

## LEAF POLICY BRIEF: REDD+ Policy Support - Lao PDR

### Overview

Lao PDR is comparatively advanced in the REDD+ readiness process. The country has gained access to major funding sources and is one of eight countries included in the Forest Investment Program of the World Bank's Strategic Climate Fund. Over \$90 million in REDD+ funding has been secured, some of which has already been dispersed. A national REDD+ strategy is being developed by the country's REDD+ Taskforce with a focus on, *inter alia*, i) developing a regulatory framework for carbon-sensitive mining and hydropower development; (ii) incorporating value of carbon stocks in assessment of land values; (iii) supporting forest protection by smallholders (iv) sustainable forest management in production forests; and (v) law enforcement with respect to logging operations. The Government of Lao PDR (GoL) has also expressed an interest in developing a nested approach within its national REDD+ framework.

#### Progress Towards National REDD Implementation



- Developing National REDD+ Strategy

Institutional restructuring, including revision of the Land and Forestry Laws, has the potential to

#### Drivers of Deforestation and Degradation

Direct:

- Shifting Cultivation
- Fire
- Logging
- Commercial agriculture ↑
- Mining ↑
- Hydropower ↑

Underlying:

- Weak governance
- Ambiguous land use laws
- Unclear land use designations

bring sweeping changes in forest governance. Revision of the Forestry Law under the newly created Ministry of Natural Resources and Environment (MNRE) could lead to greater decentralization and the strengthening of land tenure at the local and community levels. The GoL is also making provisions for REDD+ in the revised Forestry Law by addressing issues such as

carbon rights and REDD+ roles and responsibilities. In relation to these changes, institutional capacity in Lao PDR requires strengthening as only a limited number of personnel in the Department of Forestry (DoF) have comprehensive knowledge of REDD+ issues and knowledge in other departments including MNRE remains low.

#### National REDD+ Institutions

**Ministry of Natural Resources and Environment (MNRE)** – Created in June, 2011, the MNRE has 18 departments carrying broad responsibilities over environmental issues including forest protection, land management, mining, and water resources. As of June 2012 the mandate of MNRE over REDD+ is still being clarified relative to the responsibilities of the Ministry of Agriculture and Forestry.

**National Land Management Authority (NLMA)** – A department of MNRE, NLMA is responsible for land zoning and planning, allocating land rights, developing land use laws and granting agriculture concessions.

**Ministry of Agriculture and Forestry (MAF)** – Previously responsible for overall management of the forest estate, including all forest use types. Since creation of MNRE, MAF's mandate is still being clarified, although it is expected that to remain responsible for production forests.

**Department of Forestry (DOF)** – Under MAF; previously responsible for implementing forest management. Following restructuring, DoFs role is likely focus on production forests.

**REDD+ Taskforce** – Established in 2008 and reinstated in 2011, the Taskforce is chaired by the Director General of DoF and includes representatives from government ministries, civil society organizations, projects and the private sector. The Taskforce will be supported by a REDD+ Office due to open in 2012.

## LEAF Policy Assistance

LEAF adopts a regional approach in strengthening capacities across the six target countries - Cambodia, Lao PDR, Malaysia, Papua New Guinea, Thailand and Viet Nam - to produce sustainable reductions in greenhouse gas (GHG) emissions from the forestry and land use sector.

Through its extensive policy and legal expertise LEAF is assisting the GoL and other stakeholders in the Forestry Law reform process. This will form the core focus of LEAF work in 2012-13 and will include the following components:

1. Determining where existing Forestry Law articles need revision and where new articles could be created. REDD+ and climate change constitute the primary focal areas;
2. Providing advice on the extent to which reforms can be incorporated into primary legislation and which aspects will need to be addressed in subsequent implementing regulations and guidelines;
3. Identifying issues that don't relate to the legal reform process but require other actions (e.g. clarifying institutional mandates, conducting consultations).

Subsequent to revision of the Forestry Law, LEAF support will be provided in developing implementing regulations and guidelines.

### Implementation:

LEAF support will be provided primarily through the following activities:

- Conducting a comparative analysis of forest law provisions relevant to REDD+ based on various national and sub-national jurisdictions around the world;
- Suggesting issues for inclusion in the Forestry Law consultation process;
- Supporting consultation workshops in the northern and southern provinces of Lao PDR;
- Drafting articles for inclusion in the revised Forestry Law.

### Additional Support:

During the coming years, LEAF will also provide support in the following areas:

- Assisting GoL to develop policies, guidelines and regulations to accommodate REDD+ pilot projects under a "nested approach", in which project or province level activities are integrated within national and sub-national GHG accounting;
- Assessing carbon financing potential for LEAF pilot sites and, if applicable, support financial structuring and contract drafting and negotiation;
- Assess and support development of results-based payments for ecosystem services;
- Support development of a nested Benefit Distribution System (BDS) and REDD+ carbon registry, and provide institutional support on trading and market based mechanisms;
- Support development of national safeguards for REDD+/forestry sector activities providing inputs to and deriving lessons from LEAF pilot sites;
- Connecting national stakeholders with regional platforms including the ASEAN Regional Knowledge Network on Forestry and Climate Change (ARKN-FCC).

#### LEAF Forestry Law reform focus areas:

- Defining institutional roles and responsibilities with respect to REDD+ (e.g. in relation to MRV, carbon registry functions, benefit distribution, and safeguards);
- Defining where REDD+ can be implemented, by whom and through what kinds of activities;
- Defining what guidelines, standards and safeguards are appropriate in relation to REDD+;
- Defining carbon rights and beneficiaries;
- Assessing how REDD+ activities may impact rights ordinarily associated with land and forest tenure, such as rights to use or extract forest resources.

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