

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)**

Appraisal Stage

Report No.: PIDISDSA28846

Date Prepared/Updated: 29-Jul-2020

I. BASIC INFORMATION

A. Basic Project Data

Country:	Lao People's Democratic Republic	Project ID:	P165751
		Parent Project ID (if any):	
Project Name:	FCPF Carbon Fund: Lao PDR Northern Laos Emission Reductions Payments Project (P165751)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	24-Mar-2020	Estimated Board Date:	24-Feb-2020
Practice Area (Lead):	Environment, Natural Resources & the Blue Economy	Financing Instrument:	Investment Project Financing
Borrower(s)			
Implementing Agency			
Financing (in USD Million)			
	Financing Source	Amount	
	The Forest Carbon Partnership Facility ? Carbon Fund	42.00	
	Financing Gap	0.00	
	Total Project Cost	42.00	
Environmental Category:	B-Partial Assessment		
Appraisal Review Decision (from Decision Note):			
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

The Lao People's Democratic Republic (Lao PDR) is one of the fastest growing economies in the East Asia and Pacific Region and has achieved rapid growth and poverty reduction since 2000. Gross

Domestic Product (GDP) has grown at an average annual rate of 8 percent since the beginning of the century. Lao PDR is the second fastest growing economy in ASEAN and among the 15 fastest growing globally. Lao PDR is a lower-middle income economy and rapid economic development was associated with a fall in the national poverty line, from 46 percent in 1992 to 23 percent in 2015. In 2017 GDP stood at approximately US\$2,500 per capita for the country's 7 million population. The country achieved the Millennium Development Goal target of halving poverty; the remaining challenge is to ensure that all Lao PDR people benefit in the country's development, while ensuring it is environmentally sustainable and resilient in line with the country's new National Green Growth Strategy for 2030.

Use of natural resources and environmental assets has largely driven Lao PDR's economic growth and will continue to do so in the near future. Key economic activities underpinning Lao PDR's economic dynamism included agricultural expansion, hydropower, mining, and logging. While these activities provided important economic gains, they have also resulted in significantly higher rates of natural resource depletion and environmental degradation. Up to 80 percent of the country's forests are degraded to varying degrees. Although forest cover declined 3.6 percent between 2005 and 2015 to 58 percent, Lao PDR still has among the highest portion of forest cover among countries in the region, and the value of timber and non-timber forest products is US\$10,740 per capita. Two-thirds of the population rely on forests for food, fuel, fiber, and medicine. Effective, sustainable management of forest resources significantly impacts Lao PDR's economic growth and development prospects, including its goals for poverty alleviation, shared prosperity, livelihoods, job opportunities and climate change.

Sectoral and Institutional Context

Natural capital is a major source of wealth for the country, and forest degradation affects the poor disproportionately. Lao PDR's Forest Strategy emphasizes the country is particularly endowed with valuable, productive and ecologically unique forests which are not only a vital economic resource but provide essential contributions to the nutrition and income of the rural population and, in particular, the rural poor. Forests also provide a habitat for the nation's rich natural biodiversity and protect its soils, watersheds and water resources. Some seventy percent of the population is heavily reliant on the forest for timber, food, fuel, fiber, shelter and medicines. In rural areas, forests provide one of the few available economic activities and non-timber forest products (NTFPs) often provide a significant source of household income. Forests are important for the mitigation of disasters such as flood, drought, storm damage, and erosion. Accordingly, natural resource depletion, environmental degradation and climate change have severe development implications, and their costs disproportionately affect the poor and other vulnerable groups.

The annual cost of deforestation is estimated at 1.6 percent of GDP, and forest degradation at 1.1 percent (a combined cost of US\$ 464 million) forest health is critical to the country's green growth aspirations across sectors. Moreover, good management of forested watersheds is vital to secure clean water supply, and reduce flood risk and erosion, as Lao PDR generates nearly all of its electricity from hydropower and is an important source of foreign revenue. In addition, the country continues to introduce forest sector reforms that aim to facilitate private sector participation in industrial plantations, smallholder plantations, downstream industries and nature-based tourism from conservation forests including the country's first two national parks.

Approximately 40 percent of the country's deforestation from 2005-2015 took place in six provinces in northern Lao PDR, which has historically been the poorest and most rural region of the country, despite having been the target of many poverty reduction programs and projects (e.g., the National Growth and Poverty Eradication Strategy, Northern Uplands Development Program, and others).

Recently, poverty rates in the North have improved, but statistics still show that the annual per capita income is the lowest among Lao PDR's three regions, estimated at approximately US\$ 1,200 for 2013-2014. The proportion of "poor" households was reported at approximately 14 percent for the same period. Houaphan province, one of the six northern provinces, has the highest proportion of poor households in the country. Shifting agriculture is prevalent throughout the mountainous northern landscape and is home to over 20 ethnic groups.

Throughout the country, including the northern provinces, deforestation has mainly been driven by to the expansion of agriculture, salvage logging (i.e., clearing for hydropower projects, mining and other infrastructure), and the illegal trade of timber to neighboring countries. Forest degradation stems from cultivation, unsustainable wood and harvesting of non-timber forest products, as well as currently legal salvage operations from infrastructure construction. The forest estate has been subject to inefficiencies, over-use, under-budgeting, and unsustainable and unscientific management, which led to reduced forest cover, sustainability, and natural wealth ? as well as reduced public revenues. Lao PDR is at a juncture where the right choices can help avoid the irreversible environmental degradation and major restoration costs facing some other countries.

Lao PDR has embarked on an ambitious reform agenda for the forestry sector to achieve more sustainable, resilient, and inclusive economic growth. The sector is working to introduce systems for legal certified wood (i.e., "good wood") and for increasing private sector investment in plantations and related industries. This investment has already begun to happen, necessitating the need for a strong sector-wide focus on maintaining and sustaining the resource base. At the same time, the protected area system is being reformed and strengthened with new management policies and parks now in place. In early 2019 new policies were introduced on Environmental and Social Impact Assessment and Strategic Environmental Assessment, complementing emerging new policies on forest plantation development. Reforms are also reflected in the Eighth National Socio-Economic Development Plan (NSED 2016-2020); the localization of Sustainable Development Goals; the 2017 Water Law, the new Forest Law (2019) and Land Law (2019); the Lao PDR Tourism Strategy 2006-2020; the National Strategy on Climate Change 2013-2020, the Climate Change Action Plan 2013-2020, and the 2015 Nationally Determined Contribution to the Paris Agreement; the emerging National REDD+ Strategy (NRS) to 2025, NRS Vision to 2030; the National Master Plan on Land Allocation; and the National Green Growth Strategy (NGGS) for 2030.

The Forestry Strategy to 2020 set an ambitious target for increasing forest cover to 70 percent (16.6 million ha), which has been echoed in the 2019 Forestry Law. Achieving this target entails enhancements of carbon stocks and avoided deforestation over 6 million ha of natural forest areas, and an ambitious target of 500,000 ha of planted forests. The GoL also consolidated all production and conservation forest management responsibilities under the Ministry of Agriculture and Forestry (MAF). Moreover, the Government has prohibited all export of logs and unfinished timber and is checking for and seizing illegal timber (Prime Minister's Order 15 of 2016). The Forestry Law also now allows "village forest management" and expansion of commercial tree plantations. These and other measures aim to bring its forests under more sustainable management. The reduction in illegal logging and trafficking can also increase government revenues. The government further recognizes the need to support the Lao people to access timber for local use and processing, and for NTFPs. Rural poverty and livelihood improvement are central to addressing any land-use related issues in Lao PDR.

In addition to its domestic priorities for achieving sustainable forest management and conservation, Lao PDR also embraces its international responsibility to contribute to climate change mitigation through improved forest management and land use. REDD+ figures prominently in Lao PDR's Nationally Determined Contribution (NDC), which aims to reduce greenhouse gas (GHG) emissions

by 60-69 MtCO₂e. Improved forest management and land use will also generate co-benefits from the role good forest and land cover plays in reducing flooding, drought, erosion, and water quality.

C. Proposed Development Objective(s)

Development Objective(s)

Key Results

The achievements of the PDO will be measured through the following set of indicators:

- (i) Volume of CO₂ Emissions Reductions that have been measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund (tCO₂e);
- (ii) Amount of payments made by the FCPF Carbon Fund for CO₂ Emissions Reductions generated by the Program (US\$);
- (iii) Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan (Yes/No).

D. Project Description

This operation has two components: (A) Verification of and payment for measured and reported ERs generated by the Government's ER Program in Northern Lao PDR; and (B) Distribution of the ER payments according to a BSP.

Component (A): Verification of ERs. The basis for payments under the Emission Reduction Payment Agreement (ERPA) are verified ERs reported by the Program Entity (MAF). In the ERPA accepted by Carbon Fund Participants in June 2018, Lao PDR detailed an approach to measure emissions in the six northern provinces going forward. This approach is consistent with how baseline emissions (Reference Level) were estimated and was rigorously assessed by an independent Technical Advisory Panel (TAP) against the requirements stipulated in the Carbon Fund Methodological Framework. The Program Entity is proposing to submit two ER Monitoring Reports during the term of the ERPA, which will trigger an independent verification process using the same pre-agreed technical standards in the Carbon Fund Methodological Framework, respectively. The verified volume of ERs, combined with the negotiated unit price agreed in the ERPA, will then translate into corresponding ER payments. As part of this transaction ERs will be transferred from the Program Entity to the FCPF Carbon Fund via a centralized carbon registry managed by the Climate Change Group.

The Government's ER Program comprises a combination of policy actions, improvements in forest management practices and measures to reduce pressure of forests from the agriculture sector. The specific program activities are largely financed through a portfolio of associated operations including Government budget and a number of donor-financed projects. The Bank ? through the ER payments ? will provide complementary financing. The ER Program, referred to by the Government as the Northern Lao Governance, Forest Landscapes and Livelihood (GFLL) Program is comprised of Lao PDR's six northern provinces, an area of 8.1 million ha. This area constitutes approximately 35 percent of the national territory and includes the entire administrative areas of Bokeo, Houaphan, Luang Namtha, Luang Prabang, Oudomxay and Sayaboury provinces. This area has a population of 1.8 million people and the dominant land use is forest. Each province in the GFLL program area shares an international border with one of the surrounding countries of Thailand, Myanmar, China and Vietnam. The northern region of Lao PDR is characterized by hilly topography, remote accessibility and limited public and industrial infrastructure, unique ethnic group communities, and a persistent prevalence of

poverty ? as well as extensive degradation and loss of forest. The area has important functions as critical watersheds feeding the major tributaries, including the Mekong River.

The GFLL will support a combination of enabling conditions and forest and agriculture sector activities. The four inter-related components of the GFLL are: 1) Strengthening enabling conditions for REDD+; 2) Climate-smart agriculture (CSA) and sustainable livelihoods for forest-dependent people; 3) Sustainable forests management (SFM); and 4) Program management and monitoring.

Component (B): Benefit sharing. The proceeds from verified ER payments will be shared according to an agreed BSP, designed based on the criteria in the Carbon Fund Methodological Framework and in a manner that is acceptable to the Bank. This BSP is based on the principles described in the ERPD accepted by Carbon Fund Participants and describes the distribution mechanism, funds flow and rules of allocation of proceeds to agreed beneficiaries. As per the ERPA General Conditions, the Program Entity shall share a significant part of the Monetary and Non-Monetary Benefits with relevant stakeholders. An advanced draft of the BSP was accepted by the Carbon Fund in June 2020 and will be finalized within 12 months of ERPA signature.

Component Name:

Comments (optional)

E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

As part of the national REDD+ strategy, and to leverage international climate finance, the Government of Lao PDR is implementing the Northern Lao Governance, Forest Landscapes and Livelihood (GFLL) program to reduce emissions from land use change. Approximately 40 percent of the country's deforestation and degradation took place within the selected six provinces between 2005-2015. The region is also well-known for a complicated national challenge of shifting cultivation practices, as well as being the poorest region in the country. For such reasons, a number of development partner-supported projects have focused their REDD+ pilot actions in the northern provinces. This gave way to increased capacity and preparedness of these provinces for REDD+ and their eventual selection for funding by the Carbon Fund of the Forest Carbon Partnership Facility (FCPF).

The GFLL area is a landscape under stress that requires a more sustainable pathway. The proximity of these provinces to regional economic growth centers, namely China and Vietnam, make the region particularly attractive to regional markets and businesses. This has had clear impacts on the unsustainable land use change trends of the past decades. Land-based businesses and investments into the Northern region commonly apply contract-farming models, thereby making local communities the proximate agents taking land-use change decisions, along with local authorities. The landscape is ripe for sustainable interventions that will help the region to respond to increasing commodity demands and underlying cross-border drivers.

The participating provinces are home to a large proportion of non Lao-Tai ethnic groups (minorities). Ethnicity in the provinces of Huaphan, Luang Prabang, Sayabouri, Luang Namtha, Bokeo and Oudomxay is quite diverse consisting of a total of 23 major ethnic groups classified into four ethno-linguistic families: Lao-Tai (6 groups), Mon-Khmer (10), Hmong-Mien (2) and Sino-Tibet (5). Ethnic groups in the North rely very heavily on forests, use of non-timber forest products (NTFPs), and upland agriculture for their livelihoods. The Mon-Khmer, as most other Austro-Asiatic groups, mainly

practice shifting cultivation. The importance of livestock is limited to poultry and pigs, whereas buffaloes and cattle are rare. NTFPs are very important in their economy. Rattan handicraft production is well developed, but cloth weaving is absent. Hmong also mainly practice shifting cultivation, although they grow non-glutinous rice as opposed to the other ethnic groups. They are perhaps more livestock breeders than farmers. Hunting is an important activity for food collection. Northern Lao PDR has historically been the poorest and most rural region of the country. Recently, poverty rates in the North have improved, but statistics still show that the annual per capita income is the lowest among the three regions, estimated at approximately USD 1,200 for 2013-2014. The proportion of poor households was reported at approximately 14% for the same period; the numbers are higher for non-Lao-Tai ethnic groups.

F. Environmental and Social Safeguards Specialists

Son Van Nguyen, Environmental Specialist

Svend Jensby, Social Specialist

Viengkeo Phetnavongxay, Environmental Specialist

II. IMPLEMENTATION

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The environmental and social risks from project activities would arise in the event that the strategies fail to achieve their objectives, thereby creating unexpected direct and indirect adverse impacts on forest, land use, forest dependent communities, and landowner rights. The potential social and environmental impacts of the GFL have been assessed in detail in the SESA; and will be managed through the ESMF that has been completed.
Performance Standards for Private Sector Activities OP/BP 4.03	No	N/A
Natural Habitats OP/BP 4.04	Yes	This policy has been triggered as the project will work both within existing protected areas and other forest habitats of varying significance, although it is not expected to involve conversion of critical natural habitats. The ESMF includes provisions to assess possible impacts prior to actions being undertaken on the ground following OP4.01 and Lao PDR environmental assessment legislation. This policy will ensure that the interventions in the area take into account biodiversity conservation and critical natural habitats. During the implementation phase,

		monitoring activities will be established to ensure that biodiversity conservation and critical natural habitats are not adversely affected and that risk of displacement of forest conversion, both planned and unplanned, to regions outside the project area is monitored.
Forests OP/BP 4.36	Yes	The overall programme objective includes reduction of deforestation and forest degradation and interventions are expected to have significant positive impacts on the health and quality of forests. This policy is triggered due to the potential changes in the management, protection, or utilization of natural forests or plantations that could arise from REDD+ activities may indirectly affect the rights and welfare of people and their level of dependence upon or interaction with forests. GFL includes activities affecting management, protection, or utilization of natural forests and/or plantation forests. Potential impacts and proposed enhancement and mitigation measures have been included in the ESMF. Community based forest management plans are planned to be prepared during implementation and will conform to OP 4.36 and include use of NTFPs.
Pest Management OP 4.09	Yes	This policy is triggered since it is conceivable that some forestry, agricultural and livelihood activities supported by activities under GFL may involve the use of pesticides. Impacts and risks of any potential use of chemicals in forest management and other activities, if needed, will be analyzed and mitigated through actions contained in forest and landscape management plans. The ESMF provides guidance on development and implementation of an Integrated Pest Management (IPM) plan which provides principles on prevention, early detection, damage thresholds, and design, mechanical and biological control methods rather than chemical pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered as the activities proposed in the project could indirectly affect areas containing sites with physical and cultural resources. Ethnic groups often have close connection with forest areas, including spiritual connections, and, it is possible that in isolated cases project activities could interfere

		with community- defined sacred forest sites. The ESMF includes 'chance find' procedures and guidance on development and implementation of a Physical and Cultural Resources Management Plan.
Indigenous Peoples OP/BP 4.10	Yes	<p>The OP/BP 4.10 on Indigenous Peoples is triggered. The project area covers six provinces in Northern Laos. The implementation of the program interventions is expected to benefit ethnic groups and other forest dependent communities. Program implementation may also, in some cases, have adverse impacts lead to restrictive land zoning processes throughout the area that may put ethnic groups' livelihoods at some risks. An Ethnic Group Planning Framework (EGPF) has been prepared in compliance with the Bank's OP/BP 4.10 on Indigenous Peoples.</p> <p>The EGPF takes into consideration emission reduction interventions that could benefit and impact on ethnic groups lands and livelihoods. The EGPF will be used during the implementation of the project under the principle of free, prior and informed consultations that will lead to the development of Village Forest Management Agreement (VFMA) with broad community support. Extensive consultations with broad community support were carried out during the SESA and ESMF/EGPF preparation in the project areas.</p> <p>These consultations included the engagement of mass organizations such as the LWU and LFND. In addition, NGOs, and CSOs who work with ethnic groups supported the consultation processes and promoted meaningful participation of ethnic groups in the consultations.</p> <p>A Feedback and Grievance Mechanism (FGRM) for the project has been developed that will receive, identify and resolve concerns and grievances. The FGRM is developed consistent with Laos' laws and fully encompasses the need for free, prior and informed consultations of affected ethnic groups. In addition, a Social and Environmental Safeguards Unit (SESU) with</p>

		staff and resources at the national and provincial levels will be established to build capacity, monitor safeguards, and track and resolve grievances, including maintaining data and records.
Involuntary Resettlement OP/BP 4.12	Yes	<p>With the interventions of the GFLP potential impacts could include land acquisition, economic or physical displacement or restriction of access to natural resources. OP/BP 4.12 on Involuntary Resettlement is triggered to ensure affected persons -- including land owners, land users and forest dependent communities and/or individuals -- are properly consulted and not coerced or forced to accept or commit to REDD+ activities or other forest management/reforestation activities involuntarily, and that best practice approaches as informed by OP/BP 4.12 are adopted.</p> <p>A Resettlement Policy Framework (RPF) has been prepared which lays down the principles and objectives, eligibility criteria of displaced persons, voluntary land donation (VLD), modes of compensation and rehabilitation, participation features and grievances procedures that will guide the compensation and, when unavoidable, potential resettlement of program-affected persons. The RPF will guide the preparation of site-specific Resettlement Action Plans.</p> <p>There is also potential for involuntary restrictions of access to fuelwood collection and NTFPs from legally designated production and protection forest areas, and protected areas resulting in adverse impacts on the livelihoods of affected persons. A Process Framework (PF) has been prepared to guide procedures to identify, assess, minimize and mitigate potential adverse impacts on local livelihoods by restriction of access. The PF is to ensure adequate consultations are undertaken with specific communities in specific locations for proposed interventions for the preparation of action plans to address impacts.</p>
Safety of Dams OP/BP 4.37	No	This policy is not triggered as the program will neither support the construction or rehabilitation of dams nor will it support other

		investments which rely on services of existing dams.
Projects on International Waterways OP/BP 7.50	No	The program does not have any investments will be located on international waterways; therefore, this policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered because neither the program nor related investments will be implemented in disputed areas as defined in the policy.

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Environment:

The National REDD+ Strategy has been formulated with environmental protection and conservation as a foremost consideration. REDD+ program activities shall endeavor to enhance the positive environmental impacts and mitigate the negative environmental impacts. However, there are risks associated with improper implementation, which may result in negative impacts. The Strategic Environmental and Social Assessment (SESA) and ESMF prepared for the ER program area have identified the following main potential environmental impacts:

Soil erosion: The problem of soil erosion will be aggravated by steep slopes, and heavy rainfall such as that occurring in the provinces in September to October. On site, soil erosion leads to loss of top soil and soil fertility, reducing productive capacity of the site and in the following rotations. Off site, eroded soil results in siltation and sedimentation of reservoirs, rivers and streams may trigger a series of adverse consequences such as reduced water quality, lower water holding capacity, and impacts on aquatic life. Soil erosion can be triggered by poor management practices such as: Comprehensive vegetation clearance followed by burning during site preparation; Excavation of tree stumps/roots using machines in sloping areas; Cultivation, planting and harvesting of agricultural crops on sloping areas; Improper construction and poor maintenance of access tracks; Soil disturbances during harvesting operations and yarding of logs; and Cutting/removal of native vegetation along drainage canals and stream banks.

Loss of soil fertility: Loss of soil fertility as a consequence of soil erosion as described above, and by the burning of vegetation in site preparation, and removal of biomass in harvesting.

Pest and disease infestation: Risk of pest and disease infestation increases with the increasing area of monoculture plantations especially through the use exotic species which has the potential to bring new pests and diseases. The use of pesticides to control important pests and diseases could have several potentially adverse environmental impacts, including on the health of the workers applying them and community health, and adverse impact on

biodiversity.

Loss of biodiversity and habitat fragmentation: Impact of smallholder planted forests on biodiversity and habitat will be small to moderate even if little biodiversity remains in small forested areas. It is essential to maintain what remnants of high conservation value (HCV) forest areas that provide important ecosystem services regardless of their extent. However, the ER-Program would have positive impact on biodiversity, if native species can be planted along with the fast-growing species.

Plantation leading to remnant natural forests: The Northern region is home to a number of important national biodiversity conservation and protection areas that are known to host rare and endangered species including those in the IUCN Red list. An important environmental concern is the perceived risk of plantation development leading to the clearing of remnant natural forests which may in particular impact on the connectivity of regional biodiversity corridors and high conservation value forest. However, the risk to the corridors currently being addressed through a number of international donor-funded projects such as WCS which focuses on protecting wild places in Nam Et-Phou Louey, one of the world's most important areas for biodiversity, the Greater Northern Annamites.

Invasive alien plants: It is possible to have invasive alien species in the plantation if agroforestry or NTFPs species are introduced without proper control at planting stage. They are one of the greatest threats to biodiversity, impact adversely upon biodiversity, potentially resulting in a decline or elimination of native species - through competition, predation, or transmission of pathogens ? and through the disruption of local ecosystems and ecosystem functions. This damage is aggravated by climate change, pollution, habitat loss and human-induced disturbance.

Fire risk: Risk to plantation damage caused by fire is expected to be minimal. However, these impacts are localized, short term, moderate and can be mitigated with the readily designed mitigations measures. Therefore, the GFL is proposed to be classified as a Category B project.

Social:

The overall approach and design of the GFL to address the drivers and underlying causes of forest loss and barriers to SFM and forest enhancement is to build on and support implementation of the current ambitious national and sub national policies and initiatives. The GFL will support a combination of enabling conditions for emissions reduction and sectoral activities - with a focus on the forest and agriculture sectors. These activities would generally benefit local communities. However, there could be potential negative impacts associated with implementation of the GFL. Land tenure, access to resources and livelihoods are consistently cited as the most important social issues identified through the SESA and quantitative survey with relation to the implementation of REDD+ activities in the GFL area. The Strategic Environmental and Social Assessment (SESA) and ESMF prepared for the GFL area have identified the following main potential social impacts:

? Restriction of Access: The activities for strengthening and implementing policies controlling

conversion of natural forests and forest governance and law enforcement may have the potential for reduced access to forest and NTFP resources for forest dependent communities through improvements to forest governance; possible short term reduction in volume of NTFPs may result in food insecurity or less income for NTFPs that are sold; some possible impacts on livelihoods i.e. improved governance may not include unfettered or continued access to all forest areas. Involuntary Resettlement OP 4.12 is triggered and a Process Framework is prepared to mitigate any potential access restrictions.

? Land tenure insecurity: ER-P conservation and reforestation interventions could lead ethnic group households and communities experiencing involuntarily resettlement issues, lose productive land (including lands which are customarily used) and/or access to natural resources. Land availability and security varies across provinces and districts. However formal land allocation is the main mitigation for insecure land tenure. However, the land allocation is normally sporadic and is dependent on provincial or district level budgets. In addition, ethnic group ancestral or other socio-cultural traditions related to land are not given constitutional or statutory recognition, making their tenure rights insecure in many areas where statutory rights have not been formally recognised. The lack of recognition of customary land rights is considered a safeguard issue to be avoided or mitigated and compensated for when avoidance is not possible.

? Clarification of forest and land boundaries through demarcation: ER activities that support clarification of land boundaries could adversely impact ethnic groups and reduce their possibility to use land on an ongoing basis, land boundary and usages of land could result in disputes and could also affect land tenure arrangements Indigenous Peoples OP 4.10 is triggered and an EGPF is prepared to mitigate adverse impacts.

? Polices, Laws and Regulations Framework: There is no definition of customary rights, limited recognition of community rights and any special rights for ethnic groups (non-Lao-Tai) and different socio-cultural relations to forest and land management although the 2013 Land Law and the 2018 Forest Law is making good progress in recognising some of these customs. Potential risks managed through the EGPF.

? Livelihoods and Forest Dependency: Food security, especially rice, is becoming increasingly problematic and the GoL programs to overcome food insecurity by providing rice for ethnic group households create passivity and dependency. There is also a high degree of cash income poverty among such households. Their livelihoods are highly land-dependent which is exacerbated by limited access to forest land resources. There is no system of compensation payable for restricting people's access to forest land resources. Firewood from the forests is still a major source of fuel for both most rural households and even many urban households. Potential risks to ethnic groups managed through the EGPF.

? Gender/Social Exclusion: ER activities implementation could negatively affect women in terms of: access to NTFP, access to land, participation in ER implementation, lack of consultations. Women are disadvantaged on access to and use of forest land and their land rights are less secure than those of men's. In particular ethnic group women have greater need for common property resources, especially related to forests. Their access to information is

less than men's and are less likely to be actively involved in consultations. Poor persons irrespective of gender or ethnicity are less likely to receive adequate information. Potential risks are managed through a Gender Action Plan.

? Cultural heritage: ER-P activities proposed in the ER Program could indirectly affect areas containing sites with physical cultural resources. Ethnic groups often have close connection with forest areas, including spiritual connections, it is possible that in isolated cases REDD+ activities could interfere with villager defined sacred forest sites. Physical and Cultural Resources OP 4.11 is triggered and mitigation measure are in place to address impacts.

? Effective consultation and outreach: lack of meaningful consultation and outreach could adversely affect non-Lao-Tai ethnic groups? active participation in the ER implementation and monitoring. There is no legal provision for broad community support of non-Lao-Tai ethnic groups. REDD+ is a high risk program and people are worried that any payments based on results may not be paid and are therefore difficult to convince that participation in the GFL is worthwhile. There has been a lack of clarity and very few CSOs that can offer an independent voice and those that do exist do not employ many people from non-Lao-Tai ethnic groups. Potential risks managed through the EGPF.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No long-term adverse impacts were identified during the development of the safeguards instruments.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Not Applicable.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

As part of the FCPF Readiness Grant, the SESA for the GFL has been conducted. The ESMF, a main output from the SESA, has also been prepared. In addition, an RPF and a Process Framework have been developed to address potential involuntary resettlement issues that may occur during the program. An EGPF has been prepared and a Benefit Sharing Plan (BSP) has been drafted. These measures are designed to ensure non-Lao-Tai ethnic groups have the same opportunities to derive benefits from the GFL. A Gender Action Plan has also been prepared to promote women participation in the program, share in the benefits, and maximize gender equality.

Lessons learned from the previous projects, programs:

The ER Program design has taken lessons from past and present projects, particularly the lessons learned from projects under the Forest Investment Plan (FIP) such as SUFORD-SU as well as other donor funded projects, (e.g. CliPAD) and aims to scale it up. These have provided valuable lessons that show that there is continued need to: strengthen institutional and community capacities for understanding and implementing environmental and social policies; design a process for identifying risks and impacts and for monitoring and evaluation; and develop alternative livelihoods development and sustainability. Sustainable alternative

livelihoods approaches should emphasize the importance of assets (human, financial, social, physical and natural), mediated through policies and institutions, including markets, in enabling households successfully enhance their livelihoods and reduce risks and threats of deforestation and forest degradation. Additional references for guidelines on forest and plantation measurement including species selection land preparation and tending will be included in the Program Implementation Manual (PIM). This will also draw on lessons learned for from manuals that have been developed for KfW, ADB and World Bank Forest Projects. These generally are extensive documents with much detail and, for example, the World Bank documentation conforms to OP 4.36 and OP 4.04 including the requirements for commercial and small-holder/community forestry.

Strategic Environmental and Social Assessment. Given the types and locations of the proposed activities/subprojects and the nature of the environmental and social setting of the GFL area, the SESA has been prepared to ensure that environmental, social and gender concerns are integrated into the development and implementation processes for GFL, offer a platform for consultation with and participation of relevant stakeholders to integrate social and environmental concerns into the decision-making process REDD+, and to enhance the Provincial REDD+ Action Plans (PRAPs) by making recommendations to address gaps in relevant policy and legal frameworks, and institutional capacity to manage environmental and social impacts/risks associated with GFL. An extensive institutional capacity needs and gap assessment have been undertaken and a capacity development plan prepared under a Green Climate Fund proposal.

The Environmental and Social Management Framework. The ESMF has been prepared to ensure that activities to be financed under the GFL would not create adverse impacts on the local environment and local communities, and that the residual and/or unavoidable impacts will be adequately mitigated. The ESMF establishes the modalities and procedures to address potential negative environmental and social impacts from the implementation activities identified in the ERPD (and PRAPs), including the screening criteria, procedures and institutional responsibilities. The specific process in the ESMF includes: (i) clear procedures and methodologies for the environmental and social assessment, review, approval and implementation of interventions to be financed under the program; (ii) appropriate roles and responsibilities, and outline reporting procedures, for managing and monitoring environmental and social concerns related to program interventions; (iii) the training, capacity building and technical assistance needed; and (vi) a budget to successfully implement the provisions of the ESMF.

The ESMF provides guidance for key mitigation measures including:

Mitigation of soil erosion and loss of soil fertility: The problem of soil erosion will be aggravated by steep slopes, and heavy rainfall such as that occurring in the provinces in September to October. On site, soil erosion leads to loss of top soil and soil fertility, reducing productive capacity of the site and in the following rotations. Off site, eroded soil results in siltation and sedimentation of reservoirs, rivers and streams may trigger a series of adverse consequences such as reduced water quality, lower water holding capacity, and impacts on aquatic life. Loss of soil fertility as a consequence of soil erosion as described above, and by the burning of vegetation in site preparation, and removal of biomass in harvesting.

Pest and disease infestation: Risk of pest and disease infestation increases with the increasing area of monoculture plantations especially through the use exotic species which has the potential to bring new pests and diseases. The use of pesticides to control important pests and diseases could have several potentially adverse environmental impacts, including on the health of the workers applying them and community health, and adverse impact on biodiversity.

Loss of biodiversity and habitat fragmentation: Impact of smallholder planted forests on biodiversity and habitat will be small to moderate even if little biodiversity remains in small forested areas. It is essential to maintain what remnants of HCV or forest areas that provide important ecosystem services regardless of their extent. However, the ER-Program would have positive impact on biodiversity, if native species can be planted along with the fast-growing species.

Invasive alien plants: It is possible to have invasive alien species in the plantation if agroforestry or NTFPs species are introduced without proper control at planting stage. They are one of the greatest threats to biodiversity, impact adversely upon biodiversity, potentially resulting in a decline or elimination of native species - through competition, predation, or transmission of pathogens ? and through the disruption of local ecosystems and ecosystem functions. This damage is aggravated by climate change, pollution, habitat loss and human-induced disturbance.

Fire risk: Risk to plantation damage caused by fire is expected to be minimal.

Mitigation of impacts by access road construction and maintenance: Proper implementation of mitigation measures in the ESMP.

Policy and regulation development activities: Environmental and social issues will be included in the relevant Terms of Reference (TOR) for the policy and regulation development activities. Public consultation of the proposed policy reforms and assessment of the environmental and social risks and impacts of policy reforms will be conducted.

Application of the safeguards of the ER-P:

Since the ESMF and other safeguard frameworks provide clear guidance on how to comply with the safeguards of the program, the future projects that are financed by bilateral donors and are located within the ER-P area and contributing to the program objectives need to adopt and follow the safeguards of the ER-P. This can be done by signing a memorandum of understanding (MoU) between MAF as the Project Executing (PE) agency and the project owner. The MOUs will cover background of the ER-P and the project, comment objective, commitment to compliance with the safeguards of the program, implementation arrangement, and monitoring, evaluation, and reporting. Alternatively, the World Bank, as Trustee, should conduct due diligence as part of appraisal to confirm that there are systems in place to screen/evaluate project activities that may later be included in the ER Program to ensure that they will be implemented in a manner consistent with the ESMF. For the bilateral donors? projects that are ongoing at the time of ERPA signing, the World Bank, as Trustee, should conduct due diligence as part of appraisal to determine whether these activities are being

implemented in a manner consistent with the ESMF. Such due diligence may include, for example, site visits and communications with the financiers of those activities to understand the safeguards that have been applied to such activities. This level of due diligence would be necessary to ensure that, at the time of ERPA signing, the ER Program only includes the ER Program activities that are consistent with the ESMF.

For other projects financed by the government budget and located within the ER-P area and contributing to the achievement of the ER-P objectives, they need to adopt and implement safeguards of the program.

For the projects that are financed by the World Bank that will be implemented in the ER-P area they will follow their own safeguards requirements which take account of the safeguards applied to the ER-P.

Social

Resettlement Policy Framework:

An RPF has been prepared and provides guidance to decision-makers if the project requires use of land on a temporary or permanent basis and/or acquisition of land. Accordingly, the RPF was prepared to establish policies and procedures for preventing (avoiding), minimizing, mitigating and compensating for impacts related to involuntary land acquisition resulting from the project. The RPF will guide the preparation of site-specific Resettlement Action Plans (RAP).

In case where the project affects more than 200 people, or the project requires physical resettlement of people, a full RAP will be prepared. A full RAP would include the following information: (i) brief description of the project, location and its impacts; (ii) principles and objectives governing resettlement preparation and implementation; (iii) legal framework; (iv) baseline information of Project Affected People (PAP) and Project Affected Households (PAH); (v) category of PAP and PAH by degree and type of impacts; (vi) entitlement to compensation, allowances, and rehabilitation or restoration assistance by category of impacts in a compensation matrix; (vii) information on relocation site together with socio-economic conditions on the secondary PAP and PAH and host communities (only in case where physical resettlement take places); (viii) institutional arrangement for planning and implementation; (ix) participatory procedures during planning and implementation; (x) feedback and grievance redress mechanism and procedures; (xi) estimated cost of resettlement and annual budget; (xii) time-bound action plan for implementation; and (xiii) internal and external monitoring procedures, including the ToR for external monitoring and evaluation. In minor impacts (less than 200 people affected and no relocation, an Abbreviated Resettlement Action Plan (ARAP) will be prepared. DoF/MAF will be responsible for preparing a RAP or ARAP under the support and guidance from safeguard consultants.

Process Framework:

There is potential for involuntary restrictions of access (for example, NTFPs/ fuelwood collection) to legally designated production and protection forest areas and protected areas resulting in adverse impacts on the livelihoods of affected persons. A Process Framework

(PF) has been prepared to guide procedures to identify, assess, minimize and mitigate potential adverse impacts on local livelihoods by restriction of access. The PF is to ensure adequate consultations with specific communities in specific locations for proposed interventions through the preparation of action plans when working with the management board entities and with a benefit sharing agreement mechanism for the natural resources use. The forest sector already has experiences of this type of process and agreement. The purpose of the PF is to establish a process by which communities potentially affected by restricted natural resource access are engaged in a process of informed and meaningful consultations and negotiations to identify and implement means of reducing or mitigating the impacts of restricted resource access. The PF provides guidelines for the development of Action Plans during project implementation that:

- ? Define the restrictions of access to natural resources in protected areas;
- ? Identify and quantify the impacts that those restrictions may have on different segments of the local communities;
- ? Propose, implement and monitor remedial measures to compensate for the loss of those assets and the income associated with them;
- ? Provide grievance redress mechanisms in order to resolve any issues that may arise due to restrictions of access to resources over the course of the program.

Ethnic Group Planning Framework:

An EGPF has been prepared in accordance to OP 4.10 with the main objectives to ensure that the development process fosters full respect for the dignity, human rights, cultural uniqueness of ethnic groups in Lao PDR, that they do not suffer adverse impacts during the development process, and that they receive culturally compatible social and economic benefits.

The EGPF takes into consideration emission reduction interventions that could impact on ethnic groups' lands and livelihoods. The EGPF will guide the screening and preparation of site-specific Ethnic Group Development Plans (EGDPs) during implementation under the principle of free, prior and informed consultation leading to broad community support. The EGPF was developed based on the results of the SESA and free, prior and informed consultations. Site-specific EGDPs will be disclosed locally before Program interventions affecting non-Lao-Tai ethnic groups (whether positively or adversely).

A Feedback and Grievance Redress Mechanism (FGRM) for the GFL area is in place to address potential conflicts relating to land/ boundary disputes and any such issues relating to the implementation of the ER activities. The ESMF describes the FGRM in detail. Grievances related to environmental and social issues from ethnic groups that result from Project activities at the community level will be resolved by the Village Mediation Unit (VMU). However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the DoF/MAF Office or the National Assembly (NA), as provided for by law in Lao PDR. At each level grievance details, discussions, and outcomes will be recorded in a grievance logbook. The status of grievances submitted and grievance redress will be reported to DAFO management through the monthly report.

Benefit Sharing Plan:

The BSP ensures that these carbon benefits are allocated among various beneficiaries at

different levels in a transparent, inclusive and fair manner with effectiveness, efficiency, democracy, flexibility and comprehensiveness through proper consultation process with all relevant stakeholders and local communities.

The draft National REDD+ Strategy identifies three categories of potential beneficiaries: i) rural forest-dependent communities (including non-Lao-Tai ethnic groups), ii) State bodies (at all levels), and iii) other stakeholders, such as private sector, civil society organizations, projects (by CSOs, private sector and development partners), and research institutions.

Benefits under the GFL will include both monetary and non-monetary benefits, as well as result in non-carbon benefits. These benefits will be culturally appropriate and gender and inter-generationally inclusive. Monetary and Non-Monetary Benefits are defined as any (1) monetary or non-monetary goods, services or other benefits related to payments received under the ERPA by the GFL Entity, or funded with such received payments, and (2) other monetary or non-monetary benefits which (i) are directly related to the implementation and operation of the GFL, (ii) provide a direct incentive to Beneficiaries to help implement the GFL, and (iii) can be monitored in an objective manner. The provisional principles adopted in the NRS will be applied to the benefit sharing and these are: effectiveness, efficiency, and equitable sharing, and arrangements will be based on: hotspot priorities, legal rights, costs (those directly investing capital and/or labor into REDD+ activities), facilitation (those indirectly contributing to REDD+ implementation at all levels), emissions reduction (those who have reduced emissions through the use, protection and management of forests and forest resources), and pro-poor (prioritizing poverty reduction). The BSP also adheres to the following principles:

? Adaptive Learning Approach The GFL-BSP will use an adaptive learning approach that will give primacy to piloting innovative approaches, high quality documentation of lessons, and revise, based on improved land-use change assessment technologies and methodologies, and adopt, to ensure planned targets are achieved and benefits secured.

? Strategic and Sustained Focus on Key Drivers Mechanisms will be established to ensure agile decisions can be made to ensure strategies retain focus on key drivers, and that these are addressed and results reflected in targets and benefits.

? Commitment to Communities and Improved Targeting: The BSP will reflect a transparent commitment to local communities and ensure they remain the largest beneficiaries of benefits; and, to improve targeting and identify communities most-dependent on forest resources, so that benefits are increasingly directed to communities who make the most significant contribution to addressing drivers and reducing emissions.

? Equity: Ensuring the distributional aspects of the associated costs, risks and benefits, procedural aspects of participatory decision-making are clear and transparent. The BSP will ensure that the beneficiaries are people/organizations who contribute directly or indirectly to emission reductions objectives of the GFL. The BSP will further ensure equality among participating parties, avoid elite capture, and provide incentives for vulnerable groups (women, non-Lao-Tai ethnic groups, poor communities depending on forest).

? Disclosure Standards: Transparent and timely disclosure standards will be established to ensure quantitative data on land use change, status of emission reductions, calculation of benefits, and qualitative documents are disclosed to all stakeholders.

Safeguard Implementation, Monitoring, and Training:

At the national level once the NRS receives approval, a national safeguards information system (SIS) will be established to ensure Lao REDD+ completes the requirements to be eligible for results-based payments. For GFL, a project-specific Social and Environmental Safeguards Unit (SESU-GFL) will be established at the REDD+ Division. SESU-GFL will be headed by a coordinator, and two support staff. The six project provinces will be divided into two clusters with each cluster staffed by two staff to support three provinces each. Based on access, communication and feasibility the provincial clusters will be located at SESU-LP (Luang Prabang), and SESU-LM (Luang Namtha). A total staff of seven will be deployed for safeguards management in GFL. Prior to the start of implementation capacity building, production of information, education, and communication (IEC) material, and community consultations will be initiated.

At the community and sub-project level a participatory monitoring and evaluation process will be used that will be community based and address project progress, impact, and safeguards. GFL will establish appropriate indicators for measuring its performance in community support: (a) number of community beneficiaries to be gender-disaggregated. (b) proportion of income originating from natural resources; and, (c) number of communities that have completed the PLUP.

Sub-project implementation will be regularly supervised and monitored by the Technical Teams. The SDA will prepare bi-annual progress reports and describe their observations on project performance including issues related to safeguards and grievances if any. Annual reviews, or more frequently as required, will be carried out to assess project performance. Review teams will include professionals qualified in the social sciences, anthropology or related discipline. All data will be disaggregated according to gender and ethnicity, and hamlets within villages will be the unit of data collection in ethnically mixed villages. The SDA in close consultation with local government and project beneficiaries will establish a set of practical monitoring indicators in line with the project objectives. Baseline studies will record specific indicators and will assist in managing likely impacts on access to resources and impacts on livelihoods.

Guidance for Safeguards Monitoring and Implementation:

The GFL package includes the following documents that will be used to address safeguards and for project implementation: Volume I SESA - Strategic Environmental and Social Assessment; Volume II ESMF - Environmental and Social Management Framework; Volume III EGPF ? Ethnic Group Policy Framework; Volume IV RPF ? Resettlement Policy Framework; Volume V PF - Process Framework; Volume VI - Technical Manuals -PLUP - Participatory Land Use Plan, -PSFM Manual - Operations Manual for Production Forests, -VFMG - Village Forest Management Guideline and Implementation Manual; Volume VII Financial Management Manual; Volume VIII Procurement Manual. The EPF will also use these instruments for safeguards management in addition to applying its own institutional guidelines and manuals for project and financial management, procurement, and monitoring and evaluation.

World Bank oversight of the safeguard of the GFL:

During the implementation period of an ERPA Operation, the Bank's primary responsibility for oversight would be to assess whether the environmental and social management systems established by the Program Entity address and respect all aspects of the Safeguard Plans that apply to the ERPA Operation.

World Bank accountability and due diligence are related to (a) its role in the development, approval and implementation of the safeguard system which will apply to the GFL and ERPA and (b) the Bank's compliance oversight of program activities during implementation as part of the GFL, or within the ERPA accounting area, depending on the source of financing for those activities.

a) Development, approval and implementation of the safeguards system:

The World Bank retains the responsibility to determine that the safeguards system which applies to the GFL and ERPA is sufficient to result in program implementation that complies with World Bank safeguard policies. Specifically, this entails providing appropriate advisory services, conducting quality assurance and compliance reviews, and oversight of the systems to implement environmental and social management frameworks and/or plans which are formulated at the GFL appraisal and ERPA signing stages of the FCPF process. The Bank's role is to confirm that all such frameworks and plans meet World Bank safeguard policy requirements and that the Program Entity will establish and maintain effective management systems to implement the requirements specified within those frameworks and plans.

b) Compliance Oversight of specific program activities during implementation:

During the implementation period of an ERPA Operation, the World Bank has the responsibility for monitoring and ensuring effective implementation and compliance of the Program Entity with agreed management measures. The Bank's primary responsibility for oversight would be to assess whether the environmental and social management systems established by the Program Entity address and respect all aspects of the Safeguard Plans that apply to the ERPA Operation. World Bank's review, approval, and oversight of specific program activities are provided below:

- For the Bank-financed projects contributing to the GFL, the Bank will retain full responsibility for safeguards compliance and oversight as it would for any other Bank financed activity;
- For the GFL activities financed by others, the MAF as the Program Entity, together with financiers, would be responsible for ensuring that requirements of applicable safeguards frameworks and plans are addressed and respected. The World Bank would not be responsible for any prior review, clearance, or supervision of such activities. The World Bank's role would be to undertake periodic assessments to determine whether the agreed safeguards systems are being implemented in accordance with agreements and that these systems are effective in addressing safeguards risks and impacts. This includes confirming aspects such as, adequacy of budgets and staffing to support the implementation of the Safeguards Plans; that the PE can demonstrate credibly that environmental and social assessments and management plans are prepared in accordance with the safeguard frameworks; mechanisms for self-reporting and Third Party monitoring are in place and functional; grievance redress

and dispute resolution mechanisms are established and functional; the implementing entities have demonstrated ability to solve issues of non-compliance and so on. The Bank will establish a clear time-table for supervision and implementation support missions. In the early years of an ERPA Operation, oversight would typically need to be robust and conducted regularly to verify that systems are functioning as agreed.

- For activities in the ERPA accounting area which may in some way contribute to emissions reductions but are not part of the GFLL, the World Bank would bear no responsibility for review or oversight either at the transaction or program level.

Payment for Emission Reductions Generated Before the Signing of Emission Reductions Payment Agreements

Carbon Fund of the Forest Carbon Partnership Facility (FCPF) allows for the accounting of and payment for emission reductions (ERs) generated under the ER Program before ERPA signature. The ERs generated before ERPA signature are required to meet the requirements of the FCPF Methodological Framework. Potential payments for such ERs are subject to the General Conditions Applicable to ERPAs for FCPF ER Programs. In order to receive potential payments under an ERPA for ERs generated before ERPA signature (retroactive ERs) an ER Program will have to meet the following five conditions: 1) The ER Program has been selected into the Carbon Fund portfolio, and the implementation of at least one of the ER Program Measures has started; 2) The Program Entity has started to implement ER Program Measures in a manner consistent with the ESMF for the ER Program; 3) Forest Monitoring System is operational; 4) All payments for (retroactive) ERs are subject to the final Benefit Sharing Plan for the ER Program, as approved by the World Bank; and 5) All payments for (retroactive) ERs are subject to the Program Entity's demonstrated ability to transfer title to such ERs.

The MAF as the Program Entity will conduct due diligence of the donors' projects contributing to ERs to provide evidence, in form and substance satisfactory to the Trustee, to demonstrate that the ER Program Measures generating the (retroactive) ERs were implemented in a manner consistent with the approved ESMF. This condition clarifies that (retroactive) ERs can only be paid for if the ER Program Measures meet the World Bank social and environmental safeguards.

World Bank will conduct due diligence of ERs generated before ERPA as part of the qualifying process for retroactive payment to ensure that they meet the five conditions above, including review of BSP and its implementation. Specifically, the due diligence will confirm that there are systems in place to screen/evaluate project activities to ensure that they were implemented in a manner consistent with the ESMF. Such due diligence may include, for example, site visits and communications with the financiers of those activities to understand the safeguards that have been applied to such activities.

Feedback and Grievance Redress Mechanism (FGRM):

The ESMF includes a FGRM to provide the framework within which complaints about safeguards compliance can be handled, grievances can be addressed, and disputes can be settled quickly.

Within the Vietnamese legal framework citizen rights to complain are protected. As part of

overall implementation of the subproject, the FGRM will be established by the Environmental and Social Unit of the PPMU. It will be readily accessible, handle grievances and resolve them at the lowest level as quickly as possible. The key process and elements of the FGRM include, procedures for submission of complaints and grievance resolution, responsible person, and contact information. The complaints can be received in verbal or writing forms, by telephone, fax, or email. They can be sent to the local authorities, contractor, construction supervision engineer, PPMU, or the independent environmental monitoring consultants and will be logged in the record system and sent to responsible person for taking action. To facilitate complain process, subproject information leaflets will be prepared and distributed at the subproject sites to provide practical information about grievances to local residents including contacts and addresses.

The communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanism or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaints to the WB's independent Inspection Panel which determines whether harms occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted freely after concerns have been brought directly to the WB's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit www.worldbank.org/grs. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Public Consultation and Information Disclosure.

For the preparation of the GFLL, stakeholder consultations have been conducted with a wide range of stakeholder representatives ranging from the central to the village cluster level. The objectives of the consultations were to identify drivers of deforestation and forest degradation, and possible measures to address the identified drivers and barriers for successful implementation, and also to enhance understanding on the aim of the GFLL and its designed activities, and pros and cons of implementing it under their jurisdiction. Consultations have been conducted based on the principles of Free, Prior and Informed Consultations (FPIC), aiming for full and effective consultations for approval with particularly local level stakeholders.

The preparation of the SESA has taken place concurrently with the preparation of the ER-PD. To ensure synergy and efficiency in the parallel implementation of the two important processes, the two processes were carefully planned to synchronize in their methods, schedule and outputs.

The development of the ERPD was a participatory process, done through a committee known as the ERPD Team. Under the leadership of National REDD+ Focal Point and the REDD+

Division, the ERPD was convened and participated by the partner organizations actively engaged in REDD+; namely, FCPF REDD+ Readiness Project, the Climate Protection through Avoided Deforestation (CliPAD) Project of GIZ funded by BMZ, the Sustainable Forest Management and REDD+ Support Project (F-REDD) of JICA, and the UN-REDD Program support from FAO, along with the World Bank-financed REDD+ Readiness operation. This committee met regularly (weekly meetings by default, and more intensively as required) to discuss and draft sections of the ERPD. In various instances, this committee was the venue for providing options for the GFLL formulation, which would then be consulted with other Government actors and non-Government actors through TWG meetings, consultation meetings, and through other venues.

From 2016, the six provinces engaged in their respective processes of developing their Provincial REDD+ Action Plans (PRAPs) which are the provincial level instrument that identifies the strategic interventions to address drivers and barriers for REDD+. For the PRAP preparation in the six provinces, consultation meetings were held in all 50 districts and 50 selected kumban , engaging with provincial and district staff, and village representatives. The PRAP consultations intensively discussed and identified main drivers and barriers to REDD+ and priority interventions for the province.

Another regional meeting with these six provinces was organised in September 2016. In October 2017 all Northern provinces gathered together in Oudomxay province to discuss the SESA, Safeguard Plans and elements of the GFLL including on institutional arrangement, and benefit sharing.

Draft versions of environmental and social safeguards instruments have been disclosed both locally at the PMU and program areas on October 4, 2019, and at World Bank's website [December 12, 2019]. The final environmental and social safeguards instruments will be disclosed locally and at the Bank Operation Portal. The Appraisal Stage Integrated Safeguards Data Sheet of the project will also be disclosed at the Bank's Operation Portal.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	01-Oct-2019
Date of submission to InfoShop	12-Dec-2019
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Lao People's Democratic Republic	04-Oct-2019
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	01-Oct-2019
Date of submission to InfoShop	12-Dec-2019

"In country" Disclosure	
Lao People's Democratic Republic	04-Oct-2019
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	01-Oct-2019
Date of submission to InfoShop	12-Dec-2019
"In country" Disclosure	
Lao People's Democratic Republic	04-Oct-2019
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	No
Date of receipt by the Bank	01-Oct-2019
Date of submission to InfoShop	12-Dec-2019
"In country" Disclosure	
Lao People's Democratic Republic	04-Oct-2019
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why::	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.04 - Natural Habitats						
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If the project would result in significant conversion or degradation of other (non-critical)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>

natural habitats, does the project include mitigation measures acceptable to the Bank?						
OP 4.09 - Pest Management						
Does the EA adequately address the pest management issues?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
OP/BP 4.11 - Physical Cultural Resources						
Does the EA include adequate measures related to cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.10 - Indigenous Peoples						
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	TBD	<input type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>

income sources or other means of livelihoods)						
OP/BP 4.36 - Forests						
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the project design include satisfactory measures to overcome these constraints?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

V. Contact point

World Bank

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Borrower/Client/Recipient**Implementing Agencies****VI. For more information contact:**

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VII. Approval

Task Team Leader(s):	Name: Maurice Andres Rawlins, Alexander Lotsch	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Nina Chee (SA)	Date: 15-Jul-2020
Practice Manager/Manager:	Name: Mona Sur (PMGR)	Date: 19-Jul-2020
Country Director:	Name: Sombath Southivong (CD)	Date: 29-Jul-2020