



LAO PEOPLE'S DEMOCRATIC REPUBLIC  
Peace Independence Democracy Unity Prosperity

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MINISTRY OF FINANCE

No. .... /MOF

Vientiane Capital, date: **16 SEP 2015**

Ulrich Zachau  
Country Director  
World Bank Office  
Bangkok, Thailand

CC: Sally Burningham  
Country Manager  
World Bank Office  
Vientiane, Lao PDR

***Subject:***  
***Emissions Reductions Program – Carbon Fund***

Dear Country Director,

Forests are vital elements in the socio-economic development of Lao PDR. The Government, as expressed in its Forest Strategy 2020, aims to restore forest cover to 70 percent. The Government is committed to reducing rural poverty, especially among poor ethnic minority forest-dependent communities.

The Government is developing a national program for Reducing Emissions from Deforestation and Degradation (REDD+), as part of its larger efforts to promote sustainable forest management. The Government is receiving support for REDD+ from many development partners. It receives support from the Forest Carbon Partnership Facility's (FCPF) Readiness Fund. Lao PDR is also a pilot Forest Investment Program country. The Government is exploring the possibility of receiving REDD+ payments-for-performance (incentives for emission reductions) from the FCPF's Carbon Fund. In late April 2015, the Lao National Focal Point, Dr. Inthavy Akkarath, attended a Carbon Fund meeting in Paris. At that meeting, Dr. Inthavy presented Lao PDR's "Early Ideas" on a possible Carbon Fund project. The Carbon Fund encouraged the Government of Lao PDR to develop further its ideas in a concept note.

A team comprised of colleagues from the Ministry of Natural Resources and Environment (MONRE)'s Department of Forest Resource Management (DFRM) and the Ministry of Agriculture and Forestry (MAF's) Department of Forestry (DOF) has prepared a concept note, or Emissions Reduction-Project Identification Note (ER-PIN), for submission to the Carbon Fund by 11 September 2015. This concept note will be

