

**Scaling-up Participatory Sustainable Forest Management  
Matrix Providing Clarifications on Queries Received from FIP Steering Committee Members  
Vientiane, Lao PDR  
March 28, 2013**

The following clarifications are provided in response to questions received from the members of the FIP Steering Committee; this matrix is accompanied by a revised PAD with revisions made since the IDA Decision meeting held on March 7, 2013.

# - FIP SC Member - Question	Clarification
<p>1. U.S. - In general, we found it difficult to understand the precise activities (and who will be undertaking these activities) under Components 1 and 2, and how these activities address the drivers of deforestation listed in paragraph 9 of the PAD. An explanation of what the situation in the project areas is now, the changes expected through FIP support, and how the project will reduce emissions or enhance removals of greenhouse gases would be appreciated.</p>	<p>The Government of Lao PDR's (GoL) Seventh National Socio-Economic Development Plan (7<sup>th</sup> NSEDP; 2011-2015) highlights the government's intentions to attract significant Foreign Direct Investment and to increase forest cover from 40% in 2010 to 70% by 2020. GoL also expects to exit Least Developed Country status by 2020. Future growth is projected to be driven largely by natural resources, and the sector's contribution to GDP is growing. These developments have exposed risks related to unsustainable management of natural resources and deepened inequality. The country's continued reliance on natural resources as a primary driver of high growth could exacerbate pressure on natural resources and increase environmental degradation. At present the majority of designated forests in Lao PDR lack management plans and risk of conversion is high. Supporting community engagement and participatory management planning is expected to ensure a more transparent process of land allocation and more equitable distribution of benefits from natural resources. Additional support for REDD+ in Lao PDR is provided by the Forest Carbon Partnership Fund (FCPF), the FIP Dedicated Grant Mechanism (DGM), other development partners including GIZ, KfW, JICA, SDC, AusAID, USAID, UNDP and Finland.</p> <p><b>Component 1</b> includes two subcomponents.</p> <p>The <b>first subcomponent</b> is designed to strengthen the capacity of government agencies to provide support to participatory sustainable forest management. This subcomponent also will facilitate the development of partnerships among government agencies responsible for forest management and protection, and timber processing and marketing. Partnerships between government agencies and mass organizations and civil society organizations are also supported under this component (recognizing that the implementing agency would benefit from drawing on skills in community engagement, conflict resolution and others.</p>

The **second subcomponent** expands implementation of PSFM (a community-based forest management model) to a total of 41 production forest areas nationally. This effort reinforces earlier investments and introduces among others; carbon monitoring and payments, expands the system of participatory forest management planning, strengthens tenure of local communities under Memoranda of Understanding and introduces communal leases to ensure local control and benefits from restored forest areas.

**GHG Reductions.** This component addresses deforestation by forging a common understanding among a broad range of stakeholders in government and allied agencies engaged in forest management and community development. This component also directly addresses illegal logging and uncontrolled expansion of agriculture. It creates a monitoring system to identify and ensure transparency, planning and control of overlapping development activities. Reduced emissions are attributable to avoided deforestation and reduced forest degradation caused by uncontrolled logging. In the absence of the project one would expect harvesting far in excess of sustainable norms if implemented without management plans or proper oversight.

**Component 2** includes two subcomponents.

The **first subcomponent** introduces for the first time in Lao PDR a landscape forest management regime at Provincial level (in four provinces in the north – Bokeo, Luangnamtha, Oudomxai and Xayabouli) that draws explicitly on the bottom up participatory planning processes being carried out with communities in all forest types (both designated forests and village use forests outside of designated forest areas). Under the proposed framework forest managers including community leaders are able to coordinate their efforts and share information about ongoing threats and strategies for improving forest protection and law enforcement. By engaging the Local Administration at both Provincial and District level forest managers will be able to engage directly in a transparent and participatory process of reviewing plans for forest protection and to identify plans for forest conversion and identify strategies to minimize and mitigate impacts of development activities that might otherwise undermine forest management objectives.

The **second subcomponent** provides financing for forest management planning in Village use forests outside of designated forest areas for the first time in Lao PDR (in the same four northern provinces of subcomponent one above). The inclusion of these community managed forests

	<p>outside of designated forest areas is important because they constitute an estimated 20-25% of total forest cover and due to their relatively small size they are more likely to be subject to conversion to alternative land uses. The second subcomponent also finances the implementation of Forest Landscape Management Pilots in two provinces (Bokeo and Luangnamtha) turning agreements into implementation programs to ensure more effective law enforcement and better coordination among forest managers and between forest managers and local authorities to avoid and minimize forest cover losses in targeted provinces. This component is expected to serve as a model for drafting national legislations and regulation for scaling up landscape approaches in a second phase.</p> <p><b>GHG Reductions.</b> Creation of national REDD+ framework and FCPF The inclusion of Provincial Governors in a structured dialogue provides a unique opportunity to discuss all drivers of deforestation and forest degradation mentioned in PAD para 9 including drivers from within the forest sector and those from outside of the sector. Reduced emissions are attributable to avoided deforestation and reduced forest degradation caused by uncontrolled logging in the area of development activities. In the absence of the project one would expect timber harvesting and forest cover loss far in excess of that required by the footprint and the engineering design.</p>
<p>2. U.S. and Global Witness - Will intact tropical forest be subject to industrial logging under the project?</p>	<p>We can confirm, that if we rely on FAO's definition of primary forests, there are no plans for any logging of any sort by the project which will affect Laos' small remaining area of primary tropical forests. Production forests within the project area are all heavily modified secondary forests.</p> <p>As described in the project's Environmental Assessment, within the forest areas affected by this project, SUFORD carries out an ex ante screening process to identify pockets of relatively intact forests that have high conservation values (against the accepted definitions established for determining whether a forest is a High Conservation Value Forests). Even these are unlikely to be primary tropical forests because most are already modified by human intervention. Regardless of this, if they qualify as an HCVF, they are formally excluded from any harvesting.</p> <p>Communities are involved in all aspects of planning and management but the timber felling is handled by contractors (who may employ community members in the process). The contractors fell and transport the wood to the second landing where it is inventoried and auctioned by the Ministry of Industry and Commerce. Contractors do not own the wood and are not permitted to transport it beyond the second landing. Timber auctions are conducted under the auspices of the Ministry of Industry and Commerce and community representatives are expected to take part in the</p>

	<p>proceedings and to be informed of the total revenue generated and the community share.</p> <p>With this understanding we can clearly state that no industrial-scale logging concessions are expected or allowed under this project.</p> <p>Authorization to harvest must be sought annually from both the Minister of Agriculture and Forestry and the National Assembly. The sustainability of these norms is evidenced by the fact that a major portion of the Production Forest Areas was certified to the FSC standard.</p> <p>Consistent with the relevant U.S. Senate Committee Report, assistance under this project provides resources “to protect tropical forests” and to “support measures to strengthen forest governance, ensure tenure rights for indigenous peoples and local communities living in and around forests, promote full and effective participation of civil society in land-use planning and other forest policy decisions, and increase community ownership and management of natural forests for multiple values as an alternative to industrial-scale logging.” Under the proposed project design forest management activities will sustainably utilize and help “maintain the natural ecological functions, biodiversity and resilience of tropical forests.”</p>
<p>3. Global Witness - What area and type of natural forests will be subject to new industrial logging operations as a result of the project?</p>	<p>All 51 production forest areas (PFAs) in Lao PDR have been legally designated under decrees issued in 2001 (8 initial PFAs), 2006 (29 PFAs), and 2008(14 PFAs). Production forests constitute 20% of designated forest and cover 3.1 M hectares. Other categories of designated forest in Lao PDR include Protection forests (identified primarily for their contribution to watershed protection; 50% of designated forest; 8.2 M hectares) and Conservation Forest (identified primarily for their contribution to biodiversity conservation 30%; 4.7 M hectares). All forests except for planted forests in Laos are natural forests. Production Forests are large contiguous forest areas and <b><i>not all areas inside of PFAs are eligible for harvest.</i></b> Consistent with World Bank safeguard policies, High Conservation Value Forests (HCVF) must be identified during forest management planning and areas meeting the definition of “critical forest area” as described in OP 4.36 Annex A – Definitions paragraph c (i) and (ii) are excluded from harvest areas. Similarly riparian zones and steep slopes are excluded from harvests. Village use forest areas including forest set aside by the community for burial and spiritual purposes and rotational agriculture areas also exist inside of PFAs. These areas are also mapped, set aside for exclusive community use, and not included in harvest areas. Management plans and maps are prepared with and reviewed by communities and must meet the Bank safeguards standards established for indigenous communities – free prior and</p>

	informed consultation leading to broad community support.
4. U.S. - The document contains, in several places, mention of performance payments for forest carbon sequestration or other PES payments. Could you please provide information on what sorts of performance-based payments are envisioned under the project, and how these PES systems would be financed?	A GoL Decree on Protection Forest from 2010 requires that 1% of annual hydropower revenue be allocated for watershed protection through to the Forest and Forest Resource Development Fund established in 2005 and chaired by the Minister of MAF. Under the FIP Investment Plan for Lao PDR the ADB is taking the lead on policy dialogue in relation to PES in forest areas. The SUPSFM project will support PES pilots which may include payments for carbon sequestration and avoided deforestation under REDD+, biodiversity conservation payments or watershed protection services in hydropower catchment areas. The project will prepare proposals for innovative financing including pilots on PES which will serve as inputs for determining improved approaches to securing sustainability and self-financing in the forestry sector. A PES Development Adviser is supported by Finland parallel finance. Payments may be provided through one of several mechanisms – domestic Forest and Forest Resource Development Fund, voluntary market participation, or compliance market participation.
5. U.S. - We also noted a reference to “village grants” in the amount of \$6 million in one of the annexes. Could you provide more information on what is meant here?	Villages participating in the project are eligible to receive up to USD 8000 of Village Livelihood Development (VLD) grants to be used to fund forest-based and related livelihood development plus USD 2000 specifically for forest restoration. A proposal for the use of the village grant will be prepared by the Village Forestry and Livelihood Committee (VFLC) with technical support provided by the Project through the VLD Team (part of the technical assistance team composed of national and international project staff). The VLD grant proposal will include among other items the names of the beneficiaries and how they were selected, the livelihood activities that will be supported, the activities and cost rates for the use of the fund, timetable, and the expected results. The VFLC will also be trained on financial management, e.g. bookkeeping, and the opening and maintenance of a VFLC bank account. After the grant proposal is approved by the District Project Steering Committee, the approved amount will then be transferred to the VFLC bank account. VLD grants can be used by making withdrawals from the VFLC bank account only according to the approved proposal. VLD Team will monitor both the inputs and outputs of the livelihood development activities, how the grant is being used, issues that arise and how those were resolved, etc. Each district will have a Project Assistant (who resides in the district) to assist in monitoring, collating the monitoring results, and reporting them to project management.
6. U.S. - With respect to concession risks mentioned in paragraph 64, will the project seek assurances from government	Government of Lao PDR does allow in law and regulation for timber harvesting to occur in designated infrastructure areas outside the scope of forest management plans but only under very stringent conditions. A legal covenant ensuring proper use of this authority was included in SUFORD Financing Agreement and will be included in both the IDA Financing Agreement and the

<p>agencies with control over land-use decisions that overlaps between concession areas and project areas will be avoided?</p>	<p>FIP Grant Agreement. [Rejecting, prima facie, all development activities (hydropower, mining and infrastructure) in PFAs is not feasible. The forest areas included in the project are too many and too large to exclude all development alternatives.] The explicit objective is to assist GoL and Provincial Authorities with the assessment and adoption of alternatives that would minimize and mitigate impacts on forest, forest carbon, community incomes, and biodiversity values.</p> <p>Under Component 1 (to be implemented in Production Forest Areas) assurances from government agencies with control over land-use decisions have been sought during project design that - development activity concessions that overlap project financed PFAs will be avoided to the extent possible and where it is not possible to exclude them then their impacts should be identified, minimized and mitigated.</p> <p>As noted above, Component 2 introduces for the first time in Lao PDR a landscape forest management regime that engages Provincial and District Administrators to facilitate a transparent and participatory process of reviewing plans for forest protection and to identify emerging plans for forest conversion and identify strategies to minimize and mitigate impacts of development activities that might otherwise undermine forest management objectives.</p> <p>Risks of community loss of access to resources are further mitigated with tenure strengthening, please see next section.</p>
<p>7. U.S. - Approach to land tenure strengthening</p>	<p>The current Forest Law allows for designation and allocation of land as “Village Use Forest” following a defined process of Participatory Land Use Planning (PLUP). Under this project support will be provided for strengthening and implementing regulatory frameworks for communal forest tenure at the sub-national level. Tenure, access and resource rights in PFAs will be strengthened by (a) signing a Memorandum of Understanding (MOU) with the communities on forest management and rights and responsibilities; (b) providing collective leases to Villages involved in forest restoration; and (c) providing community land title in village-use forest outside PFAs. The project will finance training, dissemination and use of the new regulations, and ongoing improvements of the legal and regulatory framework to ensure effectiveness and efficiency of legal instruments and procedures. Both Ministry of Agriculture and Forestry (MAF) and Ministry of Natural Resources and Environment (MoNRE) have signaled their intention to work together to implement expedited land use planning and titling during the current 5 yr plan period, and mechanisms will be established for this collaboration to enhance land use planning and titling.</p>

	<p>Work on the legal and regulatory framework for communal tenure of forestland will build on the experience of recently granted community titles in the Nakai district, Khammouane province, in conjunction with the Nam Theun 2 Project, as these provide precedent and case studies to inform the ongoing revisions of the land and forest regulatory framework.</p>
<p>8. U.S. - We note that effective timber revenue sharing is important to the sustainability of this project. Could you provide more information on the timber harvesting activities in the PSFM framework, including who undertakes them, community participation in their administration, and the roles of various parties in the tracking and distribution of timber revenues?</p>	<p>Communities in project areas are entitled under Presidential Decree No.1 (2012) to receive 12% of gross timber sales revenue. The project will establish a monitoring mechanism to track the deposit of timber revenue in village managed bank accounts. See also response 2 above. In relation to timber harvesting activities and who undertakes them please see responses 1,2,3 and 9.</p>
<p>9. U.S. - We did not fully understand the sustainability analysis contained in paragraph 37, which mentions that “medium-term responsibility for supporting PSFM is expected to be shared with other sector institutions such as hydro and mining through improved salvage logging operations and PES; industry and timber trade through improved timber sales regulation and FLEGT; and tourism through REDD+ carbon credits and PES.” An elaboration of what is required for sustainability, and the contribution of how much and how</p>	<p>Investments under this project are expected to make contributions to sustainability by fostering reinvestment in forests through improved monitoring and dissemination on timber revenue benefit sharing. In the medium-term support for PSFM implementation is expected to come from the hydro and mining sectors. The hydro sector will contribute increased revenue through the Forest and Forest Restoration Development Fund financed in part by a 1% levy on hydro revenues and PES from watershed protection services. In the mining sector improved planning, monitoring and oversight of associated logging will control excess harvesting and ensure revenue from salvage logging operations is properly recorded and captured by government. Improved systems for monitoring and reporting on international timber flows and domestic timber sales will allow more efficient capture of associated tax revenues. Ongoing legal framework revisions are expected to expand scope of participatory sustainable management of natural resources.</p> <p>Potential contributions from each source are limited at present and will be assessed as part of project implementation on a case by case basis.</p>

<p>each of those items contributes to this sustainability, would be appreciated.</p>	
<p>10. U.S. - We also note, in the same paragraph, reference to the drafting of a new land policy, revised land law, agriculture law and water resource law. To what extent is the adoption of new legislation required to ensure sustainability?</p>	<p>As noted in the Operation Risk Framework (Annex 4) the “project has been designed to be implemented under the existing legal framework. If additional opportunities arise, particularly for tenure strengthening under a revised land policy, the project will adjust targets accordingly. If the policy review process were to stall, then active dialogue and engagement with Provincial and District authorities will become crucial.” Such dialogue is already envisioned under the project. The project can achieve its sustainability objectives with the current legal and regulatory framework however the replication to new areas could be limited if the policy review process slows or stalls.</p>
<p>11. U.S. - With respect to criteria for selection of areas mentioned in paragraph 39, we were unclear whether commitment by project Province Governors to “exercise oversight, prohibited illegal harvesting and timber sales, and regulate grant of external development contracts in project areas” was a selection criterion (ie, required before project activities commence in a particular area)?</p>	<p>Selection of additional forest areas has been undertaken with due diligence and reference to proposed development plans such as hydro power, mining, and infrastructure. Known overlaps have been identified in the new provinces (Bokeo, Luangnamtha and Oudomxai) following protocols developed under SUFORD in the other provinces. See also description of Component 2 above in response to question 1.</p>
<p>12. U.S. - With respect to potential loss of livelihoods due to restriction of livelihood activities or access to forest resources mentioned in paragraph 56: has any analysis of current livelihood options vs. alternative livelihood options been conducted, and are</p>	<p>Alternative livelihood options have been assessed during project design and only competitive alternatives have been selected for promotion under the village livelihood development grants. Net change in livelihood is expected to be positive and any losses associated with access restrictions more than compensated with livelihood investments. Regular annual monitoring of technical service delivery quality and periodic beneficiary assessments will bring to light any shortcomings during implementation.</p>

<p>alternative livelihood options viable and competitive? To what extent are current resource use patterns in project areas environmentally sustainable?</p>	
<p>13. U.S. - We would also appreciate more information on what is meant by a “landscape approach to PSFM” that is to be piloted under Component 2. Who are the participants in this activity?</p>	<p>The importance of managing large forest landscapes is now recognized both domestically and internationally. A forest landscape is an area which is largely forested, and includes inter alia other landscape elements such as settlements, agricultural and other production areas. Forest landscape areas will be composed of several different forest categories that fall under distinct management regimes. Participatory sustainable management planning will be developed in Production, Watershed Protection and Conservation forests as well as in Village Use Forests managed by communities that fall outside of the three designated categories.</p> <p>Forest Landscape Management (FLM) offers a cross-sectoral and integrated approach to manage natural resources use and conservation, anticipate and mitigate environmental impacts from overlapping development activities, plan and monitor climate change mitigation/adaptation efforts, and identify opportunities to reduce poverty. Landscape level planning can help to organize and optimize a wide array of land uses, while simultaneously providing for the protection and sustainable use of forests -- an important intermediate step toward national adoption and implementation of REDD+.</p> <p>The project will facilitate preparation of Forest Landscape Framework Agreements that will be signed by the Provincial Governor and include identification of stakeholders, selection of targeted forest areas, definition of roles and responsibilities, participatory formulation of integrated spatial plans, inter-agency coordination mechanisms including information sharing protocols, revenue generating opportunities, benefit sharing arrangements and conflict resolution mechanisms. Inside PFAs forest cover loss will be reduced due to increasing protection, increasing restoration of degraded forest and increasing incomes of producer groups on more stable and secure land base. Outside of PFAs the landscape agreements are expected to bring salvage logging under a more robust planning, management and legal enforcement decreasing pressure on forests including primary tropical forests. Landscape agreements are also expected to bring Village Use forest outside of designated forest under communal land titles.</p>
<p>14. Global Witness - What</p>	<p>Please see response to question 2 above.</p>

<p>evidence is available to demonstrate that the standards for timber harvesting operations supported by the project will not result in the degradation of forests, as required by the FIP safeguard?</p>	
<p>15. Global Witness - What evidence is available to demonstrate that in the absence of this FIP intervention, emissions reductions will be higher in the specific areas proposed for the project, relative to the emissions that will result from logging operations.</p>	<p>We understand this is a question about a “without project” scenario. Restating the question - If there were no project what would the carbon emissions from project areas be and how do those projected emissions compare to the estimated reductions detailed in the project document. There is no definitive way to answer this question but there are several recent studies that point to the high losses of forest cover and the coincidence of forest carbon stocks in poverty affected provinces in Lao PDR. Many of these areas overlap the project selected PFAs. See in particular the following:</p> <p><b>Concessions and leases in the Lao PDR: Taking stock of land investments</b> Oliver Schönweger, Andreas Heinimann, Michael Epprecht, Juliet Lu, Palikone Thalongsechanh, 2012. Geographica Bernensia</p> <p><b>Landscapes of Poverty and Environment in Lao PDR</b> Andreas Heinimann, Peter Messerli, Michael Epprecht, Swiss National Centre of Competence in Research (NCCR) North-South, Centre for Development and Environment (CDE), Institute of Geography, University of Berne, Switzerland, 2010. Global Land Project</p> <p><b>Technical Note: The socio-geography of mining and hydro in Lao PDR</b> Nina Fenton, Magnus Lindelow, Andreas Heinimann, Ian Thomas, 2011. World Bank.</p>
<p>16. Global Witness - How does the project demonstrate that existing laws, regulations and standards relevant to logging operations will be strictly enforced.</p>	<p>The project design supports priorities outlined in the National Forest Law Enforcement Strategy 2020, which was financed with a Policy and Human Resources Development grant under SUFORD. The SUPSFM design provides resources for continued implementation of the Strategic and Tactical Patrol Program (STEPP) that has been piloted under SUFORD during the past 18 months. The project proposes to help address the key issue of poor controls of salvage logging by improving planning, monitoring and enforcement related to salvage logging for the purpose of decreasing pressure on forests including primary tropical forests. The Department of Forest Inspection has also developed plans for interagency law enforcement coordination and has recently signed a bilateral agreement with Vietnam on controlling illicit trans-boundary trade in timber, non-timber forest</p>

	products and wildlife. DOFI has joined and actively supports the Lao Wildlife Enforcement Network. Beyond SUPSFM, additional resources for forest law enforcement are expected to be provided through FLEGT and GEF financing.
17. Aus – There is very limited information included in the project documentation on how Districts and sub-FMAs were chosen to participate in the project. This has presumably been a result of quite detailed analysis and the project documents would benefit from including this.	All districts that overlap the selected Production Forest Areas are included in the project. Sub-FMAs are defined by village cluster boundaries. In provinces and districts that were not included in the project, participatory forest management planning is financed by another donor; JICA, in the case of Luang Prabang Province, or GoL in the case of Phongsaly, Houaphan and Xiangkhuang Provinces.
18. Aus – Consideration should also be given as to how other villages or districts, which have not been identified as participants in the project, could be included if they demonstrate a strong interest and are able to be serviced through District structures established as part of the project. The current description of the selection process for community engagement seems very top down i.e. analysis will drive the selection of participating villages. While this is useful, strong community commitment to the project is likely to be a strong predictor of successful implementation of PSFM.	As noted above Government is prepared to develop PSFM plans for all Production Forest Areas by 2015 utilizing GoL budget and with JICA support in Luang Prabang Province. Strong community commitment is essential and all villages will be given the option to participate in the process or not.
19. Aus – There is little consideration in the project documents of whether institutional	The support provided to PFAs that entered initially is limited under this project. Livelihood grant support in areas that entered between 2003 and 2008 will be limited to \$2000 USD average per village for forest restoration. Support in these areas will include assistance with forest restoration,

<p>structures and the capacity built at the village, district and provincial levels will be sustained once the project is completed. The project has been funded since 2003 (albeit with a smaller geographical scope) so it would be useful to understand how much longer funding is likely be required beyond this project, to ensure outcomes are maintained.</p>	<p>certification, and monitoring and reporting. Only one project assistant per province will be assigned to these areas.</p> <p>Support provided to PFAs that entered between 2008 and 2012 is will include \$4000 USD per village for support to producer groups and \$2000 USD per village for forest restoration. Support in these areas will include assistance with implementing forest management plans and attaining certification, and monitoring and reporting. One project assistants per district will be assigned to these areas.</p> <p>Support provided to PFAs that enter for the first time under this project will include \$8000 USD per village for support to producer groups and \$2000 USD per village for forest restoration. Support in these areas will include preparation of forest management plans and community action plans for livelihood development and subsequent implementation of those plans, certification and monitoring and reporting. Two project assistants per district will be assigned to these areas.</p> <p>Additional external financing beyond the current period is not expected in the Production Forest Areas included in this project. Running costs are expected to be supported through timber revenues.</p>
<p>20. Aus – On this, it would be useful to include a discussion of how successful the SUFORD program has been in integrating PSFM into the work of DOF and other government agencies to date, and how successful capacity building efforts at the village level have been. If this has not been particularly successful, it would be good to explain how this project has been designed to overcome these challenges.</p>	<p>PSFM has been fully integrated into DOF operations during the SUFORD period. Continuing challenges are detailed in the lessons learned section of the PAD and are incorporated into project design especially in the capacity building and partnership formation efforts outlined in component 1 subcomponent 1 and strengthening the legal and regulatory framework and forest law enforcement efforts under component 3 subcomponents 1 and 2.</p>
<p>21. Aus – M&amp;E: pg 57 indicates that information will be disaggregated by gender, ethnic</p>	<p>Disaggregated information will be collected by household socio-economic status, gender and ethnic groups. The indicators used in the Results Framework (3, 3a. 3b.; Annex 1) are “core indicators” that are used to gather data bankwide and these indicators are fixed (not editable). Additional</p>

<p>group and household socio-economic status, however this is not reflected in the Results Framework (Annex 1).</p>	<p>detailed information will be collected through household survey during baseline data collection and periodic beneficiary and service delivery surveys that are also identified in the Results Framework (1.1, 1.1 a, 1.1 b, 1.2).</p>
<p>22. Aus – We welcome the implementation support plan which recognises the need for technical support in the area of safeguards and financial management. We are interested to see how the revised procedures and other measures will help to address capacity gaps, particularly given the large amounts of funding for Forestry being directed to Lao PDR by multilateral and bilateral donors.</p>	<p>Significant resources are being directed toward the forest sector in Lao PDR by multilateral and bilateral donors and the PAD highlights plans for capacity assessment, capacity building and coordination among donors. DOF has chosen to recruit a large number of Project Assistants (79) and several university student interns (30) to support implementation, data collection, and monitoring of operations at the local level. This is expected to contribute to the creation of a new cadre of young foresters.</p>
<p>23. UK – Consultation processes regarding the granting of concessions, with communities and also at different levels of Government. How will overlap within project areas be minimized or avoided?</p>	<p>Please see response to question 6 above.</p>
<p>24. UK – The impact that new institutional arrangements, splitting responsibilities for different forest areas, will have on coordination and decision making at different levels of Government.</p>	<p>The split is still a relatively new phenomenon and impacts are not yet fully known. The Department of Forest Resources Management under MONRE is still located within the DOF compound and the staff are former colleagues of DOF who have worked closely together for years. Project support under component 2 Forest Landscape Management, particularly subcomponent 2 which focuses on joint operational planning and coordination in forest management and law enforcement will provide a good opportunity to assess how DOF and DFRM will collaborate. Likewise the work on tenure strengthening will require the active involvement and support of the MONRE Departments of Land Administration and Land Management.</p>

<p>25. UK – Government policy on the resettlement and consolidation of villages and its impact on indigenous people in particular.</p>	<p>This issue is treated in the ESIA and the Community Engagement Process Framework</p>
<p>26. UK – The risk that the reform process stalls, and/or does not deliver on expected rights and security for communities</p>	<p>Please see response to question 10 above.</p>
<p>27. UK – A more detailed breakdown of spend under the individual components of the project to better understand the cost/ton on expected carbon emissions savings</p>	<p>These calculations will form part of project assessment. In the absence of REL and MRV calculating cost efficiency of individual components is premature at this point. Detailed project costs are available in spreadsheet format.</p>
<p>28. UK – Clarification on the role of civil society organizations within the project’s steering group structure</p>	<p>Civil society organizations will play a representative role in National, Provincial, and District Project Steering Committees. The Government of Lao PDR, represented by DOF, realizes the importance that the contributions CSOs can make in the project and plans to explore possible partnerships. The role and terms of engagement of the CSOs in the project will be designed with stakeholders during the implementation of the project. Potential roles for CSOs to be explored include facilitation of free, prior and informed consultation process with communities, entrepreneurship skills development, participatory planning process, and implementation and monitoring of activities. The Dedicated Grant Mechanism under FIP will also facilitate and finance broad participation of the CSO and Ethnic Groups in REDD+ dialogue and implementation of activities at the local level.</p>
<p>29. UK - Assurances that consultation processes associated with the project and FIP generally are transparent in demonstrating if participants’ contributions are taken into consideration, and if not, why not?</p>	<p>The design of FIP was widely and publicly consulted at national and subnational levels. These consultations have been implemented over two years during the preparation of the FIP Investment Plan and the present project. The process for community consultation going forward is outlined in detail in the Community Engagement Process Framework (CEPF). A draft has been publicly available on the DOF website and the World Bank Infoshop since January 28, 2013 and a revised draft (post appraisal is expected to be posted this week).</p>

<p>30. UK – We would welcome further information on the Bank’s policy of NOT working with villages under this project that have been relocated and/or administratively consolidated.</p>	<p>In order to address project risks with regard to village consolidations, the project will not work in villages that will be consolidated within the life of the project. In villages that have already been consolidated project finance can be used if and only if land and resource tenure issues associated with the consolidation have been resolved to the satisfaction of villagers, and there is sufficient agricultural land for improving, or at least maintaining, their livelihoods. The intention is to avoid the use of project funds as an inducement for villages to participate in the consolidation program. See also Resettlement in Laos: Final Report, European Commission, SOGES 2011.</p>
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