



Forest Carbon Partnership Facility

Technical Assessment: Lao PDR Final ER-PD

TAP TEAM

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Opening Remarks

- The TAP Assessment - November 19th, 2017 to May 25th, 2018.
- In the first two drafts there were several issues raised on accounting methodology, e.g., whether approach was sufficient to qualify as Approach 3, was legitimate method for reporting on reversals, errors in the calculation of the ex ante estimates.
- On Program Design and Safeguards the TAP posed questions on policy and technological approaches needed to meet the ambitious ER targets, and the social and environmental safeguard challenges associated with doing an ER in one of the country's poorest areas.
- On ER-Transactions it was clear that Lao (like in many countries) – still needed to either demonstrate that it was indeed ready, or had the necessary framework and ongoing process, to put in place the legal means to enable transfer of ER titles.
- The Lao Team demonstrated the patience and ability to address the same and on the basis of the highly interactive processes that ensued, the TAP presents an overall assessment

Overall assessment of final ER-PD

		1 st Assessment	2 nd assessment	3 rd assessment	Indicators not met
II. Level of Ambition	YES	3	3	3	
	NO	0	0	0	
	N.A.	0	0	0	
III. Carbon Accounting	YES	21	28	33	12.1
	NO	13	6	1	
	N.A.	9	9	9	
IV. Safeguards	YES	2	2	6	
	NO	4	4	0	
	N.A.	1	1	1	
V. Sustainable Program Design	YES	3	6	9	28.3
	NO	7	4	1	
	N.A.	4	4	4	
VI. ER Program Transactions	YES	1	3	4	36.1, 36.3, 36.3
	NO	6	4	3	
	N.A.	4	4	4	

II. Level of Ambition

Ind. 2.1 The Accounting Area is of significant scale and aligns with one or more jurisdictions; or a national-government-designated area (e.g., ecoregion) or areas.	YES
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- The accounting area consists of 6 northern provinces, a contiguous landscape which constitutes 35% of Lao's total terrestrial territory
- Its proximity to major economic 'growth centers' across its national boundaries and its predominantly poor inhabitants, makes the accounting area, a compelling challenge for implementing an ER Program
- The emission reduction targets and the enhancement of carbon removals will be approximately 19.36 million tCO₂e, against its 2005-2015 reference level (RL) - 12.67 mtCO₂e from reduced emissions, and 6.69 mtCO₂e from enhanced removals.

III. Carbon Accounting

Ind. 3.3 Emissions from forest degradation are accounted for where such emissions are more than 10% of total forest-related emissions in the Accounting Area, during the Reference Period and during the Term of the ER-PA. These emissions are estimated using the best available data (including proxy activities or data).

YES

- The emissions and removals estimates are reasonable within the context of the Tier and approaches used by Laos and are comparable to countries with a similar policy and development context.
- A number of improvements were undertaken throughout the review process resulting in a number of improvements. For example, additional calculations were undertaken to try and address the issue of tracking land use consistent with Approach 3.
- However on Indicator 12.1 – Laos was not able to adequately clarify the Forest definition. In particular the definition of how DBH was applied was not definitively defined. Because the Forest Definition also includes ‘potential forest’, the use of DBH stratifies between ‘potential’ and ‘actual’ forest. The outcome is possibly only minor, but as this relates to the Forest Definition it was considered to be a major issue.

IV. Safeguards

Ind 24.1 The ER Program demonstrates through its design and implementation how it meets relevant World Bank social and environmental safeguards, and promotes and supports the safeguards included in UNFCCC guidance related to REDD+, by paying particular attention to Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC	YES
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- The ER-PD has demonstrated a clear understanding of World Bank and Cancun Safeguard Policies and how it conforms to, or meets safeguards policies of the two
- As a social safeguard, tenure security on customary lands is a welcome proposal since it will benefit the rural poor and ethnic groups
- Based on earlier TAP comments, more attention has now been given in the ER-PD to poverty reduction within poor ethnic groups that dominate the accounting area - the remaining challenge is to implement and monitor compliance with social and environmental safeguards.

V. Sustainable Program Design and Implementation

Ind 27.1 The ER Program identifies the key drivers of deforestation and degradation, and potentially opportunities for forest enhancement	YES
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In the current ER-PD a number of improvements have been made and noted:

- Analysis of drivers has improved
- While the TAP appreciates the stated ER targets as ambitious - policy and technological options that will transform both the forest and other land use sectors will need to be promoted.
- The description of the roles and functions of other institutions within government; especially the agriculture and lands -related agencies is now much clearer than in the earlier drafts

VI. ER Program Transactions

Ind 36.2 The ER Program Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs [...]. The ability to transfer Title to ERs may be demonstrated through various means [...]

NO

- The TAP has observed that as of now, the ER-PD has yet to demonstrate its ability to transfer titles to ER – but a road map has been provided.
- On the outstanding legal aspects, sufficient details on what is still required has been provided and the non-conformities are mostly minor.
- Lao is developing a national registry database on all REDD+ projects in the country, but has decided that an ER transaction registry will be outsourced to an external entity.

Concluding remarks

- Within a relatively short time, Lao was able to address the many areas of concern that the TAP and CF Participants had pointed out in the first and advance drafts of the ER-PD.
- Of the 5 indicators that are not met, only one indicator (12.1 on forest definitions) is considered a major non-conformity, the other 4 are minor non-conformity.
- Lao will need key policy and technological innovations to meet its ambitious ER targets
- While the legal provisions on carbon rights and transfer of title to ERs will still need to be developed and promulgated, the ER-PD has demonstrated a clear understanding of the key processes and produced, what in the TAPs opinion, are appropriate roadmaps to address them.



And ...finally images of
“ **CARBON CAPTURE** ”
THANK YOU !