals from enhancement, and implement respective improvements accordingly, thereby reducing uncertainty.</p>	<p><i>Identify opportunities to improve the quality of estimates of degradation emissions and removals from enhancement</i></p> <ul style="list-style-type: none"> • In January 2019, Government of Lao PDR (GoL) conducted an internal 'Review of Estimation of Forest Degradation and Restoration'. This review examined methods used in the ERPD for sample-based estimation of emissions/removals associated with land use change, and for the stump survey based estimation that was applied for calculating emissions from selective logging. The review concluded that i) the methods used in the ERPD were adequate and sufficient to meet ER program requirements, and, ii) that there could be potential opportunities for further improvement through adaptation of emerging technologies and methods. To achieve such improvements collaboration was established with SilvaCarbon that has significant experience with enhancing accuracy of mapping areas under shifting cultivation and selective logging. • In September 2019, GoL conducted a National Forest Monitoring System - Country Needs Assessment (NFMS-CNA), following a 'REDD Compass' protocol established by the Global Forest Observations Initiative (GFOI). This involved participation in a workshop organized by GFOI and FCPF, with subsequent discussions and national consultations, resulting in a final report in January 2019. The NFMS-CNA identified potential technical options that would lead to improved monitoring of selective logging, pilot testing of near real-time land cover change monitoring, and establishment of permanent sampling plots to improve estimation of C gains and losses. Lao PDR is using the NFMS-CNA to develop a NFMS Roadmap that will provide guidance to future NFMS activities, including data generation for the ER Monitoring Report. <p><i>Implement respective improvements to reduce uncertainty</i></p> <ul style="list-style-type: none"> • As part of NFI3 (Third National Forest Inventory), conducted during the dry season 2018-2019, GoL contracted with Forest Carbon and Winrock International to assess several alternatives for using high and medium resolution optical remote sensing imagery to improve estimates of forest degradation. Results indicated some success in being able to better identify disturbed areas for stratification, but were not able to depict linkages specifically to stump measurements. • For the past several years, SilvaCarbon has been providing technical support to GoL to enhance capacity for use of remote sensing to improve monitoring of forest degradation and restoration. This has included workshops and a short course at the University of Maryland, USA. As of August 2020, GoL has initiated a pilot project with SilvaCarbon to test advanced forest

	<p>mapping approaches in two provinces in Lao PDR including one province in the ER program area. Work will focus on improving the accuracy of mapping areas of shifting cultivation and selective logging, both of which are key to mapping forest degradation. Results are expected by October 2020 at which time a decision will be made regarding whether or not to adopt the new approaches for application in development of the ER program monitoring requirements.</p> <ul style="list-style-type: none"> • GoL does not plan on applying potential new methods to make any technical corrections to the RL documented in the ERPD. Instead, the new mapping approaches would be used to improve future stratification during the ER program reporting periods, and then apply the same Sample Based Estimation approach for estimating Activity Data as was done in the ERPD. This would maintain consistency with the approaches used to estimate the RL and would yield ER estimates with lower uncertainty than was reported in the ERPD. • GoL does not intend to make any changes in the approach for estimating E/Rs associated with Regenerating Vegetation (RV). E/R estimation will be done as it was for the ERPD, using a RV survey, with the concomitant allocations to uncertainty buffers. The RV survey was repeated in Quarter 2 2019 as part of the NFI3, with an increase in sample size (number of clusters) and the addition of deadwood measurements. This survey resulted in updated estimates of Emission Factors with reduced uncertainty. These updated EFs will be used in the ER monitoring reports. • One issue for discussion with the CFP is the fact that Lao PDR does not anticipate having available stump data on selective logging for estimating emissions from selective logging during ER Reporting Period 1. The reason for this has to do with timing of the NFI4 (Fourth National Forest Inventory), which is the system that Lao PDR uses for collecting stump data from selective logging. • GoL completed its NFI3 during the period 2018-2019, prior to the end of the ER monitoring period. This inventory was conducted to support estimation of emissions and removals for the first national-scale REDD+ MRV. Data from NFI3 would not be used to estimate selective logging emissions during Reporting Period 1 since this data were collected prior to the end of Reporting Period 1, thus they would not cover the entire Reporting Period. • For Monitoring Report 1, GoL proposes to calculate and report emissions from degradation and exclude emissions from selective logging. This would allow consistency in comparison with RL degradation emissions that would also exclude emissions from selective logging. • GoL plans to conduct NFI4 after the end of the second ER monitoring period, at which time stump data would be collected and emission factors updated for use in ER reporting. Such
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	<p>stump data would be used to estimate the total of selective logging emissions for Reporting Period 1 + Reporting Period 2, and reported as part of ER Monitoring Report 2.</p> <ul style="list-style-type: none"> • GoL will consider options to conduct an NFI after the end of the first reporting period, and also report selective logging emissions in the Monitoring Report 1. However, this is not yet committed and subject to DOF decision after considering budgetary and human resource availability. • In addition at the policy level, the Prime Minister's Order (PMO) No.15 of 2016 to strengthen enforcement to address illegal logging, forest conversion and export of un-finished wood products is demonstrating significant impact, and is expected to have sustained impact with the ER Program implementation, Voluntary Partnership Agreement (VPA) negotiation with the EU, amongst other measures. • Various technical partners are supporting the development of Lao NFMS. JICA through the F-REDD project has been providing leading support to design, coordinate and implement the Lao NFMS. F-REDD provided support to the carbon accounting for the GFL, and plans to continue for future MMRs. SilvaCarbon and World Bank are offering focused support to specific areas. Other development partners including GIZ and KfW are also planning to collaborate with the GFL program to implement forest monitoring in their target areas.
<p>2. <i>Considering the current status of program preparation and ongoing capacity building efforts, CFPs strongly encouraged Lao PDR to swiftly and rigorously implement the crucial preparation activities, in particular the development of safeguard instruments, a benefit sharing plan and feedback and grievance redress mechanisms, as well as take required actions to have the Prime Minister's Decree issued, prior to ERPA signature, to help demonstrate the Program Entity's ability to transfer Title to emission reductions to the Carbon Fund of the FCPF.</i></p>	<p>a) <u>Development of Safeguards Instruments:</u> Safeguard instruments have been prepared, including an Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF), a Process Framework (PF), and an Ethnic Group Planning Framework (EGPF). The safeguards package was reviewed and cleared by the World Bank, and was disclosed in April 2020 both in-country and at the Bank InfoShop.</p> <p>b) <u>Benefit Sharing Plan:</u> An advanced draft BSP was prepared, and FCPF Carbon Fund Participants confirmed there were no fundamental issues with the BSP that would prevent entering into an ERPA. The advanced draft BSP was publicly disclosed both in-country and at the Bank InfoShop in June 2020, satisfying this FCPF requirement prior to ERPA signature. Submission of a final BSP will become a condition of effectiveness to be met within 12 months of ERPA signature.</p> <p>c) <u>Feedback and Grievance Redress Mechanism:</u> The resolution of potential claims and complaints arising from the Program will take place through existing grievance and redress systems. The process is outlined in detail in the advanced draft BSP.</p> <p>d) <u>ER Title Transfer:</u> The GoL designated the Ministry of Agriculture and Forestry (MAF) as the Program Entity and has authority to sign the ERPA. This is supported by a legal assessment that demonstrates that MAF holds the sovereign rights and title to ERs, and the ability to transfer title to ERs to the Carbon Fund. Documentation demonstrating MAF's authority to negotiate and sign an ERPA was</p>

	submitted to the World Bank in October, 2019.
<p>3. <i>CFPs encourage Lao PDR to consider synergies and complementarity with related programs, including those that may be submitted to the Forest Investment Program, Green Climate Fund and other bilateral and multilateral programs during the implementation of the ER Program.</i></p>	<p>The cost of implementing the GFLL program is estimated at \$136.5 million, and is largely secured through on-going and pipeline operations under preparation. GoL has prepared a detailed outline of complementary activities to be implemented with support from several development partners including the World Bank (including IDA and GEF), GIZ (with financing from the Green Climate Fund and BMZ), KfW, JICA, as well as IFAD and ADB through associated investment projects.</p> <p>A cornerstone of the program is the Implementation Plan for the Governance, Forest Landscapes and Livelihoods (I-GFLL) funded by the Green Climate Fund (GCF). Overseen by GIZ it supports the implementation of the ER program proposed activities, sharing an identical target area and accounting system. Of the 51 districts in the six provinces, 28 districts have been selected for GCF project support, covering 72 per cent of the remaining high-carbon stock area. The GCF-supported project will be implemented from 2020 to 2028 in three intended phases, with \$24 million secured for the first phase.</p> <p>The World Bank's portfolio of projects across all six northern provinces amounts to approximately \$100 million (inclusive of the ER payments of up to \$42 million from this project), including the IDA/Forest Investment Program operation Scaling Up Participatory Sustainable Forest Management (SUFORD-SU), the on-going Second Lao PDR Environment and Social Project (LENS2) operation that finances large protected areas including in the north, and the new IDA/GEF-financed Lao Landscapes and Livelihoods to be delivered in FY21 which will succeed SUFORD-SU and LENS2.</p> <p>Development partners are coordinating effectively to align their resources for underlying investments. Development Partners, including KfW, ADB, IFAD, and JICA are developing operations for additional finance. Parallel private sector investments are also expected to contribute to the implementation and achievements of the program.</p> <p>In addition, the same institutional arrangements will manage many of the related programs. This will include the joint staffing of the national and provincial PMUs for the GFLL and I-GFLL programs, as well as complementary support for MMR and FPF capacity strengthening.</p>
<p>4. <i>Given the significant potential impacts on forests of foreign direct investments and domestic investment projects, CFPs welcome Lao PDR's commitment to attract, prioritize and monitor investments that are consistent with the National REDD+ Strategy.</i></p>	<p>The GoL remains committed to investments that are consistent with its national development plans. The Government has demonstrated this commitment with its recent endorsement of the national Green Growth strategy; and the start of a USD 40 million credit from the World Bank to enable its ambitious shift to a more sustainable growth model. These funds will finance a policy operation that would incorporate green growth principles into development planning, and establish accompanying monitoring mechanisms for investments. These macro changes would have a positive impact on Lao's ability to reduce emissions, as also on the anticipated results from the ER program.</p>