



# Climate Protection through Avoided Deforestation Project (CliPAD)

TC Module

Project Document



June 2010

Project Title:

Climate Protection through Avoided Deforestation Project (CliPAD)  
Technical Cooperation Module (TC Module)

Project Details:

Climate Protection through Avoided Deforestation Project (CliPAD) TC Module

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Executing Authority: Ministry of Agriculture and Forestry (MAF)  
Implementing Agency: Department of Forestry (DoF)  
PAFO Sayaboury Province  
PAFO Houaphan Province

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Project End: December 2012

Principal Advisor: Georg Buchholz

***To be distributed to:***

*MAF*

*REDD Task Force Member*

*WREA*

*PAFO Houaphan*

*PAFO Luang Prabang*

*PAFO Sayabouri*

*Land Management Authorities*

*Other interested parties/donors*

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## I. Introduction

Forest loss and degradation have in recent decades led to a dramatic decline in the natural forests of Laos, combined with high levels of greenhouse gas emissions. Particularly at risk are the remaining forests in protected areas. The consequences are loss of species diversity, limited availability of forest products and a decline in the environmental services provided by the forests (water/soil protection, biodiversity conservation, carbon sequestration). The poorest groups in Lao society are most seriously affected – in particular women and ethnic minorities whose way of life depends upon forests.

There is growing awareness among the stakeholders at national and local level of the importance of the forestry sector in climate change mitigation and of the necessity for swift action. However, they are not yet in a position to utilise the existing and emerging international approaches to forest conservation, biodiversity conservation and climate change mitigation because of the absence of the necessary political and institutional conditions and the lack of appropriate strategies and capacities for planning and implementing relevant strategies and methods (core problem). The objective of the technical cooperation module is thereby: The players involved in forest conservation (rural population, forest agencies, private sector) derive sustainable benefit from improved conditions for sustainable forest management and REDD measures.

The German technical cooperation contribution provides national policy advisory services, capacity development and institutional support in the area of forests and climate change mitigation. It advises on the development of strategies for reducing GHG emissions from forest destruction and degradation (REDD). These are implemented on a model basis in selected provinces and districts in northern Laos and the results are fed into the national, regional and international debate on forest conservation and climate change mitigation. The relevant support components are: provision of advice by local and international long-term and short-term specialists, training of partner staff, supply of materials and equipment, local subsidies and financing contributions for the implementation of model REDD measures. The focus is on forests in and near national protected areas under acute or potential threat through destruction or conversion into other forms of land use combined with high GHG reduction potential and particular significance for species protection and water management in the region.

Overall, therefore, the project contributes to implementation of the national strategies on forest conservation, climate change mitigation and poverty reduction. It supports the objectives of the Lao Forestry Strategy 2020, the Lao Climate Change Strategy and the REDD R-plan (relevance). It combines with the contributions of other donors (in particular World

Bank, Japan) in connection with implementation of the R-plan and with planned contributions of the other German implementing organisations KfW, DED, CIM and InWEnt (significance). The term of the offered project is 9 years (from 10/2009 to 09/2018). The total costs are estimated at EUR 8,500,000. The current three-year phase is planned to run from 11/2009 to 10/2012 at a cost of EUR 2,000,000. Additional EUR 2,000,000 were allocated in the government negotiations on 27 May 2010 and have to be included in the project design.

### 1.1. Purpose of this document

This Project Document is a summary of the overall project design and gives an overview of planned project activities. It serves as a communication tool for interested parties to understand the scope of the project. Furthermore, it serves as a guiding document for project implementation. It should be noted however, that the Project Document is a living document and may be reviewed and revised in the course of the project implementation so that the project responds to the actual and changing situation and **is not a legally binding document for both parties**. The legally binding document for project implementation is the implementation agreement to be negotiated between Department of Forestry and GTZ in the near future.

## II. Project Overview

The project aims at identifying opportunities to protect biodiversity and reduce green house gas emissions through avoided deforestation and degradation in the National Protected Area (NPA) system of Laos, and at showing pathways for implementation of sustainable financing through forest carbon management measures. Alongside the provision of advice at national level, the project focuses on selected provinces and protected areas in cooperation with the financial cooperation module and partners. The REDD demonstration activities are linked with biodiversity conservation, improvement of income opportunities for the local population and strengthening of decentral structures for the planning and implementation of sustainable land use and economic development within the framework of national park management. In view of the cooperative relationships built up by current technical cooperation projects, the North of Laos form the starting point for project activities. Specifically two National Protected Areas (NPA) were identified to start programme activities: Nam Phui in Sayabouri Province and Nam Et Pou Loy in Houaphan and Luang Prabang Provinces.

### **Nam Phui National Protected Area**

Nam Phui NPA is located in Sayaboury Province with its western boundaries stretching along the border with Thailand for about 70 km. The NPA has been established in 1993 by PM decree 164. It officially covers an area of 191,200 ha of rugged mountain terrain extending from 400 up to 1,800 m a.s.l. and spreading across three administrative districts: Phiang, Thongmixai and Paklai. The NPA features a mosaic of mature forest and shrub land in different stages of rehabilitation and degradation. The present mosaic is probably a result of past shifting cultivation (fallows are older than 3 years, no new upland fields could be observed), past and recent logging of valuable timber in accessible parts, and the widespread occurrence of man-made fire for several reasons, mostly to facilitate hunting.

About 50% of the area can be classified as forest according to Department of Forestry forest definition (> 20% tree cover). The other half features vegetation types with strong presence of bamboo and scattered emergent trees and palms. *Imperata* grassland occurs on hilltops and steep ridges. The major forest type is mixed deciduous forest with *Dipterocarpus alatus* ('mai nyang') and *Anisoptera robusta* as dominant species in the upper canopy. *Azelia* species are locally dominant along the eastern limestone ridges. Native Teak is present at lower elevations. Seasonal evergreen forests occur along rivers, along the border hills and in parts of the north central region (south of B. Navaene).

Nam Phui is the only NPA that protects a Annonaceae-Meliaceae-Sapindaceae type of semi-evergreen forest, which includes endangered species like *Chukrasia tabularis* and *Pometia tomentosa*. Other biodiversity values reported in the past include an elephant population, lar gibbon (*Hylobates lar*), and reportedly populations of gaur, tiger, dhole, serow and Asiatic black bear, silvered langur (*Presbytis cristata*) and recent possible evidence of Sumatran rhino. There exact current status of these species is unknown.

According to the joint KfW-GTZ feasibility study, the main current drivers and actors of deforestation and degradation are 1) Illegal logging along the road from Thongmixai to Navaene 2) Forest conversion for upland rice and maize cultivation around the villages of Navaene and Pak Song for subsistence purposes, due to a mismatch of available agricultural land and resident population (solicited in migration, further growing population) 3) Timber extraction for house construction by local villages without sufficient other forest resources 4) Deliberate use of fire for hunting and NTFP collection and natural occurrence of fire in bamboo dominated forest types.

### **Nam Et-Phou Louey (NEPL) National Protected Area**

The Nam Et-Phou Louey (NEPL) National Protected Area (NPA) landscape covers 5,950 km<sup>2</sup> of mountainous terrain in northern Laos between latitude 19°50' - 20°50' N and longitude 103°00' - 103°53' E. The northern boundary of the NPA borders Vietnam and the protected area spans three provinces and seven districts including Luang Prabang province (Viengkham and Phonxay districts), Houaphan province (Viengthong, Huamuang, Xamneua, and Xiengkhor districts), and Phoukoud district in Xieng Khuang province.

The NEPL NPA ranks high in the national protected area system for contributing the highest biological diversity of any protected area in the Northern Highlands region of the country. The original vegetation of the NEPL landscape was primarily dry evergreen forest mixed with large areas of deciduous forest, supporting a wide diversity of fauna of global significance. NEPL harbors one of the most important tiger populations remaining in Indochina and also lies within the second most important core area in the world for supporting small carnivore taxa of conservation concern. A total of 17 Globally Threatened bird species and 20 mammal species have been recorded, making the site of critical importance of biodiversity conservation. Phou Louey mountain is identified as especially important as it contains a distinctive montane bird community with ten species that are known from only one or two other localities in Laos.

The principle drivers of deforestation in the NEPL landscape in the past have been mosaic deforestation from shifting cultivation, fire and livestock grazing. This has resulted in many areas being replaced by large areas of Imperata grass, bamboo and other secondary vegetation. Today and in the future, the type of drivers are expanding to also include road expansion and frontier deforestation, cash crops (corn, tea), primary forest logging and production forestry.

NEPL NPA was originally established in 1993 with an area of 4,229km<sup>2</sup>. Active management of the NPA was initiated in 2000 with ongoing international technical and financial support, first from IUCN (International Union for the Conservation of Nature) until 2002 followed by WCS (Wildlife Conservation Society) from 2003 to the present. NEPL NPA is now recognized as a model for protected area management in Lao PDR.



## 2.1. Current state of affairs in the forestry sector

Forest loss and degradation have in recent decades led to a dramatic decline in the natural forests of Laos and to high levels of greenhouse gas emissions. The degradation of existing forests is proceeding at an equally alarming rate, which is also contributing to high CO<sub>2</sub> emissions. According to the Department of Forestry, the area covered by forests is now largely fragmented and tree coverage and wood stocks are low, so that in many areas the forest has lost its production potential. The best-conserved forests with the largest carbon stocks are in the 21 National Protected Areas (NPAs), which today cover a total of around 3.4 million hectares. They are largely unprotected and are hence subject to ongoing exploitation and degradation.

The main causes of the extensive deforestation and forest degradation are slash-and-burn, large-scale conversion of forests into plantations for rubber or agricultural products, overuse, illegal logging and infrastructure development, especially for the development of hydropower. Other reasons are rural poverty, an unclear legal position – especially with regard to land ownership and use – and weak state institutions. While highly profitable investment in plantations and high yields from logging encourage further forest destruction, there are very few incentives for forest conservation and sustainable forest management. In the national forestry strategy of 2005 the government set a target of increasing forest cover to 70% by 2020, and with the revised Forestry Law of 2007 it provided a basis for improved forest management, but despite this the country lacks detailed legal provisions and clear implementation terms. A forest inspection agency was set up in 2008 to tackle illegal logging and poaching. However, structures are still weak and lacking in independence, and there is insufficient capacity for monitoring and effective law enforcement at local level. Although the authorities have stepped up their efforts to reduce slash-and-burn, tackle poverty and introduce forest conservation and sustainable forest management with the involvement of the population, the deforestation rate remains alarmingly high. The forest destruction impacts most severely on the rural population in the mountain regions who suffer from extreme poverty – especially women and ethnic groups who depend on the forest for their livelihood.

In view of the forestry sector's large share in global GHG emissions, the 13th UN climate conference in Bali in December 2007 called on member states to test the concept of reducing emissions from deforestation and forest degradation (REDD) with innovative policy approaches and demonstration activities, and to feed the results into the international policy dialogue on forest conservation and climate change mitigation. It is intended that the REDD approach should elaborate conditions and introduce performance-related financial incentives for forest conservation and sustainable forest management in the developing

countries, while at the same time protecting biodiversity and improving the living conditions of the poor population. Laos has declared that it is prepared to join this scheme and in 2008, with the support of the World Bank's Forest Carbon Partnership Facility and various donors (Japan, Germany, Finland) it commenced a process for developing a plan for implementing REDD (R-PP). Additionally, Laos is newly member of the REDD+ partnership, an initiative spearheaded by Norway to bring the REDD+ discussions forward. However, there has to date been inadequate understanding of the REDD instrument, and there is a lack of specific policies, legal provisions and institutions for implementing it.

### **III. Methodology and Approach**

#### **3.1. Project Goal and Objectives**

The overall goal of the project focusses on the development of suitable framework conditions and pilot models for effective forest conservation in and around NPAs on the basis of the international discussion on REDD. This directly depends on the emergence of good REDD framework conditions and joint development measures from a number of stakeholders. The Department of Forestry, but also the Climate Change Office within WREA, the Land Management Authority along with local government stakeholders will be decisive actors in shaping future REDD+ policies and strategies. On local level, REDD+ implementation rests on the commitment and ownership of Provincial and District government and ultimately on the inclusion of local communities in the overall REDD+ concept.

**Overall Module objective:** The actors involved in forest conservation (rural population, forest agencies, private sector) derive sustainable benefit from improved conditions for sustainable forest management and REDD measures.

Indicators:

1. Selected provinces and districts implement carbon-sensitive and socioeconomic development and land-use plans (sources: monitoring of implementation of development and land-use plans, environmental impact assessments).
2. In participating districts (approx. x) and villages (approx. xx), compensation payments for the reduction of deforestation and degradation emissions are a component of forest management in and around national protected areas (sources: REDD statistics and reports, frame of reference for CO<sub>2</sub> emissions from the forest, carbon monitoring system, forest conservation agreements).

3. In representative surveys in areas with REDD demonstration activities the majority of inhabitants, especially women, report better protection and use of natural resources, improvement in their income and other benefits from incentive mechanisms for REDD and nature protection (sources: survey reports, local statistics).
4. Greenhouse gas emissions from deforestation and forest degradation in project regions have fallen by comparison with the reference level (sources: province reference emissions level, forest carbon inventories, baseline level at start of programme).
5. Use of the improved conditions for sustainable forest management and REDD measures contributes to the conservation and sustainable management of the natural resources of forest and biodiversity in Laos and hence to improvement of the economic and social living conditions of the rural population.

The indicators will be benchmarked during the first year of implementation in close coordination with the financial cooperation module.

**TC Module objective:** The actors involved in forest conservation develop suitable framework conditions and pilot models for effective forest conservation in and around NPAs on the basis of the international discussion on REDD.

Indicators:

1. In the course of operationalisation of the R-Plan national rules are drawn up that meet the requirements of the UNFCCC (United Nations Framework Convention on Climate Change) and those of the voluntary carbon market such as have been established by then (sources: R-Plan, draft legislation, drafts of national REDD regulations).
2. Provinces and districts adapt their land-use and development plans to take account of REDD-related criteria of forest conservation (sources: development and land-use plans).
3. Five villages have concluded forest conservation agreements with REDD incentive components (sources: forest conservation agreements).
4. Management plans for one protected area (NBCA) take account of REDD as an instrument of forest and biodiversity conservation (sources: documentation of NBCA planning process).

5. Knowledge and learning experiences from REDD demonstration activities with a special focus on ecological safeguards (species protection) in Laos are fed into international and regional discussions on forests and climate change mitigation (sources: conference reports, publications).

Based on these indicators project objectives were formulated as follows:

#### **TC Module Objectives:**

- **Objective 1: National REDD Framework prepared.** Within this objective the national REDD policy dialogue is initiated and the development of a REDD regulatory framework are supported through technical assistance, comparative studies, study tours, support to REDD consultation processes and capacity development on national level.
- **Objective 2: REDD relevant planning processes are in place.** Within this objective the overall landuse planning processes as an important local framework for subnational REDD implementation are addressed. Village land use planning is conducted in Nam Phui via the PLUP procedure. Local governments in the target areas are supported in a holistic land use planning process incorporating ecological services/values such as forest carbon and the potential for payment for these.
- **Objective 3: Local REDD Strategies have been tested.** In cooperation with local government, local communities and potentially the private sector, identification of local REDD strategies through conservation agreements/contracts (e.g. drafting of village regulations, development of joint monitoring, identification of REDD incentive schemes) will be conducted and rehabilitation of pilot areas executed, as well as arrangements for user rights for local communities addressed.
- **Objective 4: Sustainable Financing Models for National Protected Area have been developed.** In close cooperation with the Laotian government, a management concept, including a business plan geared towards the emerging forest carbon market should be developed and potential investment either from public funds or private funds identified as well as a management plan for one NPA developed or updated.
- **Objective 5: Lessons learned for the International Processes for the UNFCCC have been disseminated.** The lessons learned from field implementation are documented and shared with the national and international policy dialogue. Impact-oriented Monitoring

and Evaluation is conducted to demonstrate project results and discussed in national (e.g REDD Taskforce or Subworking Group on Forestry) and international fora (e.g ASEAN-ARKN-REDD, REDD+ Partnership, UNFCCC) and Laos is actively supported in its negotiation position for REDD+.

**Main Project Partners:** Department of Forestry of the Ministry of Agriculture and Forestry (MAF) , REDD Task Force (including WREA, National Land Management Authorities, MPI and Ministry of Finance), National Protected Area Authority, Provincial Forestry Service Sayabouri , Provincial Forestry Service Houaphan. During implementation further stakeholders will join in (communities, private sector and NGOs).

**Budget allocated:** 4,0 mio Euro financed by the German Ministry of Economic Cooperation and Development (BMZ).

**Opportunities with other programmes/projects:** GTZ CliPAD has to been seen within the overall framework of the German-Laotian CliPAD programme and thereby works together with CIM, KfW and DED. Further cooperation with other donor projects such PAREDD, SUFORD and FSIP are envisaged and will be implemented when the need arises. Cooperation with WCS is agreed upon and the cooperation with other NGOs is planned especially in upcoming field implementation.

### 3.2. Project Approach

The German technical cooperation contribution comprises policy advice, capacity development and institutional support at national and decentral level with regard to the development and implementation of the REDD concept within the scope of the Framework Convention on Climate Change (UNFCCC) and with the aim to reduce greenhouse gas emissions from forest destruction. The focus is on intact forest areas in and around national protected areas (NPAs) with high GHG reduction potential and particular significance for species protection and water management in the region. The promotion of participation and dialogue processes to involve all important actors in policy development, planning and implementation is an important component of the methodological approach, as is the gender-specific aspect. An important instrument in the national implementation of REDD is the consultative mechanism under the R-PP. This involves a multi-stakeholder participative process at national and decentralized level which will provide the basis for a functioning REDD system in Laos through transparency and participation in the formulation and

implementation of relevant policies. CliPAD, in cooperation with the financial cooperation module, will develop innovative instruments and mechanisms for reducing GHG emissions from forests (REDD) and for biodiversity protection. The system will be tested in selected demonstration activities, the results of which are to be fed into the national, regional and international debate on forests and climate change mitigation. The German technical cooperation contribution forms part of the R-PP process and will feed experience gained from implementation at local level into this national policy process.

The support components are provision of advice by local and international long-term and short-term experts, training of partner staff, supply of materials and equipment to support local services, and local subsidies for the implementation of model measures of sustainable land use and participative nature conservation with the aim of reducing GHG emissions.

### 3.3. Local REDD+ Strategies

Key of any successful REDD+ strategy are interventions on local level based on the identified local deforestation drivers. CliPADs intervention strategy is to identify the local deforestation drivers and involve local actors in the form of conservation agreements/conservation contracts. In most cases the basis for this are village land use planning processes following the newly endorsed participatory land use planning process (PLUP). In partnership with the GTZ project LMRP, the village land use planning process is supported in and around the Nam Phui NPA. It is of special interest for CliPAD to have this process started or finalized so a subsequent negotiation process with villagers on their involvement in conservation of forest resources and their incentives for doing so can be carried out.

Experiences from other countries in the region (e.g Vietnam and China) shows that contractual arrangements for nature conservation are a feasible way to achieve conservation objective and thereby could form the basis for a REDD programme. The programme will test the preparation process for these agreements, its implementation on pilot level including to be identified incentives and possible monitoring and evaluation schemes. It is foreseen that the lessons learned from these pilot measures will be scaled up by KfW financial cooperation. The GTZ approach for REDD+ local strategies within the framework of protected area management is to support the institutional development of collaborative protected area management with local communities actively involved in the NPA management. The REDD+ strategies involving local people should thereby be seen as a further step towards involvement of local communities in protected areas as a viable conservation strategy in Laos.

### 3.4. Selection of pilot villages

While the pilot areas Nam Phui and Nam Et Pou Loy have been decided upon as the initial scope of the programme no decisions have been made on the location of the 5 pilot villages of the GTZ interventions. A subsequent transparent process selecting these pilot villages/kumbans shall be carried out in cooperation with DoF and the provincial authorities based on clear selection criterias. Following criterias are proposed:

1. Still remaining forest cover with high carbon stock
2. Willingness of District government and village authorities to participate in CliPAD programme
3. Preferably village landuse planning done/ or planned for 2010
4. Existing Village Fund or Microfinance institution
5. Accessibility
6. Representativeness for different deforestation drivers
7. Existing socio-economic baseline data
8. Linkages to existing initiatives (e.g ongoing research activities)

Especially the final points are of crucial importance to demonstrate effects of programme interventions. It is thereby proposed to select villages for which studies on land use change, village economies etc. have been conducted and are available. Additionally, partnerships with initiatives working in the intervention area like WCS, TABI, SNV or CIFOR shall be explored for mutual benefit from research and data available and potentially include independent research on the CliPAD outcomes. A study which analyses current and past initiatives in the project areas is underway.

### 3.5. CliPAD Coordination and Synchronization with GoL, Line Agencies and Stakeholders

CliPAD started the project preparation in January/February 2010 and has clearly identified cooperation and co-ordination as one of the urgent needs for REDD development in Laos. CliPAD is committed to address this immediately and to work in cooperation with partners. Partners had to be identified where co-ordination and co-operation have high priority. These partners are:

DoF	Department of Forestry
DOFI	Department for Forest Inspection

NAFES	National Agriculture and Forestry Extension Service
NAFRI	National Agriculture and Forestry research Institute
WREA	Water Resources and Environment Authority
LMA	Land Management Authority
PAFO	Provincial Forestry Agency
DAFO	District Forestry Agency
MPI	Ministry of Planning and Investment
PAREDD	JICA Participatory Land-use and Management for REDD
SUFORD	Sustainable Forestry for Rural Development Project
FSIP	Forest Strategy Implementation Promotion Project
LIWG	Land Issues Working Group
SNV	Netherlands Development Organization
WCS	Wildlife Conservation Society
WWF	Worldwide Fund for Nature
CIFOR	Center for International Forestry Research
ElefantAsia	

All of these institutions have been invited to the strategic planning workshop and/or visited. The CliPAD TC Module has been explained and our willingness underlined to work closely together. The planning workshop endorsed a close co-ordination and co-operation between stakeholders and showed high willingness to join efforts for REDD+ development. Further co-operation possibilities are constantly explored and analyzed. It is foreseen that especially field activities are implemented jointly together with NGOs providing endorsement of the DoF to increase the effectiveness of the project.

CliPAD is committed to capacity development for REDD not only within government agencies but also for the next generation of foresters. Where possible and appropriate national and international students through research activities or internships shall be integrated into project work to further their knowledge on REDD and gain first-hand REDD implementation experience. Special emphasize shall be given to Laotian students.

### 3.6. Risks

The policy of the Lao government is currently being re-oriented towards forest conservation and climate change mitigation. There is growing willingness at national and decentral level to move away from the present forms of land use towards sustainable management of natural



resources. However, the desire for economic development remains an important issue. As a result there is a fundamental conflict between the objectives of forest conservation, species conservation and sustainable land use on the one hand and non-sustainable development trends (infrastructure, hydropower, plantations) that cause forest destruction and degradation on the other. Much will depend on the extent to which it is possible to balance these different interests, harmonise objectives and create incentives for more climate-friendly practices in the forestry sector. Major risks for the development measure are posed by the unequal distribution of power and access to resources, inconsistent policies and incentive mechanisms, contradictory interests of other sectors (energy, farming, mining, military), the high profitability of investment (rubber plantations), unclear land-use rights, the strong demand for (illegal) timber, inadequate transparency, particular interests, widespread corruption and weak law enforcement. During COP-13 in Bali the development of a REDD mechanism in the post-Kyoto regime was agreed and states are called upon to draw up strategies for the REDD mechanism and implement pilot measures. REDD requires fundamental reform of the forestry sector, transparency, effective monitoring and incentives to protect forests at local level. Unless it proves possible to develop an attractive REDD incentive system that covers the opportunity costs of other land-use forms and establishes favourable conditions for the REDD process, the success of the pilot measures and the entire international REDD concept must be in doubt. However, the form that the final mechanisms will eventually take will be decided only in the next few years. Here is the opportunity to support the international policy dialogue through the experience gained in the project.

The project develops alternatives to the conversion or destructive use of the forests in Laos and supports conditions that promote better monitoring of the forests, the involvement of the population in forest conservation and their participation in the benefits. The creation of specific incentives and control mechanisms for implementing and complying with participatively developed land-use and forest-protection plans promotes the willingness of the rural population to manage natural resources sustainably. To this end binding agreements must be entered into with the selected provinces, districts and local actors. Some of the above-mentioned risks can be reduced through advice on clarification of land-use rights and support in the necessary coordination tasks and in creating transparency. To minimise the risk to the success of the REDD model development measures, the pilot areas

will be selected jointly with the partners in accordance with transparent criteria drawn up with them.

### 3.7. Sustainability of the Project

The project gives priority to developing an approach of collaborative protected area management and livelihood improvement through sustainable financing mechanisms from REDD incentive schemes. The project tries to develop a subnational REDD scheme within the pilot areas of the selected NPAs at village and village cluster levels. In order to ensure the sustainability of this approach, the project plans to build the capacities of local agencies and villagers so that trained human resource will be able to implement REDD schemes independent of the project. In this context, project interventions are designed to align with MAF's policies such as participatory land use planning (PLUP) guidelines, Northern upland development initiatives, village cluster development, and the national REDD implementation in Laos. Ultimate goal of the project will be to attract long-term investments in forest carbon stored within the NPAs and thereby contribute to the Lao Government Foreign Direct Investment policies. However, the proposed approach can only function if the Lao Government formulates a REDD implementation framework and incentive mechanisms for village and village cluster levels and if either public investors or private investors can be found. CliPAD's involvement on national policy development and the promotion of Laotian REDD opportunities within the international discussions are thereby crucial.

## IV. Project Management

### 4.1. Office

The **main project office** is located in Vientiane, the capital of Laos. The office is located in the Department of Forestry That Dam Campus. Sufficient space for national and international experts working on national level shall be provided by the Department of Forestry.

The Nam Phui and Nam Et Pou Loy NPAs are under the management of the Division of Forest Resource Conservation of DoF and managed through the NPA Management Authorities in cooperation with PAFO and DAFO in the provinces of Sayabouri and Houaphan. Parts of the NEPL NPA are in the province of Luang Prabang. To assure more contacts and to establish good relationship with stakeholders in the provinces and districts, and last but not least to guarantee smooth implementation of activities, it is therefore important to have a Project Office on local level. Due to the fact that main GTZ activities will be located in Nam Phui and since WCS as a project partner has already office presence in Viengthong, Houaphan no additional GTZ project infrastructure is envisioned in NEPL. The **project office on local level** should thereby be in **Sayabouri City**.

To provide and cater maximum support to the intense activities of the project in the field, the project has to establish an additional small **field office in the Nam Phui NPA**. The Sayabouri office and the field office should be finalised in second half of 2010.

### 4.2. Technical Cooperation Team and Supporting Staff Inputs

The first members of the CliPAD Team started on 1 January 2010, with the arrival of the Principal Advisor. The complete team will comprise four experts. The remaining three have to be selected in the course of mid 2010.

Table 1. TA mobilized at the July 2010

No	Name	Position
1	Georg Buchholz	Principal Advisor/Team Leader
2	NN	International REDD Technical

		Specialist
3	Thongsoune Bounphasaisol	National REDD Coordinator
4	Kongchi Yiayang	Local REDD Coordinator

Table 2. Planned Supporting Staff

No.	Name	Position
	<b>Vientiane Office:</b>	
1	Soulinthone	Office Administrator
3	Somsak	Project Assistant
4	Sandy	Project Assistant
5	Thongthip	Driver (National Level)
	<b>Sayabouri Office:</b>	
10	NN	Local Office Administrator
	NN	Local Project Assistant
11	NN	Driver 2
	<b>additional staff (if necessary)</b>	

### 4.3. Project Implementation Structure

The project needs technical collaboration with relevant departments within MAF as administration and technical supporting agencies for project implementation but also outside MAF, such as the Climate Change Office in WREA. The expected roles of each organization are to provide necessary information and guidance on technical matters such as policy direction, technical problems that would arise in the process of project implementation, and administrative procedures and endorsement of manuals and guidelines and policy recommendations proposed by the project.

Within MAF the Planning Division at DoF is responsible for long-term forestry sector planning, including donor support and climate change and is thereby an important player within REDD. The Planning Division thereby is the main DoF driver for national policy issues and partner for CliPAD on the REDD policy issues. **The project operates within DoF through the Planning Division.** Project field implementation within National Protected Areas is the

responsibility of the Division of Forest Resource Conservation (DFRC) at DOF. However, REDD involves additional players within DoF and project activities with other relevant divisions and departments (e.g. DOFI) shall be decided upon when the needs arise.

The project is carrying out activities with NPA Authorities in cooperation with PAFO, DAFO(s) and selected village and village clusters. The nature conservation units under PAFO play a key role in project implementation. PAFO is in charge of planning, implementing and monitoring of the project activities and provides corresponding guidance and support to DAFO staff. It is also expected to cooperate with local authorities concerned at the provincial and district level. The NPA authorities bodies in cooperation with DAFO are responsible for the field activities. In addition, DAFO coordinates with district authorities and villages. At the field level, the project will work in close coordination with other relevant local authorities from provincial, district and village levels. Especially, coordination with the District and Provincial Land Management Authority is important as the agency assisting the district authorities to approve Land and Forest Use Plans at village and village cluster levels.

The results of the project will contribute to REDD implementation in Laos. Therefore, the project will coordinate with the REDD Task Force to ensure the dissemination of the project's results and share other information on REDD implementation.

#### 4.4 Annual Work Plans

The project will operate within the framework of the project overview plan as presented in chapter IV. Based on the project overview plan annual work plans are developed that consist of detailed activities, estimated budget for activities and planned time frame. These plans should be developed jointly in a bottom-up approach with the Planning Division and DFRC including the local authorities where appropriate.

#### 4.5 Joint Steering Committee (JSC)

The Joint Steering Committee is the mechanism to oversee project implementation and inputs. The JSC meets at least twice a year or whenever necessary. The details of the JSC are as follows:

Main Role of the JSC:

- a. To approve the annual plan of operation formulated by the project team based on the commission by the BMZ and the results of the project overview plan.
- b. To review the overall project progress and its activities
- c. To approve the annual plan of operations for each year
- d. To facilitate coordination with other relevant authorities
- e. To endorse project supported guidelines, manuals and other documents and streamline them into government policies

Membership:

Chair Person: Director General, DoF

Co-Chair: GTZ Country Director/Priority Area Coordinator

Lao Side

- a. Project Director/Manager (Planning Division)
- b. Representative DFRC
- c. Representative MAF
- d. Representative Department of International Cooperation, MPI
- e. Representative of Land Management Authority
- f. Representative of Ministry of Finance
- g. Representative Climate Change Office WREA
- h. Representative Provincial Government Sayabouri
- i. Representative Provincial Government Houaphan
- j. Other officials mutually agreed upon

German Side:

- a. Representative from GTZ Laos
- b. Principal Advisor CliPAD
- c. German Experts of the Project
- d. Other relevant personnel mutually agreed upon

## **V. Project Overview Plan**

In order to achieve the project purpose, a number of objective must be delivered. So far, five objectives were formulated, as follows:

- Objective 1: National REDD Framework prepared.
- Objective 2: REDD relevant planning processes are in place
- Objective 3: Local REDD Strategies have been tested
- Objective 4: Sustainable Financing Models have been developed
- Objective 5: Lessons learned for the International Processes for the UNFCCC have been disseminated

For each single objective tasks and activities were designed which includes the outputs and tasks associated, indicators, assumptions and remarks. The logical framework planning method was used throughout (see Table 3).

Based on this project overview plan a M&E plan will be developed and Specific, Measurable, Achievable, Relevant and Time bound indicators (SMART) identified to ease monitoring and evaluation.

Table 3. Full Logframe/Project Planning Matrix

Strategic objectives	Indicators to be reached by 11/2012	Outputs	Tasks / Activities	Risks or Critical aspects	Interest / Contribution
<b>Objective 1: National REDD Framework prepared</b>	In the course of operationalisation of the R-Plan national rules are drawn up that meet the requirements of the UNFCCC (United Nations Framework Convention on Climate Change) and those of the voluntary carbon market such as have been established by then.	<b>Output 1 :</b> Determine appropriate forest definition for REDD+	Task 1.1.1 Assessment of existing REDD relevant definitions (land use and ecology definition)		DoF/TF Forest Carbon Asia
			Task 1.1.2 National workshop to determine the definition		DFRC, MAF, CIDSE, FSIP/JICA SIDA
			Task 1.1.3 Conduct a REDD Policy review		DFRC, MAF, CIDSE, FSIP/JICA SIDA
		<b>Output 2:</b> Development of Monitoring, Reporting, and Verification (MRV) system based on lessons learned, institutions, capacity, infrastructure (in cooperation with	Task 1.2.1 Assessment of systems (lessons for the past, Integrated Conservation and Development (ICD) project in Laos/region)		NAFRI, DOFI, CIDSE
			Task 1.2.2 Review and development of MRV system by Task-force or special teams		DoF,/TF, FSIP, JICA, SIDA



	other stakeholders)	Task 1.2.3 Develop REDD methodologies/subnational approach that meet international carbon market standard		MPI
	<b>Output 3</b> Awareness building on REDD+ (national – community) (in collaboration with other stakeholders)	Task 1.3.1 Support REDD related publications in Lao Language		Climate Change office WREA, SNV, FoF, WCS, WWF
		Task. 1.3.2 Organize REDD related Seminars in cooperation with partners		Climate Change office WREA, SNV, FoF, WCS, WWF
		Task 1.3.3. Conduct Climate Change and Forests related media campaigns		Climate Change office WREA, SNV, FoF, WCS, WWF, Information Unit DoF
	<b>Output 4</b> Support the legal and institutional set up for REDD+ implementation	Task 1.4.1 Review REDD relevant laws and regulations		Forest Carbon Asia, MAF, Dept of Planning MAF, DFRC, FSIP/JICA SIDA, DOFI
		Task 1.4.2 Synthesize summaries of results and lesson learned from REDD pilot projects and examples of other countries		Forest Carbon Asia, WWF
	<b>Output 5</b> Institutional arrangement/role (process to set	Task 1.5.1 Facilitate the development of TOR for National Committee on REDD+ policies		MAF, Department of Planning MAF

		policy on REDD+)	Task. 1.5.2. Support the establishment of National Committee on REDD+ Policy (broader than TF)		
			Task 1.5.3 Facilitate the development of TOR for line ministries to support REDD+ Policies		Department of Planning MAF
<b>Objective 2: REDD relevant planning processes are in place</b>	Provinces and districts adapt their land-use and development plans to take account of REDD-related criteria of forest conservation	<b>Output 1</b> Master land and forest use plan created from the village, district and provincial level in target areas	Task 2.1.1. Support the development of Provincial and District REDD committees.	REDD plans are not consistent with other government plans.	PAFO, Dept. of Planning of MAF, WCS, Provincial Forestry Inspection Unit,
			Task 2.1.2 Conduct Participatory survey and planning of forests in target areas.		PAREDD, WCS, NAFRI, NAFES, WWF.
			Task 2.1.3 Support the Development of Village land and forest use rules in target areas		DFRC, DAFO, FIPD of DoF,
			Task 2.1.4 Monitoring of evaluation of REDD activities with villages		DFRC, DAFO, FIPD of DoF, NAFES, NAFRI
			Task. 2.1.5 Training on land and forest use and planning integrating REDD potential		PAREDD, NAMEDD, DFRC, PAFO, WWF, WCS, MPI,

			Task 2.1.6. Agreements and contracts developed and recognized by authorities.		DoFI, PAFO, Provincial Forest Inspection Unit
<b>Objective 3: Local REDD Strategies have been tested</b>	Five villages have concluded forest conservation agreements with REDD incentive components	<b>Output 1.</b> Participation of 5 villages in CLIPAD REDD Programme	Task 3.1.1. Conservation education and law dissemination	A common understanding on CLIPAD & climate change and forestry has been reached among stakeholders	PAREDD, DFRC, WCS, Forest Inspection Unit, FoF
			Task 3.1.2. Organize village committee on forest resource management		SNV, Dept. of Planning of MAF,
			Task 3.1.3. Set up village development fund/benefit sharing mechanism	Transparency of Village Development Fund Management	Dept. of Planning of MAF, WCS
			Task 3.1.4. Develop village regulation on natural resource management		SNV, WWF, WCS, PA
			Task 3.1.5. provide agriculture-forestry techniques		NAFRI, NAFES
			Task 3.1.6. provide alternative livelihood		WWF, SNV, WCS, Elefant Asia
			<b>Output 2</b> 5 villages have land use	Task 3.2.1. Follow up land use planning and allocation guidelines	

		planning and allocation			
<b>Objective 4: Sustainable Financing Models have been developed</b>	Management plans for one protected area (NBCA) take account of REDD as an instrument of forest and biodiversity conservation	<b>Output 1</b> Establishment of a Framework for Management Plan, including plan for financial support to GoL, NPA & local community with REDD funding	Task 4.1.1. Support Land Use Zoning in NPA	Stakeholders will not care about incentives and REDD	DoP (MAF), WCS, WWF, GoL, MAF, DoF, DFRC, NP Unit, Communities, Dept. of Planning (MAF),
			Task 4.1.2. Protection of the NPA Core Zone	People will not follow the management plan.	WCS, DoP (MAF), PAFO, Elefant Asia, WWF,
			Task 4.1.3. Monitoring Biodiversity	Zoning not enforced	DFRC, WWF, WCS
			Task 4.1.4. Conduct REDD technical feasibility study	The study will determine the potential forest carbon revenues from the area	WCS
			Task 4.1.5. Consult with local communities/government on benefits distribution mechanism	Insufficient monitoring and evaluation of deforestation, biodiversity and livelihoods	WCS, DOFD, SNV, MPI,
			Task 4.1.6. Prepare enforcement strategy		MAF, DoP (MAF), DFRC,

	<b>Output 2</b> Human Resources Management	Task 4.2.1. Support the development of sustainable incentives for NPA and locals to reduce deforestation/degradation	REDD does not support/supply sufficient human or financial resources	SNV, FoF,
		Task 4.2.2. Retraining communities for sustainable activities in NPA management - forest guards, biodiversity monitoring, etc.		WWF, DOFI, Elefant Asia,
		Task 4.2.3. REDD relevant Capacity-building		WCS, SNV, DFRC, Elefant Asia,
	<b>Output 3</b> Identify alternative livelihoods for communities in the NPA Controlled Use Zone	Task 4.3.1. Plan for sustainable use of natural resources in NPA Controlled Use Zone	Insufficient alternative income activities for all involved.	
		Task 4.3.2. Identify activities causing deforestation		DFRC, WCS,
		Task 4.3.3. Ecotourism - linked to reducing deforestation		WCS, SNV, Private sector, Elefant Asia,
		Task 4.3.4. Attract sustainable financing sources for funding for NPA to support training, equipment, etc.		NAFRI, NAMEDD,

<b>Objective 5: Lessons learned for the International Processes for the UNFCCC have been disseminated</b>	Knowledge and learning experiences from REDD demonstration activities with a special focus on ecological safeguards (species protection) in Laos are fed into international and regional discussions on forests and climate change mitigation	<b>Output 1:</b> Support the donor Co-ordination Framework in cooperation with other concerned projects	Task 5.1.1 Support the inclusion of REDD in the MAF and DoF 5 year plan and subsequent planning processes in target provinces	DoF, Department of Planning, PAFO
			Task 5.1.2 Support the implementation/coordination of REDD within the framework of the Climate Change Strategy	DoF, WREA
		<b>Output 2:</b> Support Participation in regional + international fora in Co-ordination with other donors		
		<b>Output 3:</b> Information Knowledge Management strategy	Task 5.3.1: Develop CliPAD information products	WWF
			Task 5.3.2: Organize regional + and international REDD Fora in coordination with other donors/stakeholders.	Forest Carbon Asia; ElefantAsia; CIDSE WSC

	<b>Output 4:</b> Development of an Impact Monitoring (M+E) System for CliPAD (M+E) system	Task 5.4.1: Develop Field Demonstration Sites	WWF, WCS, ElefantAsia
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#### 5.4. Financial Planning and Assigned Budgets

The initial committed budget from the government to government negotiation 2009 has been 2 mio Euro for the time frame 11/2009 to 10/2012. With the continued interest of the German government in the topic the project budget was increased by 2 mio Euro in the government-to-government negotiation 2010 to a total of 4 mio. The reprogramming and expansion of the project scope has to be done in due time.

#### 5.5. Information and Knowledge Management

Information and Knowledge Management (IKM) is seen as an essential project element to create awareness and to disseminate REDD+ relevant project implementation information to project stakeholders and the beneficiaries. IKM geared towards the international negotiation process is also stipulated on indicator level, thereby a good communication strategy is essential.

We suggest developing a communication strategy and standardized REDD+ information products depending on the target group using the GTZ guidelines as a basis to develop clear messages what REDD+ is and what the project wants to achieve/has developed. First steps in these directions have been done with the standing banners and project fact sheet. Step by step further measures will be designed and implemented.

#### 5.6. Monitoring and Evaluation

Connected to the IKM described in the previous chapter monitoring of activities takes place according to the logframe and assigned indicators. During the project period, a simple but effective *Impact-oriented Monitoring and Evaluation* system will be developed. Close monitoring and evaluation of the project activities is an essential requirement for impact-oriented work. Therefore, the services rendered by the GTZ in the field of project monitoring and evaluation will ensure effective, timely, and impact-oriented implementation of the project.





Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

Ministry of Agriculture and Forestry

Department of Forestry

Reference No. 1829 /DOF

Vientiane Capital, date 14 JUL 2010

To: Georg Buchholz,  
Principal Advisor CliPAD

Cc. Director for Planning Division  
Director for Forest resources Conservation Division

Subject: Approval of the project document of Climate Protection through Avoided  
Deforestation Project (CliPAD)

Dear Georg

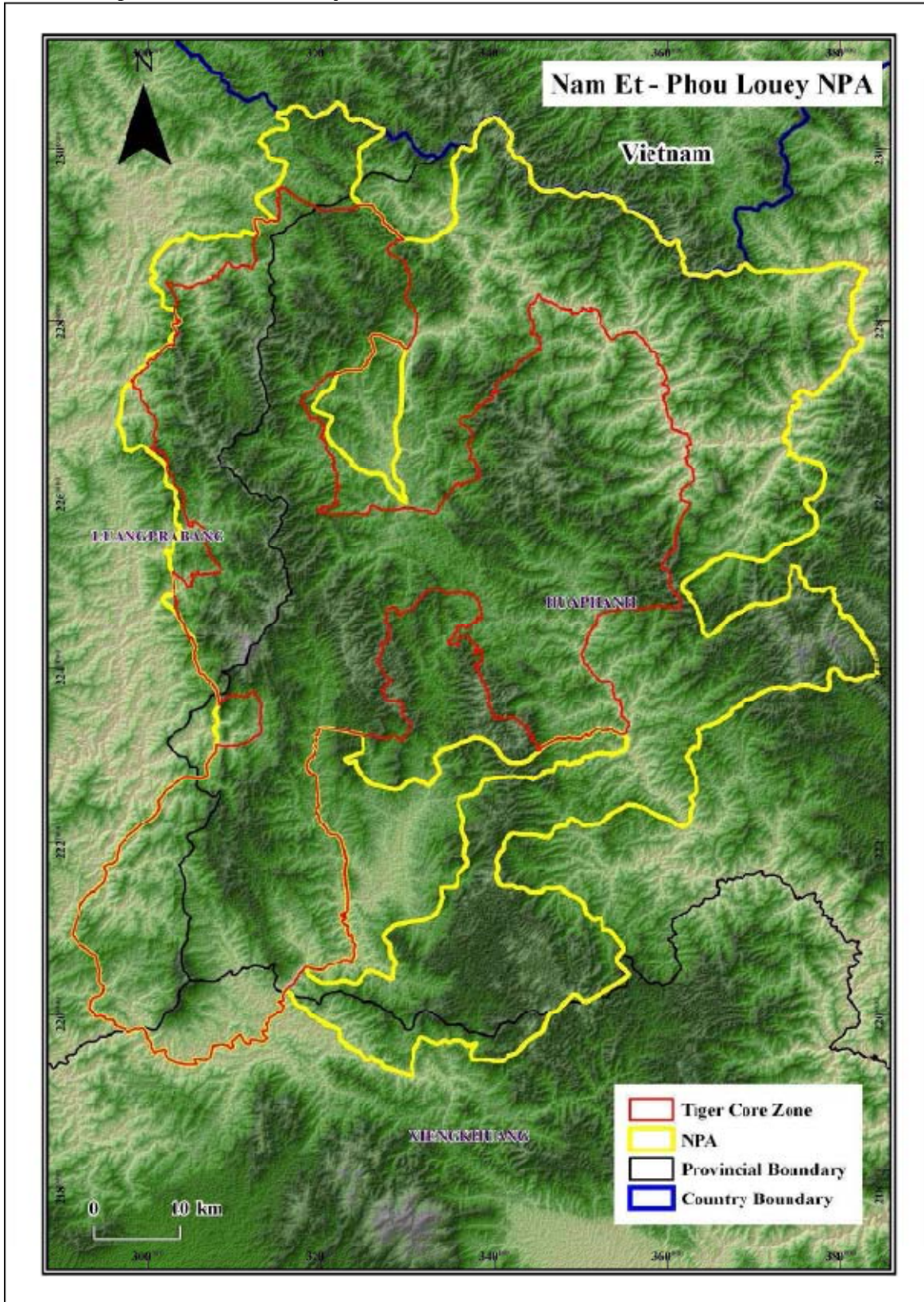
Reference is made to your letter 010-CliPAD-GTZ-2010 date 6<sup>th</sup> July 2010 referring to the CliPAD project document. The Department of Forestry would like to inform you that it hereby endorses the CliPAD project document sent to us as the basis for the CliPAD project implementation.

With best regards,



Dr. Silavanh Sawathvong  
DG of Department of Forestry  
Vientiane Lao PDR.

Annex 2: Map of Nam Et-Phou Louey NPA



Source: WCS Laos







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