

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY
MINISTRY OF AGRICULTURE AND FORESTRY

Environment and Social Impact Assessment (ESIA)

DRAFT

**Additional Financing Scaling-up Participatory Sustainable Forest Management
Lao PDR**

AF-SUPSFM Preparation Team

Vientiane, Lao PDR

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Table of Contents

1	INTRODUCTION AND BACKGROUND of the Project	9
1.1	FOMACOP/SUFORD/SUFORD AF/SUPFSM	11
1.1.1	FOMACOP	11
1.1.2	SUFORD	12
1.1.3	SUFORD AF	12
1.1.4	SUPFSM	13
1.1.5	AF-SUPFSM	14
1.2	Project Components of AF-SUPFSM	15
1.3	The Legal and Institutional Setting	18
1.3.1.	Programmes and Policies	18
1.3.2.	Lao Peoples' Democratic Republic Laws and regulations	20
1.3.3.	Judicial Bodies – the courts	21
1.3.4.	Strengthening dissemination of legal information and increasing legal awareness	21
1.3.5.	Key national regulations	22
1.3.6.	The World Bank Operational Policies and Directives	28
2	Environmental and Social Impact Assessment of the Proposed Project	35
2.1	Expected Environmental and Social Impacts, and Methodology	35
3	Lessons learnt from past experiences	36
3.1	Free, Prior and Informed Consultation Process	36
3.2	Mainstreaming ethnic and gender work approach	37
3.3	Village Forestry Committees and Village Development Committees ...	42
3.4	Benefit sharing from forest harvest revenues	45
3.5	Village development grant and Village Fund	47
3.6	Application of safeguards measures	49
3.7	Gender equity	50
3.8	Capacity of project beneficiaries	52
3.9	Land acquisition/resettlement	54
3.10	Grievance and conflict resolution mechanisms	55
3.11	Participatory Sustainable Forestry Management PSFM	56
3.12	Land tenure	58
3.13	Monitoring and evaluation	59

4	DESCRIPTION OF PROJECT BENEFICIARIES/ AFFECTED PEOPLE	59
4.1	Coverage of Field Implementation	60
4.2	Demographic data	62
4.2.1.	Demography of Lao PDR	62
4.2.2.	Demographic and Social Setting of AF-SUPSFM.....	66
5	Ethnicity profile	67
5.1.1.	Ethnicity profile of Lao PDR.....	67
5.1.2.	Ethnicity profile of AF-SUPSFM.....	69
5.1.2.1.	SUFORD	69
5.1.2.2.	SUFORD AF	69
5.1.2.3.	SUPSFM.....	70
5.2	Ethno linguistic groups	72
5.2.1.	Mon-Khmer groups	72
5.2.2.	Katuic speaking groups.....	74
5.2.3.	Bahnaric speaking groups: Tarieng profile.....	76
5.2.4.	Khmuic groups: Pray	77
5.2.5.	Hmong-lu-Hmien groups	79
5.2.6.	Sino-Tibetan Groups	80
5.2.7.	Akha profile	80
5.2.8.	Kim Di Mun (Lao Houay) - Lantene.....	81
5.2.9.	Lahu – Kui – Mussur.....	82
5.3	Customary authorities and decision making in ethnolinguistic categories 83	
5.3.1.	Hmong-lu-Hmien and Sino-Tibetan groups	84
5.3.2.	Tibeto-Burmese groups.....	85
5.3.3.	Lao-Tai groups	86
5.3.4.	Mon-Khmer groups	86
5.4	Weakening customary structures and social implications	87
5.4.1.	Gender	88
5.4.2.	Residence Patterns.....	89
5.4.3.	Birthing customs	89
5.4.4.	Division of Labor	90
5.4.5.	Women and Non-Timber Forest Products (NTFPs).....	91
5.4.6.	Increased workload of ethnic minority women.....	91
5.4.7.	Power & Decision-Making Structures	92
6	Environmental setting.....	94
6.1	Regional Environmental Setting.....	94

6.1.1.	Physiography and Vegetation	94
6.1.2.	Geology and Soils	95
6.1.3.	Surface Water	95
6.1.4.	Fisheries	95
6.2	AF-SUPSFM Environmental Setting	96
6.3	SUPSFM and Predecessor Projects' positive environmental (management) contributions	98
6.4	AF-SUPSFM Environmental Risks	99
6.5	No Project Scenario	99
6.6	AF-SUPSFM Environmental Impact.....	99
7	Economic situation	103
8	Agriculture, livelihood, food security, forest use and dependenc	103
8.1	Agriculture, livelihood and food security.....	103
8.2	Forest use and dependency	106
9	Policy Environment	109
9.1	Gender.....	109
9.1.1.	Addressing gender and social inclusion.....	109
9.1.2.	Relevant International and National frameworks	110
9.1.3.	Gender integration in forestry programmes.....	114
9.1.4.	Key gender related challenges	114
9.2	Land use Planning.....	117
9.2.1.	National Master Plan for Land Allocation.....	117
9.2.2.	Agriculture land zoning	118
9.2.3.	Land Use in Lao PDR.....	118
9.2.4.	Land use change in Lao PDR.....	118
10	INSTITUTIONAL ARRANGEMENTS	120
10.1	Institutional framework	120
10.2	Institutional and Implementation Arrangements	121
10.3	Government stakeholders	125
5.1.1	PAFO, DAFO (agriculture, production forest).....	125
5.1.2	Department of Agricultural Extensions and Cooperatives (DAEC) 126	
5.1.3	Lao NCAW	126
5.1.4	MoIC	126
5.1.5	DoFI.....	126
5.1.6	National Assembly.....	127
5.1.7	Party and State Inspection Authority	127

5.1.8	LFNC/LWU	127
10.4	Civil Society Organizations.....	128
10.5	Village level committees.....	129
5.1.9	Village Forestry & livelihood development committees	129
5.1.10	Village mediation units	129
10.6	Financial management.....	131
10.7	REDD+ institutional framework.....	131
11	EXTERNAL AND INTERNAL RISKS	134
11.1	Internal risks.....	134
11.1.1.	No project scenario	134
11.1.2.	Risks related to livelihood loss.....	135
11.1.3.	Risks related to weak consultations and participation.....	135
11.1.4.	Land tenure and access to natural resources	135
11.2	External risks.....	135
11.2.1.	Village consolidation	136
11.2.2.	Relocation	136
11.2.3.	Land concessions	137
11.2.4.	Illegal Wildlife Trade	139
11.2.5.	Pesticides	140
11.2.6.	Existing Land Concessions and Incompatible Concession granting 142	
11.2.7.	Fire Control	145
11.2.8.	Illegal Logging	146
11.2.9.	Shifting cultivation and access restriction.....	147
12	PROJECT MITIGATION MEASURES.....	147
12.1	Checklist, Eligibility criteria and Project Screening.....	147
12.2	Enhanced community engagement.....	148
12.3	Raising legal awareness at community level.....	149
12.4	PLUP – Participatory Land Use Planning.....	149
12.5	Physical Cultural Resources.....	151
12.6	Adaptable Models for Forest-based Livelihoods	151
13	PROJECT FEEDBACK and GRIEVANCE MECHANISMS	151
13.1	General Principles on grievance redress procedures	151
13.2	Project grievance redress procedures	152
13.2.1.	Step 1 Village level	152
13.2.2.	Step 2 District level	153
13.2.3.	Step 3 Province level	154

13.2.4.	Step 4 Central level	154
13.3	Petitions.....	154
14	MONITORING AND EVALUATION	155
14.1	Internal monitoring.....	155
14.2	External monitoring.....	156
15	Appendices	158
15.1	References.....	158

Table 1	Environmental and Social Safeguards Triggered	31
Table 2	PFAs supported by SUPSFM and AF-SUPSFM.....	60
Table 3:	List of AF-SUPSFM Project target provinces, districts and number of target villages	66
Table 4	Ethnic group literacy rates	68
Table 5:	Number of village per ethno linguistic category in SUFORD, SUFORD AF AND SUPSFM.....	71
Table 6:	Ethnicity/language requirement per districts in SUFORD-SU target areas ..	72
Table 7:	list of key activities relating to AF-SUPSFM Planning.....	99
Table 8:	list of key activities relating to SUPSFM Implementation	101
Table 9	Activities relating to SUPSFM livelihood development/enhancement	101
Table 10	Agricultural crops in northern, central and southern Lao PDR in 2015	104
Table 11	Household assets and income by ethnicity (per cent).....	108
Table 12:	Overview of Concessions and Leases in Lao PDR	138

Figure 1	District Poverty Headcount	63
Figure 2	Ethnic composition of the population of Lao PDR	67
Figure 3:	Mon-Khmer linguistic family.....	72
Figure 4	MAF and Gender Network and Cooperation	111
Figure 5	Overall Project Organization	121
Figure 6	District and Village Level Organization.....	122
Figure 7	Institutional framework at provincial level	125
Figure 8	REDD+ Institutional Arrangement	132
Figure 9:	National Forest Management	
Figure 10:	Naitonal Forest Management	

ACRONYMS

ADB	Asian Development Bank
CSO	Civil Society Organizations
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CESCR	International Covenant on Economic, Social and Cultural Rights
CFV	Case-Free Village
CIF	Climate Investment Funds
CIFORD	Community Initiative for Rural Development
CSS	Country Safeguard Systems
DAFO	District Agriculture and Forestry Organization
DOF	Department of Forestry
DOFI	Department of Forest Inspection
EGDP	Ethnic Group Development Plan
EGDS	Ethnic Group Development Strategy
EG	Ethnic Group
ESIA	Environment and Social Impact Assessment
EMFA	Exemplary Managed Forests in Asia
EMF	Environmental Management Framework
EU	European Union
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FID	Forest Inspection Department
FINNIDA	Finnish International Development Agency
FIP	Forest Investment Plan
FLM	Forest Landscape Management
FMU	Forest Management Units
FOMACOP	Forest Management and Conservation Project
FSC	Forest Stewardship Council
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GOL	Government of Laos
GVFC	Group of Village Forest Committees
GVFO	Group of Village Forest Organisations
HBVF	High Biodiversity Value Forest
HCV	High Conservation Value
IDA	International Development Agency
IEC	Information Education Material
IRD	Institut de Recherche sur le Développement
JICA	Japan International Cooperation Agency
LAK	Lao Kip
LBA	Lao Bar Association
LFNC	Lao Front for National Construction
LUPLA	Land Use Planning and Land Allocation
LSMP	Legal Sector Master Plan
LWU	Lao Women's Union
MAF	Ministry of Agriculture and Forestry

MDB	Multilateral Development Bank
MFAF	Ministry for Foreign Affairs of Finland
MOIC	Ministry of Industry and Commerce
MONRE	Ministry of Environment and Natural Resources
NAFES	National Agriculture and Forestry Extension Services
NAFRI	National Agriculture and Forestry Research Institute
NBCA	National Biodiversity Conservation Areas
NC	National Consultant
NPA	Non Profit Associations
NPV	Net Present Value
NTFPs	Non Timber Forest Products
PAD	Project Appraisal Document
PAFO	Province Agriculture and Forestry Office
PCR	Project Completion Report
PDO	Project Development Objective
PES	Payment for Environment Service
PFA	Production Forest Areas
PLUP	Participatory Land Use Planning
PSFM	Participatory Sustainable Forest Management
PM	Prime Minister
PRF	Poverty Reduction Fund
PSC	People Supreme Court
REDD	Reducing Emissions from Deforestation and forest Degradation
SUPSFM	Scaling up Participatory Sustainable Forest Management
SCF	Strategic Climate Fund
SIDA	Swedish international Development Agency
SFMA	Sub Forest Management Areas
SIA	Social impact Assessment
STEPP	Strategic and Tactical Enforcement Patrol Program
SUFORD	Sustainable Forestry and Rural Development Project
SUFORD-AF Funding	Sustainable Forestry and Rural Development Project – Additional
SWAT	Soil & Water Assessment Tool
VD	Village Development
VDC	Village Development Committee
VFC	Village Forestry Committee
VFLC	Village Forestry and Livelihood Committee
VFO	Village Forest Organization
VLG	Village Livelihoods Grant
VMU	Village Mediation Unit
WAD	Women’s Advancement Division
WB	World Bank
WCS	World Conservation society

1 INTRODUCTION AND BACKGROUND of the Project

Lao PDR is one of the least developed countries in Southeast Asia. The country has considerable natural resources in forests, water resources, and minerals and these are significant for cultural development, environment protection, and economic development. Its forests cover about 40% of the country, the highest percentage in Southeast Asia, but the total area of forest has declined dramatically from 70% of the land area of 26.5 million ha in 1940, to 49% in 1982, and to only 40% or about 9.5 million ha in 2010. Data on changes in forest cover suggest that during the 1990s the annual loss of forest cover was around 1.4% annually, giving an average annual loss of forest cover of about 134,000 ha.

In addition to the declining forest area, there has been a steady fragmentation of forests and a decline in the average growing stock within the residual forest, which have both reduced carbon values and had a negative impact on biodiversity. Annual emissions from deforestation and forest degradation were estimated at 95.3 million tCO₂e in 1982, declining to 60.6 million tCO₂e by 2010. For the period from 2012-20, the average annual emission is estimated at 51.1 million tCO₂e.

The Additional Financing to Sustainable Participatory Forest Management Scaling-Up Program to which this ESIA and subsequent safeguard frameworks relate, have been developed to support the national Forest Strategy 2020 (FS2020) and ongoing efforts to protect and restore forest cover and to reduce forest carbon emissions and implement a national REDD+ program. The program themes have been developed to directly address the primary drivers of deforestation and forest degradation. The underlying idea is that grassroots forest managers operating in any and all forest areas will become more active and vigilant in protecting the forests in their areas from the various agents of deforestation and degradation, and will rehabilitate degraded lands using land management systems that will provide them with livelihood benefits, while enhancing carbon stocks.

Overview of PSFM Implementation in PFAs. The current implementation of Participatory Sustainable Forest Management (PSFM) in Production Forest Areas (PFAs) has its roots in village forestry, which was piloted in the late 1990s at large scale covering two state production forests (Dong Sithouane in Savannakhet Province and Dong Phousoi in Khammouane Province). The piloting of village forestry was undertaken by the Forest Management and Conservation Project (FOMACOP) with technical assistance provided by the Ministry for Foreign Affairs of Finland (MFAF) and financial support by the International Development Agency (IDA) of the World Bank (WB). The appropriateness of the developed village forestry systems and procedures has

been shown by the inclusion of Dong Sithouane and Dong Phousoi in the FAO List of Exemplary Managed Forests in Asia in the early 2000s, as well as by the certification of 108,000 ha as sustainably managed forests of forest management units (FMUs) in two project provinces by the Forest Stewardship Council (FSC).

The piloting of village forestry was followed by the institution of participatory management of production forests for nation-wide application as an official government policy in the early 2000s. Many of the current PSFM concepts, systems, regulations and operating guidelines have been formulated based on the pilot village forestry model. PSFM was first applied in 2004-2008 in 8 PFAs, which have a total area of 0.66 million ha and are located in 4 provinces in Southern Laos. This was undertaken by the Sustainable Forestry and Rural Development Project (SUFORD), which like FOMACOP were provided with technical assistance support by MFAF and financial support by IDA. MFAF and IDA continued their support through an additional financing phase, SUFORD-AF, expanding the application of PSFM to cover a total of 16 PFAs, which have a total area of 1.28 million ha and are located in 9 provinces in Southern and Central Laos.

As the completion of SUFORD drew near, the Lao Government (GOL) proposed the Lao Investment Plan to the Forest Investment Program (FIP) of the Climate Investment Fund (CIF) with the core objective of reducing GHG emissions from forests by reducing deforestation and forest degradation, conserving and enhancing carbon stocks, and sustainable management of forests (five GHG emission-reducing activities that together constitute REDD+). The Lao Investment Plan includes components on managing five categories of forest areas, i.e. PSFM in three categories of state forest areas (production/conservation/protection), village forestry in village-use forests, and smallholder forestry in land allocated to villagers, and includes a component to strengthen the enabling environment. The proposal was favorably considered by the FIP Steering Committee with funding provided for three projects, namely: (a) Protecting Forests for Ecosystems Services with the Asian Development Bank (ADB) as the designated Multilateral Development Bank (MDB) partner, (b) Smallholder Forestry with the International Finance Corporation (IFC) as the designated MDB partner, and (c) Scaling up PSFM (SUPSFM or the Project) with WB as the designated MDB partner. During the design of the project it was deemed necessary to introduce a landscape approach to facilitate dialogue and coordination among forest managers at the local level, Provincial and District level authorities and to facilitate the inter agency support to improve local communities livelihoods and tenure security.

The SUPSFM (also known as SUFORD-SU) became effective on August 30, 2013 and covered 41 PFAs with a total area of 2.3 million ha in 13 provinces. The original five-year timeframe received a one-year extension (approved May 25, 2018), followed by a second, seven-month extension (approved May 21, 2019) that also restructured the project to reallocate funds across disbursement categories and allow time for preparation of the Additional Financing to SUPSFM (AF-SUPSFM). The closing date for SUPSFM is 30 March, 2019.

The AF-SUPSFM and extension would (a) expand the scope of the existing project, and (b) address a cost overrun due to exchange rate loss. By continuing to implement all four existing project components, the AF would maintain and enhance implementation capacity for participatory SFM, forest certification, reforestation, and livelihood development. The AF would also allow the implementation of innovative activities such as chain of custody certification, developing bankable forest landscape investment plans, enable and monitor sustainable private sector participation in the sector (continuing the close cooperation with the International Finance Corporation (IFC) supported project under the Forest Investment Program), strengthen multi-agency forest law enforcement, and institutionalize learning and put existing and new knowledge into use in investment and policy.

The objectives of AF-SUPSFM continue to be linked to REDD+ and climate change mitigation leading to carbon dioxide (CO₂) emission reductions and the protection of forest carbon stocks. Its justification is the combating of carbon emissions caused by a decrease in the forest cover. In line with REDD+ objectives, AF-SUPSFM aims to continue and enhance forest landscape management, by promoting the creation of landscape investment plans.

1.1 FOMACOP/SUFORD/SUFORD AF/SUPSFM

1.1.1 FOMACOP

FOMACOP started in January 1995 and ended in September 2000. It had two sub-programs: forest management and biodiversity conservation. The forest management program consisted of "Village Forestry" in 60 villages comprising 20,000 village people and 145,000 ha of land and forests in the Savannakhet and Khammoune provinces.

One of the main features of the program was the establishment of Village Forestry Associations (VFAs) in charge of the logging of "village forest management areas" ranging in size from 400 to 600 ha. While the forests remained under state ownership, the villagers in the program areas would keep the revenue from logging after paying royalties and other taxes. On average, each village would have received about US\$3000 per year. FOMACOP also supported a Land Use Planning and Land Allocation (LUP LA) activity from 1996 to 2000, which was conducted in two districts (Songkhone and Thapangthong) with a total of 39 villages.

Most villages interviewed in Savannakhet knew of the SUFORD by the name of "the Production Forest Project" or *khongkan paaphalid* and considered it as an extension of FOMACOP. Since FOMACOP also undertook LUP LA in selected villages and since the SIDA-supported forestry project operated in some of the same areas, several villagers mixed up the FOMACOP and the SIDA forestry project when asked to remember way back in time and assess changes.

1.1.2 SUFORD

SUFORD has been the main pillar of GOL engagement in forestry in Lao PDR and focuses on sustainable management of natural production forests. The SUFORD project was financed until December 2008 through an IDA Credit of US\$9.9 million with parallel financing from GOF in the amount of EUR8 million. SUFORD operated in 8 Production Forest Areas (PFAs) in Champasak, Khammouane, Savannakhet, and Salavan. The specific project objectives were to: (a) Improve the policy, legal and incentive framework enabling the expansion of Participatory Sustainable Forest Management (PSFM) throughout the country; (b) Bring the country's priority natural production forests under PSFM; and (c) Improve villagers' well-being and livelihoods through benefits from sustainable forestry, community development and development of viable livelihood systems.

Field implementation of SUFORD covered about 640,000 ha of natural forests in Khammouane, Savannakhet, Salavan and Champassak provinces, including 270 000 ha of the previous FOMACOP and SIDA financed project sites. SUFORD project areas included 412 villages with an estimated population of 100,000 villagers, most of whom benefited either directly or indirectly from the project. A special attempt was made to target the poor, and village development support targeted in many cases to account for different levels of poverty. The majority of the project beneficiaries live in remote districts, where the percentage of the population rated as "poor" was higher than the national average.

The project also contributed to in situ biodiversity conservation through the maintenance of natural forest composition and structure, through the identification and protection of "high conservation value forests" within PFAs, and through creating buffers around and connectivity between National Biodiversity Conservation Areas (NBCAs). Sustainable management of production forest areas has entailed management of all resources: commercial timber; household wood; botanical non-timber forest products (NTFPs); biodiversity; and environmental services provided by the forest landscape. Forest management and control systems sufficient to achieve forest certification by Forest Stewardship Council (FSC).

1.1.3 SUFORD AF

Considering SUFORD's implementation successes and GOL's continuing commitment, the World Bank and GOF provided further support to the project. "Additional Financing" (under World Bank Operational Policy 13.20), is an instrument that provides additional IDA resources (on IDA grant terms), and allows for a project extension of up to 3 years beyond the initial closing date. IDA resources during the additional financing phase were again complemented by MFAF grant resources, governed by bilateral agreement between the Governments of Finland and Lao PDR.

The Additional Finance (AF) phase of the SUFORD project 2009-2011 provided continuing support to existing SUFORD province but was expanded to include

five new provinces. The majority of the population in SUFORD and SUFORD AF areas comprised ethnic groups that needed special attention and culturally appropriate communication to make them partners in the project. Additional and extra attention was also needed to involve ethnic group women in the project. SUFORD-AF added Xayaboury, Vientiane, Bolikhamxay, Sekong, and Attapeu Provinces and included 8 new PFAs with a total area of 539,630 ha. About 438,660 ha are intact forest, and of this about 352,150 ha are on slopes that were potentially harvestable. The 311 villages of SUFORD-AF were inside or within 5 km from the border of a Production Forest Area (PFA).

The project was implemented by the Department of Forestry together with the National Agriculture and Forestry Extension Service (NAFES). A group of national consultants were engaged to facilitate and support project implementation and reporting at the sub-national level. Involved agencies and contractors attached great importance to ensuring that vulnerable groups such as ethnic groups and women shared equally in the benefits derived from the project and ensuring that adverse impacts are either avoided, or if unavoidable, mitigated. SUFORD-AF worked to improve ethnic group communication and engagement through establishing relations with the Lao Front for National Construction (LFNC), Department of Ethnic Affairs, and the Lao Women Union (LWU) and the Division for the Advancement of Women in MAF.

The aim of the SUFORD-AF project was to achieve sustainable management of natural production forests, including sustainable logging based on approved management plans. Revenues from log sales were shared with local communities in an effort to reduce rural poverty reduction. The project also supported improved policy, legal and incentive frameworks for PSFM. Sustainable logging was planned based on forest inventories established with villagers' participation. It was anticipated that villagers' livelihoods would improve through benefits from casual labor, revenue sharing from sustainable production forestry and village development grants. Villagers were expected to take an active part in implementing forest management activities such as land and forest zoning, forest inventories as well as in designing a forest management plan at the sub-Forest Management Area (FMA) level.

1.1.4 SUPSFM

7. Building on the achievements of SUFORD-AF, the Lao Government (GOL) proposed the Lao Investment Plan to the Forest Investment Program (FIP) of the Climate Investment Fund (CIF) with the core objective of reducing GHG emissions from forests. The proposal was favorably considered by the FIP Steering Committee with WB as the designated MDB partner. SUPSFM became effective on August 30, 2013 and is scheduled to close on March 30, 2020. Disbursement is 100% as of 1 September 2019. The original five-year timeframe received a one-year extension (approved May 25, 2018), followed by a second, seven-month extension (approved May 21, 2019) that also restructured the project to reallocate funds across disbursement categories and allow time for preparation of this Additional Financing.

9. SUPSFM helped improve the management of forest resources in 41 of the country's 51 PFAs in 9 provinces, totaling 2.3 million ha and including 1066 villages. The Project supported inclusive growth by promoting villager participation in participatory SFM and livelihood development in villages in and around the PFAs. The Project also made a strong contribution to creating a rules-based environment through its support to policy and governance reforms, third-party certification standards, the technical support and international audit systems supplemented by the work to enhance the effectiveness of forest law enforcement in all 18 provinces.

The original project components are:

Component 1. Strengthening and Expanding PSFM in Production Forest Areas

Component 2. Piloting Forest Landscape Management

Component 3. Enabling Legal and Regulatory Environment

Component 4. Project Management

The project development objective (PDO) is “to execute REDD + activities through participatory sustainable forest management in priority areas and to pilot forest landscape management in four provinces.” The proposed Additional Financing would continue to support this objective.

Key results from the project were expected to be

- a. expanded areas under approved forest management plans
- b. forest landscape management approach in Lao PDR developed and agreed
- c. increased number of people with monetary and non monetary benefits from forests
- d. decreased rate of forest cover loss in project areas
- e. enhanced carbon storage from improved forest protection and restoration
- f. reduced emissions from deforestation and forest degradation in project areas

1.1.5 AF-SUPSFM

The AF-SUPSFM would (a) expand the scope of the existing project, and (b) address a cost overrun due to exchange rate loss. By continuing to implement all four existing project components, the AF would maintain and enhance implementation capacity for participatory SFM, forest certification, reforestation, and livelihood development. The AF would also allow the implementation of innovative activities such as chain of custody certification, developing bankable forest landscape investment plans, enable and monitor sustainable private sector participation in the sector (continuing the close cooperation with the International Finance Corporation (IFC) supported project under the Forest Investment Program), strengthen multi-agency forest law enforcement, and institutionalize learning and put existing and new knowledge into use in investment and policy.

The objectives of AF-SUPFSM continue to be linked to REDD+ and climate change mitigation leading to carbon dioxide (CO₂) emission reductions and the protection of forest carbon stocks. Its justification is the combating of carbon emissions caused by a decrease in the forest cover. In line with REDD+ objectives, AF-SUPFSM aims to continue and enhance forest landscape management, by promoting the creation of landscape investment plans.

Project Development Objective of AF-SUPFSM is to execute REDD+ activities through participatory sustainable forest management in priority areas and to pilot forest landscape management in four provinces.

Key results from the project will include:

- Forest area brought under management plans
- Forest area brought under forest landscape management
- People in forest and adjacent communities with monetary/non-monetary benefit from the intervention
- Rate of annual forest cover loss in targeted Production Forest Areas (PFAs)
- Enhanced carbon storage from improved forest protection and restoration
- Reduced emissions from deforestation and forest degradation.

1.2 Project Components of AF-SUPFSM

The Project will continue to implement and enhance selected existing activities under all four current components which are presented below. These activities will allow to (a) achieve stronger project outcomes, and (b) implement new activities that contribute to achievement of the existing operation's PDO, and (c) taking advantage of opportunities to strengthen the outcomes and support the strategic convergence on landscape investment but were not part of the original project.

The project components are maintained the same as during the parent project although Component 4 has a name change to more precisely reflect the design of AF-SUPFSM activities:

- Component 1. Strengthening and Expanding PSFM in Production Forest Areas
- Component 2. Piloting Forest Landscape Management
- Component 3. Enabling Legal and Regulatory Environment
- Component 4. Project Management, Learning and Investment Development

Component 1: Strengthening and Expanding PSFM in PFAs

The objective of Component 1 is the same as originally planned, which is to strengthen and expand participatory SFM in PFAs. Under SUPSFM, about 21,300 households have benefited from individual VLD grants that were distributed in 666 target villages.

Summary of changes to Component 1: Completed or on-going activities under Subcomponent 1B (Community Engagement in PSFM and Village Livelihood Development) include delivery of PFA management plans and village forest management plans (VFMP), forest restoration, SFM certification, establishment and monitoring of permanent sample plots (PSP), and implementation of village livelihood development grants (VLDG). These activities have been positively assessed, and based on this assessment, a set of expanded, enhanced, or new activities under AF include support as follows.

Community Engagement in PSFM activities: (a) timber legality assurance system and certification support throughout the value chain;¹ (enhanced and new activities) (b) facilitate private investment opportunities by assessing availability of appropriate lands for forest plantations in barren and severely degraded lands in PFAs (modified activity); (c) support for development village forest management plans and agreements (continued activity); (d) re-measurement of permanent sample plots to calculate allowable cuts for each PFA (continued activity); and (e) systematization of knowledge and forest data in a comprehensive management information system (modified activity).

Village Livelihood Development activities: (a) extension and monitoring for VLDG implementation (continued activity), and demonstration sites for NTFPs (continued activity) and white charcoal (continued activity), but no new funds would be directed to the village livelihoods development grants; and (b) improve the value chain linkages for selected products with specific producer groups (modified activity).

Dropped activities: The Project would not continue to fund pre-harvest inventories (dropped activity), or sub-component 1A (Developing Partnerships to Increase Implementation Capacity); activities under this sub-component were designed to be carried out during project year one under SUPSFM.

Component 2: Piloting Forest Landscape Management

The objective of component 2 is the same as originally planned, which is to pilot forest landscape management. SUPSFM has worked in four provinces, Bokeo, Luang Namtha, Oudomxay and Xayaboury, to support provincial authorities to determine the forest landscape area and position the provincial REDD+ Task

¹ Includes: (a) expansion of SFM certification from the current 110,000 hectares to meet the government's target of 230,000 hectares; (b) if timber harvesting in the SFM certified areas is allowed on an exceptional basis by the Government, the AF will support information campaigns for Chain of Custody (CoC) certification in the supply and value chain; (c) Contribute to the Timber Legality Assurance System (TLAS) process by pilot testing the control mechanism for the supply chain in PFAs.

Forces as the coordinating bodies for integrating a forest landscape management framework template into the provincial REDD+ Action Plans.

Summary of changes to Component 2: Subcomponent 2A (Developing Methodologies and Frameworks for Forest Landscape, discontinued under AF) introduced the concept of forest landscape management and developed frameworks, but more progress will need to be made to identify and convene investments, and improve inter-sectoral coordination to address competing uses of forest land throughout the forest estate. The AF will therefore build on the existing achievements and support provinces and central authorities, to work across sectors to develop practical, simplified investment plans for selected priority landscapes (based on criteria to be agreed) in selected provinces, involving relevant sectors, other development partners, civil society, and the private sector. Therefore, under subcomponent 2B (Establishing Forest Landscape Pilots) the AF support would allow the client to (a) prepare “bankable” Landscape Investment Plans for priority landscapes in selected provinces (modified activity); (b) prepare assessments to support landscape investment development (modified activity); (c) support dialogue, consultations, and multi-sector platforms on landscapes, land use, and REDD+ (modified activity); (d) develop a monitoring framework (modified activity); and (e) Build institutional and leadership capacity for landscape-level action and management (modified activity).

Dropped activities: all activities under Subcomponent 2A will be discontinued as achieved under SUPSFM.

Component 3: Enabling Legal and Regulatory Environment

The objective of component 3 is the same as originally planned, which is to improve the legal and regulatory environment for sustainable forest management. SUPSFM has provided the Ministry of Agriculture and Forest (MAF) forestry-related departments with technical assistance (TA) in developing the concept for village forest management, the implementation framework for PSFM, the revision of the forest policy framework, and the development of reference emission levels (REL) for REDD+ (Subcomponent 3A). It has also provided financial and technical support to forest law enforcement and combating illegal trade of timber and wildlife (Subcomponent 3B).

Summary of changes to Component 3: Under Subcomponent 3A (Strengthening Legal and Regulatory Frameworks), the AF would (a) continue to support legal, policy and regulatory development in the forest sector including policies to facilitate private investment that is environmentally, socially and financially sustainable (modified activity); (b) develop technical and legal guidelines for private sector engagement in forest plantation management and other economic activities, and enhance government and stakeholders capacity to apply best practices on environmental, social, and financial sustainability (modified activity); and (c) support further development of the legal framework for Timber Legality Assurance System (TLAS) implementation via Department of

Forestry's (DOF) Forest Law Enforcement, Governance and Trade (FLEGT) Standing Office (modified activity).

Under subcomponent 3B (Strengthening Forest Law Enforcement and Governance), the AF would (a) continue to support DOFI and other agencies to detect, disrupt, dismantle and prosecute forest and wildlife related crimes at national and provincial levels, with greater focus placed on strengthening inter-agency cooperation (modified activity); (b) continue building capacity for the DOFI Information Management System (IMS) (continued activity); and (c) build capacity and support for Lao PDR engagement in multi and bi-lateral agreements with regional partners on forest and wildlife law enforcement and compliance with the Convention on International Trade in Endangered Species (CITES) which includes timber species (modified activity).

Component 4: Project Management, Learning and Investment Development

The objective of component 4 is the same as originally planned, which is to manage and coordinate all project related activities. During SUPSFM the National Project Management Office (NPMO) has coordinated the various activities and implemented an efficient M&E system. It also built capacity for planning and for undertaking analytical work as required to meet overall project objectives and to assess project impact and support learning for sector development.

Summary of changes to Component 4: The NPMO will continue to coordinate operational activities but with a greater focus on facilitating and attracting new investment into the forest estate and consolidating learning from project activities. The AF would therefore finance the maintenance of project management services while also enhancing investment development and learning. Activities under the AF include: (a) Continued operating costs of implementation, coordination and supervision (continued activity); (b) operating costs for engaging in dialogue with stakeholders and sectors on investment prioritization and development (modified activity); (c) institutionalization of knowledge for investment and policy development (modified activity); (d) maintain SUPSFM Technical Assistance (TA) team to supplement and build institutional capacity on existing topics and emerging new challenges (continued activity); and (e) replacement of worn-out pick-up trucks for field supervision used by the Project team (continued activity).

1.3 The Legal and Institutional Setting

1.3.1. Programmes and Policies

The key strategies that provide the context of AF-SUPSFM include:

The **Eighth National Socio-economic Development Plan (8th NSEDP)** covers the period from 2016 to 2020. The strategy aims to maintain economic growth at 8 per cent, achieve the Sustainable Development Goals (SDG) for full integration

with the Association of Southeast Asian Nations (ASEAN), lay the foundation to graduate from the Least Developing Country status by 2020, and ensure sustainable development by integrating economic development with socio-cultural development and environment protection to the nations advantage, and ensure political stability, public security and support international cooperation. The strategy provides the analysis of the current interaction between economic decisions and environment soundness in each sector, and also provides guidance in the development of balanced programs. The provinces and districts also have their own socio-economic development plans, which are aligned with the 8th NSEDP.

- 2 The **Forestry Strategy 2020**, No. 229/NA, dated 09 August 2005, identifies the objectives of the forestry sector to enhance the capacities of government institutions and relevant stakeholders to strengthen sustainable forest management and protection in Lao PDR. It includes participatory mechanisms for all three-forest categories (protection, protected and production forests) to ensure the production of timber and forest products, biodiversity conservation and environment protection. It also aims to develop and update the legal and institution structures.
- 3 The first **National Biodiversity Strategy and Action Plan (NBSAP)** covering the period up to 2010 was prepared in June 2004. It was updated for 2016-2025 and adopted in 2016 to promote the biodiversity conservation and sustainable use based on 20 targets set by the CBD. Lao PDR is signatory to the CBD, which commits the country to achieve targets set in the NBSAP (e.g. diversity of the ecosystems, protected areas management). Given the current situation, Lao PDR needs to take urgent actions for biodiversity conservation, sustainable land use approaches, and fair and equitable sharing of benefits, to reduce the rate of loss of biodiversity nationally. To achieve biodiversity and forest targets, the highest importance is given to activities that will also enhance national economic development, livelihood improvement in the rural areas, and food security.
- 4 The **National Agriculture Development Strategy 2016 to 2025 and Vision to 2030** laid out development goals to improve techniques in flatland agricultural production according to market forces, including adaptation to climate change, and for small-scale agricultural production and for ecosystem conservation in mountainous areas. The strategy aims both to expand agriculture from 3 million hectares to 4.5 million hectares, and to increase the efficiency of agricultural production. In terms of national land use, the area suitable for agriculture is considered to be 4.5 million hectares.
- 5 The **National Climate Change Strategy** No. 137/PM, dated 12 March 2010, has a vision to establish programs, adaptive strategies and mitigation options, to increase resilience of key sectors to the impacts of climate change and aims to promote sustainable economic development, reduce poverty, protect public health and safety, enhance the quality of Lao PDR's natural environment to protect ecosystem integrity and productivity of forest resources, and advance the quality of life for all Lao people. It requires strong cooperation, partnerships with national stakeholders and international partners, and increased public awareness of climate change,

and increased stakeholder willingness to take actions to implement the national development goals.

1.3.2. Lao Peoples' Democratic Republic Laws and regulations

The existing environmental safeguard system of Lao PDR is important, and has been analyzed before developing the social and environmental safeguard compliance framework for AF-SUPFSM. The World Bank safeguard policies place emphasis on using/ applying and strengthening the country safeguard systems (CSS) related to environmental management.

In Laos different ministries are engaged with environmental issues and environmental safeguards in the context of private and public investment. In relation to AF-SUPFSM the lead ministries include the Ministry of Agriculture and Forestry (MAF) and Ministry of Environment and Natural Resources with other ministries playing supporting roles. .

Legislative and other requirements relevant to the AF-SUPFSM include: local, provincial and national laws and regulations, operating licenses, permits and approvals, international standards and conventions and legal obligations to which the GOL is a party

Constitutionally, Laos is recognized as a multi-ethnic society, and Article Eight of the 2003 Constitution states that, “All ethnic groups have the right to protect, promote, and preserve the customs and cultures of their own tribes and of the Nation. All acts creating division and discrimination among ethnic groups are forbidden.” The Forestry Law (2019) recognizes villagers’ customary rights to forest use, and the Land Law (2019) makes provision for communal titling of land. Production Forest Areas (PFAs) were first given highest level recognition via Prime Minister (PM) Decree 59 in 2002, followed by the Ministry of Agriculture and Forestry (MAF) issuance of regulations on forest management and most recently (2012) on timber benefit sharing. Since 1991 there have been a series of Prime Minister Orders to regulate logging, most recently PM031 (2013) temporarily banning logging in PFAs and PM015 (2016) to strengthen inspection of timber harvesting, transport and business. Although various laws and regulations may leave room for interpretation, the Letter on Forest Management Policy (2012) is unequivocal that the principle of community participation in forest management be respected. In 2012, the government placed a temporary ban on concessions for some new plantations (Prime Minister’s Order 13, PM013), including rubber; in 2018, the ban was lifted for eucalyptus and acacia (Prime Minister’s Order 9, PM09) and there is renewed vigor in these sub-sectors for both companies and smallholders, resulting in the approval of Decree 247 on Promotion of Commercial Tree Plantations (2019). The PM Order on Decentralisation (2001), the Law on Local Administration (2003), and the Resolution of Politburo (03/PM/2012) provides for the formulation of provinces as strategic units, districts as comprehensively strong units, and villages as development units.

Basic legal and policy frameworks exist to support social safeguards implementation in the Lao PDR. At the same time, however, there are two major policy areas of the GOL that affect this supporting framework: the eradication of shifting cultivation and the policy to transform villages into development centers and townships; these two major policy objectives are directed mainly at ethnic groups living in smaller villages and practicing rotational upland cultivation.

1.3.3. Judicial Bodies – the courts

In the Lao PDR, the court system is divided into four tiers: area; provincial - or, in the case of Vientiane, the Vientiane Capital Court; regional; and People's Supreme Court (PSC). There is no district court; in 2010 the 102 district courts abolished and consolidated into area courts. The area courts have jurisdiction over civil claims less than 300 million LAK (USD 36,500), as well as minor criminal cases in which the maximum sentence is three years or less.

The provincial courts and (one) Vientiane Capital Court are the courts of first instance for those cases falling outside of the jurisdiction of the area courts, as well as being the appellate courts for cases decided by the area courts. The three regional courts - Northern, Central, and Southern - hear appeals from the provincial courts. In terms of the formal justice system and Access to Justice, the area courts are the most significant for the majority of the population in Lao PDR. This is both because of the type of cases that they handle - i.e., small disputes or minor offences - but also because of their relative proximity to where people live, particularly in the rural areas.

At central level, the People's Supreme Court (PSC), located in Vientiane, is the highest level court and court of last resort. In addition to its appellate jurisdiction, it has authority to issue guidelines or instructions on legal issues to, and supervises the work of, the lower courts. The PSC may also serve as the court of first instance in certain important cases. In 2009, almost eight and a half thousand cases were brought to court - i.e., to the formal justice system - throughout Lao PDR.

The law provides for open trials in which defendants have the right to defend themselves with the assistance of a lawyer or other persons. . An important aspect of access to justice is the availability of legal advice. Although there have been some improvements since 2003, the shortage of lawyers continues to be a problem in Lao PDR.

1.3.4. Strengthening dissemination of legal information and increasing legal awareness

Lao PDR has embraced the goal of establishing a state firmly based on rule of law by 2020. Helping the population and especially the poor and vulnerable groups to understand and exercise their rights is a keystone of development. Legal

empowerment is a process through which the poor are protected and enabled to use the law to advance their rights and interests.

The Legal Sector Master Plan (LSMP; September 2009) already recognized that capacity building and the upgrading of legal awareness, by method of dissemination of Laws and supplying legal information broadly, is essential and urgent, and will allow people access to Law and Justice. The dissemination of Laws, especially, these Laws affecting daily life of the people, protecting legitimate interests and promoting the rights and performing of obligations of all citizens in the society will primarily add to a reduction of the violation of Laws. (LSMP, 41). Developing a wide public understanding of the legal framework is the responsibility of the Law Dissemination Department within the MoJ but is also supported by the provision of community legal services through civil society organizations in legal awareness and legal aid services and also through the Lao Bar Association (LBA) project on legal aid and legal awareness.

One way to empower poor and ethnic minority communities can be achieved through the setting and training of community-based paralegals. Paralegals are persons with specialized training who can provide legal assistance to disadvantaged groups, and who often are themselves members of these groups. In Lao PDR, taking into account the amazing ethnic diversity, community-based Paralegal would be efficient in disseminating legal information and increasing legal awareness in their community.

Existing initiatives to recruit, train village para legal to raise awareness about basic law rough paralegal at community level by NGOs and LBA have proven more than satisfactory and demonstrated that community-based paralegals (1) can bring parties together to mediate, take witness statements and gather information, draft and deliver letters, assist citizens in navigating structures of authority, and organize communities to address their own justice problems; (2) can educate communities, individuals and chiefs about laws governing a particular issue and legal processes; (3) can provide many of the basic general and criminal services that clients of legal aid programs need and (4) are appropriately located to understand the issues and the form of intervention most suitable to a specific community or case.

1.3.5. Key national regulations

The key national policy, laws and regulations that have explicit and implicit social and environmental safeguards of relevance to activities under AF-SUPSM include:

- The National Constitution, 2015
- Environmental Protection Law No. 29/NA, 2012:
 - o PM Decree on EIA No. 21/GoL, 2019
 - o MoNRE's Instruction on ESIA No. 8030, 2013 and Instruction No. 8029 on IEE, 2013

- Minister Agreement on the Acceptance and Announcement on the Use of Project Investment List and Activities that require the Conduct of IEE and ESIA No. 8056/MoNRE, 2013
- PM's Decree on Compensation and Resettlement for People Affected by Development Projects No. 84, 2016
- Land Law No. 04/NA, 2003 (revised Land Law approved in 2019)
- National Policy on Land No. 026/CC, 2017
- Law on Minerals No. 02/NA, 2011
- Law on Grievance Redress No. 53/NA, 2014
- Law on National Roads No. 03/NA, 2016
- Law on Electricity No. 19/NA, 2017
- Law on National Heritage No. 44/NA, 2013
- Lao Women's Union Law No. 31, 2013
- Forestry Law No. 99/NA, 2003 (revised Forestry Law approved in 2019):
 - PM Order No. 10/PM on the Prevention of Harvesting and Buying-Selling of Protected Species, 2011
 - PM Agreement on the Endorsement of the Meeting Outcomes on Forest Management, Forest Inspection and Business, 2012
 - President Decree No. 001/President on Revenue Sharing for Timber Harvested from Production Forest Areas, , 2012
 - PM Order No. 13/PM on Moratoriums on Concessions for Mining, Rubber and Eucalyptus Plantations, 2012
 - PM Order No. 31/PM on the Temporary Suspension of Logging in All Production Forests, 2013
 - NA Decision No. 273/NA on the Approval of the Protection Forests, Protected Areas and Production Forests, 2014
 - PM Order No. 15/PM on Intensifying Strictness in the Management and Inspection of Wood Exploitation, Timber Removal and Wood Related Businesses, 2016
 - PM Order No. 09/PM on the Enhancement of Land Management for Industrial and Agricultural Crop Concessions, 2018
 - Decree 247 on Promotion of Commercial Tree Plantations (2019)
- Village Forestry Regulation No. 0535/MAF, 2001
- Wildlife and Aquatic Law No. 07, 2007
- Water and Water Resources Law No. 02/NA, 2013
- Ministerial Instruction on Customary Rights No. 564/NLMA, 2007
- National Policy on Health Impact Assessment No. 365/MOH, 2006
- MAF Manual Participatory Land Use Planning (PLUP), 2010
- Public Involvement Guideline, 2012
- Ethnic Group Consultation Guidelines, 2012
- MAF Regulation on the Control of Pesticides in Lao PDR, 2860/MAF, 2010
- Decree on Pesticide Management, No 258 /GoL, 2017

The Constitution of Lao PDR No 63/NA, dated 8 December 2015, acknowledges all forms of property rights under Article 16, and encourages protection and restoration of environment and natural resources in a participatory and sustainably manner under Article 17.

The Constitution specifies that Lao PDR is a multi-ethnic society, and that all ethnic groups and citizens have equal rights. The GoL promotes the development, protection, and advancement of women, and supports their participation, decision-

making, and equitable benefit-sharing in all development activities according to Article 4 of the **Lao Women's Union Law, No. 31/NA**, dated 23 July 2013.

Every five years, the country prepares **Socio-Economic Development Plans (SEDP)** at the national, provincial, district, and village levels, which in turn guide annual work plans and budgets. Currently the 8th NSEDP is under implementation, for the period 2016-2020. The management and implementation of the SEDP at the local levels (districts and villages) and the distribution of village boundaries by local authorities on the use of natural resources, environment and other resources is described in Articles 2, 5, and 43 of the **Local Administration Law No. 017/NA**, dated 14 December 2015.

Article 7 of the **Environment Protection Law** (2012) describes the responsibilities of individuals, households and institutions to protect the environment, while participation of the public -- with the engagement of institutions, local authorities and affected people -- in the preparation of all environmental activities is specified in the Article 48. Key activities under the environmental activities are specified in detail in Articles 19, 21 and 22 of this law, including the requirements for Strategic Environment Assessment (SEA), an IEE and an ESIA.

The Environment Protection Law promotes the conservation of natural resources together with the policies and measures clearly specified in Article 50. The registration of specific natural resources is noted in Article 49, while the responsibilities of individuals, households and institutions in rehabilitation of degraded environment in impacted areas is described in Article 55.

In the Environmental Protection Law No 29/NA (2012), Article 5 recognises the importance of the social and natural environment in daily life. Therefore, the GoL requires that certain types and sizes of development projects carry out an IEE and/or an Environmental and Social Impact Assessment (ESIA). This analysis must include a proper consultation process with all stakeholders, especially those who are directly affected by the projects, as described in MoNRE's Instruction on ESIA, No. 8029 (2013) and Instruction No. 8030 (2013). These guidelines are followed by large infrastructure projects, like hydropower schemes or mining operations, but usually not followed for forestry projects.

In January 2019, the GoL led by MoNRE, approved a new Decree on Environmental Impact Assessment that aims to close loopholes by incorporating some of the provisions provided in the Regulations No. 8029 and 8030. The PAFOs and DAFOs have been consulted as part of the IEE/ESIA processes concerning possible impacts on forests, biodiversity and local communities. If significant impacts are discovered and cannot be avoided or mitigated the Water Resources Law 2017 requires that project developers must compensate for forest and biodiversity loss through reforestation, watershed management and biodiversity offset as part of the ESMMP to be approved by GoL and monitored by both the project proponent and GoL.

PM Decree No. 84 (2016) on Compensation and Resettlement for People Affected by Development Projects defines principles, rules, and measures to mitigate adverse social impacts and to compensate damages that result from involuntary acquisition or repossession of land and fixed or movable assets,

including change in land use, restriction of access to community or natural resources affecting community livelihood and income sources. This decree aims to ensure that project affected people are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not worse off than they would have been without the project. However, the Decree 84 does not clearly define the method and process of estimating a replacement cost for compensation. Both Decree 84 and the revised Land Law, 2019 make similar provisions that the government agencies (MONRE) conduct land valuation every 3 years and the Provincial Governor and Major appoint a committee to prepare cost estimation for compensation for land acquired and assets affected by public and private development projects.

Water and Water Resources Law 2017 requires that project developers prepare a plan for the protection and rehabilitation of protection forests (Article 24). It also stipulates that individuals or organisations have obligations in protecting water and water resources, rehabilitate forest resources and land in the watershed areas in strict compliance with management plans of water resources, forests and land (Article 26), as well as encouraging forest rehabilitations and protection in the watershed areas, promotion of organic fertilisers, waste disposal and wastewater treatment as means to restore damaged water resources (Article 56).

Electricity Law 2017 requires that ESIA is undertaken at an early stage of hydropower project development, i.e. after signing MOU and Project Development Agreement (PDA) stage as part of the overall Feasibility Study (Article 59) and obtaining approvals from MoNRE in cooperation with MEM (Article 60). In addition to the payment of royalty, duty and tax, the Project Company or the concessionaire shall pay its contribution to the Environment Protection Fund and funds for socio-economic development of the localities where the project is located and surrounding areas, downstream area of the project and contribution to the Fund for watershed and reservoir protection, plantation of forest in flooded forest land area and land area for temporary use.

The **Participatory Land Use Planning (PLUP) Manual** was endorsed by MAF in 2010 to replace the former LUP/LA Manual issued in 1996. At the village cluster level, the PLUP Manual introduced a participatory working approach and development plan that would ensure sustainable forest landscape management. Within the steps the PLUP Manual gives instructions on many issues including sharing roles and responsibilities among related local governmental organisations, application of modern technologies, work in various ecological conditions, land registration and titling including for individual and collective land that supports recognition of customary tenure. The PLUP Manual encourages stakeholders, especially villagers, to participate in planning, forest and/or land management fully and effectively.

Public Involvement Guidelines, Ministerial Instruction No. 29/MoNRE (2013) introduces Environmental and Social Impact Assessment by every Investment Project and Activity of a public and private both domestic and foreign enterprise operating in Lao PDR that causes or is likely to cause environmental and social impacts. The instruction also brings into consideration four public involvement processes, which are information gathering, information dissemination, consultation, and participation, to ensure project activities are designed with

consideration to minimise social and environmental negative impacts and to maximise positive impacts in a long run.

The **Ethnic Group Consultation Guidelines** was launched by the Lao Front for National Construction in 2012 and is in line with the National Guideline on Public Involvement, 2012. It aims to ensure that all ethnic groups who benefit from or are adversely affected by a development project, without regard to the source of funding, are fully engaged in a meaningful consultation process at all stages from preparation into implementation. The guideline also aims to ensure that the potentially affected ethnic groups are fully informed of project objectives, as well as their potential positive and adverse impacts on their livelihood and their environment and provided with opportunities to articulate their concerns. The guidelines provide principles and processes to carry out meaningful consultations with, and obtain free, prior and informed consent of all ethnic groups affected by developments projects in a culturally sensitive manner.

Conflicts can be addressed through a legal conflict resolution system, as described under the **Law on Grievance Redress No 53/NA 2014**, through a traditional or customary system, or Village Conflict Mediation Unit. Above the village are the Regional, Provincial, and National Supreme Courts. Any urgent issues, complaints, or inquiries can be publicly voiced to National Assembly members, or through the National Assembly Hotline, which is open during the National Assembly sessions.

It should be noted that the government encourages villages to prevent conflicts or problems related to family issues through effective village Grievance Redress Mechanism, drug trafficking and health, and recognises villages that do so as “model cultural villages.” Moreover, many villagers are unaware of grievance redress mechanisms that exist above the village level, and/or how to access such mechanisms. The Politburo (Central Committee) recognises that the country has been facing many land issues including land allocation, land use planning, benefits from land and issued a **Resolution, or National Policy, on Land** No. 026/CC, dated 03 August /2017. The Resolution provides general guidance on land management and development, with a focus on centralization and consistency of land management nationwide. The Resolution requires a review of agriculture land use to ensure conformity with protecting the environment, meeting the demands for national development with green growth and sustainability, increasing land quality and ensuring land for agriculture to guarantee food security. On one hand, the policy affirms that land rights already granted to individuals are legally in compliance and will be retained. But on the other hand, the policy states that the government has the right to withdraw (cancel) land use rights held by individuals, entities, collectives and organisations for the purpose of national social-economic development plans. Thus, ultimately any land rights can be revoked by the government, but if this occurs, the rights holders are due compensation.

The **Land Law** (2019) which is still under final stages of scrutiny includes provisions for titling of land based on long-term (customary) utilization (more than 25 years) but it is still unclear whether this would apply to forest land. The provisions for communal land tenure are not yet spelled out in the current draft.

The **Forestry Law (2019)** sets key conditions for the management of forests, and thus is of particular relevance for the development of natural resources in Lo PDR. The

revised Forestry Law endorsed by the National Assembly in June 2019 allows local people to plant trees and NTFP inside village territory, have tenure of the planted objects and sell them for commercial purposes. Commercial use of trees from natural forest is, however, restricted. The law recognizes customary utilization of “forest, timber and NTFPs” on a non-commercial basis.

The **Presidential Decree No. 001/PM** (PMO No. 001, 2012) describes benefit sharing in Production Forest Area among the entities engaged in participatory sustainable forest management (PSFM). Under this decree, 30 per cent of the all timber revenues go to the Forest and Forest Resources Development Fund, and the Fund then distributes the revenue to PAFOs, 30 per cent; DAFOs, 30 per cent; and local communities 40 per cent. This decree, however, has not yet been implemented, due to the logging ban that has been in force for the Production Forest Areas (PM No. 31). Previous approaches to timber revenue benefit sharing with communities and the government have been applied. This decree is an improvement over previous timber revenue benefit-sharing policies, as it will increase the percentage of revenue going to local communities.

Prime Minister’s Order No 15 (PMO 15), dated 13 May 2016, informs line authorities on the increasing of strictness on the management of forests and the monitoring of logging, transportation and timber business, including the prohibition of exports of logs and timber. It prohibits wood processing from natural forests, and further supports implementation the **PM Order No. 31 (2013) on the temporary ban of logging** in all production forests and follow-up on the preparation of sustainable management plans for production forests.

The first Production Forest Areas (PFAs) were created under **Prime Minister (PM) Decree 59 in 2002**, and the total number and area of PFAs were increased under additional decrees issued in 2006 and 2008. Subsequently the Ministry of Agriculture and Forestry (MAF) issued regulations on forest management.

The National Assembly released the **Decision on the Approval of the Protection Forests, Protected Areas and Production Forests No. 273/NA, on 21 August 2014**. It acknowledged the rights of people living in or adjacent to the three categories of forests to use lands for agriculture production. This National Assembly Decision requested the government to re-delineate the boundaries of the three categories of forest, to exclude land being used for agriculture or other non-forest purposes, and to replace it with suitable forestland. Methods for undertaking this re-delineation have been piloted in two areas, but there is not yet agreement on how to proceed. Thus, this re-delineation has not yet been proposed. Having more clear boundaries of the three categories of forests would facilitate implementation of REDD+ and the Forest Strategy.

The **Wildlife and Aquatic Law No. 07**, dated 24 December 2007, specifies the management of wildlife and aquatic resources and controls their harvesting. It promotes conservation of biological diversity, including rare and endangered species. The Department of Forest Inspection (DoFI), created in 2007, has responsibility nationwide for the enforcement of both the Forestry Law and the Wildlife and Aquatic Law.

The **Regulation on the Control of Pesticides** (Lao PDR, 2860/MAF, 2010) provides details on the use of pesticides, as well as the ways to collect and destroy the pesticides, to avoid negative impacts to people, animals and environment according to

the Article 23 and 24. This was followed by the **Decree on Pesticide Management**, No 258 /GOV, 24 August 2017, which defines the principles, regulations and measures regarding the use of pesticides, management and monitoring of pesticide activities to ensure the quality, efficiency and safety for humans, animals, plants and environment, with the aim of allowing the agricultural and forest production to be carried out in line with clean, green and sustainable agriculture, capable to ensure regional and international integration, and contribute to national socio-economic development.

Prime Minister's Instruction Number 16/PM, dated 15 July 2012 on Sam Sang (Three Build Directive) aims to (a) Build the provinces as strategic units; (b) Strengthen the capacity of the districts in all regards, especially planning; and (c) Build villages into development units, Sam Sang promotes more active administration at the grassroots level. Implementation focuses on management delivery and the handling of responsibility between the administrations at central, provincial, district, and village levels. Implementation requires officials at central and provincial levels to coordinate with one another more closely.

In Lao PDR, local Civil Society Organizations, or Non-Profit Associations (NPAs) as usually called in the country, are governed by the **2009 Decree on Associations** amended in 2017. The operation of international NGOs or CSOs is governed by **Decree on International Non-Governmental Organizations (INGO) (No. 013 of 2010)**. While historically civil society organizations have not been very active in Lao PDR, there are now more than 200 CSOs operating in the country. The Department of Forest has realized the importance that the contributions CSOs can make in the project and is willing to explore possible partnerships.

1.3.6. The World Bank Operational Policies and Directives

The environmental and social policies and procedures of the World Bank are widely regarded as de facto international standards for the environmental and social management of resource development projects in countries with developing or absent regulatory frameworks such as Lao PDR.

The World Bank undertakes environmental screening of each of its proposed project to determine the appropriate extent and type of ESIA to be undertaken. The Bank classifies the projects into one of four categories² depending on its type, location, sensitivity and the nature and magnitude of impacts on communities and the environment.

The Environmental Category “A” remains applicable. The same safeguard policies will continue to be triggered due to the similar nature and degrees of impacts anticipated and the same nature of the higher-level project objective to utilize forest resources for poverty alleviation while managing these resources in a sustainable manner. The category “A” classification is also justified in light of a complex

²Refer to:

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,,contentMDK:20064724~menuPK:64701637~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html>

implementation context with shifting institutional roles, limited capacity context and a shifting policy and regulatory environment. Nevertheless, significant adverse or cumulative environmental impacts were not experienced under the parent project and are not anticipated under the proposed AF-SUPFSM.

Table 2: World Bank Project Classification

<p>Category A: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. EA for a Category A project examines the project's potential negative and positive environmental impacts, compares them with those of feasible alternatives (including the "without project" situation), and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. For a Category A project, the borrower is responsible for preparing a report, normally an EIA.</p> <p>Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas--including wetlands, forests, grasslands, and other natural habitats--are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects. The scope of EA for a Category B project may vary from project to project, but it is narrower than that of Category A EA. Like Category A EA, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance.</p>

For the parent project, SUPFSM, the Environmental and Social Impact Assessment (ESIA) was conducted by the Project Implementing Agency (DOF) and identified environmental and social impacts, affected communities and people including Ethnic Groups defined as Indigenous Peoples (IPs) under the Bank policy OP/BP 4.10. Since the GOL has determined that none of the 49 ethnic groups living in the country is “indigenous” per se, the accepted terminology used in Lao PDR is “ethnic group”.

As many of the target communities belong to ethnic groups, the World Bank Policy on Indigenous People applies. The World Bank’s policy on Indigenous Peoples requires that free, prior and informed consultations would be conducted with affected indigenous groups leading to their broad community consent to participate in the project. It also requires that potential adverse effects on the Indigenous Peoples’ communities should be avoided, and when avoidance is not feasible, should be minimized, mitigated, or compensated. Indigenous Peoples should also receive social and economic benefits from the project that are culturally appropriate and gender and intergenerationally inclusive.

While no single definition can capture their diversity, in particular geographical areas, indigenous peoples can be identified by the presence in varying degrees of the following characteristics

- A close attachment to their ancestral territories and the natural resources in these areas;
- Self-identification and identification by others as members of a distinct cultural group;
- An indigenous language, often different from the national language;

- Presence of customary social and political institutions; and,
- Primarily subsistence-oriented production.

Some of these affected communities and ethnic groups are present with collective attachment to the PFAs in the target provinces, which will also be covered under the AF-SUPFSM. Local livelihoods and incomes depend on forest resources and forest land to varying degrees. Many of the communities are culturally and linguistically distinct ethnic groups and are vulnerable to sudden changes in access to natural resources and related sources of livelihood. The parent project explored and experimented with possible voluntary restrictions on livelihood activities or access to forest resources to ensure more sustainable forest management. Most restrictions are already in place under current law and updated public policies.

Neither land acquisition or resettlement of households and villages is expected under the AF-SUPFSM, because the project will not support new civil works or infrastructure development activities. Nonetheless, the existing Resettlement Policy Framework included as an annex to the Community Engagement Framework applied under original project will continue to be applied under the proposed AF-SUPFSM in the event land acquisition is required by project-supported activities (although this is not envisioned). However, no new grants are being provided under the Village Livelihood Development Fund by AF-SUPFSM, but only technical support and extension services.

Given the focus of the proposed AF-SUPFSM is to promote sustainable forest management, no large-scale or irreversible environmental safeguard issues are foreseen directly from activities financed by AF-SUPFSM. However, based on the current experience with parent project implementation, the impacts mainly caused by project activities to critical habitats and biodiversity resources have been addressed by having proper project design, norms and procedures for participatory sustainable forest management, which will be important to closely follow and monitor.

The CEF has been updated to reflect the scope of the AF, and lessons learned from safeguard implementation by the parent project. The updated CEF, through its Process Framework, addresses access restrictions as a result of the project implementation on the target and communities and gaps in implementation of community engagement and consultation processes. The CEF processes and procedures ensure that the free, prior and informed consultation process will be conducted with affected people, and that project beneficiaries will meaningfully participate in the development and implementation of alternative natural resource use practices, leading more sustainable livelihoods.

The participatory processes that have been used in the project are embedded in the development of CAPs, which are designed to be signed and endorsed by both beneficiary communities and District Agricultural and Forestry Office (DAFO) as the expression of broad community support. CAPs are meant to include measures to both enhance income streams of villagers and address short-term loss in livelihood that may result from stronger restriction of access to forest resources. Baseline livelihood data especially of vulnerable households, including women-headed households, will be collected based on participatory poverty assessment, and their livelihood status will be regularly monitored throughout the project implementation under the participatory monitoring and evaluation (M&E).

Under the participatory M&E, village level meetings will be conducted on a quarterly basis, with the support from project-hired consultants and local experts with experience in participatory methods, and impacted villagers will be identified, livelihood status of vulnerable households be assessed, and measures that may potentially improve project performance in enhancing community livelihoods will be explored. Where villages consist of hamlets that previously constituted independent villages but are now administratively consolidated into larger villages, participatory planning process will start at the hamlet level to ensure that priorities and concerns that may be raised by people from the hamlets and ethnic minorities are reflected in CAP. Project implementation staff under the support of qualified international and national experts embedded at the district level will help ensure that participatory processes are properly carried out, that villagers gradually gain more experience and knowledge in participatory processes during project implementation, and that voices and interests of minority hamlets are respected in the village level planning process.

Elected village representatives including both a male and a female representative will participate in the annual meeting at the district level, to discuss with project implementing agencies outstanding safeguard issues and agree on measures to address them.

As for the parent project, the ESIA, and all Safeguard instruments that cover the proposed AF-SUPFSM must be compliant with the WB safeguard policies. However, **no new safeguard policies are triggered** for the AF-SUPFSM. Under the parent project, SUPFSM, a CEF was prepared and effectively applied in accordance with World Bank Operational Policy (OP) 4.10 on Indigenous People and OP 4.12 on Involuntary Resettlement. These instruments remain applicable for AF-SUPFSM. As in SUPFSM, the AF also triggers OP4.12 to ensure that natural resource access does not disproportionately affect any group within the community and are offset with viable alternative options to ensure that the household livelihood in project villages are maintained or enhanced. OP 4.10 is applied in AF-SUPFSM to ensure that all ethnic groups will continue to be engaged in a culturally appropriate way to ensure broad community support. The CEF includes an Ethnic Group Planning Framework, Access Restriction Process Framework and a Resettlement Policy Framework. A series of safeguard assessments were carried out, including Impact Assessment of Village Livelihood Development Fund (VLDF), Customary Tenure among Ethnic Groups, which found good CEF implementation and SUPFSM has been and is in compliance with CEF policy requirements and processes. Key areas identified to be improved are to strengthen ethnic group consultation and engagement and more systematic support to strengthen VLDF implementation and management to improve sustainability of the VLDF.

Table 1 Environmental and Social Safeguards Triggered

Safeguard Policies	Triggered?	Explanation (Optional)
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Environmental Assessment OP/BP 4.01	Yes	An Environmental and Social Impact Assessment has been conducted for the parent project and will remain valid for the AF as there will be no change in activities and area, and an Environmental Management Plan (EMP) has been updated by the implementing agency. Environmental safeguard issues will be identified in the Community Engagement Framework (CEF), participatory land use planning (PLUP) and forest management planning processes and integrated into community action plans (CAPs). Guidance on OP/BP 4.01 implementation has been provided in the EMP. The existing SUPSFM Operations Manual will be reviewed and revised to provide additional guidance.
Natural Habitats OP/BP 4.04	Yes	Project areas include state designated forests in Production Forests as well as smaller community managed village use forests outside of designated categories. Identification and mapping of sloping lands, riparian zones, and High Conservation Value Forest (HCVF) and appropriate management and protection activities in project areas have been identified during the forest management planning process of parent project. The revised EMP will continue to provide operational guidance for AF-SUPSFM activities.

Forests OP/BP 4.36	Yes	Bank-supported projects in Lao PDR have contributed to the development of the legal and regulatory frameworks, financial incentives and capacity to undertake sustainable forest management planning at national, provincial and local levels. The achievement and renewal of Forest Stewardship Council certification for a growing area of production forest in Lao PDR indicates sustained progress. Forest management plans were prepared and successfully implemented during the parent project implementation phase following national guidelines. Increasing the area of managed forest in Lao PDR and strengthening Forest Law Enforcement and Governance (FLEG) are expected to diminish the scope for unplanned, unsustainable logging. This effort will continue to be strengthened under the AF-SUPSM.
Pest Management OP 4.09	Yes	Pesticide use during project implementation in connection with forest restoration and alternative livelihoods activities is anticipated. Mitigation steps and guidelines have been provided in the the revised EMP including a Negative Checklist and Project Screening Procedures. Pesticides use will be minimized and alternatives, including integrated pest management, will be explored.
Physical Cultural Resources OP/BP 4.11	Yes	Chance Find Procedures and Project Screening procedures have been developed and will be continued to apply in the revised EMP. Evaluation of cultural and archaeological significance has been undertaken as part of PLUP process and a PCRMP, and will continue under AF if needed.
Indigenous Peoples OP/BP 4.10	Yes	Many project beneficiaries are known in Lao PDR as ethnic groups. The project has developed and implemented a Community Engagement Framework (CEF) that incorporates an IPPF (referred to locally as EGPF) to address OP 4.10 requirements. The CEF is based on the process of free, prior and informed consultation with the goal of establishing broad community support and involvement

		<p>in the project. The CEF is being revised to ensure that Ethnic Groups will continue to receive benefits that are culturally appropriate and gender- and intergenerationally inclusive under proposed AF.</p> <p>Potential risks or adverse effects on communities will continue to be identified, managed, and mitigated by means of Community Action Plans. CAPs will include requirements of and serve as an EGP. CAPs are developed and implemented during the implementation of parent project with the participation of communities that opt to be included in the project. This aim is consistent with GoL national policies that promote a multi-ethnic society, and seek to ensure the full participation of ethnic groups in the country's development. The CAP has been developed to ensure that neighboring communities, or sub-groups, that do want to participate, will not be adversely affected, including in terms of access to land and natural resources they currently have access to or can make customary claims to.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>The parent project experienced no land acquisition, however, in such cases an Abbreviated Resettlement Plan will be prepared. Local people affected by the project will benefit from more sustainable access to forest and other natural resources as well as project supported actions for improved livelihoods. Nonetheless, short-term loss in livelihood may be unavoidable since the development of alternative resource allocation and livelihoods are longer-term processes. Some project activities may also include restrictions of access to natural resources in connection with protected areas. In line with OP 4.12, any loss from changes in livelihoods will be mitigated in participation with project-affected communities.</p>
Safety of Dams OP/BP 4.37	No	

Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

2 Environmental and Social Impact Assessment of the Proposed Project

2.1 Expected Environmental and Social Impacts, and Methodology

AF-SUPSFM will continue implementing the methodology undertaken under SUPSFM. Annual safeguards Assessments carried out during the parent project found no major unresolved issues during implementation. There is an extensive library of literature that has been developed for SUFORD and SUPSFM, including ethnic development plans; socio-economic impact assessment; traditional ecological knowledge, and various technical handbooks. Of pertinence to AF-SUPSFM are several recent reviews of the SUFORD-AF and SUPSFM social livelihoods program and, also key studies including an Ethnological study of Katuic speaking groups. Those reports were complemented by various mid-term reviews, field assessments, and project social impact assessments.

Since AF-SUPSFM is not extending into new areas, there will be no additional social diagnostic. While the challenges to AF-SUPSFM are expected to be like those experienced by SUPSFM, the social and environmental characteristics of the northern areas may present yet new unforeseen issues. Safeguards, both environmental and social, continue to be important aspects of AF-SUPSFM design and implementation.

Several missions were conducted since 2013 for implementation support to SUPSFM including the WB and various stakeholder line agencies, primarily at provincial and central levels. The missions provided a forum for DOF's SUPSFM project team to present project progress and discuss its positive aspects and challenges. The ESIA makes use of these shared lessons and was supplemented by village level surveys and district office meetings.

The general message from those collective assessments suggests that the environmental and social challenges expected under AF-SUPSFM will be similar to those under SUFORD and SUPSFM. The reports indicate that by and large the environmental and social impacts of the forestry and livelihood components are relatively minor, but that some aspects of the design and implementation of SUFORD and SUPSFM have shown shortcomings that need to be addressed under AF-SUPSFM. Therefore, an ESIA methodology is taken that focuses on the challenges that have been faced during SUFORD and SUPSFM, and that will continue to be faced during AF-SUPSFM. Those challenges are described below and design changes for AF-SUPSFM are indicated to meet and successfully overcome them.

3 Lessons learnt from past experiences

The following provides the lessons learned from SUFORD and SUPSFM concerning the effectiveness of project mechanisms to deliver full participation of village communities including women and ethnic groups in planning, implementation and decision-making in two main project activities, namely: participatory sustainable forest management (PSFM) and village livelihoods development (VLD). These challenges are will continue to be addressed in the proposed AF-SUPSFM, particularly considering the recommendations provided below.

3.1 Free, Prior and Informed Consultation Process

This section discusses the lessons learnt from SUFORD and SUFORD AF in relation to village consultation (including woman and ethnic minorities), in decision making, planning and implementing PSFM and Village Development (VD). One of the main cornerstones or underlying principles of the social safeguards is effective community consultation.

According to the 2008 Social Impact Assessment (SIA), in the initial phase of the SUFORD, the implementation of the Ethnic Group Development Plan (EGDP) was rated as only “moderately satisfactory” primarily because villagers reported that “decisions had been made too fast” and no attempt was made to “investigate local traditional decision-making processes and how these might be incorporated into the planning process.”

Thus, during the preparation of the SUFORD AF, emphasis was placed on making extensive improvements to the project to ensure the participation of ethnic minorities. This was done by focusing on the consultation process and on the role of an applied anthropologist to provide inputs on the relevant groups for inclusion in all aspects of implementation, notably in VD, PSFM, and LUP. The role of the anthropological components was crucial in incorporating anthropological concerns into SUFORD guidelines for all aspects of the operational side of the project.

It was also emphasized that project personnel needed to be informed on the specific ethnic characteristics of each group prior to engaging in consultations since groups will have different interpretations and expectations depending on ethnic backgrounds; that ethnographic analyses of village social structures would need to be carried out, especially where ethnic minorities were not well-known. It was also pointed out that all project information need to be translated and presented in the language of ethnic groups. Mass organizations such as the Lao Women’s Union were engaged to provide support for communication with local communities.

Despite these efforts the reviews of SUFORD and SUFORD-AF safeguard performance concluded that the free, prior and informed consultation process was not well implemented or effectively monitored despite improvements to project design. Field investigations revealed that government and mass

organization staff tasked with village level work has only a limited understanding of the consultative process. Inherent challenges in communicating with Ethnic groups and especially with ethnic women remain for SUPSFM to address.

Learning from experience, the implementation of free, prior and informed consultation process was a cornerstone of the Community Engagement Framework under SUPSFM. A Community Engagement Manual was developed and tested, and the staff were trained in applying it. The key feature of the Manual is that the environmental and social safeguards are embedded in the guidelines. Even if the staff are unaware of the safeguard concept, they will be able to implement it by following the Manual.

Reviews of SUPSFM safeguard performance have concluded that the consultation process was implemented in a satisfactory manner. A special survey conducted by the project (2019) indicated that nearly all stakeholders (98 %) found the overall community engagement process was satisfactory. A social safeguard assessment (2017) reported that all villages claimed that they have been consulted prior to joining the project. District staff had come to their villages and explained what the project was about. Then the villages were left on their own to decide if they wished to join the project or not. However, the criteria for establishing broad community support varied from the province to the village level and across levels. Even though this stage has already passed, this signifies that under AF-SUPSFM the consistency of applying community engagement processes needs to be improved.

3.2 Mainstreaming ethnic and gender work approach

Mainstreaming Ethnic Group Issues in SUFORD-AF basically meant to carry out project implementation in a way that caters to culturally appropriate modes of communication. The implementation approach for Ethnic Group work comprises: a) raising awareness of ethnic issues with the technical forestry staff, LFNC and LWU through guidelines and special training; b) supporting PAFO's and DAFO's technical work in villages with extra facilitation from ethnic teams of LFNC and LWU, and c) integrating ethnic group and gender issues into the regular technical training that is carried out in SUFORD.

A workshop held on 29 April 2009 agreed to establish an institutional agreement on collaboration between the Lao Front for National Construction (LFNC) and MAF. The LFNC is a mass organization under the Party. It has a Department for Ethnic Group Affairs and the central LFNC has officially appointed the Head of the Division of Ethnic Affairs to work closely with project's "Ethnic Group Facilitation Teams" or "Ethnic Team". These Ethnic Teams consisted of LFNC and Lao Women Union members at province and district level. The Ethnic Teams were set up in support of the Technical Teams of Provincial Agricultural and Forestry Office (PAFO) and District Agricultural and Forestry Office (DAFO). Earlier consultancy reports indicated a need to engage with the LFNC in the project activities. This engagement was not implemented in Phase 1 but in the AF

Phase, where the project moved to new provinces with a high number of diverse ethnic groups, the engagement was established.

As an organization the LFNC is designated as an advisor to the central committee of the Party, and it has a mandate to act in the interest of the ethnic groups and reduction of poverty. Its tasks are to enhance the administrative mechanism for inclusion of ethnic minorities in promotion in rural development activities and ensure that other agencies are aware of the requirements for the participation of ethnic minorities. The ethnic groups have their traditional leaders; therefore it is effective to approach them by the LFNC officers as they are often from the local ethnic groups and have knowledge of the local language.

SUFORD-AF made room for LFNC in the project by including budget lines for its work along with LWU to form an “ethnic (group consultation) team”. The LFNC is represented from Central down to village level. So is the LWU.

The Lao Women’s Union (LWU) works with the project along with the LFNC. It is also a mass organization, which seeks to enhance women's capacity for self-development and promote women's role in society. The LWU is represented from Central down to village level. LWU has conducted dissemination throughout the country by organizing workshops, seminars, and publication of handbooks as well as communicating through newspapers, TV program and radio broadcasting in three main ethnic languages, namely Lao, Khmu and Hmong. Five Gender Resource Information and Development Centers (GRID) were set up across the country to promote knowledge and information concerning gender and development in Lao PDR, ensure gender mainstreaming into the planning process in all areas and government sectors, conduct training on gender perspective for government officials at all levels and research.

The Ministry of Agriculture (MAF) has a Women’s Advancement Division (WAD), which acts as a representative of LWU. It supports measures in forestry and agriculture for woman to benefit from development activities. WAD is an important partner to facilitate sustainable gender development in the Ministry and in their field programs. It has the power to influence the advancement of women within forestry and agriculture within the country.

The villages in SUFORD AF differed in terms of their need for support. To ensure that the available resources were used effectively, the villages were ranked into a priority order where the high priority villages, that is, First Priority Villages, would benefit from the most extensive support. The villages in under SUFORD AF were divided into two levels of priority: first priority and second priority villages.

In terms of availability of human resources, 88% of the LWU and 60% of the LFNC representatives estimated they have sufficient human resource available to join the SUFORD project. At the beginning of the project a survey was conducted to inventory the ethnicity of the civil servant at district and provincial level in the LWU and LFNC. Unfortunately, the results were never used to select relevant collaborators, as illustrated by the ethnic and gender profile below.

Main challenges identified during SUFORD AF implementation

- The LFNC and LWU were both key partners in the project. Initially an inventory of the ethnicity of staffs in each of the district and provincial departments was conducted in order to prioritize key individuals that would have collaborated with the project. Unfortunately, the outcome of this inventory has initially not taken into consideration. This resulted in most of the LWU and LFNC representatives to be from Lao-Tai ethno linguistic family and unable to bridge linguistically and culturally with the target communities. This lack of ethnic staffs among ethnic team at provincial and district level able to bridge culturally and linguistically with targeted communities which is a constraint in facilitate information sharing and technical work. 81% of the LWU representatives (13 women) belong to Lao-Tai groups and 19% belong to Mon-Khmer groups (Brao in Attapeu, Khmu in Vientiane province and Yae in Sekong).
- Others constraints include the lack of accuracy in using ethnic names both in daily activities and project documents; and the fact that community level meetings were often conducted in Lao language without proper translation in ethnic languages. The ethnic and gender team also lacked ethnic and gender awareness (male interview female, no gender segregated group discussions).
- Another constraint lay in the fact that the ethnic and gender teams that accompanied technical teams did not have clear task and lack skills in facilitation for technical teams so often they remained remain in the background and silent.
- Initially the capacity of LNFC and LWU to record both quantitative but even more qualitative data was weak.
- The ethnic and gender team was not initially asked to help in resolving conflicts or requested to raise sensitive issues such as land grabbing, impact of concessions on people access to agricultural land, corruption cases, etc.
- Ethnic and gender team suffered from a lack of efficient coordination between provincial and central level. Central level team lack leadership and was not aware of planning, implementation and there is no reporting done by the LFNC/LWU so the achievements of the provincial ethnic and gender team is not acknowledged.
- Initially the LFNC and LWU were not properly trained or made aware of the implementation approach outlined in the EGDP that clearly defines three main ways to mainstream ethnic and gender issues: (1) raising awareness of ethnic issues with the technical forestry staff, LFNC and LWU through guidelines and special training; (2) supporting PAFO's and DAFO's technical work in villages with extra facilitation from ethnic teams

of LFNC and LWU, and (3) integrating ethnic group and gender issues into the regular *technical* training that is carried out in SUFORD.

- At the outset SUFORD-AF lacked formal link between project strategy, implementation, and central level discussions and meeting with key actors involved in the WAD. This meant that the WAD was not operational and was never mobilized to help address gender related issues.
- Neither LFNC nor LWU were involved in planning of field activities. Mostly they were requested to accompany the technical staffs in the field.
- Finally, huge turn over of project collaborator resulted in loss of capacity building provided and lack of ownership by government stakeholders resulting in lowering the efficiency of the work done.

Achievements

- SUFORD AF managed to address the lack of ethnic collaborators among government counterpart at local level and select key collaborators belonging to Mon-Khmer groups in Sekong and also hired female interpreters (Harak in Sekong Province) to allow setting up an interface in ethnic language; directly allowing women to participate in their native language. An official letter has been sent to all provinces to strongly advocate for the recruitment of ethnic candidate to collaborate with the project.
- LFNC and LWU were trained in participatory methodology and provided with clear tools and leading them directly in the field doing participatory monitoring and increasing their facilitation skills. They have monitored both VD and PSFM related activities in the 5 SUFORD-AF provinces.
- One of the main achievements of conducting this participatory exercise has been the increased ownership of national, provincial and district level ethnic and gender teams in implementing the work. At the end, the central level team including the national advisor and the NAFES staff have become fully operational in training and leading provincial and district team in the field and in bringing back highly valuable indicators to the central level
- One important achievement has been the operationalization of institutional framework between central, provincial and district level in terms of planning and coordination. This resulted from setting up a process characterized by:
 - District and provincial teams acquired new skills and experience in data collection and recording both qualitative and quantitative information useful to the project
 - Provincial and district EG team can pursue the work in other target villages based on their own planning and send their results to the

- central level ethnic and gender team for compilation, analysis and reporting
- Both ethnic team and technical staffs have enhanced communication and coordination skills in working with ethnic (minority) groups and women
- Provincial EG teams use reporting format introduced by central level to report activities and findings
- Central EG team prepare reports and send to provincial level and relevant stakeholders for discussion
- Sensitive issues are increasingly acknowledged, discussed upon and recorded.

SUPSFM was set to improve the integration of ethnic and gender considerations in project activities. The field teams consisting of three staff were established to include at least one representative of LFNC or LWU in each team, and a considerable training effort on ethnic and gender mainstreaming was delivered. The first safeguards assessment (2014), however, found that the integration has not yet been fully achieved. Communication was inadequate as ethnic languages were not used to the extent planned and as a result, the ethnic groups especially women were often unaware of what the project was aiming for and how they could participate.

In response, the Community Engagement Manual was developed further and further training was provided. The second social safeguards assessment (2017) found that the approach to involving ethnic minorities in consultations and project activities had improved but was still not fully consistent. Nevertheless, there was evidence of a concerted effort to reach out to ethnic minorities. One important finding and improvement to the past practice was that ethnic women who usually are unable to communicate in Lao language said that interpreters were made available for them during major SUPSFM activities. The key indicator showing the effective engagement of ethnic minorities in project activities is the distribution of Village Livelihood Grants which shows that among Grant recipients ethnic minorities are overrepresented, that is, their share among Grant recipients is higher than their average share among the entire village population.

The second safeguard assessment also showed that in all villages, both men and women participated in major activities of SUPSFM such as community resource profiling, land use planning, and developing the CAPs. When the inputs of the entire community were needed such as in developing the Community Action Plan or proposing livelihood activities, men and women were separated into groups to elicit their respective interests and then they come together in a big meeting to present their collective proposals. District and provincial staff claimed that SUPSFM contributed much to women's empowerment in communities; through livelihood activities, women have more income to help themselves move out of poverty, and their inclusion in meetings and in decision-making for project activities allowed their voices to be heard. Women in the villages particularly in Namkor in Bokeo and Napong in Attapeu attested to the

importance of gender trainings in improving relationships within the household and in allowing them to participate in activities within the community.

The second safeguard assessment concluded as well that the knowledge of provincial and district LWU, LFNC, and VLD members on community engagement appear to be directly related with how long they have been working with SUPSFM. Both provincial and district staff benefitted well from trainings they received from SUPSFM and the open communication lines with the staff at central level. Overall, district forestry staff were satisfied with the guidance they received from the province and villages were satisfied with the guidance they received from district forestry staff on various activities for community engagement. However, as requested by villagers, district staff need to conduct field visits more often. To do so, district staff's request for motorbikes, fuel allowance, and communication equipment need to be addressed. The central LWU and LFNC need to be better engaged in the project to maximize what they can offer.

The implementation of the Ethnic Group Development Plan (EGDP) during SUPSFM was rated as "satisfactory" by the World Bank in May 2019. However, more consultation will be carried out for AF-SUPSFM. Mass organizations, such as the Lao Front for National Development and Lao Women's Union, will continue to be engaged to provide support for communication with local communities with attention given to the following recommendations:

- Recruiting LFND and LWU representatives who can communicate in a linguistically and culturally appropriate way as well as in a gender sensitive manner with target communities, and who are committed to collaborate with AF-SUPSFM so that excessive staff turnover can be avoided.
- Training the LFND and LWU team members fully in ethnic awareness, participatory methodology, conflict resolution mechanisms, safeguard framework, and community engagement process.
- Providing logistical means to participate in the project.
- Involving LFND and LWU in project planning and improving the coordination between district, provincial, and central offices.

3.3 Village Forestry Committees and Village Development Committees

SUFORD has established village and group-of-village (kumban) committees and organisations since its inception in 2003: these organisations include Village Forest Committees (VFCs), Village Forest Organisations (VFOs), GVFC and GVFO (whereby the "GV" stands for Group of Village). VFOs, are defined under PM Decree 59 and MAF 0204 (2003) on PFAs, while GVFOs were defined under DOF Notice 2154 dated 24/12/2004 and submitted in September 2007.

SUFORD village forestry institutions consisted in VFO as an all-encompassing village institution to which almost all villagers in a village have signed up as members, while the VFC is a 3-5-person committee elected by the VFO. The village headman is an ex-officio member. Then the GVFC/GVFO is an organization with representatives from VFOs in all SFMA villages. This GVFC/GVFO is to enter into a Forest Management Agreement with DAFO and collaborate in SFMA Plan implementation and be in charge of sharing the revenue among all villages in the SFMA according to their respective Village Development Plans (VDP).

To enhance ownership of the villagers in preparing village development plans, implementing, monitoring, evaluation and management of village development activities effectively, the Village Development Committee (VDC) chaired by the village chief has been established in 311 target villages in eight Production Forest Areas of 5 new provinces. Currently, there are 1,466 VDC members, among whom 296 are females, accounted for 20%. Committees charged with development fund management—the VDCs—have been more active since the VDFs/VDGs themselves require more meetings and actions.

According to the Sub-FMA management agreement, the VFC would (1) organize work teams to be provided training by DAFO and which would participate with DAFO in formulating management and annual operation plans of the Sub-FMA and in conducting forest management operations implementing the management and annual operation plans of the Sub-FMA; (2) ensure that forest management and related work was done by the village work teams properly following the prescribed procedures and within the time period agreed to with DAFO; (3) oversee customary forest use by villagers within their respective village territories, formulate village rules for this purpose, and regularly monitor collection of various forest products and other customary forest-use activities, furnishing DAFO/FMTU an annual report of these activities; (4) disburse the annual funds provided by DAFO for conducting forest management operations and administration of the VFCs, providing an accounting of the funds to DAFO, and returning unused funds to DAFO; and (5) participate in annual timber sales and sharing of net revenue from timber sales and hand over to their respective village administrations the share for village development.

Main challenges identified during SUFORD AF implementation

- Ewers (2012) findings make it clear that VFCs exist in all SUFORD villages and are considered part of village administration in line with MAF Regulation on Village Forestry (No 535, 2001) however the VFO and the apex organizations GVFC/GVFO described in SUFORD Toolkit were not fully operational as they have few regular functions to carry out. All forestry work by DAFO was carried out with the VFC and village headmen of the villages that had the timber forest inside their territory; comparatively, village without timber within their territory were much less involved.

- Ethnic women's roles in forest committees have not been supported. Women are largely kept absent from all forest-related activities despite their interest in, and use of, forest resources—both wood and non-wood. This fails to recognise the socio-culturally and economically important relationship that women have with forest and forest resources.
- Community members in ethnic villages can often not even name people in the VDC or VFC. In some communities, even the village leaders have to look into the project document to list members. In Attapeu and Sekong provinces, many newly appointed VDC members were unaware of their roles and responsibilities; in one village VDC members were even not aware that they were sitting on the committee (Hinlat village, Sanamxay district, Attapeu Province).
- The election of village administration has a significant impact on the VDC and VFC as elected positions are linked to formal political positions (village head, deputy, women union representative and elders association). Changes in the village mass organizations also end in changes in VDC and VFC membership and newly appointed leaders usually are unaware of their tasks and have low understanding about the whole project. In many cases the members had gone and were not even replaced! This strongly suggests that in reality, the committees are not properly functioning.
- In Pounsang village, Vangvieng district, Vientiane Province, the Khamu ask for equality in terms of participation in the VDC as resulting from the consolidation policy, Niou (Lao) and Pounsang (Khamu) have been consolidated (and now called PounKham) and the Lao chief manage both VD funds. There is not a single Khamu in the VDC of Pounglak village. Many informants interviewed complained that the Lao monopolize all functions.

Achievements

- SUFORD has largely succeeded in its attempts to ensure that there is proportional representation of ethnic groups and women on the committees and organisations set up by the project. However, since the committees/organisations themselves lack clarity with regard to their ongoing roles and do not fully understand their rights and responsibilities under the law, this increased representation of ethnic groups and women should be seen only as a starting point from which much supporting work is still required.
- Gender disaggregated village development planning was implemented under SUFORD and under SUFORD AF. SUFORD helped establish the principle of preparing separate lists of priority activities by women and

men before merging these priorities to achieve a gender balanced final list.

To address these issues SUPSFM decided to rely only on one organization, Village Forestry and Livelihood Committee (VFLC), to coordinate, implement and monitor project activities. VFLCs are headed by the Village Head as the Chairperson and will include a Deputy Chairperson, Secretary, and Treasurer. Village representatives of Lao Women's Union (LWU) and Lao Front for National Development (LFND) also participate in the VFLC.

VFLCs will continue to be engaged during AF-SUPSFM as contact and action points in both PSFM and livelihoods development. Formal institutions with bylaws and internal rules such as for benefit sharing will be developed under AF-SUPSFM based on actual need, e.g. for managing village-use forest enterprises.

With respect to services provided by the project, the survey on the quality of technical services conducted by SUPSFM (2019) indicated that the VFLCs considered the quality of technical services provided by the project largely satisfactory, 75 % with respect to services related to PSFM and 67 % for VLD. There is, however, still room for improvement, and under AF-SUPSFM, capacity building of staff will continue to be approached through "learning by doing" applying the widely appreciated method which combines a theoretical component with a practicum in the field. With improved skills the staff will be able to service the VFLCs in a more effective manner.

3.4 Benefit sharing from forest harvest revenues

The possibility for villagers to benefit from the timber harvested in their land started with FOMACOP –project, which ran between 1995-2000 in Khammouane and Savannakhet provinces. The purpose of the project was to create a village forestry model, in which the villagers would govern their own land and its use. During FOMACOP the villagers themselves took care of harvesting and forest management, collected money from the harvestings and paid the government taxes according to harvested volumes. After FOMACOP ended in 2000, the harvesting has been transferred back to government's hands in all FOMACOP villages.

During SUFORD a new revenue benefit sharing system from timber harvesting was prepared (reg. no. 0204 / MAF. 2002: Regulation on Establishment and Sustainable Management of Production Forest, 03.10.2003). According to this law, villagers would receive their share at SubFMA (SFMA) or village level. The village share was calculated as 25% of the difference between the floor price and the actual sale price.

"Seventy-percent of the additional revenue shall be shared between the following funds:

- Twenty-percent to the forest development fund, under Forestry Law, Art. 47;

- Twenty-five percent to the operation costs for implementation of annual operation plan;
- Twenty-five percent to the local development fund(s).

This fund(s) shall be held in the village or group of villages account for village development activities to develop and improve the livelihoods of local people. These funds shall be spent according to relevant finance regulations and be consistent with development plans established by the village or group of villages and approved by the District Development Committee in coordination with DAFO.”

After being implemented for a few years this revenue sharing scheme was found to be flawed because the floor price and sale price were frequently very close together and as the sale price approached the floor price there was almost no revenue to share with communities.

In 2012, a new presidential decree was approved (001/PM; Decree of The President of the Lao People’s Democratic Republic pertaining to the sharing of revenue from timber harvested in the Production Forest Areas, 31.1.2012). This decree also passed through the National Assembly Standing Committee: 08/ST Decision Of The National Assembly Standing Committee pertaining to the sharing of revenue from timber harvested in the Production Forest Areas, 16/01/12). According to this new legislation, the benefit for the villages will be calculated from the total revenue (no longer from the net revenue). In the new system, the government will take 70% of the total revenue. The remaining 30% will be divided as follows:

“Thirty percent (30%) of the total revenue as the budget to support the forestry management, protection-conservation, and development activities, primarily the production forests, and the funds for the development of villages or the village groups bordered with the production forests.

1. First portion: Twenty (20%) percent as the trust funds for developing the forests and the forestry resources;
2. Second portion: Twenty (20%) percent as the trust funds for developing the production forest throughout the nation
3. Third portion: Twenty (20%) percent as the trust funds for developing the exploited production forests.
4. Fourth portion: Forty (40%) percent as the trust funds for developing the villages or village groups that are the agreement partners in the management of the production forests.”

The implementation challenges

- SUFORD communities do not understand well about benefit sharing principles or their entitlements under the law. On the other hand, an analysis conducted by the project in 2013 indicated that the transfer of funds to villages was done properly with a few exceptions.

- SUFORD Toolkits and Manuals prescribed that the timber revenue was to be shared among all villages in a SFMA, but the villages in a SFMA do not constitute an organic unit and this inter-village sharing has proven impractical during implementation. The new law stipulates that revenue can flow either to individual villages or to a group of villages.
- Responsibility for managing timber sales was transferred during SUFORD from MAF to the Ministry of Industry and Commerce (MOIC). While MOIC has made some progress in developing systems for transparent and competitive log sales these approaches have not yet been widely disseminated and are not currently implemented uniformly across all provinces.

The work to develop implementation guidelines for the implementation of Presidential Decree 001/PD/2012 was started during SUFORD AF, but with the introduction of PMO 31 in 2013 all logging activities in the PFAs were stopped, and the development of the implementation guidelines was halted, and the benefit sharing part of SUPSFM could not be implemented. The 2019 Forestry Law now accommodates Village Forestry and operational details will need to be developed and would be anticipated to include revenues.

If the logging ban is lifted, AF-SUPSFM will continue to develop implementing guidelines for timber revenue sharing. Communities and other stakeholders will be informed of the benefit sharing principles to ensure that they can claim what belongs to them when outsiders extract timber. Monitoring mechanisms will be set up to ensure that PAFO does transfer money to villages. MOIC will be supported to implement transparent and competitive log sales.

3.5 Village development grant and Village Fund

In SUFORD all villages including those villages 5 km from the PFA boundary received a village development grant of 8000 USD. This was scheduled to take place in two instalments: first US\$3000 and then US\$5000. All VDGs were transferred from the central level to the bank accounts of the target villages. 412 villages had released all VDGs of the US\$3000 tranche. However, 64 villages out of 287 eligible targeted villages had not released VDG of US\$ 5000 tranche to their villagers as of December 2008 (the original closing date). The key reasons for late release of VDG were (i) lack of banking facilities in remote villages, (ii) changing from inappropriate planned activities to newly potential activities, and (iii) requirement to collect partly amount of the first instalment prior releasing the second instalment.

By the end of October 2010, all target villagers had received their VDG of US\$ 5000. The total amount of VDG released stood at approx. 31.5 billion LAK (USD 3.9 million). Of these, 90 % were given as loans to individual households (Report on Internal Review, 2011). These funds, which were intended to be issued as grants were converted at the request of villages (but also in conformity with national policies) into revolving funds. This pattern of converting grants to loans was identified during SUFORD. Unable to identify a skilled partner agency

to facilitate the development of microfinance institutions at village level, SUFORD AF discouraged the use of grant as revolving funds.

As of September 2012, the total amount of VDGs released to individual households stood at approx. 28 billion LAK (Annual Report 2011-2012). A total of 26,396 households in 412 villages have benefited from the scheme.

SUOFRD promoted the establishment of Village Development Fund (VDF) in each village in order to secure the VDG, to establish a formal mechanism for managing timber revenue at village level and to extend the impact of timber revenue to a larger number of beneficiaries. VDF is a fund, which includes savings of the VDF members, village revenue (from timber) and external contributions, including collected VDG transferred by the SUFORD project. The project assisted in setting up the VDFs in four old provinces. 299 VDFs have been officially established so far. Some VDFs continue to function as revolving funds and a large portion of repayments from VDG recipients have been used to recapitalize the VDFs. As of September 2012, all together 299 VDFs have been established with 8,100 members. Total VDF capital was approx. 4.6 billion LAK.

During SUFORD AF in the 5 new provinces, in order to improve livelihood of local villagers, reduce the pressure on natural resources, SUFORD provided VDGs for livelihood development and income generating activities (in the form of a draw down fund). As of 30 September 2012, all 310 target villages had received US\$4000 each. Nearly 9.9 billion LAK was released to villagers; of whom 4% was directly allocated to VDCs for administrative costs. Financially, 92% of the remaining VDG were invested into food security related activities; 3 % for livelihood and Infrastructure; and 5% for SME enterprise development activities. 12,559 families received VDG; of which 5,283 (or 42%) self-identified as poor families.

Poverty reduction is an indirect objective of the SUFORD project. There were two key ways in which poverty was reduced, first through distribution of village development grants and second through sharing timber revenue with the village communities. However, the timber revenue received by villages has been quite modest; so far so the main impact has come from the VDGs.

To respond to the common question on how much the SUFORD project has contributed to reducing poverty in Laos, a study analyzed the impact of VDGs was conducted in 4 old provinces. The study found that household loans given using the village development grants coincided with moderate reductions in poverty in targeted villages. In 2009, at the beginning of the observation period, the proportion of poor households was almost the same among households that received and did not receive a loan, 29 % and 28 %, respectively. In 2012, it was found that among those households that had not received a loan, the proportion of poor households had dropped to 14%. Among those who had received a loan, the proportion of poor households was 9%. This suggests that the loans were able to accelerate poverty reduction.

Challenges faced by SUFORD AF

- The main problem experienced by the VDFs was that their efforts to develop a revolving fund are financially and institutionally unsustainable.
- The revenue earned from interest on loans was low and unless commercial microfinance institutions step in there is no adequate support structure for VDF.
- The public sector institutions do not have the necessary professional skills to manage such schemes and commercial microfinance in Lao PDR is at a very early stage of development and is not yet able to meet the existing demand.

SUPFSM continued to distribute Village Livelihood Grants to remaining villages but providing support to VDFs was stopped due to the problems experienced. AF-SUPFSM will not provide additional village livelihood development grants (VLDG) but will continue to support villagers with extension services and provide technical support, marketing and favoring associative models. A study conducted by the project in 2018 found that projects launched using VLDGs under SUFORD and SUFORD-AF were largely sustainable as more than 90 % of them were still being implemented five years or more after their launch. The projects were also found to contribute to improved livelihoods and accelerated poverty reduction. Since the approach to VLDG implementation under SUPFSM was similar, it is likely that the impact is similar as well. The Joint Implementation Support Missions have, nevertheless, reported that the villagers request additional extension support to improve the sustainability and increase returns from their project. To address this, under AF-SUPFSM the implementation of on-going village projects will be supported by providing enhanced extension services and undertaking monitoring.

3.6 Application of safeguards measures

SUFORD's implementation over two phases and some ten years generated a number of lessons learned regarding the implementation of social safeguards. The first phase developed an Ethnic Group Development Strategy (EGDS) in 2002 for its provinces. These had a limited number of ethnic groups. As of 2009, the project has expanded into five new provinces with a much more diverse ethnic composition than the four older target provinces. SUFORD-AF Project Appraisal Document (PAD) included a Project Implementation Plan where volume IV was a Village Development Operational Manual (Sep 2008). Part of the Manual contained a description of the Consultation Framework for Ethnic Groups. The consultation framework was included under the "Village Development" project component that constitutes a separate SUFORD-AF project component. The said Consultation Framework constituted the Safeguard instruments of the project.

The findings of a FINNIDA Mid-Term Review (Finnish Support to Forestry and Biological Resources: Country Report 5. Lao Peoples Democratic Republic, 2010) of SUFORD AF: "Marginalized groups are recognized in the project design through an Ethnic Group Development Plan but little evidence of consideration during implementation and outcomes. (p. 9); . . . The project [SUFORD AF]

contains an Ethnic Group Development Plan, though it is uncertain how this is to be applied and the GoL's commitment to it (p. 17). Marginalized groups – During the project preparation an EGDP was prepared to ensure that ethnic minorities do not suffer negative impacts and they receive social and economic benefits appropriate to their culture and circumstances. At the time of the Mid-Term Review few field activities had taken place among the ethnic minority villages; implementation had mainly advanced in the better off and more easily accessible districts and villages populated predominantly by Lao and Tai-Kadai ... (p. 21).

It was also observed weak linkages between safeguard processes and other aspects of the project. Safeguard functions and responsibilities were not sufficiently integrated with technical processes carried out by PAFO/ DAFO at the local level, which limited the effectiveness of safeguard measures in ensuring full and meaningful participation of target communities.

Mechanisms to monitor implementation of safeguard measures were not adequate, and gaps were often left unaddressed for some time. Safeguard assessment concluded that LWU and LFNC should have played a more active role in monitoring and evaluation; that neutral parties such as NGOs should also have participated in project monitoring, and that project monitoring indicators should have included those specific to safeguard compliance including on ethnic women.

The SUPSFM project learned from lessons during implementation and took steps to address many issues mentioned above, under the initiative of the Ethnic and Gender Advisor hired by the project. The first social safeguard assessment found that there were still significant shortcomings in safeguard implementation but the second social safeguard assessment (2017) indicated that during SUPSFM the situation improved and that ethnic minorities were able to participate in project activities. The most significant achievement was that they were able to take full benefit from the Village Livelihood Grants as evidenced by their overrepresentation among recipients of Village Grants (SUPSFM Mission Report 2018). AF-SUPSFM will continue to address this issue by means of the following recommendations:

- Strengthen mechanisms to monitor implementation of safeguards including clear indicators.
- Refine the implementation modalities of the Ethnic Group Development Plans.
- Set up mechanism to ensure that poor households and vulnerable groups are not left aside but actively involved as beneficiaries in project activities.

3.7 Gender equity

The principles of gender equity with respect to natural resource use, its management and decision-making, particularly in upland areas and among different ethnic groups, are quite varied. Different concepts of gender-specific

rights and responsibilities have developed over time as a means whereby livelihoods may be sustained and cultural identity expressed.

Under AF-SUPSFM, nearly half of target villages are either mixed Lao with other ethnic groups, or entirely other ethnic groups. Of these, many groups more numerous in northern provinces follow patrilineal, patriarchal social structures, such as Tai Dam, Hmong and Akha. Ethnic groups from southern provinces have typically more matrilineal or bi-lineal social structures.

Types of labor inputs and agricultural tasks tend to be gender defined, while extensive data on gathering of forest products indicate that women tend to gather products for consumption, domestic use or local roadside sales, while men tend to use the forest for more raising cash.

The type of ethnicity and social structure not only determines the degree of gender equity in decision-making over land, natural resources and their use, it also determines availability of adult male labor for the more heavy tasks in the seasonal calendar. Traditional land use is often regulated by the spirit world, and men are often the intermediaries between the natural and spirit worlds for key activities such as building a house or clearing land. Subsequent activities, which are more the domain of women, cannot continue until some key men's activities are completed.

When a statutory legal framework of land allocation and land management policy overrides customary land and resource use, the focus of land use tends to shift away from the collective and cooperative to the individual and household. This has gender equity implications for the project, both in terms of overall project structure, in community consultation methodology, and in activity planning. It was a lesson learned under SUFORD, that if the project ignores existing customary use of land and forest, it would not result in significant cooperation from villages.

One reason why this often occurs nonetheless is that project staff tend to talk only to village authorities, who are usually men, and do not take into account the differences between men and women of land use. This is particularly important in villages of mixed ethnicities, where hamlets have been consolidated into one larger village, regardless of the differences in culture, language and natural resource use. Furthermore, ethnic group women tend to be both less familiar with Lao language than do men as well as less literate, often resulting in women's views being completely marginalized or ignored, as was experienced in SUFORD. In keeping with the practice under SUPSFM, the AF-SUPSFM project requires local teams to include persons with familiarity over different languages, as well as training on gender equity sensitivity as part of the community engagement process. The Lao Women's Union is the mass organization with the best field representation and access to members with a broad language base, and will be integral to field activities in project districts.

Activity planning is also typically undertaken with male village leaders, not taking into account women's labor contributions or opinions of preferred

options, nor limitations on women's involvement in certain activities. For example, marketing exchanges beyond the local level are predominantly male activities, resulting in financial management often remaining out of women's hands and bankbooks only in the male household head's name.

A lack of equity may also be reflected in tenure instruments, which tend to cite the male household head on documents rather than husband and wife. Gender equity is statutory under Lao law, and if property or land has entered the family through the wife, or if a husband and wife have cleared new land together, then both names must be on the tenure document.

Given this situation, gender-responsive training and development programs, particularly for field staff, will be necessary. The project structure will also need to reflect gender equity in data gathering and management, time allocated for community discussions, and agreement process for project-supported activities. The AF-SUPFSM will seek to improve the Monitoring and Evaluation (M&E) system with respect to monitoring women's use and benefits of project outputs; women's participation will be evaluated either by looking for new indicators or by conducting special assessments.

Recommendations

- Train project stakeholders including field staff, LWU, LFNC, NPAs about gender equity and gender mainstreaming
- Ensure that project will empower women as direct beneficiaries and avoid their marginalization in financial management, tenure issues, etc.
- Set up a culturally and gender suitable interface; this means conducting activities in local languages and providing enough time to ensure that women are fully involved.
- Seek and implement improved ways to monitor women's participation in project activities

3.8 Capacity of project beneficiaries

Given that a much higher proportion of target beneficiaries under the SUPFSM project will be drawn from a broader number of ethnic groups, and that PFA locations will include more upland areas, it must be recognized early on that the project will be working with communities whose capacity to interact with it will need more time and strong communication methodologies. Evaluations of SUFORD implementation identified the need to better explain the concept of PSFM, to allow communities to either opt in or opt out of activities, and to understand the consequences of restricted access to their customary forest and upland cultivation areas.

An effective system used by FOMACOP is to have all concerned district staff participate in the training of villagers in a model village. This gives the concerned district staff an opportunity to practice as trainers before they are sent to the

villages assigned to them. This system is especially important for district staff members who lack experience as trainers.

Under the SUFORD-AF project, the VD teams in 9 project provinces conducted 507 capacity building events of 488 planned events (or 104%) from October 2010 to October 2012. Total of 1,927 training days were delivered to 8342 participants with 31% are female (Data gathered from VD Quarterly and Annual Reports from 2010-2012). Main trainings were village administrative and financial management, technical extension services, producer groups and small business management, on-the-job training on VDF management, and monitoring and evaluation. Capacity building activities

One of the most important lessons learned under SUFORD was to improve project recognition of people's existing livelihood activities which pre-date national preparation of PFA maps and boundaries. Most importantly, the capacities of field teams must be enhanced to meet the higher demand of communicating, discussing and planning with communities with limited communication skills with Lao speakers, and may often have experienced adverse consequences in their interactions with local authorities.

Additionally, traditional customary land use practitioners may not accept the extension opportunities available under the project during the lifespan of the project especially in the more remote upland areas. Years of experience in Laos has demonstrated the reluctance of subsistence farmers to innovate or engage in the broader monetary economy. In more traditional communities emphasis will be placed on adding crops with greater value (both monetary and nutritional) to existing rotational agriculture practices the focus will include familiar products (particularly NTFPs), reforestation, and tenure strengthening, then the possibility of community cooperation can be enhanced.

The challenges in terms of capacity building activities include suggests that during SUFORD and SUFORD AF ethnic villagers are seldom able to take advantage of training in the form of lecturing. Training was not usually provided by experienced trainer, and it often took the form of top-down lecturing of participants; training material not provided or not adapted to the capacity of participants.

By the end of FY15/16 , SUFORD-SU had delivered more than 41,000 person training. Many of the modules have targeted central, provincial, and district staff members, who then followed up the training with actual application of the material learned (see Highlights 6 for an example). Majority of the training days have been targeted towards PSFM (35%) and VLD (30%) capacity building, followed by community engagement (17%), forest law enforcement (8%), and other topics (8%).

In FY 13/14, training efforts concentrated mostly on community engagement when the project concept was disseminated among the SUFORD-SU villages. The following years saw a significant surge in training activity under PSFM, VLD and forest law enforcement as activity implementation was gradually upscaled. The busiest year has been FY15/16 that accounted for almost 60% of the training activity

during the first three years of project implementation. The roll out of trainings slowed down after that as most of the large-scale activities are close to completion.

A capacity assessment regarding government staff conducted by the project in 2018 concluded that the capacity of individuals was in general at a good level for carrying out routine tasks and implementing work plans. Carrying out new activities and developing new approaches requires external technical assistance. The staff could explain rather well what they do and how they do it, but the underlying reasons for the project activities are often not understood (or articulated) that well.

At the village level, a survey conducted by the project in 2018 that showed that more than 90 % of the village livelihood projects financed under SUFORD and SUFORD AF were still in implementation after five years after their launch. While a similar assessment could not be done under SUPSFM due to the short implementation period for village livelihood projects, the approach to technical assistance remained essentially the same and therefore the results of the survey can be considered indicative of the results under SUPSFM as well. At the same time, it should be recognized the recipients of the VLD Grants under SUPSFM have expressed a strong wish to receive additional technical assistance.

Under AF-SUPSFM the village level training will be intensified and done in local languages and at community level to ensure that a maximum of participants can be involved, especially women who lack exposure and less able to leave the village. More emphasis will be placed on farmer-to-farmer exchanges which have been found to be an effective extension method.

3.9 Land acquisition/resettlement

While it is true that SUFORD/AF has not induced resettlement or relocation of any villages, it does not mean that resettlement or village consolidation processes initiated by other agencies and projects have not affected SUFORD financed PFAs and SFMAs. Several thousand Hmong refugees were repatriated from Thailand in 2010 and many of the returnees were resettled in Pak Bueak (Bolikhamxay). In Kaleum District (Sekong) dam construction and mineral exploration caused access restrictions, removal of timber and the relocation of at least nine ethnic group villages that were supposed to be included under SUFORD AF, while one village is to be resettled in Lamam District. In Kaleum even the district capital will have to be moved.

Like the parent project, for AF-SUPSFM, resettlement or village consolidation will not be supported or induced. Nevertheless, it is expected that, like in SUPSFM, some continuing participating villages have been consolidated in the past without proper consultations or livelihood support, or may be planned to be consolidated during the life of the project. As mentioned below in the section on risks, village consolidations often negatively impact on resettled people's livelihood and asset base. Under AF-SUPSFM, a Resettlement Policy Framework developed under the parent project will continue to apply. The framework sets out principles and procedures that will apply when land has to be acquired. (The parent project, SUPSFM, only needed small areas of land for small infrastructure

and AF-SUPFSM will not finance infrastructure. Unoccupied state land will be used; taking of land used for economic or residential purposes is unlikely.) Clear rules and principles have been developed and agreed upon with the government with regard to village consolidations.

3.10 Grievance and conflict resolution mechanisms

According to the EGDP, three distinct cases where complaints mechanisms are needed (i) disputes within the villages (ii) disputes between the village and a private party, (iii) disputes between village and government authorities.

With respect to the first case, the project planned to promote the use of traditional institutions for conflict resolution. Suggested approaches would include relevant project guidelines and relevant staff will be trained accordingly. The approach provided in the guidelines would consider the option to engage District authorities, the Land Management Authority or the LFNC for mediation. With respect to disputes with private sector, SUFORD would be able to provide limited support to ethnic villages by training the DAFO and LNFC staff to assist ethnic villagers in lodging formal complaints. Assistance would cover technical issues as well as language.

Constraints experienced during SUFORD and SUFORD AF included

- LFNC was not made aware of its crucial role in conflict resolution both in terms of language facilitation and helping villagers to lodge formal complaints.
- In fact, there was even no formal mechanisms to acknowledge conflicts or grievance

In order to determine if any remaining conflicts or problems, or whether the project had any negative impact on local communities, and in absence of a better alternative or extensive resources need to undertake complex impact assessments, a simple checklist was devised which could be used by LFNC and LWU representatives with GVFO and VFO members. The list consisted in 6 main areas of investigation including (1) facilitation and representation; (2) social issues; (3) resource exclusion; (4) benefits and timber revenues; (5) material; and (6) information provided. A last section is devoted to villagers' concerns or demand.

The list allowed recording key issues/ conflict emerging in the sub-FMA areas and the impacts of the sub-FMA management plan and allowed opening up a discursive space and record Village Forestry Committees perceptions, ideas and concerns. In each Sub-FMA, a report has been produced for each meeting summarizing the main findings of the meeting with a special focus on the attendance, the quality of the facilitation, the degree of participation and also on the impact assessment conducted. This was particularly relevant since the project aims to maintain and enhance traditional resource use rather than to exclude or prevent it.

Under SUPSFM the Grievance Redress Mechanism was based on the Village Mediation Units (VMU) set up by GOL at the village level. VMUs assist the village administration authority to enhance knowledge of and compliance with State laws in the village. They act as the disseminator of laws and regulations in the village, encouraging people of all ethnic groups within the community, to respect and comply with laws and regulations. The main strengths of VMUs are that they provide justice at a community level and use defined rules and procedures while still providing a further opportunity for parties to re-negotiate and reach mutual agreements to resolve disputes.

The integrated safeguards assessment conducted in 2017 did not detect any grievances in the sample of villages they visited. A survey conducted by SUPSFM (2019) among a sample of stakeholders indicated that minor conflicts had emerged such as disputes regarding village boundary demarcation, goats eating a farmer's crop and accidental burning of a cardamom field. All cases were mediated at community village with Village Mediation Unit and customary leaders. None of the conflicts were left without follow up.

The Grievance Redress Mechanism (GRM) under AF-SUPSFM seeks to strengthen existing government systems (such as VMUs) but it will also explore the possibility to introduce accessible and affordable information technology as a means to lodge complaints (e.g social media, WhatsApp where feasible). In parallel, the project will enable the participating/ affected people to raise concerns through the participatory M&E process and seek for resolutions at the district level meeting. They will also be encouraged to report any outstanding grievances to annual technical audit team which includes expertise in social issues. Also, importantly, complainants are allowed to report their grievances directly to the NPSC or Provincial Assembly recently established in all provinces under the new government since 2017.

3.11 Participatory Sustainable Forestry Management PSFM

SUPSFM and the predecessor projects prepared forest management plans for 41 Production Forest Areas. The implementation of plans prepared under SUPSFM was severely curtailed because of the logging ban; the activities were limited mainly to forest restoration and establishment and remeasurement of Permanent Sample Plots. While the logging ban eliminated the possibility of negative environmental impacts from timber harvesting, the reduced ground presence of staff is likely to have been the reason for a surge in illegal logging in the early part of SUPSFM implementation. On the other hand, the introduction and effective implementation of PMO 15 in 2016 banning the export of unfinished logs combined with effective forest law enforcement dramatically reduced illegal logging in the whole country, by 75 % in one year according to project estimates. AF-SUPSFM will continue to provide support to forest law enforcement focusing on consolidation of the systems and methodologies developed by SUPSFM.

The reduction in illegal logging is likely to have had a positive impact on biodiversity by slowing down or even fully eliminating the degradation of habitats.

Demonstrating the positive development in terms of forest management, DoF was able to regain an FSC certificate for 108,000 ha after it let the previous certificate lapse due to the logging ban. The recertification is an indication of DoF's commitment to manage the PFAs sustainably as well as their expectation that the logging ban will be lifted soon. AF-SUPSFM will continue to support certification to meet the target set by the government to increase the certified area to 230,000 ha.

SUPSFM and the predecessor project have not constructed or planned to construct roads, the existing road network has been found sufficient. This policy and current the logging ban eliminate the risk that logging will cause soil erosion during AF-SUPSFM. This will also ensure that there will not be negative impacts on soil and water quality. Overall, the environmental impact including the visual impact of forest harvesting is very limited when done following SUPSFM guidelines. The rough rule of thumb for harvesting intensity illustrates the point; on average only two trees per one hectare are removed every 15 years.

The assessment on the implementation of environmental safeguards under SUPSFM (2017) gave a positive result. The forest management plan includes HCVF and clearly indicates conservation forests and watershed protection forests with management prescriptions. At village level, HCVF is categorized for sacred forests, burial or crematory forests, and conservation forests. Each village has village regulation to control over these forests. Although there were no specific wildlife management measures implemented in the sampled villages as there were no specific wildlife habitats, hunting of restricted species was completely banned. The government also distributes posters and propaganda to villages for raise awareness. AF-SUPSFM will continue with awareness raising activities seeking to join forces with government-led campaigns.

The environmental safeguard assessment (2017) did not detect use of herbicide and insecticide in the forest but in most agricultural lands and in banana and rubber plantations outside PFAs. SUPSFM has not allowed pesticide use in any of the village projects but it is possible that some individuals choose to use them using their own resources. The Agricultural Unit in each village has campaigns to raise awareness about pros and cons of herbicide, pesticide and insecticide use, and SUPSFM complemented this by conducting awareness raising workshops involving six priority provinces that a survey conducted by the project found to have the highest level of pesticide use. AF-SUPSFM will continue to enforce the ban on pesticide use as well as to implement awareness raising activities, especially to support the implementation of the recently improved legal framework (one new law and two ministerial regulations regarding pesticide use were approved and three more regulations were drafted during 2016-2019).

The government implements fire protection campaigns every year especially during the dry season. Forest fire protection and firefighting is the duty of all people and most villages mobilize their foresters to monitor and patrol their forests. On the other hand, while there is wide awareness about fire protection, in actual practice there is no boundary of fire-prone area specified in any PFA. Overall, however, fire has not been identified as a major issue for forest management. As an example, a large portion of the certified areas are located in fire-prone areas, but the issue of fire has not come up

in the certification audits. Nevertheless AF-SUPSFM will develop a fire emergency response system in high-risk areas involving district authorities and villages.

The environmental safeguard assessment (2017) also yielded areas that need to be improved. It seems that the understanding on environmental safeguards is still poor. The staff at different level could not understand the approach on environmental safeguards in their forest areas. On the other hand, the capacity assessment (2018) conducted by the project indicated that despite the limited understanding the staff may have regarding the concept of environmental safeguards, the safeguards have largely been implemented because they are embedded in the project implementation guidelines which the field staff follow. AF-SUPSFM will continue raising awareness of environmental safeguards among staff.

Most villages where NTFP is highly significant have village NTFP regulation. Village committees/foresters use these regulations to control the collection within the villages. Still, collection of NTFP in a destructive manner still existed in some locations in spite of having village regulation. AF-SUPSFM will monitor the situation in the known high-risk areas such as the malva nut tree forests in the southern parts of the country.

Local villagers are often hired to undertake forest management activities such as assisted natural regeneration of forest. To minimize the risk for work-related accidents, SUPSFM developed new provisions in the PSFM Operations Manual concerned with the health and safety of workers in the conduct of PSFM operations in PFAs. These guidelines were implemented in connection with forest restoration work. AF-SUPSFM continues to implement the provisions and expand their coverage to include safety measures in transporting villagers' between their residence and work site, which is currently not covered.

3.12 Land tenure

Many ethnic groups practice a system of land use and resource management that is uniquely adapted for upland areas. This has developed over generations as part of traditional ways of life and is underpinned through ritual and customary practices. PSFM planning is partially predicated on adequate land tenure systems whereby villagers with upland rotational cultivation are supported and assisted to have communal tenure over enough agricultural land to ensure their livelihoods.

AF-SUPSFM will continue to address this issue through continuing or enhancing, where necessary, support for participatory land-use planning (PLUP). PLUP can contribute partially to improved land tenure security. However, the AF-SUPSFM project does not include activities that directly deliver full land tenure security. The PLUP approach can help advance dialogues around land and resource access and partially contribute to better tenure security, but not entirely. In addition, PLUP approach has been enhanced to integrate gender sensitive consultation, while improving local communities' enforcement capacity to prevent villagers and migrants from opening new slash-and-burn areas. The Land Law (2019) does not fully clarify tenure arrangements for rural forest communities but the Forestry Law (2019) includes provisions for enhanced tenure security for local villagers who plant trees in

the village territory. The AF-SUPFSM will seek to take advantage of these opportunities by raising awareness and providing technical assistance to interested villagers.

3.13 Monitoring and evaluation

Mechanisms to monitor project implementation have not been fully adequate in the past under predecessor projects. Many formats prepared at central level that would have been useful to monitor participation of ethnic minority, women, and the poor were not shared until late in the project cycle. This resulted in the lack of valid indicators to measure to which extent poor, women, and ethnic minority participated in project activities. Under SUPFSM, LWU and LFND played an increasingly active role in monitoring and evaluation (M&E), especially in special assessments where their involvement made it easier to establish a frank dialogue with the villagers. AF-SUPFSM will implement M&E by conducting routine monitoring on on-going basis throughout the project period as well as special assessments on topics that routine monitoring cannot cover. Additionally, Participatory Monitoring and Evaluation (M&E) will be carried out to give opportunities to project beneficiaries and affected people to voice any concerns they have or suggestions to improve project performance.

4 DESCRIPTION OF PROJECT BENEFICIARIES/ AFFECTED PEOPLE

The main project beneficiaries will be the communities involved in the implementation of PSFM in PFAs and other forest categories in the forest landscapes covered by the Project. They will benefit from a diversity of expanded livelihood opportunities. Villages located within PFAs that have significant forest stocks will receive direct and tangible benefits from employment in timber production and share of timber revenue. In addition, they and those that do not have well stocked natural forests or access to such resources will receive specific benefits through opportunities for expanded livelihood support. Vulnerable communities, ethnic groups, and women will receive priority attention in project design and participatory processes.

Management of forests at landscape scale will expand the coverage of beneficiaries outside the scope of PSFM in PFAs. As forest landscape management will potentially include other categories of forest areas, such as conservation, protection, and village-use forests, the number of villages that will benefit will include those outside PFAs but within the other forest areas in the forest landscape. However, this will be realized only when FLM is implemented in the next phase, as in the current phase the Project will focus on concept development and application at the FLM planning stage.

The Government and its institutions will also be the main project beneficiaries. District, province, and national forestry and other relevant government institutions and their staff will receive training and support from the Project. The

Government will further benefit from improved quality of forest management, and improved rent capture and revenue collection.

4.1 Coverage of Field Implementation

The location of the AF-SUPFSM remains the same as the parent project. AF-SUPFSM will provide technical and social support in provinces where the parent project is currently operational in 13 provinces: Bokeo, Luang Namtha, Oudomxay, Xaysomboune, Xayabouly, Vientiane, Attapeu, Bolikhamxai, Khammouane, Savannakhet, Champasack, Salavan, and Xekong (plus wildlife and timber law enforcement in all 18 provinces as during the parent project) and continue to develop a Forest Landscape Management approach covering state managed forests (production, conservation, and protection forests) and village forests in a selection of the existing focus provinces. The Project will continue to provide incremental support for monitoring and implementation of village development and forest management activities in a total of 41 PFAs with an aggregate area of 2.30 million ha. Table 1 lists the 41 PFAs and provides some relevant information about them.

Table 2 PFAs supported by SUPFSM and AF-SUPFSM

Province	PFA name	Area (ha)	Management Plan Prepared	Districts (#)	Sub- FMAs (#)	Villages (#)
SUFORD PFAs (2003-08) – continued under SUPFSM						
Champasack	Pathoumphone	27,043	2007	1	4	36
Champasack	Silivangveun	37,590	2007	2	4	43
Khammouane	Dong Phouxiol	147,406	2007	3	12	91
Khammouane	Nakathing- Nongkapat ³	105,416	2007	3	11	71
Salavan	Lao Ngam ²	74,580	2007	4	10	66
Salavan	Phou Talava ⁴	61,772	2007	3	7	27
Savannakhet	Dong Kapho ²	51,650	2007	3	4	24

³ With FSC-certified sub-FMAs, total of 5 sub-FMAs in 3 PFAs located in Khammouane and Savannakhet

⁴ With FSC controlled wood certification, total of 25 sub-FMAs located in Salavan and Savannakhet

Savannakhet	Dong Sithouane ^{1,2}	150,900	2007	2	13	54
SUFORD-AF PFAs (2009-12) – continued under SUPSFM						
Attapeu	Ban Bengvilay	37,862	2012	1	2	10
Attapeu	Nam Pa Huayvy	75,037	2012	1	3	31
Bolikhamxai	Phak Beuak	112,756	2012	4	6	22
Bolikhamxai	Phou PasangPunghok	47,657	2012	1	2	20
Vientiane	NongpetNaseng	68,725	2012	4	5	29
Vientiane	Phou Gneuy	100,228	2012	4	10	73
Xaiyabouly	Phou Phadam	95,224	2012	3	10	74
Xekong	Huaypen	89,532	2012	1	4	70
Entering PFAs under SUPSFM (2013-2018)						
Attapeu	Nam Kong	88,559	2015	3	3	19
Bokeo	Phouviengxai	44,894	2015	1	6	26
Bokeo	Sammuang	78,699	2014	2	8	32
Bolikhamxai	Huay SupNamtek	8,590	2015	2	2	2
Bolikhamxai	Phou Tum	12,179	2015	2	2	7
Champasack	Nongtangok	58,000	2014	2	5	16
Luangnamtha	Nam Fa	24,649	2013	1	4	24
Luangnamtha	Phou Led Longmoun	20,150	2014	2	4	10
Oudomxai	Namnga	98,786	2013	3	13	91
Oudomxai	Namphak	52,118	2014	1	4	45
Oudomxai	Saikhong	69,791	2015	3	8	47
Vientiane	Houay Siat	36,479	2014	2	2	13

Vientiane	Phou Phaphiang	36,107	2014	2	2	7
Vientiane	Phou Samliam	44,780	2014	2	4	15
Xaiyabouly	Huay Gngang	36,717	2014	1	2	12
Xaiyabouly	Kengchok-Nam Ngim	114,943	2015	2	2	38
Xaiyabouly	Pha Nang ngoi	29,144	2015	2	7	36
Xaiyabouly	Pha Nangnuane	48,174	2014	1	4	28
Xaiyabouly	Phou Phadeng	16,393	2014	1	1	9
Xekong	Dakchang	38,461	2015	2	2	16
Xekong	Dakmong	5,028	2015	1	2	11
Xekong	Namdee	11,760	2015	2	2	11
Xekong	Phoukateum	21,338	2015	1	2	13
Xekong	Prong	16,990	2015	1	1	9
Xekong	Xienglouang	5,396	2015	1	1	6
12 provinces	41 PFAs	2.30 M	2015	83	200	1,284

4.2 Demographic data

4.2.1. Demography of Lao PDR

Population: Lao People's Democratic Republic (PDR) has 18 provinces, 148 districts, and 8,507 villages. According to the 2015 census, Lao PDR has 1,183,386 households, with a total population of about 6.5 million, including 3.23 million women and girls. Over the past three decades the population has increased from 3.6 million (in 1985) to 4.5 million (in 1995), and to 5.6 million (in 2005). Since the previous census the population increased by 1.45 per cent annually. On average, the current national population density is 27 persons per square kilometer, with rural residents comprising 67 per cent of the country's total population.

Poverty continues to decline in Lao PDR. Poverty rates were reported to have decreased from 46 per cent (1992) to 46.0 per cent (1993), 23.2 per cent (2013) and 23 per cent in 2015. Poverty is still ranked as one of top priorities for the government to address and this issue is also highly relevant to land and forestry.

Recent estimates from the Lao Expenditure and Consumption Survey carried out in 2012/13 (LECS 5) show that the national poverty headcount rate was 23.24 per cent in 2012/13. Poverty has fallen by 4.3 percentage points from 27.56 per cent in 2007/8, and poverty has fallen in each of the five-year periods since the first LECS survey was conducted in 1992/3. Overall, poverty halved from 46 per cent at the time of the first LECS survey. See map in **Figure 1** for the poverty head count by district.

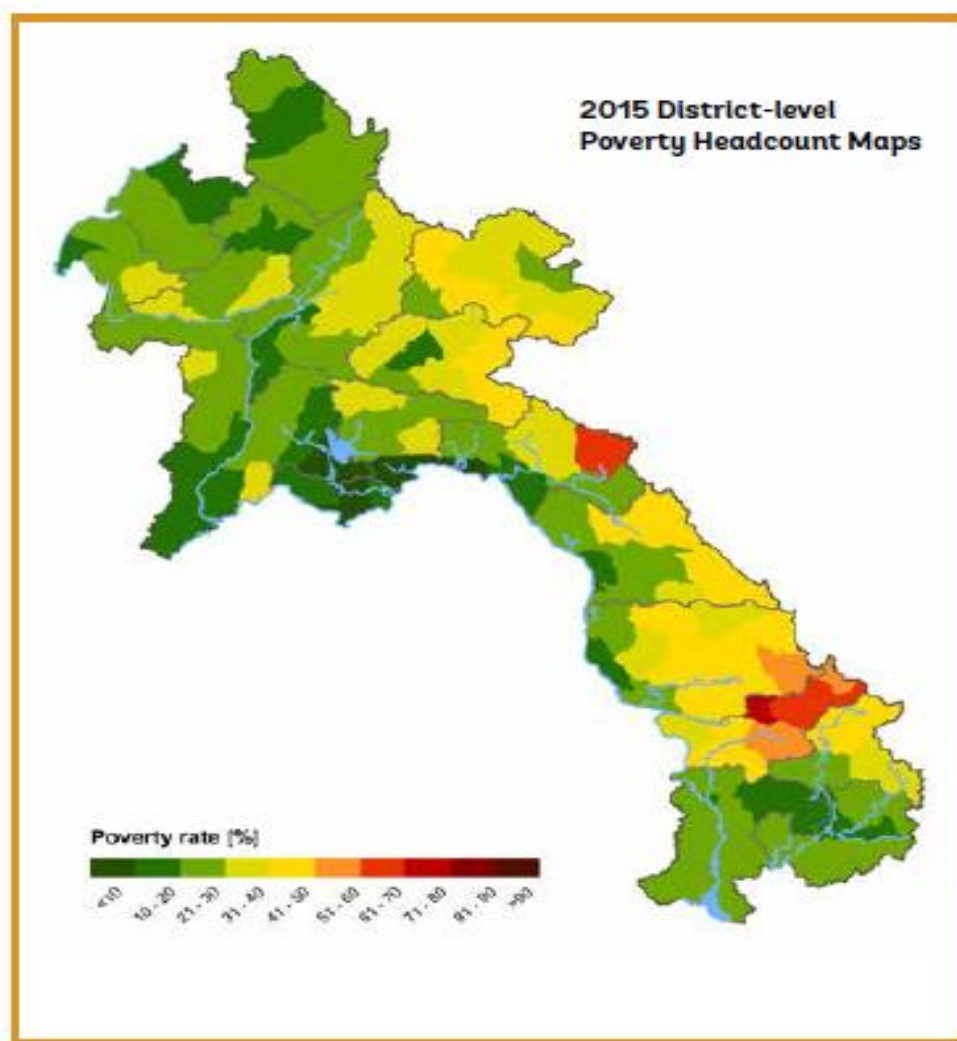
About two-thirds of the Lao population live on an average of less than PPP USD 2.00 per day, compared to less than 20 per cent in Vietnam and less than 10 per cent in Thailand.

- Poverty is also higher among households headed by persons with less education, a disproportionate share of whom are ethnic minorities, and those who primarily depend on agriculture, or are unemployed.
- The rural poverty rate is more than double the urban rate. This discrepancy is most pronounced in the north of the country.
- The fastest decline in the poverty headcount rate took place in the north, with the reduction being greatest in Luang Namtha (14.4 percentage points) and Huaphan (11.3 percentage points).

Further information on poverty differences by province was provided in another study, which examined poverty at the individual level and covered nearly 6.3 million people, of whom more than 1.5 million individuals were reported to be poor.

Provincial differences in poverty are due to numerous factors. As indicated in **Figure 1** and **Error! Reference source not found.**, Huaphan Province has the second highest rate of poor people in the country, with 37 per cent of 285,450 individuals categorised as poor. Poverty rates have decreased closer to Thailand, Vietnam and Chinese borders, due to the introduction of cash crops, such as sacha inchi and Maize, and also due to wage labour opportunities in Chinese plantations. Moreover, more contract farming occurs in these parts of the country. The porosity of the international borders allows transnational ethnic groups, such as the Akha and Hmong in Northern Laos, to follow the model of progressive farmers who have long ago become entrepreneurs, who are willing to switch to cash crops and participate in markets.

Figure 1 District Poverty Headcount



The poverty situation varies considerably between the well-established lowland villages with paddy areas (especially of the Lao-Tai groups) and the mid and upland villages of ethnic minorities, including those who have moved or have been resettled to lower lying areas. The mid and upland villages have little or no paddy areas, thus making the livelihood situation of the overall village generally more precarious. Rice shortages are common in such villages, while traditional coping mechanisms (such as opium poppy cultivation) can either no longer be used or have become less effective livelihoods.

Prevalence of stunting among children from the poorest households is three times higher than found in the richest households, although even amongst the richest households 20 per cent of children are stunted. The highest incidences of stunting are in the upland areas among the non Lao-Tai ethnic groups, where it was found that 27 per cent of children are underweight and 6 per cent wasted; and 42 per cent of children under-five years of age, including 63 per cent of children under two years of age, are anemic. Anemia also affects every third woman in the country (529,000 women of reproductive age). Since the early 1990s, stunting has declined at an average annual rate of 0.8 per cent, less than the average Lao population growth rate of 1.4 per cent. Over time, gains made in stunting have occurred in the second and middle wealth quintile, while

nutritional gains for the poorest remain flat. Nutrition improvements depend on many sectors and translating food security and consumption impact into nutritional status requires concurrent improvements in health, sanitation, and care and feeding practices.

Customary Authorities and Decision Making: The village is traditionally the primary political, economic and social unit. Leadership is a crucial issue for many of the ethnic groups in the project areas. While the villages have official Village Heads, it does not mean that they have a lead role in all matters. Traditional or customary leaders, for example, choose upland areas for the current season's cultivation; may resolve disputes in the village and with other villages; may manage sacred spaces in the village and its surrounding land, forests, and water; and be important intermediaries between the temporal and spirit worlds. In other words, they perform functions that support the traditional livelihoods systems of the local villagers and are respected. Thus, not to explicitly include them in discussions on matters related to land and forest planning is not culturally appropriate and represents an "adverse social impact."

Gender: In general, women are disadvantaged in comparison with men with respect to access to development benefits, education and health services. Women's representation in positions of power and decision-making remains limited. Women have a far lower average literacy rate than men and many do not speak Lao. Ethnic women are particularly the most disadvantaged in Lao society. They are traditionally in charge of the physical reproduction of their group and also of key economic activities, such as the selection of the indigenous upland rice varieties to be planted or collecting wild food products. They are extremely vulnerable to changes that affect their economic activities, especially change in the environment, settlement patterns, and land usage rights.

Socioeconomic Settings: Poverty, Education, Health, Livelihoods, and Markets: The poorest districts in the country are clustered in the north-western part in the provinces of Louangnamtha, Bokeo, and Oudomxai, which are supported by SUPSFM expansion (parent project) and will continue to be supported under AF-SUPSFM. These provinces comprise 91.6% of the total villages. The 2005 census revealed that 23% of the population had never been to school, with 30% of the women compared to 16% of the men. Utilization of health care services is very low (0.1 annual patient visits per person in some rural districts). Less than 30 per cent of people in need of medical services turn to the health system for help. Food security is often a primary concern for minority ethnic groups. Most of these groups practice rotational rice cultivation as their main livelihood strategy. Non-timber forest products (NTFPs) are an important source of nourishment and they are also a major source of income. The three Northern provinces of Louangnamtha, Oudomxai, and Bokeo are surrounded by three countries with booming economies, but trading with Thailand and Burma is increasingly being eclipsed by Chinese influence. There is a particularly long shared history of trade and exchange between the people of Louangnamtha and those of the Chinese province of Yunnan.

4.2.2. Demographic and Social Setting of AF-SUPSFM

Demography and ethnicity will be exactly the same as SUPSFM, AF-SUPSFM will involve 1,078 villages in the 13 provinces already being supported under Components 1 and 2. The total population in the participating villages is estimated at 717,000 people of which 354,000 are women, and 346,000 people represent ethnic groups. Also as in SUPSFM, 18 provinces are supported under Component 3 (Law enforcement).

Target communities belong to Lao-Tai linguistic family, including Katuic speaking groups, as well as ethnic groups comprising Harak, Talieng, Tri, Souay, Brao, Khmou, Hmong, Mien, and others. In the northern provinces the population comprises predominantly Sino-Tibetan linguistic ethnic groups. Cultural diversity has generated increased ethnographic challenges brought about by different livelihood strategies, gender relations, and overall worldviews. These bring about risks and issues stemming from the considerable variation in terms of social organization, culture, land-use practices, food security, Lao language competency, resource access, gender roles, and participation in local development planning processes.

Table 3: List of AF-SUPSFM Project target provinces, districts and number of target villages

Province		District names	Number of Villages
Attapeu	4	Phouvong, Sanamxay, Sanxay, Saysetha	53
Bokeo	3	Houayxai, Meung, Phaoudom	49
Bolikhamxay	5	Bolikham, Bolikhan, Pakkading, Paksan, Viengthong	56
Champassak	4	Bachiang, Pathoumphone, Sukuma, Xanasomboun	101
Khammouane	4	Boualapha, Mahaxay, Xaybouathong, Xebangfai	162
Louangnamtha	2	Long, Nalae, Vieng Phoukha	19
Oudomxay	6	Houn, La, Namor, Nga, Pakbeng, Xay	98
Saravane	6	Khongxedone, Laongam, Salavan, Taoy, Tumlan, Vapi	93
Savannakhet	5	Phalanxay, Phin, Songkhorn, Thaphanthong, Xonlabouli	78
Vientiane	7	Feuang, Hom, kasi, Met, Meun, Sanakham, Vangvieng,	124
Xayabouly	7	Boten, khob, Ngeun, Paklai, Phieng, Xayabouly, Xienghone	163
Xaysamboune	1	Anouvong	3
Xekong	3	Dakcheung, Kaleum, Lamam	79
12 provinces	59 districts		1078 villages

5 Ethnicity profile

5.1.1. Ethnicity profile of Lao PDR

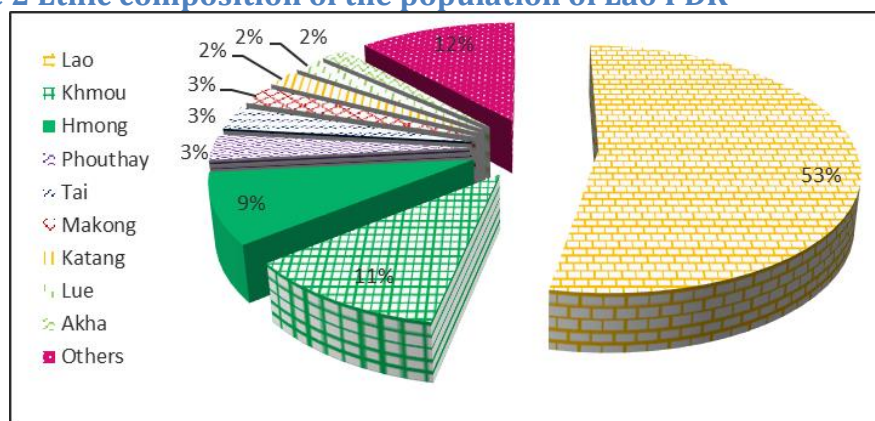
Lao PDR has endorsed the International Labour Organization Convention 169 on Indigenous and Tribal Peoples (ILO 169, 1989) and ratified United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) but the GoL does not recognise the concept of indigenous peoples in its policies and legislation. Instead, the term “ethnic group” is officially used to describe its people, who are categorised into 50 broad ethnic groups. The GoL currently recognises 160 ethnic sub-groups.

The ethnic Lao account for slightly over half of the nation’s total population (53 per cent). When combined with other ethnic groups in the Lao-Tai ethno-linguistic family, the ethnic Lao comprise two-thirds of the population. The population of the non-Lao-Tai ethnic groups is greater in the Northern provinces. The ethnic Lao-Tai groups dominate the country economically and culturally. However, in some pockets of the country the number of non-Lao-Tai ethnic groups exceeds that of the ethnic Lao. Khmu and Hmong are the second and third largest ethnic groups respectively. Each of these two ethnic groups comprises more than half a million individuals.

A 1999 map of Ethnic Groups of Laos showed the spatial distribution of ethnic groups throughout the country, with the Hmong-Mien and Sino-Tibetan groups found primarily in the North. The Lao ethnic group is dominant covering 53 per cent of the total national population, followed by Khmu (11 per cent) and Hmong (9 per cent) and the rest are 3 per cent or lower. See

Figure 2.

Figure 2 Ethnic composition of the population of Lao PDR



Ethnic group diversity is reflected in a rich diversity of ethnic languages. Each ethno-linguistic family is divided into main ethnic groups and is further described through sub-ethnic groups. Some ethnic languages are only spoken languages and do not have written forms. While some ethnic languages have enough similarities that make mutual understanding possible, although for others it is impossible to communicate. For example, the Lao-Tai and Tai-Kadai ethnic groups share approximately 90 per cent of their vocabulary, so it is relatively easy for them to reach mutual understanding. The communication situation is similar among ethnic groups within the Sino-Tibetan linguistic family. However, the Mon-Khmer are Austro-Asiatic speakers and are divided into many sub-ethnic groups and they use languages that are not easily mutually comprehended. Hmong-Mien use Chinese characters and it is difficult for them to understand each other.

While cultural traits may explain some variations in literacy, socio-economic factors and geographical location that affect access to education may also have an impact. For example, in some ethnic groups the proportion of people who have never attended school reached more than 50 per cent in some cases, including Lahu (63 per cent), Akha (50 per cent), Tri (54 per cent), and Katang (41 per cent).

Education is strongly correlated with ethnicity. Non Lao-Tai ethnic groups make up a third of the population, but constitute a disproportionate share of people in households headed by someone with no formal education (64.4 per cent) or incomplete primary education (44.2 per cent). Education among the various ethnic groups varies greatly. Mon-Khmer and Hmong-Mien, the second and third largest groups, have similar literacy levels in the national language, which is Lao (71.1 and 69.8 per cent, respectively). The lowest literacy rate was observed among the Sino-Tibetan speaking group at 46.8 per cent as illustrated by Table 4.

Table 4 Ethnic group literacy rates

Ethnic group	No formal education	Some primary	Complete primary	Complete lower secondary	Complete upper secondary	Completed vocational training	University degree	All
Column percentages-distribution of education attainment across ethnic groups								
Lao-Tai	35.7	55.8	71.4	78.3	89.9	87.0	84.7	66.4
Mon-Khmer	34.4	33.0	20.5	12.6	4.9	8.3	6.9	22.3
Sino-Tibetan	15.1	2.0	1.5	1.5	0.9	1.7	0.3	3.4
Hmong-Lu Mien	14.5	7.6	5.8	7.3	4.1	2.9	7.3	7.1
Other	0.2	1.5	0.8	0.2	0.2	0.1	0.9	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Row percentages-distribution of education attainment within ethnic groups								
Lao-Tai	7.1	16.9	49.7	6.3	11.0	6.8	2.1	100.0
Mon-Khmer	20.5	29.8	42.4	3.0	1.8	1.9	0.5	100.0
Sino-Tibetan	59.7	12.2	20.7	2.5	2.2	2.6	0.1	100.0
Hmong-Lu Mien	27.1	21.5	37.4	5.5	4.7	2.1	1.7	100.0
Other	3.2	39.0	51.3	1.5	2.4	0.7	1.9	100.0
Total	13.3	20.1	46.2	5.4	8.2	5.2	1.6	100.0

As a result of differing education levels most government staff are ethnic Lao. In some locations, government staff have difficulty working with local villagers, as they may not know the ethnic languages. Communication with and community engagement of the non-Lao-Tai ethnic groups (i.e. Mon-Khmer, Hmong-Mien and Sino-Tibetan ethnic groups) remains a challenge. The inventory and recruitment of government staff members, including women from those ethnic groups, or reliance of local interpreters, remains a prerequisite for the government staff to communicate with different ethnic groups and to fully ensure local ownership and participation. The Lao Front for National Development has staff throughout the country that can assist the government's district and provincial staff in communication and extension work with different ethnic groups.

Poverty rates vary by ethnicity and is higher among ethnic minorities in general, with the non Lao-Tai contributing to 55 per cent of all poor people (2013), despite being only one-third of the population in Lao PDR (The Sino-Tibet ethnic group has been an exception and they have experienced a rapid decline in poverty in recent years). The poverty rates were highest between the Mon-Khmer and Hmong-Mien headed households; with poverty rates of 42.3 per cent and 39.8 per cent respectively, almost double the national poverty rate of 23 per cent.

5.1.2. Ethnicity profile of AF-SUPSM

5.1.2.1. SUFORD

During SUFORD (2003-2008), 58% of the target communities belonged to Lao-Tai linguistic family; mostly Lao and Phouthay ethnic group. In the 4 provinces initially targeted by SUFORD, a great majority of ethnic minority belonged to Katuic speaking groups. About 1.3 million people living in Thailand, Cambodia, Laos and Vietnam speak Katuic languages; the vast majority of which (more than a million) belong to the Kui-Bru (West Katuic) subgroup, living mostly in eastern Thailand and Cambodia. The greatest diversity of Katuic languages lies in Saravane and Sekong provinces and adjacent border areas of Vietnam. Katuic speaking groups of the Mon-Khmer accounted linguistic family accounted for 14% of the villages and about one third were ethnically mixed; this means that there were both linguistic family (Lao-Tai and Mon-Khmer). Katang was the second most important group found in the target area with 74,081 people (12.2%) and altogether with ethnic Lao and the Phoutai, the only Mon-Khmer group to be found in all targeted districts. Phoutai come third with 60,363 people (9.9% of the population). Makong come fourth with 27,484 people (4.5% of the population) and are found in 16 districts. In fact, Charouy and Chari groups found in Khammouane province are included under Makong in the 1995 census. Finally, Xouay come in the fifth position and are found in 17 out of 18 target districts.

5.1.2.2. SUFORD AF

Moving from SUFORD to SUFORD-AF, the project has shown an increase in cultural diversity in the SUFORD-AF provinces. The ethnic groups under SUFORD and SUFORD-AF comprise Harak (Alak), Tarieng, Tri, Souay, Brao, Khmou, Hmong and Mien and others. Mon-Khmer accounted for 28% in SUFORD to 40% in SUFORD AF.

SUFORD-AF differs from the original SUFORD Project due to the increased cultural diversity of the villages in the Project areas. The new project provinces and districts vary in social characteristics: predominantly Lao closer to the river and moving eastward decreasing irrigated rice cultivation and increasing shifting cultivation and to the poorest villages located on remote upland locations. Villages are generally organised along ethnic lines, though in some cases larger villages will consist of more than one ethnic group inhabiting different hamlets or neighborhoods. The Lao government's resettlement programs introducing new groups in existing villages or establishing new villages in PFAs (e.g. in Bolikhamsay) constitute a new and emerging challenge.

Increased cultural diversity in the new project provinces generates increased challenges.

The risks and issues concerning ethnic groups and the project stem from the considerable variation in terms of social organization, culture, land use practices, food security, Lao language competency, resource access, gender roles and participation in local development planning processes. Many ethnic groups are also more vulnerable and liable to risks and challenges such as (a) potential changes to traditional & current land-use practices, (b) cultural forests, (c) Lao language, (d) weaker capacity of particular local communities to participate in development activities, (e) weak capacity of PAFO & DAFO staff to work with vulnerable ethnic groups, lack of language skills, gender and cultural sensitivity, and (f) lack of adequate attention on the part of government programs to the traditional practices of ethnic communities, especially in relation to shifting cultivation.

5.1.2.3. SUPSFM

There is an increased ethnic diversity from SUFORD (Lao-Tai and Mon-Khmer), SUFORD AF (Lao-Tai, Mon-Khmer and Hmong-Iu-Mien) and SUPSFM (Lao-Tai, Mon-Khmer, Hmong-Iu-Mien and Sino-Tibetan). One major difference is the inclusion of ethnic Sino-Tibetan linguistic ethnic groups, which are populating certain areas in Luangnamtha and Oudomxay. Lao-Tai reduces from 58% of target population in SUFORD to 48% in SUFORD AF new target villages to 14% in SUPSFM (Oudomxay and Louangnamtha). In SUPSFM target area (Louangnamtha and Oudomxay), Hmong-Iu-Mien and Sino-Tibetan will account for 40% of the target communities.

Increased cultural diversity in the new project provinces generates increased ethnographic challenges. Ethnic groups have different livelihood strategies, gender relations and overall worldviews that need to be considered in

implementation. The risks and issues concerning ethnic groups and the project stem from the considerable variation in terms of social organization, culture, land use practices, food security, Lao language competency, resource access, gender roles and participation in local development planning processes.

Amongst the villages visited during the SUPSFM survey were ethnic groups such as Thai Dam, Hmong, Kamou, Akha and Lahu, with the latter two being Sino-Tibetan ethnic groups. Although on the surface there might not seem to be any salient differences between these groups, further research in the implementation phase is recommended to assess any differences in natural resource management, natural resource tenure, gender dimensions, and social organization. Safeguards, which applied for previous SUFORD-AF, will continue to apply and due to increase of ethnic minority groups in the project area as seen from table X, will be even more important under this project.

Table 5: Number of village per ethno linguistic category in SUFORD, SUFORD AF AND SUPSFM⁵

Phase	Provinces	Hmong-Iu-Mien	Lao-Tai	Mon-Khmer	mixed	Sino-Tibetan – Tibetan-Burmese	Total number villages	Most important groups
SUFORD	Champasak		55	11	13		79	Lao, Katang, Phoutai Makong, Xuay, Taoey, Laven, Pako Ngae, Tri, Lavae , Alack, Katu, Nhahem
	Khammouan		110	12	40		162	
	Salavan		43	25	25		93	
	Savannakhet		33	9	36		78	
	Total:		241 58%	57 14%	114 28%		412	
SUFORD AF	Attapeu		4	25	9		38	In addition to SUFORD: Lao, Talieng, Brao, Yae, Katu, Harak, Khamu, Pray, Hmong, Iu-Mien, Taimeuy, Jhru.
	Bolikhambay	2	20	4	17		43	
	Sayabouly	10	46	7	11		74	
	Sekong			38	4		42	
	Vientiane	11	62	9	32		114	
	Total	23 7%	132 42%	83 27%	73 23%		311	
SUPSEFM	Louangnamtha				2	11	13	In addition to SUFORD and SUFORD AF
	Oudomxay	12	8	12	13		45	
	Total	12 21%	8 14%	12 21%	15 26%	11 19%	58	
TOTAL		35	381	152	202	11	781	Over 25 ethnic groups

⁵ Data source: SUFORD is from 2005-2006/Data for SUFORD AF 2011/Data SUPSFM: December 2012. SUFORD AF Ethnic and Gender advisor consolidated all data available in one table list of village. The list for SUFORD was inaccurate with wrong ethnic labeling so he revised it for each of the 412 village.

Table 6: Ethnicity/language requirement per districts in SUFORD-SU target areas

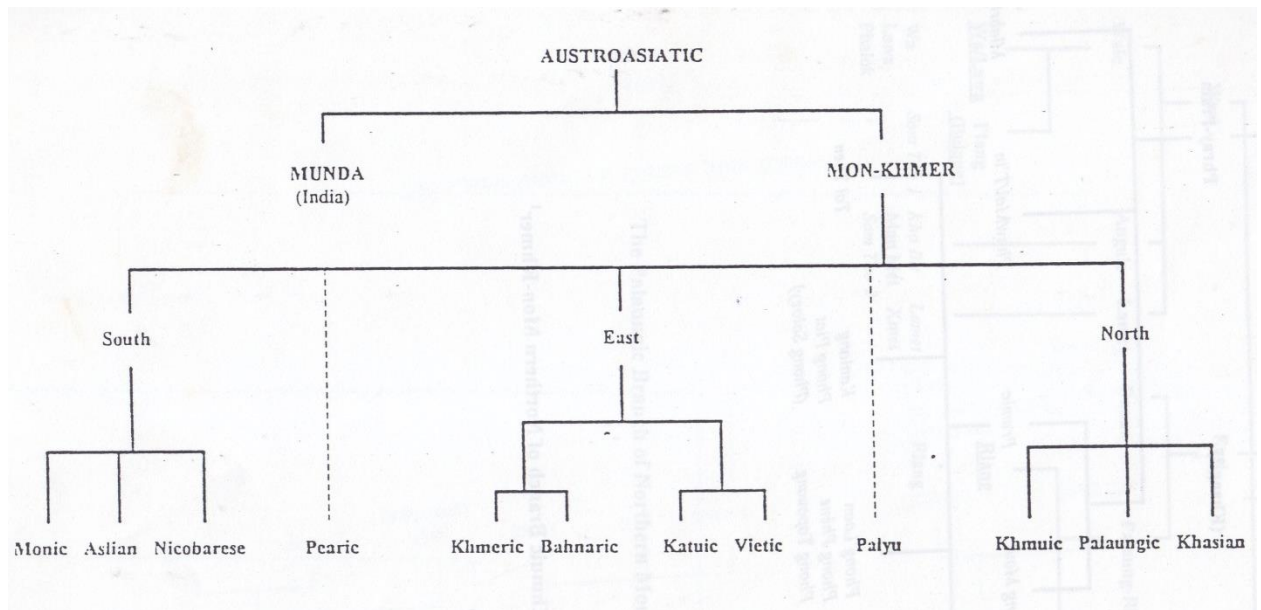
Province	New Entrant Districts in SUPSFM	Ethnicity / language requirement
Attapeu	Xaysetha	Brao
	Phouvong	Brao
Bokeo	Houayxai	Khmu
	Meung	Lahu, Akha, Khmu
	Pha Oudom	Khmu, Rmeet
	Tonpheung	Khmu, Lahu
Bolikhamxai	Bolikhann	Khmu, Hmong
	Paksan	Khmu, Hmong
Champasack	Mounlapamok	No need
	Soukhouma	No need
Louangnamtha	Long	Akha, Lahu
	Nalae	Khmu
	Viengphoukha	Khmu
Oudomxai	Beng	Khmu, Hmong
	Houn	Hmong, Khmu
	La	Khmu
	Namor	Hmong
	Nga	Khmu, Hmong
	Pakbeng	Khmu
	Xay	Hmong, Khmu
Vientiane	Hom	Khmu, Hmong
Xaysomboun	Xaysomboun	Hmong
Xaiyabouly	Boten	No need
	Khop	Hmong
	Hongsa	Khmu, Pray, Hmong
	Xienghon	Khmu, Hmong
Xekong	Dakcheung	Tarieng, Yaeh
	Kaleum	Katu, Ngkriang

5.2 Ethno linguistic groups

5.2.1. Mon-Khmer groups

Mon-Khmer groups are known as the first inhabitant still occupying Laos. The most conservative scholars evaluate their arrival on the Lao territory around 3,000 years ago, and some more than 5,000 years. Mon-Khmer totals 147 languages and belongs to the Austro-Asiatic super stock located in Southeast Asia totaling 74 millions speakers. They dominated the region until the arrival of Lao-Thai (second wave of migration) from Southern China from the IX century onward. In Laos 5 branches represent the Mon-Khmer family: Palaungic, Khmuic, Banharic, Katuic and Vietic are recognized as the first inhabitant of the territory that corresponds to actual Laos.

Figure 3: Mon-Khmer linguistic family



Source: Chamberlain & all, 1995, courtesy of Gerard Diffloth

Homogeneity and paradigms are observed in the Mon-Khmer groups. Similarities include exchange of important wealth at marriage, post-partum rituals, and burial in cemetery, sacred forest, and festival of the territorial spirit at the end of the agricultural calendar. Then, the influence of Tai-Lao groups is variable depending on the time length of the interaction.

Mon-Khmer groups in the Indochina Peninsula all share the same myth of origin referring to the original flooding of the earth. They also all believe in divinities, *yang*, which are located in a specific area, and are quite personal. They distinguish domestic versus natural spirits – or spirits of the inhabited space, space built or used by man – and spirits of nature or brushwood spirits. Natural spirits (potentially unlimited) are praised outside the village space during a diurnal ritual. Shamanic ceremonies involving house spirits usually start after dusk and end before dawn.

Mon-Khmer practice swidden cultures on the higher lands. The field is cultivated one season and left in fallow to allow biomass regeneration. In Northern Laos community splits in smaller production units that live in their fields during the agricultural season while in the south, the abundance of land allows periodical displacement of the whole community toward new production land and the circular movement of the migratory trajectories mark the limit of the village land.

Sacrifice of animals is understood to be necessary for the general good of the village and to increase the ritual status of the owner. The sacrifice of buffalo brings prestige and status to the household head sponsoring the animal. The man's capacity to produce and capitalize on the buffalo is acknowledged by the community and the spirits. The loss of value of the buffalo is light compared to the symbolic capital gained by the individual. However it is one, which must be regularly reinforced and extended by new sacrifices and alliances between

individuals from the same status.⁶ In Mon-Khmer communities, buffalo skulls/horns ornament the roof of the community house, and the houses and coffins of important or influential persons.

5.2.2. Katuic speaking groups

In the 4 provinces initially targeted by SUFORD, a great majority of ethnic villages belonged to Katuic groups. About 1.3 million people living in Thailand, Cambodia, Laos and Vietnam speak Katuic languages; the vast majority of which (more than a million) belong to the Kui-Bru (West Katuic) subgroup, living mostly in eastern Thailand and Cambodia. The greatest diversity of Katuic languages lies in Saravane and Sekong provinces and adjacent border areas of Vietnam⁷.

For Katuic speaking groups including Makong, Tri, Katu, Chatong, Triu, etc, the *Takong riayh* is the religious leader. This elder is in charge of the conduct of all community rituals, village business, weddings, conflict resolution between village farmers, and also between villages. He is also involved in the establishment of new settlement and presides over the council of elders. In the past, he would decide upon the taking of weapons for war against other ethnic groups or other villages.

Forest, ancestors and spirits

The forest is the domain of several supernatural forces or spirits called Yiang and each place inhabited by those spirits is known by all members of a community. Forest is traditionally the area where every human are born, where sepulture are put, and also an area for ceremonial exchanges and gathering of resources submitted to rituals. In fact, the forest and its resources belong to the spirits and there are regulations and interdictions for human beings to follow when they evolving in those areas.

Yiang manifest them when they are unhappy when a rupture of the harmony between humans and the Yiang occurs, for instance because interdictions that aim to a pacific coexistence between human beings and spirits are not respected. That is why traditionally action and behaviors while in forested areas were strictly observed and embedded in the customary laws of each community. Ritual interventions by shamans who act as intermediaries between the divinities of the territory and the humans, aims to reset the harmony between the humanized world and the forest.

Traditionally, there is no political entity above the village level. Access to land and resources are traditionally associated to the notion of territoriality according to which the land is managed by one community that traditionally

⁶ Condominas, Nous avons mange la foret de la Pierre Genie-Go.

⁷ Copyleft Paul Sidwell, Last updated June 2004.

exercised communal rights over the land and Katuic groups share a common notion of *kuruang* according to that the first inhabitant of the land owns the land.

This is the case for Nathong village in Phin and Toh village in Phalanxay for instance; both are the first community that had settled down in their area and the founding lineage took possession of the land and set its *kuruang* and who has the right over the land and all resources. Each village is then composed by several lineages; the founding lineage that owns the land and other lineages that have settled posterior to it and that are usually apart of a larger structure, which has its land of origin and where it has the right of the first inhabitant.

Villages that came posterior to the first inhabitant had traditionally to ask the right to settle on the land and usually paid tribute to the spirit of the land once a year in the sacred forest or Kaneak.

Yiang Su is to the natural world what Yiang Kaneak of each descent group is to the village. (Vargyas, 1996:120). Each village that has the ancestral right over the land also has a sacred forest *Aruiht Kaneak* or forest sanctuary. This sacred forest is at the core of the patrilineal identity of the group and shelter the spirit of the dead, the Yiang of the patrilineal ancestors and more precisely of the diseased who have been absorbed into the pool of the lineage divinities by their death (Vargyas, 1996:117).

Kaneak must be informed about everything that happens in the household or the community: birth, marriage, divorce, death, construction of a new house, timber extraction; that is why it is always invited; not doing so would provoke illness or fatalities in the community. Every human being is linked to Kaneak and each newborn is introduced and recognized by the deity as one of his own and will protect him.

Every year, before the beginning of the agricultural calendar, a community ritual is implemented in the sacred forest and conducted by leader of the founding lineage *Kuya* called *arieh/arouayh* and usually seconded by another elder, from the second lineage that came altogether when the village was established. *Arie vel* is a hereditary function handed down from generations to generations, from the founder of the village to the actual descent, owner of the land and in charge of the community ritual in the sacred forest. The ritual is conducted to reassert the integrity of the land, its boundaries and to insure good harvest, health of its population and of the animals husbanded on its land, security during the production cycle and to allow the use of the land and the resources.

Representative from each household participate in the community ritual, as all farmers that live, cultivate or make use of the land and its resources must pay respect to the spirit of the land. Even the whole neighboring communities that live on a different *kuruang* must honor the spirit of this land. Every household bring along one chicken for sacrifice but all the chickens are boiled and are eaten during the collective feast held in the forest and where all participants join. There is clan differences in the implementation of the ritual presided by the

ariayh, but the ritual remains a community event that insures that the relationship with the land and the spirit associated to it is preserved.

Large trees called taya teyo are worshipped and believed to shelter spirits Yiang. Those trees are highly protected from logging because the cutting of those would released the Yiang chri (in Brou), malevolent spirits that would be harmful for humans and animals evolving on the land.

5.2.3. Bahnaric speaking groups: Tarieng profile

The Bahnaric languages are a group of about thirty Mon-Khmer languages. There are approximately 700,000 Bahnaric speakers distributed over a region roughly centered on the area where the borders of Vietnam, Cambodia and the Lao PDR meet. Bahnaric is commonly recognized as having four main branches: North Bahnaric, South Bahnaric, Central Bahnaric and West Bahnaric.

According to Sidwell (2002:7), the Bahnaric languages can be classified as follows: West Bahnaric: Jru', Nyaheun, Oi, Laveh, Brao etc. North Bahnaric: Sedang, Rengao, Jeh, Halang etc. Central Bahnaric: West Central: Kasseng, Taliang, Yaeh North Central: Alak East Central: Cua South Central: Tampuon; Bahnar; South Bahnaric. Oy, Nyaheun and Jhru all belong to the West Bahnaric Branch of Eastern Mon-Khmer

SUFORD AF has been targeting Harak people in Tok-Ongkeo, Javik, Kasangkang and Pakpoon sub-FMAs in Lamam district, Sekong province. The project extension in Dakcheung will target mostly Tarieng communities.

Talieng like to live in groups of relatives called chong, and there are many specific groups of relatives such as: Hiang, Prao, Tangorl, Palong, Klig, Yea, Churuum, etc. Each chong is named after the name of elderly person who administers the traditional practice of the community. The elder of chong has the role to keep and guard the community's gongs, which were bought from the community-sharing fund. Presently the gongs are shared within the community and neighboring communities when the gongs are needed for ritual ceremonies, which buffalo or cow is killed. (Mann 2008)

When make agreement on marriage, the bride price is considered a strict obligation for the groom side. The groom's family has to give bride price to the bride's parents, in addition to the cost of arranging the wedding ceremony. The bride price is increased relatively to the larger number of streams, which people cross from the bride to the groom's location. One stream is equal to one buffalo. If the man cannot afford to pay the bride price and for the wedding, he is in debt, some men are in debt for 10-20 years. If the husband or his parents die before the marriage debt is not paid off then the relatives (children or grand children) have to take responsibility for paying off the debt. However if the husband's family is really poor, the debt can be cancelled based on the agreement made between the 2 families, but it is a rare practice. (Mann 2008)

The agreement on divorce obligation is made on the marriage day. The one who initiates the divorce should leave everything to the other. Either has to pay compensation of the bride price, plus one buffalo and the cost of all kinds spent on the wedding day (rice, alcohol, cows, pigs, buffaloes, dogs, chicken, etc.). Everyone keeps his or her own inheritance, even in the case of divorce. If they have constructed property after marriage, they will calculate the value and divide by two. (Mann 2008)

When dividing parents' heritage, sons get larger part of the inheritance than daughters. All of them will get equal part, but daughters don't receive any land or property as they move to the husband's house. The last son gets the house. The widow women can remarry but the new man has to pay the bride price and cost of wedding to the parents of her former husband. If husband was in marriage debt before he died, his parents will pay the debt to parents of the former daughter-in-law after receiving the bride price plus the wedding price from the new man. (Mann 2008)

Single woman is not allowed to live alone in a separate house. Unmarried daughter gets part of parents' inheritance and has to live with them until their death, after that her brother will let her living with his family. The inherited land of unmarried sister can be shared for use with brother's family but cannot transfer ownership to the brother. She should keep land as her own asset to secure her future life. (Mann 2008)

5.2.4. Khmuic groups: Pray

Ethnic Pray are found in Xayabouly province in some communities currently targeted by the SUFORD AF project. There will be many more Pray communities targeted by the SUPSFM project with the extension to Hongsa district. Pray are sometimes referred to by the term Lao May which means 'new Lao' referring to the recent integration of the group into the Lao nation. According to Chamberlin (1995), Pray is classified as Austro-Asiatic, Mon-Khmer, North, Khmuic, Phray-Pram, and Phay/Mal/T'in. The Pray is the most important ethnic minority group in Sayaboury district with more than 15,000 people scattered over 24 villages, followed by the Khamu (more than 9,000 people/12 villages) and the Hmong (near 7,000 people/9 villages). Some Pray people are also found in Phiang district and some have also migrated in Vientiane Municipality and live mostly near Khao Liao harbor north of the town. Locals distinguish two main linguistic groups; Doikao marks the limit between both groups: one would pronounce "eat rice" pong cha and the other pong xa.

Ethno historical perspectives

According to historical research conducted by historian amateur from the provincial capital, the Pray all lived in one village, the most ancient, and established about 700 years ago on the location of the actual Sathan village, and called Saphat. The community split due to epidemics and all villages that today start with "Sa" (like in Samet, Sapi, Saket, Sakup, Sama, Sala, and so on) came from the Saphat village.

Some villages had long houses; usually one for each clan, such as Sametngay well known for its 6 longhouses; the longest had 38 sons-in-Laws. The entire village burned down in the 1980s in the season of swidden burning. But the second Pray group, from Doikao up to the Thai border apparently never had longhouses; Pray were living in traditional houses, model of which is still observable in Sala village for instance.

In Thailand, the group is called Thin or Lua (Lawa) and essentially lives in Nan province. According to Jordan (2001), the term Thin is also spelled Htin, Tin, H'tin and the term Lawa or Lua has also been used for a Palaungic language in Mae Hong Son and Chiang Mai provinces (Deepadun & Ratanakul, 1997). The pray population in Thailand is estimated around 36,000 people.

According to their mythology, the Lua are the original inhabitants of northern Thailand. It is believed that southern China, the Shan state in Burma, the Lan Na area, and northern Laos were formerly controlled by the Lua (Aroonrut Wichienkeo). Satasombat noted that the Lua in northern Thailand still remember a kingdom that could have been formed by Khun Louang Wilangka, the great Lua Leader. The existence of this kingdom is acknowledged in Tai Yuan chronicles and the Lua area acknowledge as the first inhabitants and the founders of the towns and settlement of the north. The ancient Tai Yuan chronicle gives Doi Ngen (Suthep) as the site of the former capital of the Lua, founded prior to the creation of the Mon kingdom of Haripunjaya in the eighth century AD. In Doi Phu Kha, in Nan province, the Lua still remember being the first inhabitant of the lowland areas in Woranakorn or Pua. The migration of the Tai Leu from Sipsong Panna more than 2 centuries ago resulted in the vertical migrations of the Lua toward the hills. This is when the Lua started practicing shifting cultivation.

Marriage patterns and sociocultural change

Among the original, indigenous features of Prai society, we find an exogamic clan system (People can only marry outside of their clans), matrilocal residence (after marriage, couples move to the village or residence of the wife's family) and matrilineal descent; this means that the new couples take the mother's family/clan name on marriage, and inheritance is through the female line. The history of communities often starts with the establishment of the first "mothers" – referring to the mother of ritual – that led their community to the site of the village.

Pray females work for 2 years in their husbands' house prior getting married. Pray women pay for the dowry, and then the male enters their house. In case of divorce, if the female initiates the divorce, she has to pay the fine (about 50,000 LAK in average per village). But in the case where the male initiates the divorce, he has to pay the fine, but also the cost of the female labor (for the 2 first year of labor provided to the husband's family prior wedding) estimated around 3,000 Baht.

In Pray society, the woman side traditionally pays for the dowry; the young woman goes to work two years in her husband's field prior getting married and the husband goes to live in his wife's house. But one young woman from Doikao in Saysethan district – where the future district capital will be located - replied that when the Lao will be coming, they will be the one paying for the dowry. Her strategy is then to wait for the establishment of the new district and the end of the pray traditional matriarchal system to get a Lao husband who will pay for the dowry.

There is a clear link between traditional elite and the new political structure imposed upon Pray's matriarchal and matrilineal social structure that illustrate that even if women's prerogative seems to regress, traditional women authority legitimate male's contemporary leadership. As observed in Doikao, all political leaders: village head, vice head, LWU, LYU, and so on are all blood related to the mother of ritual (mae hit), who live above the village and is in charge of production rituals. This woman still lives in the longest house that preserved the pen trouay, long wooden plank that cross the entire house, that symbolise the wooden plank that would cross entire longhouse before the abolition campaign that raged from 1993 onward in the area resulting in the dismantling of all long houses.

5.2.5. Hmong-lu-Hmien groups

The Hmong are recent arrivals in Laos, coming for the first time in 1810 ultimately from Hunan and Guizhou in China. They are thus one of the most Confucianized groups and marked by a rigid system of patrilineal clans.

The Hmong are divided among 19 patrilineal clans xee: Chang, Cheng, Chu, Fang, Hang, Her, Khang, Kong, Lor or Lo, Lee, Moua, Phang, Tang, Thao, Vue, Xiong, Vang and Yang. The clans are strictly exogamous: a marriage must be with a person from a different clans from one's. A person primary loyalty is primarily always toward member of a person one's clan, irrespective of village or region of residence and there is a strong solidarity between clan member (Ovensen, 1995:20).

At marriage, the woman leaves her clan and become member of her husband's clan. A ceremony called hu plig is conducted to inform and get the consent of spirits and also to insure that the soul of the young couple and in particular of the girl (shifting clan membership is a delicate matter) do not stray or wander (Ovensen, 1995:21).

The lineage kwv tij gathers people who trace descent in a direct line from a common ancestor. But Ovensen argues that the sociality of the Hmong is predominantly focused on the spatial proximity of relatives. Finally, the household tsev forms the basic social and economic unit. The head of the household – usually the eldest man – take major socioeconomic decisions.

Due to strong socioeconomic autonomy of the household, the concept of village has different meaning and this explains why Hmong are not attached to any particular village as a social or spatial unit. For the Hmong, the primary foci of social identification is the household, the group of close relatives and the clan and their social identity is fixed through concept of patrilineal descent groups, lineage and clans (Ovensen, 1995:24).

In terms of Governance or decision making among the group, Hmong men are the agents of hereditary transmission of the ancestral line, play the principal role. Only men participate in meetings related to the governance of the group and women are relegated entirely to the background. Hmong women never take part in discussion and cannot vote in assembly which they may attend only as observers (Yang Dao, 1993:25). Old men cast the deciding vote. More experienced and wiser, they are generally listened to and their advices are almost always followed. Hmong leaders are elected by group suffrage and are nominated among the clans' most intelligent, capable, generous, influential and generally oldest members. Traditionally, each hamlet or village is led by a headman, assisted by one or two notables. He finds amicable settlement of disputes among members of the community. Hmong is a well definite and well-respected hierarchy (Yang Dao, 1993:24). As Morechand underlined: "A clan chief can rule over an entire region, thanks to the influence he acquires through the mediation of his clan and his clientele".

Ancestral worship is widespread among patriarchal clanship structures. Apart from Buddhism and animism, ethnic Mien also worship Taoism. They believe in ancestors and also Gods. The Iu Mien believe there are 33 levels of heaven, for protecting a human earth such as Praya In, Youlai, Guanyin, 7-star sisters, a ghost of the moon, the sun and others. In Iu-Mien societies, leadership structures amalgamate both secular and religious functions with the religious leader and the head of the tribe being the same person as a leader or clairvoyant that has responsibility for worship of the ghosts of places.

5.2.6. Sino-Tibetan Groups

There are about 148 languages and over a billion speakers in the Sino-Tibetan linguistic family. As for the Hmong-Mien, in Sino-Tibetan patriarchal clanship system men, as agents of hereditary transmission of the ancestral line, play the principal roles and are usually the decisive authorities and only men participate in meetings related to the governance of the group.

Men with greatest experience and considered the wisest, wield greatest influence and their recommendations are almost always followed. Leaders are nominated among the clans' most intelligent, capable, generous, influential and generally oldest members.

5.2.7. Akha profile

Akha legend has it that they began to slowly migrate from their ancestral homeland in Tibet more than 2,000 years ago into southern Szechuan and Yunnan in China. More recently, mostly during the 19th century, they have migrated into northern Burma, northern Thailand and northern Laos. The present Akha population of Laos is approximately 60,000 divided between the northern province of Phongsaly and two districts of Luang Nam Tha (Muang Sing and Muang Long).

Until recently Akha livelihoods in Muang Long were based almost entirely on swiddening of crops such as rice, opium, maize and cotton. During the past ten years or so more than 20 Akha villages have been established on the lower slopes of the highlands, less than a days walk to Muang Long town. This has been partly in response to Lao PDR Government policy on shifting (swidden) cultivation and forest preservation and consequent pressure by local officials on the Akha of the mid slopes to resettle close to the lowlands and to take up wet-rice cultivation. Another factor that has encouraged resettlement has been the steady decline of highland soil fertility and swidden rice yields, coupled with the enforced prohibition of opium production since 2002/3.

Akha social organisation is both patrilineal and patriarchal. This is relevant insofar as it indicates a socially embedded system of male dominance. For example, after marriage the wife is incorporated into her husband's lineage. This has important implications if there is divorce. The wife has no claims on the children of the marriage as they are considered to belong to the husband and to be under the protection of his ancestors. It follows that sons are also more desirable than daughters, as at least one son is needed to perpetuate the patriline. Male dominance and privilege are reflected in the domestic, political, ritual/religious and economic spheres. The Akha house is divided into a men's room and a women's room, often with separate fireplaces. A wife can only eat after she has served her husband. The village headman, village ritual experts and village elders - all men - dominate political decisions affecting the village as a whole; women are denied any formal role in community decision making. Although shamans are often women the most important ritual specialists are men. The economic sphere hunting is an exclusively male activity. Both men and women are active in agriculture, although women are expected to work longer and more in the fields. In addition to farming work, there are the constant demands on women to do weaving, collect firewood and draw water, pound rice, prepare meals and care for children that occupy them to the full each and every day. Male dominance is also reflected in the constitution of adolescent male and female groups where the leader of the male group has control over a number of customary practices expected of their female counterparts, including the massages offered to visiting guests to the village and the provision of sleeping partners if so requested

5.2.8. Kim Di Mun (Lao Houay) - Lantene

The Lao Houay, as the Lao have called them since 1975, or Kim Di Mun, as they call themselves, belong to the vast tribal group of Yao formerly called Lantène.

Lantène is a southern pronunciation of the standard Chinese word Landian that has become the usual ethnonym for the Mun subgroup of Yao in China. Mun (LandianYao) are today to be found in three provinces of China: Hainan (Sanya), where they are known as Miao, Guangxi, and Yunnan; in Vietnam they are extending their numerous tribal subgroups from Quang Ninh to Lai Chau on all the Northern provinces; in Laos they only are in the provinces of Phongsaly, Oudomxai, Luang Namtha and Bokeo.

They should have accounted for about 10,000 of the 22,695 Yao recorded by the 1995 Census. The Laotian Mun divide out into only two tribal subgroups: Kim Di Mun “at the mountain foot” and Kim Diang Mun “at the mountain top”. The former is to be found in Bokeo, Luang Namtha and Oudomxai provinces, the latter is living in Phongsaly. According to Laurent Chasée (1999: 108) there were in 1995 some 4,500 Kim Di Mun in the provinces of Luang Namtha, Bokeo and Oudomxai. In all prospects, they are a small and sparse population, albeit still very conspicuous nowadays as a fascinating minority when they walk their way along the streets of Luang Namtha. Their ancient links with Vietnam and China and their own pattern of East-West migration inside Laos – never too far from the Chinese border has made them a de facto border population with interesting modes of adaptation and integration into the Lao state where they arrived some 130 years ago. They have also developed their own strategy for preserving their ethnic and cultural identity together with a strong sense of citizenship as Lao nationals. When the other Yao group, the Mien Yao, fled the establishment of the Lao PDR in great number, the Kim Di Mun preferred to stay and managed quite successfully their rallying to the new authority. Thus, they quietly accepted the name of Lao Houay “Lao of the Streams” given to them by Lao officials inasmuch it matched, indeed, their most favorite econiche.

5.2.9. Lahu – Kui – Mussur

Lahu population average about 500,000 individuals and stretches throughout the mountainous regions of Southwestern Yunnan (60%) to Shan State in Burma (22%), in Chiangrai, Chiang Mai, Lampang, Mae Hong Song et Tak (10%) and in Louang Namtha and Bokeo in Northern Laos (3%).

They are famous for their hunting skills; Lahu means “The hunters”. Chinese Chronicles mention that during the Tang dynasty around 796, Lahu had their own kingdom named Nanchao and its capital Li-Kisangasih was known by the Chinese as the capital of the 8 Indigenous Chiefs. Historical sources also mention the existence of an independent Lahu Kingdom around the 17-18th century located near the Burmese border between the Salween and the Mekong.

From a social point of view, the household is the primary social unit of the Lahu society. The customary leaders are the Pah Hku or spirit doctors; ritual specialists. Residence pattern after marriage is primarily matriolocal; the husband will move in his wife’s house but the husband remains the main authority under the house.

Compared to other ethnic groups, the Lahu are generally the most dependent from forested space for collecting forest food, medicinal plants, NTPFS, raw material to produce handicrafts (mostly basketry), hunting and trapping.

5.3 Customary authorities and decision making in ethnolinguistic categories

Through out Lao PDR, customary conflict resolution mechanisms continued to dominate. Still, the boundaries between the three justice systems - informal, semi-formal, and formal – are porous, interdependent, and have a symbiotic effect upon one another. Cases move between the different mechanisms, as justice users attempt to navigate their way to the best process and outcome for their case.

The village is traditionally the primary political, economic and social unit. Leadership is a crucial issue for many of the ethnic groups in the project areas. While the villages have official Village Heads, it does not mean that they have a lead role in all matters. Traditional or customary leaders, for example, choose upland areas for the current season's cultivation, may resolve disputes in the village and with other villages, may manage sacred spaces in the village and its surrounding land, forests and water, and be important intermediaries between the temporal and spirit worlds. In other words, they perform functions that support the traditional livelihoods systems of the local villagers and are respected. Thus, not to explicitly include them in discussions on matters related to land and forest planning is not culturally appropriate and represents an "adverse social impact." According to the Access to Justice Survey (2011), women seem to prefer an informal mechanism even more than men.

Customary leaders provide what is called traditional mediation; a process when mediators, use their traditional and custom practice to help the parties to settle their dispute and conflicts. The strengths of the traditional mediation is that it is not based on formal rules and procedures and help parties to reach mutual agreement because led by respected community elders. The main constraints concerning the traditional mediation is that it may be ruled by a dominant group (important clan, patriarchal structure) and sometimes it may be in conflict with the formal law in case of forced marriage after rape or compensation for death for instance.

The customary law of each group contains a cosmological vision of the sacred space and regulations to maintain the social harmony. From an historical point of view, each community use to manage the life of its people based on a cosmological vision of the space. Customary law systems are not "stand alone" legal systems but rather outward, visible signs of an integrated world view, existing as "total social fact" and comprised of a complex, ordered system of customary, political and legal authority.

However, it would be inaccurate to imagine each ethnic group in isolation and its customary practices impenetrable, ancient and static. To the contrary, customary

practices are in a constant state of flux, and are better characterised as flexible and adaptive social organisms engaged in vibrant social processes of interaction and interpenetration. Customary practices rely upon community involvement and consent, (albeit limited to those who exercise power and influence), thus must be constantly re-negotiated and modified. Many factors drive change including the group's relationship to the dominant society, and the gradual penetration of other social, political and economic forces, which can also fuel internal demands for change.

Closer examination of customary practices in Lao reveals the degree to which the customary practices of ethnic groups are fluid and influenced by others thus defying neat labelling. There is a "type of social process that overrides cultural distinctions, in a sense that common social and political structures crosscut the conventional, linguistically-derived concepts of tribe and tribal culture". Cultural traditions and identity among hill and valley neighbours are shaped by their patterns of social interaction and adaptation. Buddhist ideas penetrate the cultural fabric of highlander cultures and vice-versa. Rigid traditional dichotomies between animist highlanders and Buddhist lowlanders usually result in the misreading of complex cultural configurations.

For example, while initially only some Lao-Tai groups were Buddhist (other Tai speaking groups such as the Tai Dam remained animist), nowadays, many other ethnic groups have to varying degrees also converted to Buddhism. Thus pockets of Buddhism can be found in segments of communities across many ethnic groups and layered over or alongside other belief systems without apparent inconsistency. This includes the Phounoy for instance, who converted to Buddhism approximately 700 years ago during King Souliyavongsa's era, but who also continue to assert Latsukan customary beliefs. Many groups have a Buddhist temple in their village, but also maintain vernacular practices and cults. Consistent with this point, animist beliefs continue to be relevant to all of Lao's ethnic groups with both lowland Buddhist and ethnic minorities remaining committed to animist worldviews.

One commonly held belief across ethnic groups is that spiritual forces manifest when harmony between human and spiritual worlds is ruptured, for example, where rules of peaceful coexistence between human beings and spirits are violated. This explains why customary beliefs and practices have often been strictly observed and frequently rely upon interventions by ritual specialists. These specialists are empowered to act as intermediaries to re-set harmonious relations between human and spiritual worlds.

5.3.1. Hmong-lu-Hmien and Sino-Tibetan groups

- In patriarchal clanship system men, as agents of hereditary transmission of the ancestral line, play the principal roles and are usually the decisive authorities and only men participate in meetings related to the governance of the group.

- Men with greatest experience and considered the wisest, wield greatest influence and their recommendations are almost always followed. Leaders are nominated among the clans' most intelligent, capable, generous, influential and generally oldest members.

5.3.2. Tibeto-Burmese groups

- Traditional Akha villages have two leaders: (1) the dzoema is the village administrator and the ultimate judge in charge of conflicts resolution and arbitration of disputes. He is also the shaman and guardian of traditions, while the (2) buseh is in charge of the village's external affairs.
- The Akha village traditionally is a political, economical and social primary unit. Politically autonomous, there must be at least three patrilineal clans to constitute a viable entity and insure matrimonial exchanges between the clans. Without territorial rights and distributed transnationally, Akha have developed a clan system « adjeu » and elaborated a complex genealogical system. The oldest clans go back 60 generations ago to a founding ancestor. The head of the clan is usually the elder male. Individuals are free but must not transgress customs and traditions embedded in the Akhazangr.
- The word 'Akhazangr' or 'Zangr', has been translated as 'religion, way of life, customs, etiquette, and ceremonies', and 'traditions as handed down by the fathers'. Akhazangr certainly has the authoritative heaviness of the Jewish 'Torah' or the Roman Catholic 'Scripture and Tradition', except that it does not claim divine revelations but rather the authority of a succession of sixty-four generations of patrilineal ancestors during the long journey from Tibetan borderlands into China, Burma, and Thailand.
- Another characteristic of Akhazangr is that it indeed includes the whole of Akha life at all levels, in other words, the whole of what American anthropology calls 'culture'. It describes when, where, and how forest has to be cleared and burned; rice and vegetables have to be planted and harvested; hunting by traps or driving have to be performed; villages and houses have to be founded or built; husbandry tasks have to be taken care of; game and animals have to be slaughtered and divided; food has to be cooked; children have to be conceived and brought up; and transactions have to be managed.
- Akhazangr also contains prescriptions indicating how to relate to many different categories of groups and persons within the Akha milieu, including family, lineage, and clan, in matters concerning marriage, penal and judiciary rules, as well as outsiders. zangr meticulously describes proper daily behaviour: when to get up in the morning and in which order to proceed; how to allocate labor; how to hold a bamboo teacup or whisky container in the part of the year dominated by spirits

and the part dominated by humans; which line males, and which line females have to follow when weeding the fields; in which direction to hold your dibble-stick while making holes (for males) and how to put the rice seed in the holes (for females); and how to hold your machete or sickle when walking to the fields. In other words, it contains the whole elaborated system which we call etiquette, except that, in daily Akha behaviour, interaction and language have no marked traces of a court or upper class, from which so many 'good manners', 'courtesies' and words (including the word 'etiquette') in class societies have been derived.

- The transmission of Akha customary law embedded in oral archaic texts from the Phima (reciters, teachers) to the Phiza (students) is not an easy endeavor and may take as long as ten years or more: "training of Phiza require a literal, word-by-word, concentrated, 'meditative' type of memorization" (200:132). The language of those oral archaic texts is not understandable for lay-person, even in the case of population segments separated by hundreds of years; the texts share high degree of mutual intelligibility. Cultural and structural unity of the group.

5.3.3. Lao-Tai groups

In Lao-Tai groups, elder people recognized by the whole community act as the leaders, but usually the function is not hereditary transmitted.

- This is not the case for Tai Leu whose authority is comprised of Sen (secretery), Cha (chief) and Panya, and all functions are hereditary and open both to male and females
- In Phouthai communities, the leader is also in charge of community rituals in the village sacred forest 'pha mahesack'
- In situations of conflict, people usually refer to appointed representatives from both sides called sam tao si kae;
- Tai Neu select elders using a draft system. This process is not open to women who are not allowed to participate in meetings or in conflict resolution committees.

5.3.4. Mon-Khmer groups

Mon-Khmer groups are generally led by a council of elders comprised of older males. The council is presided over by the representative of the founding lineage who established or founded the village in charge of the community rituals; the highest authority, known as Leukoukoun by the Khmu and the Takong Riayh to Katuic and Baharic speaking groups. This is the decisive body in charge of regulating conflicts emerging within the community or with neighboring communities.

- For the Brao, the function is not transmissible.

- The Khmu Rok Krong recognizes nine main clans ('Ta' in Khmu Krong language). Leukounkoug is the head of Khmu clans and is usually an elder man who commands admiration and respect amongst the community. When Leukounkoug retires or, more unusually, loses the confidence of the community, then senior villagers will decide upon a successor who would ordinarily be his son or brother. In relation to everyday dispute resolution, clan elders will consider and resolve dispute, however in more serious or unresolved cases, the Leukounkoug will become involved and decide the case with the clan elders. While previously women were not considered eligible or qualified to participate in clan decision-making, these views have softened, however informal cultural barriers to their participation in community decision making remain, and still greatly constrain their involvement.
- In Makong communities, those who are senior people, considered competent and who command respect within the community, take on roles of conflict resolution and leadership. Ritual specialist roles such as leaders of worship of a ghost of place, ancestor spirits, clairvoyants, charm practitioners, are inherited by sons and grandsons who are considered endowed with special powers to communicate and mediate between ghosts and spirits.

5.4 Weakening customary structures and social implications

Communities are placed under great stress when confronted with cultural loss and rapid change. This can exacerbate existing, or create new, social problems and challenges. Customary law systems struggle to deal with all of these.

Traditionally, throughout Laos, ethnic groups would not mix within a village unit; this means that most of the villages are traditionally culturally homogenous. Resettled and consolidated communities often put together different ethnic groups and this often makes obsolete traditional customary practices that are often not compatible between different cultural configurations. In those resettled and consolidated village, the communities increasingly rely on State institutions for conflict resolution.

Some ethnic groups are undoubtedly doing better than others in meeting these challenges. The Hmong and Mien ethnic groups appear more resilient to external forces of change. Their communities are more functional, cohesive, and generally better off, than those of some other groups. The Lu-Mien have retained use of customary dispute resolution practices. These are still the most popular in all communities; including, those that have experienced many changes. Lu-Mien communities continue to have confidence in the effectiveness and efficiency of customary law procedures. They use their native language, save money and time, utilise civil remedies that are cheaper, ensure that victims' face, pride, and reputations are restored; thereby, achieving reconciliation between the parties and engaging communities in participatory justice processes.

Overall, ethnic communities face increased levels of alcohol abuse, drug-taking, and drug trafficking; including children and teenagers. This results in greatly increased health problems and higher levels of anti-social behavior in some communities. The linkage between interruptions to male livelihood activities and alcohol abuse or domestic violence is strong. Men who are unable to fulfil the bread-winning role expected of them, often face self-esteem and identity conflicts. Also, they have increased discretionary time on their hands. Such conditions result in more men turning to alcohol as a prop and taking out their frustrations through violence against family members. Men are (allegedly) more likely to use prostitutes now, take on concubines or engage in polygamy; even amongst groups in which this is not customarily permitted. All of this further fuels conflict between husbands and wives. Women have to work even harder to compensate for their husbands' absences and lack of productivity, as well as cope with domestic violence and marriage breakdown.

5.4.1. Gender

In general, women are disadvantaged in comparison with men with respect to access to development benefits, education and health services. Women's representation in positions of power and decision making remains limited. Ethnic minority women are the most disadvantaged in Lao society.

Women in Lao PDR have a far lower average literacy rate than men. For example, an ADB study in 2000 found a female literacy rate of 48% compared with a male literacy rate of 74%. The literacy rate of women Khmou is 23% compared with 61% for men Khmou. The literacy rate among Hmong women is 8% compared with 46% for men. Many ethnic minority women do not speak Lao.

Ethnic minority women are traditionally in charge of the physical reproduction of their group and also of key economic activities such as the selection of the indigenous upland rice varieties to be planted or collecting wild food products. Abrupt changes in livelihoods make much of the women's knowledge obsolete, while at the same time drastically increasing their work load. Being in charge of collecting the daily firewood, fetching water and gathering forest food products, they are the first to be affected by increased competition over resources due to resettlement, consolidation and land reform. The emergence of prostitution, increasing alcoholism and drug abuse that are symptomatic of individual difficulties and social disruption also increase women's vulnerability.

Women, and particularly those of certain ethnicities, are seen as being extremely vulnerable to changes that affect their economic activities, especially changes in the environment, settlement patterns, and land usage rights. Women are also much more likely to be victims of any Gender-Based Violence (GBV) - i.e., violence that is targeted against, or disproportionately impacts, one gender - and, in particular, of Domestic Violence (DV). A corollary to this is that they are affected, directly or indirectly, by problems fed by changes in social order and stability; such as prostitution, alcoholism or drug use.

5.4.2. Residence Patterns

The household is the primary social unit for Laos' ethnic groups. Marriage is also a cultural lynchpin for all ethnic societies in Laos. Knowing marriage customs and patterns are key to understanding the relative status of women and men in society, as well as for guiding the possibilities and entry-points for incremental improvements in gender equality. Residence patterns and modes of marriage have a tremendous impact upon women's status within the community. Generally speaking, women have a higher status and greater decision-making powers in matrilocal systems because the house and property belongs to her family. This places the woman in a central position, bestowing upon her more power in economic and social life. If she co-resides with her own family, she is also much less vulnerable to mistreatment by her husband or his family, as the presence of her natal family can act as a strong deterrent. If abuse does occur, her family is then more likely to intervene on her behalf.

Residence patterns also impact upon women's quality of life, and their ability to access information about their rights, as well as to seek a remedy in the event of conflict. In some ethnic groups where the custom is that a bride moves in with her husband's family after marriage - i.e., a patrilocal system - the woman is in a relatively weak position in terms of status within the family. Significantly, she is disadvantaged in terms of realising her rights in the event of a family dispute or break-down of the marriage and, indeed, more likely to be restricted in seeking external assistance to resolve any dispute. In a matrilocal system, where the husband moves in with the wife's family, the woman will be in stronger position, both as regards her substantive rights but also in being able to call upon assistance when a dispute arises.

The models of intra-group governance and decision-making, including dispute resolution are largely based upon clan structures - in groups such as the Hmong, Phounoy, and Khmu - or upon a council of elders, amongst the Lu-Mien and Makong. Women have traditionally been excluded from such power structures and decision-making, albeit exercising ritual authority in many matters, but this exclusion seems to be softening; e.g., amongst the Khmu.

5.4.3. Birthing customs

All groups have gender-related spatial restrictions. These are often related to women's status in the household or connected to a specific time: e.g., menstrual periods, when women are forbidden to visit places of worship; or after giving birth, when the new mother is forbidden to visit others' houses and pregnant women are prohibited from entering the house of a new mother. In some groups, women are also forbidden from entering houses through a men's entrance or approaching the household spirits or ancestors' altar.

Each community also has its own distinct cultural attitudes and practices relating to pregnancy and childbirth, which are reflected in diet, work patterns, use of herbs, traditional healers, and healing ceremonies. Childbearing practices occur in accordance with the cultural norms of that society. The Lao, Hmong, Khmu, and Xouay deliver their babies in houses; whereas, Khmu women give

birth in small houses next to the main house. The Taoi, Katang, Makong, and Tri, on the other hand, traditionally deliver in the forest. While the relevance of such practices to matters such as health policy is more readily apparent, the link with justice is less so. Nevertheless, as with residence patterns, these practices affect - and reflect - subtle differences in women's status and rights, as well change in this regard over time. It should also be noted that none of the ethnic groups studied in the Survey have the tradition, or the contemporary practice, of having women as customary decision-makers. While women are largely excluded from wielding power in the political sphere, they often play important roles in rituals: especially those associated with health, traditional attendance practitioners, divination or healing.

5.4.4. Division of Labor

Similarly, but more obviously, a gender-based division of labor is linked to (women's) economic and social well-being and status in a community. It may influence the nature, content, or exercise of men and women's respective rights, as well as their demands for justice.

In general, in Laos, across all ethnic groups, men perform tasks that are considered heavy, dangerous, solitary, done at night or that require short bursts of energy. Such activities include: clearing the land for swidden cultivation, warfare, preparing agricultural tools, hunting, trapping, and fishing, as well as organising religious ceremonies, giving alms, organising weddings, constructing a house, and - as noted above - governing the household, family or village.

Women carry out most domestic chores and provide much other labor input; ranging from collecting firewood and water to production activities that can be done simultaneously with childcare, which require longer periods of time and usually done in groups of two or more. Such activities include: clothes production, cooking, taking care of children, washing clothes, and feeding domestic livestock. Sons are generally given more opportunities and rights compared to daughters, including for education and social involvement, in part due to the demands upon girls' - and women's - time because of their workload.

Women shoulder a much greater burden of labor than men, but higher social and economic value is attached to men's work than to women's. These two factors create and entrench gender inequality because the division of labor is not based on being "different but equal". Rather, it systemically elevates and privileges men's roles: endowing men with economic and social power, while concurrently devaluing women's roles. Thus, men and women operate on an uneven playing field, where access to power, resources, and opportunities are not balanced.

Women tend to be primarily (as opposed to secondarily) responsible for more tasks than men, especially those which are time-consuming or "tending" oriented (i.e., brush clearing, transplanting, weeding, watering, seed selection). Women are much less responsible than men only for ploughing in the lowland system and cutting big trees in the upland system and they are more responsible for

many secondary crops, including all vegetables (especially if tending is required: watering and weeding). They are often very much interested also in trying to market these secondary crops.

5.4.5. Women and Non-Timber Forest Products (NTFPs)

Women across all ethnic groups are involved in the collection of NTFPs equally or more than men. In villages and communities with longer and more interdependent relations with forest, and where there is adequate access to reasonable quality forest, women tend to be involved in NTFP collection on virtually a daily basis. They collect forest foods such as wild banana for pigs, and various greens, insects, mushrooms, shoots and fruits for family consumption. Men may hunt and trap small mammals and birds and collect wild honey. The household dependence on forest areas depends also on the general preferences, and orientation, of the ethnic group whether to collect or not. When the families collect NTFPs for marketing (broom grass, wild palm fruit (mak thao), paper mulberry, bamboo shoots, etcetera), there is greater allocation of both male and female labor to this task.

Overall, poorer families tend to rely more on NTFPs (given adequate forest quality and access in the surrounding area) than better off families for subsistence, as their fields and livestock don't provide them with adequate food security.

5.4.6. Increased workload of ethnic minority women

Both the gender and poverty situation in the project area varies considerably between the well-established lowland villages with paddy areas (especially of the Lao-Tai groups) and the mid- and upland villages of ethnic minorities including those which have moved or have been resettled to lower lying areas. The mid- and upland villages have little or no paddy areas thus making the livelihood situation of the overall village generally more precarious. Rice shortages are common in such villages, while traditional coping mechanisms can either no longer be used (opium poppy cultivation) or have become less effective. Women's status and position in many of the ethnic minority groups prevents them from exercising their rights and they thus experience greater vulnerability to poverty, indeed greater depths of poverty, than do men.

Women are farmers across all ethnic groups and farming systems, but household farm labor is highly integrated. Nonetheless, the differences in household allocation of labor result in different impacts on women and men from different government policies and actions which is resulting in greater hardships for ethnic minority women. A disturbing issue is that upland farming women's agricultural workload is becoming heavier, while at the same time their families are faced with increasing difficulties to meet their food needs (their rights to food security are reduced). Many of the causes of women's reduced rights to a secure livelihood are structural, with some of the causes starting at the policy level, and resulting in women's reduced access to productive resources, especially including land.

According to Gerbert and Louangkhot (2007) the following causes were cited as most important for women's increased workload and reduced food security:

- The implementation of the land and forest allocation policy which limits the number of upland plots to three, meaning artificially induced reduced fallow times (previously at eight to ten years, now only two or three);
- The “small village” merger policy which has resulted in smaller villages moving together or in smaller villages moving down to join already existing larger villages, so that there are at least 50 households;
- The implementation of various land concessions, such as for rubber or timber, may also reduce land available nearby the village for women’s and men’s productive activities.

Government policy to reduce the total number of plots allowed to remain in the rotational cultivation system has two immediate impacts on the farming system itself. First, with the reduced fallows the weed pressure increases; second, the reduced fallowing times don’t allow larger trees to grow up anymore. Since women are responsible for weeding they have much more work to do, plus their share of the land clearing work also increases with the increase in brush and shrubs (women’s task to clear, men’s to cut the larger trees). If women cannot keep up with the weed pressure, they may also choose to make smaller plots. Merging villages causes many women (and men) to have to walk longer distances back to old fields, as there is no land available in the new place. Women often carry children with them, or leave very young children/infants behind, which also has a negative impact on the children’s health.

5.4.7. Power & Decision-Making Structures

The village is traditionally the primary political, economic, and social unit. Ethnic communities in Laos observe one of two systems, or structures, of power: one is clan-based and, the other, on a council of elders. Hmong-Mien and Sino-Tibetan groups follow a patriarchal clan system, while Mon-Khmer groups are generally led by a council comprised of older males and presided over by members of the ‘founding lineage’; i.e., the family or descent-line that founded or established the village. None of the ethnic groups have either the tradition or the current practice of having customary women decision-makers.

Katuic speaking women

In Katuic societies, the household is the main unit of labor and the women are the main labor providers. Women’s daily chores include fetching water, pounding, soaking, steaming, serving the rice, cooking the meals, looking after children, forest-food products collection, feed small animals, etc.

The first task of the day (it’s still dark outside) is to start the fire and steam the rice that she soaked the night before , and steams rice generally twice a day; the family eats twice with the quantity of rice steamed in the morning and she steams another meal for the night. Early morning is also devoted to fetching water. During the meals, her husband will often discuss about the task of the next day for himself, her and the children. The family usually eats together and the parents usually sleep together unless the husband has to look after the rice in the paddy field or the garden.

Pounding the rice usually by hand occurs in the morning and stretch at least one hour; there is one or two *kok* (mortar) depending of the size of the family). While implementing her daily duties, the woman also takes care of the children; talk to the daughter in law for her to go to work outside the house; the wife of the head of the household is the head of the female labor and the children. After the breakfast she goes to look for food and firewood or to the field if the time as come for agricultural activities (planting, weeding, harvesting, etc.).

Women are responsible of the household's food security in terms of production (wedding, planting of all crops, watering, and harvest), small animal husbandry and forest food products search, collect and processing. Digging wild tuber, *khoi*, *priiang* is usually woman's tasks: she is the one who collect, cut, soak in water and cook those starchy food. Other forest edible items include *louk pa* literally meaning "*children of the forest*" or shoots come first in the household daily diet: bamboo, *vay*, *boun*, *san*, *tao*, fishes, batrachians, mushrooms, reptile, and small animals (rats, rodents, and birds), vegetables and mollusks.

Furthermore, this fundamental task in insuring her household's survival and physical reproduction is embedded in the special prerogative women have in the Katuic society: the selection of rice varieties.

Other seasonal activities include weaving mostly during January and February in time of release from the agricultural production cycle. The hardest period of the year is during the planting and the harvesting period where the woman has both to work and provide breastfeeding to the baby.

In a woman's life, women interviewed said that the best period in a woman's life; when she is the most free is before the wedding and before having children. In almost all communities focus group discussions with women illustrate that the main constraint in a woman's life comes with her first pregnancy and stops at the end of her reproductive age and pregnancy and pounding rice appears here to be the most constraining task of women.

This natural event used to comport risks for both the woman and the newborn. Cultural restrictions and taboos vary considerably in the village visited. Xouay deliver in the house as Lao do while Taoi, Katang, Makong, Chari and Charouy deliver outside the house, and in the best case in a birthing hut built behind the house but never in front. In the most progressive katuic communities, in case of placenta retention, the woman is allowed to return home; a luxury that women in more conservative community cannot afford.

When she leaves her lineage to enter her husband's lineage, she brings her labor and the woman will work hard during her entire reproductive life; the situation will improve when she gets old and if she can rely on the support of her daughters-in-law that will, them also, provide the family with their labor.

As mentioned, marriage is the occasion of the most important wealth exchange in the Katuic society. But marriage is also a strategy of alliance between households and regulated by system of *khoy* wife-taker and *khuya* wife-giver; the

latter is also the founding lineage of the community who owns the community's land and is in charge of the community ritual in the *kaneak vil* (sacred forest) held once a year after the completion of the agrarian calendar. Marriages occur according to the status of the inhabitant; the first inhabitant gives its daughter to the new comers but the reverse is strictly forbidden. And all marriages in the communities are traditionally dictated according to this regulation. If there are two sisters, the son of the younger sister can marry the elder sister's daughter, but the elder sister's son cannot marry the younger sister's daughter. Regulations are complexes but the area of concern regarding gender is that when getting married, a woman is indebt for her whole life and will have to work hard to repay the dowry spent to acquire her labor from her family.

6 Environmental setting

6.1 Regional Environmental Setting

6.1.1. Physiography and Vegetation

The region of the FLM component is part of the Northern Highlands physiographic unit of Lao PDR. This area covers most of northern Lao PDR and consists of rugged hill and mountainous topography, mostly between 500 and 2000 m ASL (Above Sea Level). Almost all of the Northern Highland area drains into the Mekong River.

The provinces of Bokeo, Luang Namtha and Oudomxay intersect the Northern Indo-china Subtropical Forests Eco-region (Xayaboury lies further south), as defined by the World Wildlife Fund for Nature (www.worldwildlife.org). The geographical extent of this large eco-region includes parts of the highlands of Myanmar, Lao PDR, and Vietnam, as well as southern China. The area is generally mountainous, with peaks reaching up to 2,000 m ASL, while the major river valleys lie at an elevation of 200-400 m ASL. In Xayaboury elevation ranges between 450 to 750 m ASL.

The vegetation of this ecoregion is typically tropical forest. Types of forest occurring in the area include tropical seasonal rain forest, tropical montane rain forest, and evergreen broad-leaved forest and monsoon forest (Wikramanayake et al., 2002). The area is characterised by mountainous terrain and forested hillsides but lacks large areas of suitable land for permanent agriculture and for paddy rice cultivation.

The Northern Indo-china Subtropical Forests Eco-region is home to an unusually large number of unique mammal, bird, and plant species. More than 183 mammal species are known to occur in this ecoregion, of which four are endemic and five near endemic. Mammals of conservation significance recorded include the Asian elephant (*Elephas maximus*), gaur (*Bos gaurus*), southern serow (*Capricornis sumatraensis*), banteng (*Bos javanicus*), and red panda (*Ailurus fulgens*). The ecoregion also supports a very high diversity of birds, with at least

707 species recorded. Avifauna species include Ward's trogon (*Harpactes wardi*) and the near endemic short-tailed scimitar babbler (*Jabouilleia danjoui*) (Wikramanayake et al., 2002).

6.1.2. Geology and Soils

The northern part of Lao PDR is characterised by complex geology, with sedimentary rocks of Palaeozoic age, comprising shale, siltstone and sandstone interwoven with volcanic rock, such as andesite, dacite and rhyolite. Limestone of Permian to Carboniferous age is also found in the area. The rocks are covered by quaternary soil deposits and alluvial soils. The bedrock is fractured and folded. Due to its steep terrain, the majority of soils are classified as shallow or undifferentiated soils.

6.1.3. Surface Water

Lao PDR has the highest per capita availability of renewable freshwater resources in Asia. In 1998, the United Nations concluded that “the quality of water in the Mekong and its tributaries in Lao PDR is quite good, and not significantly affected by human activities” (UN, 1998). High sediment load is a natural phenomenon experienced in northern highland streams during the wet season. The problem is exacerbated in catchments subject to deforestation and shifting cultivation practices which promote sediment transfer to streams and increase sediment load. Water hardness is common in streams that flow over limestone areas. In general, rivers in northern Lao PDR are characterised by high ionic content in the dry season which drops during the wet season due to dilution. Pesticide use is rising and is largely unregulated and not monitored. Poorly managed mining activities can also have detrimental impacts on water quality. Little is known about aquifer systems (quality or quantity) in northern Laos.

6.1.4. Fisheries

Different life-history stages of fish normally require separate habitats to optimize survival, growth and reproduction. Migration enables the necessary shifts to be made between habitats, but the distance travelled is dependent on habitat distribution and life-history stage. Migrations are usually undertaken for at least three reasons: trophic, dispersal-refuge and reproduction. A fourth type of migration is when fish make an avoidance reaction in response to temporary or seasonal adverse conditions. Some migrations may involve a movement of only a few meters, whilst others may involve vast distances covering hundreds or thousands of kilometres (Warren and Mattson, 2000). Migratory fish populations of the northern Laos are not well described in the literature. In turn, the spawning grounds for many Mekong fish species have still not been identified. However, large quantities of ripe fish move into many of the tributaries in Lao PDR as well as Thailand and Northern Cambodia, so it is likely tributaries that contain PFAs and are directly linked to the Mekong, such as the Nam Fa and Nam Kha contain key spawning habitats (Poulsen et al. 2004). Impacts of hydropower development on fisheries in Laos have been well summarized in a recent article by

6.2 AF-SUPFSM Environmental Setting

The AF will maintain the same environmental setting of the parent project. Some of the PFAs under SUPFSM and the proposed AF-SUPFSM contain a mix of lowland semi-evergreen forests, dry dipterocarp forests, and riverine wetlands, while other PFAs are dominated by mixed deciduous, dry dipterocarp, and savannah forests at lower elevations and lower montane forests on upper slopes. The PFAs in the northern provinces are located in terrain that is mountainous with low-lying river valleys. As most land is found on mountain slopes, the area available for paddy rice is limited and rain-fed upland agricultural fields, fallows, and forests therefore dominate the landscape. Farmers cultivate this hilly landscape via shifting cultivation, a practice that uses fire to clear temporary fields for cultivation.

Many of the project areas (existing and new) have high significance for terrestrial ecosystem conservation because of significant forest diversity. Lowland rainforests are the most threatened forests in Laos (and most of Southeast Asia), due to their easy conversion to permanent agriculture, and their accessibility for logging, hunting, NTFP extraction, and road-construction. FIPD land classification maps show that the original SUFORD project areas contain a mix of lowland Semi-Evergreen and Dry Dipterocarp Forests and riverine wetlands, while SUFORD-AF project areas are dominated by Mixed Deciduous, Dry Dipterocarp, and Savanna Forests at lower elevations and Lower Montane forests on upper slopes (UOL, 2008).

Three of these habitats are weakly represented in the Lao national protected area system: Semi-evergreen, Dry Dipterocarp and freshwater wetlands [Berkmüller, 1995]. They are priorities for conservation and wise management wherever they occur in project areas. The most important are the Semi-Evergreen Forests and wetlands, but Dry Dipterocarp (along with Mixed Deciduous) forests are becoming a priority because of the mistaken impression that they are “degraded” and thus candidates for conversion (UOL, 2008).

The following section presents a very brief and simple description of major forest formations in SUFORD and SUFORD-AF based on nomenclature employed by Whitmore [1990] and Rundel [2001], as presented in UOL, 2008.

The boundary between evergreen and semi-evergreen rainforest is difficult to delineate and thus most forest statistics combine the two, however, there are important ecological differences.

Lowland Evergreen Rainforest is the most luxuriant and complex of all plant communities. The main tree canopy regularly achieves a height of 45 m or more. These forests are characterized by tremendous species diversity, often containing as many as 10,000 plant species and 1500 genera. True evergreen rainforest in Laos is confined to escarpments of the Boloven Plateau and windward slopes of the Annamite mountains; areas with over 2500 mm of precipitation annually and a one to two month dry season. These forests are dominated by the family *Dipterocarpaceae*, the most common genera of which

are *Shorea*, *Dipterocarpus*, *Anisoptera*, *Hopea*, and *Vatica*. Semi-Evergreen Rainforest occurs as a transitional belt between evergreen rainforest and seasonal (monsoon) forests. It occurs in areas of the Mekong lowlands and uplands with annual rainfall between 1400 and 2600 mm and a two to five month dry season. There is somewhat less species diversity, a slightly more open canopy and a somewhat smaller stand structure than in evergreen rain forests. In addition to the *Dipterocarp* genera noted above, deciduous trees such as *Walsura*, *Lagerstroemia*, *Irvingia* and *Koompassia* may comprise up to one third of the upper canopy, and the lower canopy may contain genera normally characteristic of drier forest formations such as *Albizia*, *Pterocarpus*, *Dalbergia*, *Diospyros*, *Sindora* and *Tetrameles*. Semi-Evergreen rainforest constitutes the richest lowland forests in the current SUFORD PFAs but is absent from SUFORD-AF PFAs.

Monsoon forests (which include Mixed Deciduous Forest, Dry Dipterocarp Forests, and Savanna Woodlands) are more commonly known in Asia, are more or less open-canopied formations growing in areas with a distinct dry season (usually more than three months with rainfall less than 60 mm) and generally at elevations below 800 to 1000 m. Distinct dry seasons may be the result of either macro-climatic air movements or topography where 'rain-shadows' occur in the lee of the mountains. Different formations occupy habitats of increasing drought severity, but there is a complex interaction between local variations in rainfall, soil moisture and soil texture. This mosaic of ecosystems has been made even more complex by the actions of human cultivation, livestock grazing and regular, usually anthropogenic, low intensity fire. In fact, fire has exerted such a dominant, historic influence over the composition and structure of many of these forests that they are often termed "fire-maintained" forests. Any attempts to prevent fires in these ecosystems invariably results in the build-up of understory fuels, resulting in subsequent high-severity, and often catastrophic fire. For purposes of this discussion, monsoon forest will be considered to fall within three broad types: Mixed Deciduous Forest, Dry Dipterocarp Forests, and Savanna Woodlands. These may be artificial differentiations, since there does not always seem to be well-recognized boundaries between the three types. Nor is it often possible to separate climatic climax monsoon forest from fire-maintained edaphic climax forests or degraded forests. This creates significant interpretive problems in forest-change mapping programs.

Mixed Deciduous Forest occurs in areas with fairly high rainfall (> 1,500 mm annually) but with a strong dry season of four to five months. It is semi-closed forest, often of good height (30-40 m), in which the upper story is composed largely of deciduous species. A bamboo understory is common, mixed with evergreen shrubs and small trees, though under-stories are often depleted by over-grazing. The most characteristic tree genera occurring in deciduous forest include *Acacia*, *Azelia*, *Albizia*, *Caesalpinia*, *Cassia*, *Dalbergia*, *Diospyros*, *Irvingia*, *Lagerstroemia*, *Pterocarpus*, *Sindora*, *Terminalia*, *Xylia*, and Dipterocarps such as *Shorea*, *Vatica* and *Dipterocarpus*. Certain Dipterocarp species such as *Dipterocarpus alatus* and *Hopea odorata* may be present in riparian areas along stream courses. This formation comprises the overwhelming majority of potentially harvestable forests in the SUFORD-AF PFAs.

Dry Dipterocarp Forests are characteristic of lowland areas with annual rainfall of <1500 mm., a four to five month dry season and shallow, rocky or sandy, nutrient-deficient soils. Stands are more or less open with a grass/forb understory, and of low stature (5-10 m in height). Communities are often simple in composition and dominated, depending on soil type, by the five Dipterocarp species - *Dipterocarpus intricatus*, *D. obtusifolius*, *D. tuberculatus*, *Shorea obtusa* and *S. siamensis* - these are the only deciduous species out of approximately 550 in the Family *Dipterocarpaceae* - and the *Combretaceae* species *Terminalia alata*. The structure and composition of these forests is maintained by regular, low-intensity fire.

Savanna Forests occur either in strongly seasonal rainfall regimes where the ratio of dry months to wet months exceeds 1:1 or on localized very coarse-textured sandy soils (Spodosols). Pine savanna is maintained by frequent, low-intensity ground fires and is characterized by open-canopied forests of *Pinus merkusii* over either grasslands or communities of the bamboo genus *Arundinaria*. *Dipterocarpus obtusifolius* may be locally co-dominant where savanna communities arise from degraded mixed deciduous or dry Dipterocarp forest.

The Lower Montane Forest is the zone of transition between tropical and sub-temperate vegetation, where lowland rainforest trees of families such as *Dipterocarpaceae*, *Fabaceae*, *Meliaceae* and *Datiscaceae* gradually give way to trees and shrubs of the families *Fagaceae*, *Lauraceae*, *Myrtaceae*, *Magnoliaceae* and the order *Coniferales*. This transition occurs at elevations between 700 and 1000 m with annual rainfall of 2000 to 3000 mm. The Lower Montane Forest is characterized by large numbers of oaks of the genera *Quercus* and *Lithocarpus*, chestnuts of the genus *Castanopsis*, laurels of the genera *Litsea* and *Cinnamomum*, the magnolia genus *Michelia*, the myrtle genera *Syzygium* and *Tristania* and the tea genera *Schima* and *Anneslea*. These broadleaved hardwoods are often found in association with tropical conifers of the genera *Keteleeria*, *Pinus*, *Podocarpus*, *Dacrycarpus* and *Fokienia*.

6.3 SUPSFM and Predecessor Projects' positive environmental (management) contributions

- SUPSFM has assisted DOF in developing a diversity of forest and land management systems including a national forestry reporting system, internal monitoring system, document management system, budget planning system and budget monitoring system (MAF, 2012).
- SUPSFM has helped DOF to develop a large set of comprehensive guidelines (technical and otherwise) for PSFM and village development incorporating guidelines for working with ethnic groups. An impressive number of training courses have been delivered (more than 7000 training days for government staff). The monitoring results indicate that the new approaches have also found their way into practice. Studies conducted on the performance of government staff have shown that their skills have improved (MAF, 2012).

- SU has assisted DOF in collecting information on development concession activities from amongst various provincial authorities, which has led to an improvement in coordination of concession granting and management by line agencies.
- The forest management plans and guidelines are implemented in good practice which is demonstrated by the fact that 108.000 ha of the forests inside the PFAs have been certified to the international FSC standard,

6.4 AF-SUPFSM Environmental Risks

While the AF-SUPFSM is modifying and scaling up activities, the aim is to strengthen completed activities under the parent project, there will be no new villages, districts, provinces or PFAs will be financed, and therefore, the proposed AF is not expected to have adverse environmental impacts. However, since the AF-SUPFSM will maintain its parent project's component, the assigned Category "A" will remain valid as several bank safeguard policies remain triggered. No new policies have been triggered. This is a precautionary measure to ensure that all safeguards policies are given proper attention, and to help the AF-SUPFSM preparation team identify ways to enhance the expected positive impacts.

6.5 No Project Scenario

Without AF resources, the achievement and sustainability of key project objectives could be put at risk. For example, forest certification would stall, which is an important project result that helps establish a system for legal timber throughout the value chain, especially as village forestry is now once again allowed under the new Forest Law. While the Forest Law has been approved, implementation guidelines for village forestry and tree plantations are still being developed, and without AF support key principles present in the law may be overlooked or misinterpreted in the implementation guidelines which regulate activities on the ground. Without the AF support, the GOL would miss potential opportunities to improve its institutional capacity to leverage and regulate existing and incoming large-scale private commercial plantation investments, to help boost sector revenues, local livelihoods and jobs, green growth, and poverty reduction. The policy/regulatory momentum is taking place now. SUPFSM and the proposed AF are well positioned at this moment to help the GOL capture the expected benefits. Waiting for the new landscape operation could mean reduced or lost momentum on the ground and at policy level to implement key reforms.

6.6 AF-SUPFSM Environmental Impact

The assessment done when preparing SUPFSM remains largely valid. Summaries of the main and their related impacts assessment are provided below.

Table 7: list of key activities relating to AF-SUPFSM Planning

Activity			
Organizing and Forest Landscap Planning	Negative Impacts	Positive Impact	Comment
FRO staff re-orientation and		X	No risk or risk manageable

Activity			
Organizing and Forest Landscap Planning	Negative Impacts	Positive Impact	Comment
organizing for FLM			
Forestry extension, prior and informed consent		X	No risk or risk manageable
Village organizing for FLM		X	No risk or risk manageable
Boundary demarcation: khumban and FMUs		X	No risk or risk manageable
Resource assessment (forest inventory, HCVF)		X	No risk or risk manageable
Participatory land-use planning (PLUP)		X	No risk or risk manageable – Environmental and Social Safeguards processes to be introduced and integrated into SUPSFM PLUP process
Forest management planning (state FMUs)		X	No risk or risk manageable -Environmental and Social Safeguards processes to be introduced and integrated into SUPSFM FLUZ process
Forest management planning (village forests)		X	No risk or risk manageable: Environmental and Social Safeguards processes to be introduced and integrated into SUPSFM PLUP process
Formalizing village rules for forest use		X	No risk or risk manageable: Environmental and Social Safeguards processes to be introduced and integrated into SUPSFM PLUP process
Integration into the khumban/PFA management plan		X	No risk or risk manageable: Environmental and Social Safeguards processes to be introduced and integrated into SUPSFM PLUP process

Table 8: list of key activities relating to SUPSFM Implementation

Activity			
Forest Landscape Implementation	Negative Impacts	Positive Impact	Comment
Annual operations planning (all FMUs)		X	Risk manageable under existing SUFORD technical guidelines
Forest regeneration and protection (all FMUs)	X		Some risk of pesticide use but project can be screened through Negative Check List and questionnaires for areas outside PFAs. PFAs HCV to comply with existing SUFORD technical guidelines.
Maintenance of HCVs (all FMUs)		X	No risk, or risk manageable under SUFORD technical guidelines.
Implementation of village rules for use of forest		X	Risk manageable under CEPF process and PLUP
Internal monitoring and reporting (all FMUs)		X	No risk or risk manageable
Organizing for forest protection and restoration		X	No risk, or risk manageable under SUFORD technical
Establishing law enforcement links with DOFI		X	No risk or risk manageable
Preparing forest protection action plan (in AOP)		X	No risk or risk manageable
Implementing the forest protection action plan	X		Risks types variable depending on activities. Managed with CEPF – CAP process and PLUP
Mapping proposed restoration/regeneration areas		X	No risk or risk manageable
Planning and proposal preparation for Village Livelihood Development Fund financing		X	No risk or risk manageable
Implementation of funded livelihood proposals	X		Risks types variable depending on activities. Managed through Production Groups and technical support
Registration of restored/regenerated areas		X	No risk or risk manageable

Table 9 Activities relating to SUPSFM livelihood development/enhancement

ACTIVITY			
Livelihood development	Potential Negative Impacts	Potential Positive Impact	Comment

Land allocation for livelihoods	X		Resource access restrictions not expected under AF-SUPSFM funded activities.
Securing tenure over land for livelihoods	X		Resource access restrictions not expected under AF-SUPSFM funded activities.
Survey of suitable deforested areas in state forests		X	Risks manageable.
Exploring livelihood and enterprise options		X	Risk manageable.
Building capacity in Technical Service Centers		X	Risk manageable.
Extension work in villages		X	Risk manageable.
Selection by the village of livelihood options		X	Risk manageable.
Preparation of livelihood/enterprise proposals		X	Risk manageable.
Appraisal and approval of funding of proposals		X	Risk manageable.
Capacity building in villages		X	Risk manageable.
Implementation of approved livelihood proposals	X		Internal and external environmental risks exist but can be managed under EMF.
Monitoring and reporting of progress		X	Risk manageable.
Adjustments based on monitoring results		X	Risk manageable.

7 Economic situation

Lao PDR's economic growth has moderated in recent years, but remains comparatively high, with income per capita reaching USD 2,330 in 2017. GDP growth averaged 7.8 per cent over the last decade, driven by the country's natural resources. Approximately one-third of this growth is attributed to hydropower, minerals and forests. Economic growth remained vibrant in 2018 with GDP at 6.9 per cent, although slower compared to earlier years. In terms of private investments, 1,222 investment projects were approved for domestic and foreign businesses over the past nine months, with a registered capital of over 25.5 trillion kip (USD 3.13 billion). Out of the total, nine projects were approved in the form of concessions, worth USD 447 million. Approval was given to another 33 projects for operation in special and specific economic zones, with a total value of USD 443.9 million.

Nationwide, the percentage of self-employed workers stands at 85 per cent. The unemployment rate among prime-age individuals is rather low at 1.1 per cent, but the unemployment rate for the younger population is almost four times higher at 4.2 per cent. To date, approximately 80 per cent of the workforce remains engaged in subsistence agriculture and related activities. Lao people are highly dependent upon the primary economic section (i.e. the extraction of natural resources for their livelihoods, such as foraging for non-timber forest products, fishing and traditional agriculture).

Public health services in the Lao People's Democratic Republic are primarily provided through a network of health centers and district, provincial and central hospitals. There are four central general hospitals and three specialist hospitals in the capital, 16 regional and provincial hospitals, and approximately 130 district hospitals, 860 health centers, and around 5239 village drug kits. Three out of every four villages in the country have a primary school.

8 Agriculture, livelihood, food security, forest use and dependenc

8.1 Agriculture, livelihood and food security

Mountains cover roughly 70-80 per cent of total land area of Lao PDR, mostly in the northern region and along the central and southern border with Vietnam where most ethnic minorities live. Most of the population of Lao live in rural areas. Their livelihoods, and those of future generations, directly or indirectly rely on land for agricultural production and forest resources for food and income.

Agriculture production is the most dominant activity for most ethnic groups. These activities include producing rice through traditional shifting cultivation and paddy rice, perennial edibles, raising livestock and fish. Table 10 shows the main agricultural crops, covering about 1,7 million hectares nationwide. Raising animals, such as buffaloes, cows, goats, sheep, poultry and fish, is also important

for local subsistence and economy. These figures highlight the importance of rice, especially in northern region where rice production involving (pioneer) shifting cultivation is most practiced. Pioneer shifting cultivation plays a part in forest destruction. Consequently, alternative strategies for rice production of equal or greater effectiveness are needed.

Table 10 Agricultural crops in northern, central and southern Lao PDR in 2015

Crops	Area (Ha)			
	North	Central	South	Total
Tea	4,545	135	460	5,140
Coffee	4,710	235	88,440	93,385
Sugarcane	7,064	16,320	12,745	36,129
Cotton	610	805	565	1,980
Tobacco	2,305	3,115	940	6,360
Long bean	610	855	1,335	2,800
Vegetables	50,785	62,090	66,815	179,690
Soybean	6,610	325	4,945	11,880
Peanut	9,515	5,645	5,720	20,880
Starchy roots	26,645	33,530	41,710	101,885
Maize	183,840	48,830	21,355	254,025
Upland rain-fed rice	87,676	23,035	6,009	116,720
Dry season paddy	7,647	66,389	24,983	99,019
Lowland rain-fed paddy	106,987	441,592	220,614	769,193
Total				1,699,086

The agriculture sector was estimated to contribute 22,359 billion kip to the GDP in 2015. This includes agricultural cropping (14,523 billion kip), livestock and livestock products (3,908 billion kip), forestry and logging (730 billion kip), and fishing (3,197 billion kip). These figures underestimate the true extent of land and forest related activities that support rural livelihoods, as many of these activities are difficult to quantify in monetary values.

The agricultural cropping systems of Lao PDR are dynamic and influenced by many factors including land availability, land quality, land tenure, population pressure, climate, market price and market facilities, labour availability, food preferences, ethnicity and government policy. Agriculture is a key economic activity in Lao PDR and rice is the most important crop, contributing about 60 per cent of total agricultural production. Over 90 per cent of rice is grown under rain-fed conditions. In the lowlands rain-fed rice accounts for 70 per cent of the area and 76 per cent of total rice production, while in the upland environments this production accounts for about 21 per cent of the area and 14 per cent of total rice production.

Raintree and Soybara have described livelihood and land use systems in Laos. They stressed that most rural households in Laos practice "multi-livelihood"

strategies, which involve a mixture of subsistence and income-earning activities. Recent studies indicate that rural villages engage in no fewer than eight and sometimes as many as 15 distinct activities. In order to achieve a measure of livelihood security, this involves combining hunting and gathering with agriculture, horticulture, animal husbandry and forestry. The principle elements of livelihood security are farming systems, dependency on the forest, and the harvest of wild animal, plants and NTFPs.

Three main systems of agricultural cultivation have historically been found in Lao PDR including: plateau plantation agriculture; lowland rice paddies, both irrigated and rain-fed; and upland rotational swidden or shifting cultivation. These three systems are often merged with one another, with no single activity being practiced to the exclusion of the others. Furthermore, there is no sharp distinction in these systems across the transition from lowland to upland and upland to highland. The general characteristics of these three systems are described as follows.

Lowland rain-fed systems involve one annual cropping of traditional paddy rice varieties (2-4) with yields between one and three tons/ha. Buffalo and cattle are used as draft animals, for cash income and sometimes for meat. They are free-ranging during the dry season and confined by tethering, often in adjacent forest areas, during the wet season. Domestic pigs, poultry (chickens, ducks and turkeys) and aquatic/terrestrial NTFPs are important for food and cash. Rice shortages of one to four months are common and household incomes are generally low.

Plateau farming systems are principally situated on rich volcanic soils (i.e. Bolaven Plateau) that allow commercial cropping of coffee, tea, and cardamom, supplemented by fruit trees and vegetables in home gardens.

Upland rain-fed systems involve rotational swidden cultivation of rice (yields of 1.5 - 2 tons/ha), inter-cropped with mixed vegetable, taro and sesame, with fallow periods of 3-10 years. Maize is also grown, and the surplus is sold and used for animal fodder. Maize is the second most important crop, but sweet potato, ginger, cassava, groundnuts, soybean, sugarcane, papaya, coconut, mango, bananas and citrus can also be important locally. Various melon crops are important in the dry season and are often cultivated on paddy land. There is a high dependence on wild animal and NTFPs for both subsistence and cash income, some of which is used to purchase rice. Adoption of rain-fed paddy is common wherever topography and soils (both serious limitations) allow. Three to four-month rice shortages are characteristic of these communities, along with low income, poor health, high infant mortality, low life expectancy, and little access to services.

Upland rotational (swidden/shifting) cultivation is generally found in remote upland areas and is characterised by higher poverty rates than the national average in rural areas. Remoteness of shifting cultivation landscapes implies a lack of access not only to markets and capital, but also to other services such as agriculture extension and health services and to information and technology, often making shifting cultivation farmers highly dependent on forest resources for their livelihoods and food security.

Traditional shifting cultivation integrates a short cropping phase and a long forest fallow phase. In the cropping phase many cereals, root crops and vegetables are cultivated to ensure a balanced diet for shifting cultivators. In the fallow phase forests not only produce various forest products, but also contribute nutrients to the soil for the succeeding cropping phase. The length of the fallow period depends on many socio-economic and environmental factors, including market demand, population pressure, and availability of land and soil fertility. Shifting cultivation is coming under increasing pressure to reduce the fallow period and switch to other land uses, which has serious implications on local livelihoods, carbon sequestration and biodiversity.

8.2 Forest use and dependency

It is estimated that biological resources contribute to over 66 per cent of GDP in Lao PDR. Furthermore, they provide indispensable benefits for the rural poor as agro-biodiversity is a source of food, nutrition and income, as outlined in the following sections and in Table 11.

NTFPs

Over 700 edible NTFPs have been recorded in Laos, including edible shoots and other vegetables, fruits, tubers, mushrooms and wildlife. In forest environments some NTFPs including wild animals, edible insects, bamboo and rattan shoots, fruits, greens, honey, and khem grass are sold in local markets and some are traded internationally. NTFPs also serve as an important source of traditional medicinal plants. NTFPs provide 60 per cent of the monetary income of rural villages.

In the rural areas, agricultural products and NTFPs significantly determine rural household food security and nutrition. Some NTFPs can be cultivated and are either sold in local markets or traded internationally, mainly with China. NTFPs are mainly managed in traditional ways based on customary rules. Many ethnic groups with close attachment to forests in the uplands still heavily rely on hunting, fishing and gathering NTFPs for family consumption and income generation. Some ethnic groups have developed special expertise regarding the domestication and management of NTFPs. For example, the Akha in northern Laos have developed ingenious systems for the domestication and production of rattan.

Women across all ethnic groups are involved in the collection of NTFPs. While men are more involved in activities such as logging and hunting wild animals, women are more involved in shifting cultivation and gathering of NTFPs, including wild vegetable and insects. In villages and communities with longer and more interdependent relations with the forest, and where there is adequate access to reasonable quality forest, women tend to be involved in NTFP collection on a daily basis. The household dependence on forest areas also depends on the general preferences and orientation of the ethnic group, and this will determine what they collect in terms of NTFPs. When the families collect

NTFPs for marketing (broom grass, wild palm fruit (*mak thao*), paper mulberry, bamboo shoots, et cetera), there is greater allocation of both male and female labour to this task.

Deforestation is a major concern for the sustainable collection of NTFPs, as forest cover has declined from over 70 per cent in the 1970s, to 40 per cent in recent years. This has the potential to cause particular problems for poorer families, as they tend to rely more on NTFPs (given adequate forest quality and access into the surrounding area) than better off families for subsistence, as their fields and livestock do not provide them with adequate food security.

Fuel wood

Wood is the predominant type of fuel used for cooking by households (67 per cent) in Lao PDR. In rural areas without roads the proportion is much higher (88 per cent). Charcoal is used by nearly a quarter of households and at higher levels in urban areas (36 per cent) than in rural ones. Conversely, electricity is rarely used for cooking. Black charcoal is produced from trees logged for agricultural clearing, and primarily serves the domestic market but is also exported to China and Thailand. White charcoal is made from *Mai Tiew* (*Cratogeomys* spp.), a fast-growing pioneer species, and is exported to Japan and South Korea. Unlike in some other countries, the collection of firewood and production of charcoal are not considered to be major causes of deforestation or degradation in Lao PDR.

Timber for housing

The use of forest for timber to construct houses is allowed under the Forestry Law 2007.

Local ecological knowledge

Forest-dependent communities have customary forest management rights according to customary rules, systems and classifications. These natural resource management practices differ across specific indigenous or ethnic groups and are closely intertwined with the social, spiritual, cultural, and political lives of local communities, and with their livelihoods and food production.

Ethnicity plays a key role in terms of poverty and the practice of shifting cultivation. Indeed, poverty may be independent and a more important factor than accessibility and physical distances to markets, services, and infrastructure. This is demonstrated by the fact that the percentage of marginal shifting cultivation landscapes has increased over time. The work of Andreas Heinemann and co-authors (2013) provides evidence that policies that target the resettlement of marginal shifting cultivation villages may have little effect, as improved accessibility may not be enough to alleviate the poverty of these ethnic minorities (and that shifting cultivation landscapes persist as the dominant land use in remote areas of northern Laos).

Many ethnic groups practice systems of land use and resource management that are uniquely adapted for upland areas. These systems have developed over generations, as part of traditional ways of life, and are underpinned through ritual and customary practices. Within upland land use and resource management systems men and women have developed different concepts of

gender-specific rights and responsibilities. These responsibilities serve as a method of ensuring the sustainability of their livelihoods, communities, and cultural identities.

The different customary uses of land and natural resources by different ethnic groups have not been systematically studied. Although, some detailed field studies or ethnographic reports do exist for specific sites. One notable example is *Khmu' Livelihood: Farming the Forest*, which was published in 1998. The SUPSM project produced an analysis on ethnic land tenure.

Mon-Khmer speaking groups practice swidden agriculture on the higher lands. The field is cultivated one season and subsequently left fallow to allow biomass regeneration. In northern Laos the community is split into smaller production units that live in their fields during the agricultural season. In the south the abundance of land allows periodic displacement of the whole community toward new production land and the circular movement of the migratory trajectories mark the limit of the village land. A related example is Tai Deng (Lied) village in Viengxay district in Huaphan province. In Tai Deng villagers collectively practice a cultivation system that uses suitable plots of land to produce annual crops (rice integrated with other crops including gourds, peanuts, and cucumber), which are subsequently used as grazing areas in a rotation. In another village, Ban Pure, the villagers, especially the women, have knowledge as to what type of crops or seeds are ecologically suitable on their land.

Customary use of both timber and non-timber forest products for household consumption has been long practised by local communities, following unwritten rules that have developed and followed over time by local people. These customary uses and rights are recognised legally in the Forest Law (2007), but the use of forest products is increasingly influenced by demands of both local and international markets. In terms of REDD+ it is important to make clear the benefits those different stakeholders can gain in relation to forest development and protection, as well as their related roles and responsibilities.

Under changing conditions, villagers consciously invest in multiple activities and produce diverse crops to maintain flexibility and implement risk-averse strategies, which have carried them through difficult times in the past. Villagers of differing ages and genders use different and sometimes conflicting strategies to retain risk-averse livelihoods, adding to the complexity of overall land use and natural resource management.

Table 11 Household assets and income by ethnicity (per cent)

Assets and income	Lao-Thai	Mon-Khmer	Hmong-Mien	Sino-Tibetan	EM Women
Farm household	39	31	61	31	50
Buffalo	29	30	26	27	12
Pigs	39	55	63	63	65
Chickens	62	64	78	52	76
Goats	2	5	10	-	5
Average Number of Livestock per Household			EM Group Owns Cows Not Buffalo	EM Group Owns Cows Not Buffalo	EM Women with Exception of Mon-khmer Own Cows

Buffalo	5.8	2.9	4.3	3.5	1.0
Pigs	3.6	2.9	4.4	3.5	4.2
Chickens	19.7	13.9	18.7	17.7	22.5
Goats	5.0	8.2	6.1	3.2	4.0
Main sources of income					
Cropping	54	52	53	53	55
Livestock	6	7	17	9	12
Forestry	1	13	17	1	18
Aquaculture	2	-	-	7	1
Other	38	28	24	31	14
Use of two wheeld tractors	77	34	40	48	10
Use of mechanical harvester	85	52	60	48	25
Ownership of powered chainsaw	5	35	22	1	15

9 Policy Environment

9.1 Gender

9.1.1. Addressing gender and social inclusion

Lao PDR currently ranks 106th on the Gender Inequality Index (rank 138 on general Human Development Index; as of 2015). Despite a strong legal framework stating and promoting the equality of Lao women and men, the influence of gender norms and traditional roles is still seen as one of the major obstacles in achieving factual gender equality in Laos.

Major negative contributors to this ranking are the maternal mortality ratio, the adolescent birth rate and the low female proportion of people with secondary education. Three dimensions of women's autonomy—confidence in the ability to exert control over their own health care, self-esteem, and control over own spending or money—are a major challenge for women in Lao PDR.

Positive influencing contributors are the proportionally high share of female parliamentarians and the high female labour force participation rate. With 27.5 per cent female Members of Parliament, Laos is well above global average (22.5 per cent). However, women in decision-making positions in the district, provincial and national Government agencies constitute only 5 per cent (as of 2012). The highest proportion of women in the Government can be found in the legislative branches at the national level (more than a quarter); the lowest proportion of women beyond administrative support roles can be found at the Provincial and District level.

Gender equality and social inclusion is deeply influenced by ethnicity in Lao PDR. Many traditional norms within Lao-Tai cultures are favourable with regard to gender equality: women are often financial decision-makers, inherit land and

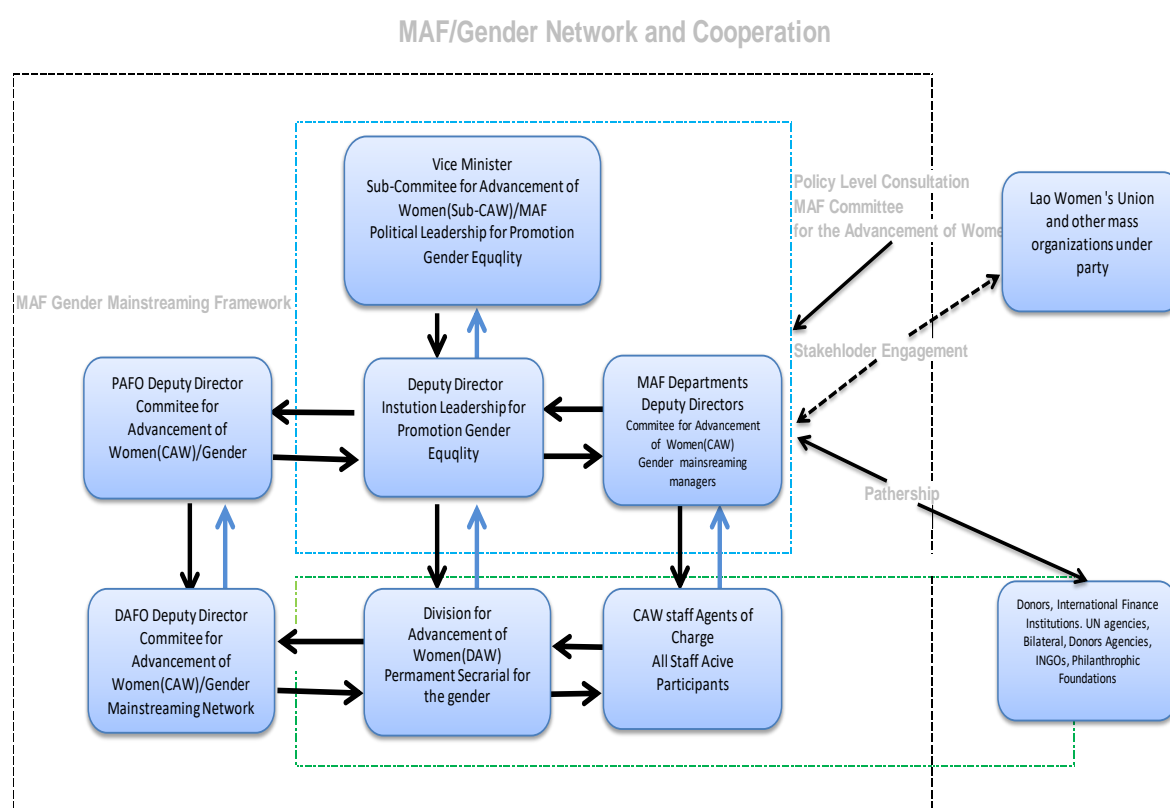
property more often, and have gained equal access to education. However, the other three ethno-linguistic groups mostly have stronger patriarchal traditions and norms, limiting women's access to decision-making, property and education. Traditional gender roles directly influence the village-based justice system, in addition to women's generally weaker access to justice outside the village structures due to illiteracy, lack of Lao language skills and legal knowledge, and lack of means and permission to travel. This becomes most visible in decision-making positions throughout all sectors, as well as at the community level where women continue to struggle to participate on equal terms and in equal numbers.

9.1.2. Relevant International and National frameworks

Gender roles, rights, and responsibilities are culturally defined, and vary among different ethnic groups. Nonetheless, women's relatively low status and position in many ethnic groups prevents them from exercising their rights: they thus experience greater vulnerability to poverty, and greater depths of poverty, than do men. Lao PDR's SIGI (Social Integration and Gender Index) was 0.1445 in 2014, in the medium category. Most ethnic women in upland areas lack Lao language skills and this makes it difficult for them to access official information. In this case, non-Lao speaking ethnic women need support to pass on their local knowledge to each other, and to learn from others new pieces of information, especially related to legal aspects. Women without primary education have three times the number of children as women who progress to higher education.

The Government has established a **National Committee for the Advancement of Women, Mother and Children (NCAWMC)**, which has branches within different Government agencies and at various levels of government, and has the national mandate to work on gender issues. The diagram below shows, for example, the set-up within the Ministry of Agriculture and Forestry, as well as the Provincial Office of Agriculture and Forestry (PAFO) and District Office of Agriculture and Forestry (DAFO).

Figure 4 MAF and Gender Network and Cooperation



In addition, the Party mass organisation, the Lao Women's Union (LWU), works with women down to the village level. The LWU representative at the village level is a member of the village government.

Rural women contribute labour for a large proportion of agriculture in Lao PDR, including 50–70 per cent of paddy and upland rice growing, 50 per cent of household animal husbandry, at least 50 per cent of cash crop production and most of household vegetable gardening.

Women are farmers across all ethnic groups and farming systems, but household farm labour is highly integrated. Nonetheless, the differences in household allocation of labour result in different impacts on women and men from different government policies and actions which is resulting in greater hardships for women. It is reported that upland farming women's agricultural workload is becoming heavier; while at the same time their families are faced with increasing difficulties to meet their food needs. Many of the causes of women's reduced rights to a secure livelihood are structural, with some of the causes starting at the policy level, and resulting in women's reduced access to productive resources, especially land. According to Rita Gebert and Ny Louangkhot (2007), the following causes were cited as most important for women's increased workload and reduced food security:

- The implementation of the land and forest allocation policy, which limits the number of upland plots to three, meaning artificially induced reduced fallow times (previously at eight to ten years, now only two or three);

- The “small village” merger policy, which has resulted in smaller villages moving together or in smaller villages moving down to join already existing larger villages, so that there are at least 50 households;
- The implementation of various land concessions, such as for rubber or timber, may also reduce land available nearby the village for women’s and men’s productive activities.

Government policy to reduce the total number of plots allowed to remain in the rotational cultivation system has two immediate impacts on the farming system itself. First, with the reduced fallows the weed increases; second, the reduced fallowing times do not allow larger trees to grow up anymore. Since women are responsible for weeding they have much more work to do, plus their share of the land clearing work also increases with the increase in brush and shrubs women’s task to clear, whereas it is men’s task to cut the larger trees. If women cannot keep up with the weeding pressure, they may also choose to make smaller plots.

Merging villages causes many women (and men) to have to walk longer distances back to old fields, as there may be local no land available in the new place. Women often carry children with them, or leave very young children/infants behind, which also has a negative impact on the children’s health.

Women also have local knowledge on agricultural practices in related to natural characteristics of land and forests particularly where they reside and without appropriately communicated the knowledge would be lost.

In using forest resources, the Hmong differentiate some roles and duties along gender lines. For example, women are responsible for collecting medicinal herbs and edible plants, while men are responsible for hunting, performing rituals, and collecting wood for house building or making tools.

In Lao PDR, especially in the rural areas, agriculture products and NTFPs significantly determine rural household food security and nutrition and women play a crucial role. While men are more involved in activities like logging and hunting wild animals, women are more involved in shifting cultivation and gathering edible wild vegetable and insects. Women not only address their family’s food needs, but they also generate income from use of land and natural resources.

Women across all ethnic groups are involved in the collection of NTFPs equally or more than men. In villages and communities with longer and more interdependent relations with forests, and where there is adequate access to reasonable quality forests, women tend to be involved in NTFP collection on virtually a daily basis. They collect forest foods such as wild banana for pigs, and various greens, insects, mushrooms, shoots and fruits for family consumption. Men may hunt and trap small mammals and birds and collect wild honey. The household dependence on forest areas depends also on the general preferences, and orientation of the ethnic group whether to collect or not. When the families collect NTFPs for marketing (broom grass, wild palm fruit (*mak thao*), paper mulberry, bamboo shoots, etc.), there is greater allocation of both male and female labour to this task.

Land tenure rights that are relevant to women's rights involve rights over ownership, acquisition, management, administration, enjoyment, and disposition of land, territories, natural resources and property. These rights are fundamental for women to be involved in REDD+ and other development efforts. Women's land rights need to be clear in terms of both policy and practice.

Rural areas of Lao PDR are characterised by insecure land tenure and decreasing access to land and common resources. Women are generally less knowledgeable about land use rights and land titles than men, and especially at a community level, it is the village authorities and mostly men who discuss and make decisions regarding village land.

Differences in access rights to land and natural resources may also fluctuate between different categories of women, for example between widows with children, widows without children, daughters, stepdaughters and adopted daughters. Although land titling can include the names of both husband and wife as owners of family land, but this practice is not always followed. Many women do not exercise their legal rights due to cultural or knowledge limitations, which result in only their husband's name being registered on the land documents.

Residence patterns after marriage directly influence women rights and prerogatives over resources. Men and women are treated equally under the 1990 Inheritance Law. However, in practice there is still some discrimination in inheritance rights, as many Lao PDR people, particularly those from rurally-based ethnic groups, still follow customary practices that are related to traditional residence patterns after marriage such as matrilocal, patrilocal or bi-local. The matrilocal system - most of the majority Lao Tai group - where the husband moves in with the wife's family, affords women higher status and decision-making power. In patrilocal Sino-Tibetan and Hmong-Mien groups, women's ability to take decisions with regard to the land is almost non-existent.

In terms of governance or decision-making, the Hmong, men, who are the agents of hereditary transmission of the ancestral line, play the principal role. Only men participate in meetings related to the governance of the group. Women are relegated to the background. Hmong women never take part in discussion and cannot vote in assembly which they may attend only as observers. Old men cast the deciding vote.

The forest sector, and many forestry development projects, aim to involve all relevant stakeholders in their activities. To better communicate with rural women, and engage their participation, the district and provincial staff work closely with the local representatives of the Lao Women's Union in the field on extension activities.

The safeguard plans need to adequately consider how best to engage women and ensure that they benefit from their participation in REDD+ activities. Thus, the strategy options, or policies and measures (PAMs), need to consider gender impact on division of labour, access to land and natural resources, and participation in program design, implementation, and monitoring. Specific

measures may need to be taken to encourage women's participation, such as using female extension agents to work with women villagers in separate groups, so that the women can more freely participate. If forestry teams do not have adequate women staff, then they can work with the Lao Women's Union, or the MAF sub-CAW staff, to find women staff to collaborate with rural women. In efforts to improve land tenure security, it is vital to ensure that women learn about their land rights, and that the names of both wives and husbands go onto household land titles. Specific REDD+ projects or programs should consider development of Gender Action Plans and training on gender issues.

9.1.3. Gender integration in forestry programmes

The lead Government agency in the forest, MAF, was the first ministry to create a Division for the Advancement of Women, and a ministry-internal Gender Network with focal points in each department.

The constitutional mandate to protect women's rights and interests is traditionally with the Lao Women's Union (LWU; Article 7 of Constitution). The LWU has representation in every village, with one member of the LWU representing women in each village council. Through its extensive networks, the LWU has been able to bring women's voices into public administration at all levels - often providing the only female voice at the table. The LWU also has its own policy research center (Gender Resource Information and Development Center, Vientiane), which has undertaken research tasks on issues such as violence against women and gender budgeting on behalf of donors.

The current NSEDP foresees a 70 per cent LWU membership of women 15 years and older. Development partners will therefore almost automatically work with members of the LWU and should capitalise on its vast access to, and understanding of, Lao women as much as possible.

The LFND oversees and coordinates all Lao PDR mass organisations and is responsible for overall social mobilization and the inclusion of ethnic groups in national development. At the local level, the LFND is a key player in organising activities related to forest protection and resource management.

There is a diverse range of civil society organisations in Laos active in areas of particular relevance to gender equality, including women's rights and development, child protection, support of people with disabilities, environment, education and health. CSOs in Laos are, however, usually not actively invited by the GoL to participate in policy dialogue at any stage. Most CSOs are therefore implementers at the local level but have limited opportunities to feed their implementation experiences into policy processes.

9.1.4. Key gender related challenges

Forest degradation and deforestation pose a significant risk to the livelihoods of a majority of the Lao population. Women, the poor, and geographically remote communities are typically most vulnerable to these changes due to their limited adaptation capacities and limited access to alternative means of securing their livelihoods.

Lao PDR's SIGI (Social Integration and Gender Index) was 0.1445 in 2014, in the medium category. Most ethnic women in upland areas lack Lao language skills and this makes it difficult for them to access official information. Non-Lao speaking ethnic women need support to pass on their local knowledge to each other, and to learn from others new pieces of information, especially related to legal aspects. Women without primary education have three times the number of children as women who progress to higher education.

Forestry at the community level is highly “female” on the user side, with women collecting non-timber forest products and making up a significant proportion of the small business workforce in the forest and timber sector.

The land sector shows similar dynamics: whereas women and men have the same legal rights to land, women's factual land tenure is still less secure than men's. Women are also often not actively included in decision-making steps of land use planning. The subsequent forest management plan is then seen as an even further specialised step which women perceive having even less access to. Lack of education, lack of technical knowledge and lack of confidence to participate in management decisions were key contributory factors. Traditional gender norms of many ethnic groups further contribute to these dynamics.

With approximately 250,000 direct beneficiaries from at least 23 different ethnic groups, and an additional 250,000 women and men indirectly benefitting, the ER Programme aims to mainstream gender and ethnic sensitivity throughout all planned measures.

To adequately engage all ethnic groups in AF-SUPSM activities, it will be vital to ensure that implementation follows the guidelines in the Community Engagement Manual. The Manual includes ensuring that facilitators speak the local ethnic languages, and that if forestry staff does not, then they should work with the LFND or hire interpreters. Extension materials can make greater use of visual aids to reach people who are not literate in the Lao language. Moreover, it will be important to ensure that efforts to improve land tenure security, taking into consideration local ethnic customary practices of land use and management, including in some cases communal management. For ethnic groups that continue to rely upon upland agriculture, both for food security and customary practice, efforts are needed to stabilise and recognise, through secure land tenure documents, these patterns of rotational agriculture.

The traditional gender division of labour demands women as farmers across all ethnic groups and farming systems to carry a heavier burden of work. Different government policies result in varying and often unequal impact on women and men within households leading to greater hardships for women. It is reported that upland farming women's agricultural workload is becoming heavier; while at the same time their families are faced with increasing difficulties to meet their food needs. Many of the causes of women's reduced rights to a secure livelihood are structural, with some of the causes starting at the policy level, and resulting in women's reduced access to productive resources, especially land.

Although women have significant roles in agriculture and forestry, they have less access to, and control of, farming and forestry-based inputs and outputs. Key decisions related to land and forests are usually taken by their husbands and the village authorities. Experience from other sectors, such as fisheries, shows that woman's multiple roles in traditional, complex and lengthy value chains tend to diminish when value chains are modernised. This may also be true for the forestry sector, but the lack of data does not allow us a clearer picture. Women's rights to forest and tree products tend to be restricted to products that are not profitable or have little commercial benefits.

According to Rita Gebert and Ny Louangkhhot (2007), the following causes were cited as most important for women's increased workload and reduced food security:

- The implementation of the land and forest allocation policy, which limits the number of upland plots to three, meaning artificially induced reduced fallow times (previously at eight to ten years, now only two or three);
- The "small village" merger policy, which has resulted in smaller villages moving together or in smaller villages moving down to join already existing larger villages, so that there are at least 50 households;
- The implementation of various land concessions, such as for rubber or timber, may also reduce land available nearby the village for women's and men's productive activities.

Government policy to reduce the total number of plots allowed to remain in the rotational cultivation system has two immediate impacts on the farming system itself. First, with the reduced fallows the weed increases; second, the reduced fallowing times do not allow larger trees to grow up anymore. Since women are responsible for weeding they have much more work to do, plus their share of the land clearing work also increases with the increase in brush and shrubs women's task to clear, whereas it is men's task to cut the larger trees. If women cannot keep up with the weeding pressure, they may also choose to make smaller plots.

Merging villages causes many women (and men) to have to walk longer distances back to old fields, as there may be local no land available in the new place. Women often carry children with them, or leave very young children/infants behind, which also has a negative impact on the children's health.

In using forest resources, the Hmong differentiate some roles and duties along gender lines. For example, women are responsible for collecting medicinal herbs and edible plants, while men are responsible for hunting, performing rituals, and collecting wood for house building or making tools.

Women across all ethnic groups are involved in the collection of NTFPs usually more than men. In villages and communities with longer and more interdependent relations with forest, and where there is adequate access to reasonable quality forest, women tend to be involved in NTFP collection on virtually a daily basis. They collect forest foods such as wild banana for pigs, and various greens, insects, mushrooms, shoots and fruits for family consumption. Men may hunt and trap small mammals and birds and collect wild honey. The household dependence on forest areas depends also on the general preferences,

and orientation of the ethnic group whether to collect or not. When the families collect NTFPs for marketing (broom grass, wild palm fruit (*mak thao*), paper mulberry, bamboo shoots, etc.), there is greater allocation of both male and female labour to this task.

Insecure land tenure and decreasing access to land and common resources characterise rural areas of Laos. Women are generally less knowledgeable about land use rights and land titles than men. At a community level, it is typically the village authorities and mostly men who discuss and make decisions regarding village land.

Land tenure rights that are relevant to women's rights involve rights over ownership, acquisition, management, administration, enjoyment, and disposition of land, territories, natural resources and property. These rights are fundamental for women to be involved in REDD+ and other development efforts. Women's land rights need to be clear in terms of both policy and practice.

Differences in access rights to land and natural resources may vary based on women's social status, for example between widows with children, widows without children, daughters, stepdaughters and adopted daughters. Although land titling can include the names of both husband and wife as owners of family land, but this practice is not always followed. Many women do not exercise their legal rights due to cultural or knowledge limitations, which result in only their husband's name being registered on the land documents.

Women's role in Governance or decision-making is directly influenced by ethnicity. Amongst the Hmong community, only men participate in meetings related to governance issues. Hmong women may not participate in discussion and cannot vote in an assembly that they may attend only as observers. Elderly men cast the deciding vote.

The safeguard plans need to adequately consider how best to engage women representing all ethnic groups and ensure that they benefit from their participation in project activities. Analyses conducted under REDD+ activities indicated that women generally very low level of awareness of the forestry law and forestry activities. Thus, the strategy options, or policies and measures need to consider gender impact on division of labour, access to land and natural resources, and participation in program design, implementation, and monitoring.

9.2 Land use Planning

9.2.1. National Master Plan for Land Allocation

The National Master Plan for Land Allocation (NMPLA) was approved by the National Assembly in June 2018 and its summary of land allocation by sector is as follows:

Land areas to be conserved and reserved to achieve 70 per cent forest cover across the country (including water areas) are as follows:

- Conservation forest area: 4.7 million hectares or equal to 20 per cent.

- Protection forest area: 8.2 million hectares or equal to 35 per cent.
- Production forest area: 3.1 million hectares or equal to 13 per cent.
- Industrial plantation area: 0.5 million hectares or equal to 2 per cent.

Land areas for utilization and development will comprise 30 per cent of the country's total land area (including water areas) and are to be comprised of:

- Agricultural land area: 4.5 million hectares or equal to 19 per cent, which consist of:
 - o Paddy fields: 2 million hectares or equal to 8.4 per cent.
 - o Perennial plants area: 1 million hectares or equal to 4.2 per cent.
 - o Fruit trees area: 0.8 million hectares or equal to 3.4 per cent.
 - o Livestock grazing land: 0.7 million hectares or equal to 3 per cent.
- Land areas to be used in other sectors: 2.56 million hectares or equal to 11 per cent, which consist of:
 - o Construction land: 0.37 million hectares or equal to 1.6 per cent.
 - o Transportation land: 0.18 million hectares or equal to 0.8 per cent.
 - o Other types of land including industrial land, cultural land and national defense-security land: 2.05 million hectares or equal to 8.6 per cent.

9.2.2. Agriculture land zoning

According to the Agriculture Development Strategy to the Year 2025 and Vision to 2030 of the MAF agricultural land zoning at provincial and district levels throughout the country has been implemented, and the area categorised as agricultural land is approximately 4.5 million hectares or equivalent to 19 per cent of national land. However, detailed zoning data is available only for 2.5 million hectares.

9.2.3. Land Use in Lao PDR

Current Forest, including Forest Plantation, has been the country's dominant land use or vegetation type. Forest occupies approximately 60 per cent of the total land area of Lao PDR, mostly due to its mountainous terrain. The second largest land use is Regenerating Vegetation, including Bamboo areas, which occupies more than a quarter of the total land area and mostly consists of re-growing vegetation following abandonment of slash and burn cultivation. Some of these areas reach the threshold for definition as forest, but many are burnt again for upland rice and other crops. The next largest land use is Permanent Agriculture Land, which includes rice paddy, agriculture plantations including fruit orchards, and other crop areas. This land use type now occupies 10 per cent of the total land area.

9.2.4. Land use change in Lao PDR

Current Forest has been decreasing continuously from 60.9 per cent in 2000, to 58.0 per cent in 2015 (Natural Forest from 60.9 per cent to 57.4 per cent). Conversely, cropland has increased from 7.0 per cent to 10.1 per cent during these 15 years. Another notable change is the significant increase of Forest Plantations (circa 18,000 ha in 2000 to 138,000 ha in 2015) and Water (276,000 ha in 2000 and 350,000 ha in 2015), even though their share in the total land area is still small at 0.6 per cent and 1.5 per cent respectively. The increase in Permanent Agriculture Land, Forest Plantation and Water reflects the influx of

foreign investment, as well as domestic investment in commercial plantations and hydropower projects, in line with the government's development policy.

10 INSTITUTIONAL ARRANGEMENTS

10.1 Institutional framework

The Project components and activities will be implemented at the national level by a number of ministries and their agencies, and at the sub-national level by their line agencies under the direction of the Provincial or District Administration, as the case may be. Day-to-day implementation at grassroots level will be undertaken by participating villages and district teams following the approach described in the previous section.

Oversight will be provided at three levels by multi-agency committees, namely: the National Project Steering Committee (NPSC), the Provincial REDD+ Steering Committee (PRSC), and the District REDD+ Steering Committee (DRSC). The latter two committees are expected to have an oversight role not only for the SUPSFM Project but for other REDD+ related projects, as well. NPSC will be chaired by the Vice Minister of MAF; its members will include DG/DDG level representatives of participating agencies in various ministries (MAF, MONRE, MOIC, MPI, etc.), as well as national leaders of mass organizations like LWU and LNFC. PRSC will be chaired by the Vice Governor of the province; its members will include the District Governors of participating districts, division heads of participating line agencies, and representatives of LWU and LNFC. DRSC will be chaired by the District Governor; its members will include the unit heads of participating line agencies and representatives of LWU and LNFC.

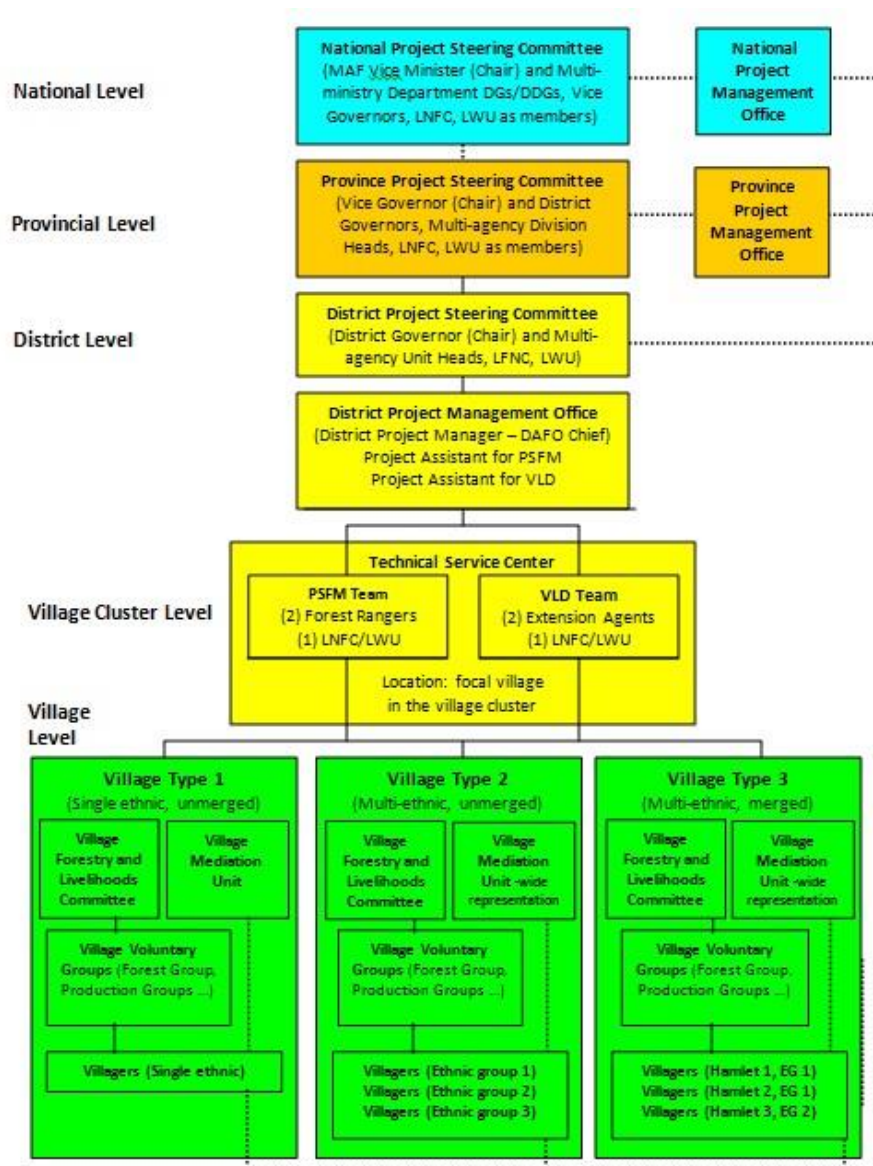
Project management offices will be organized at three levels, namely: the National Project Management Office (NPMO), the Province Project Management Office (PPMO), and the District Project Management Office (DPMO). The project management offices will act as Secretariat of their respective project steering committees. Headed by a project manager, those offices will report directly to the chairperson of their respective project steering committees although they will link on a daily basis with the main implementing agency of the Project, i.e. DOF and forestry line agencies at province and district levels. The project management offices will be responsible for the smooth flow of inputs to project activities and the monitoring, verification, and reporting of outputs of project activities. They will also be responsible for procurement and financial management subject to limits set at their levels.

Coordinators will be appointed at national, province, and district level for each participating agency. The Coordinators will link with their respective project management offices to ensure the flow of resources needed for implementing their agency activities according to the work plan and to report outputs.

10.2 Institutional and Implementation Arrangements

63. The Project operates in a multi-level setting (Figure 1). At national level, the project will focus mainly at the National System of Production Forest Areas and their participatory, sustainable management following the PSFM system that has been applied over a period of 9 years in 16 PFAs and has been expanded to cover 41 PFAs under SUPSFM. Other developments, such as notably REDD+ and village livelihoods, which extend beyond the confines of the PFA, will be addressed by enhancements of PSFM following a landscape approach that encompasses other categories of state and village forest areas.

Figure 5 Overall Project Organization



1. Figure 1: SUPSFM Organizational Structure continued under AF-SUPSFM

64. At sub-national level, the project will focus on PFA partitions for PSFM purposes, but will include partitions of other categories of forest areas for forest landscape purposes. Provincial project management will continue to be concerned mainly with the PFAs and

associated landscapes that are located in the province. District project management will be concerned with the FMAs of different categories of state and village forest areas that are located in the district, e.g. FMAs and their sub-FMAs in the case of PFAs. At grassroots level, the project operates in villages although state forest areas will generally be defined to comprise a cluster of villages, rather than single villages, to keep the total number of FMAs at a manageable number.

65. The SUPSFM organizational structure, shown in Figure 1, illustrates the project institutional framework at three administrative levels (National, Provincial and District). The overall structure will be maintained under AF-SUPSFM. This figure illustrates the multi-level setting under which the project operates and the participating institutions that will oversee, perform their roles and functions, and implement the related project components and activities to attain the Project Development Objective.

66. Project oversight will continue to be provided by the Project Steering Committees that have been established at each of the three levels. This is to ensure that policy guidance is provided in a timely manner to the participating institutions in the performance of their roles and functions. The initial and most important policy decision of the Project Steering Committees will be to review and endorse the five-year and annual work plans at their level. Project oversight will be applied in conformity with project design and consistent with recent Politburo guidance (Resolution 03/PM/2012), which provides for the formulation of provinces as strategic units, districts as comprehensively strong units, and villages as development units.

67. Participating institutions at each level appoint Project Coordinators who take responsibility in organizing their institution's program and activities to implement the policy decisions of the respective Project Steering Committee. The Project Manager, acting as the Secretary of the Project Steering Committee at each level is responsible for informing the Project Coordinators, who will then initiate the organizing of teams to undertake the related activities to implement the policy decisions. The Project Manager at each level ensures that resources needed to undertake project activities are provided to the different teams, ensuring through project monitoring that the use of those resources are able to generate the intended outputs.

68. Subsequent sub-sections present the institutions involved at three levels: grassroots, provincial, and national, and how they are organized and linked for project implementation.

2. **3.2.2 Implementation Arrangement at District and Village Levels**

69. The grassroots level comprises the district and village levels where PSFM is actually implemented in parts of the PFA and other forest categories that overlap with the district and the villages in the district. Figure 2 illustrates the institutional framework linking the project participants including government and village institutions, and mass organizations for grassroots operations.

Figure 6 District and Village Level Organization

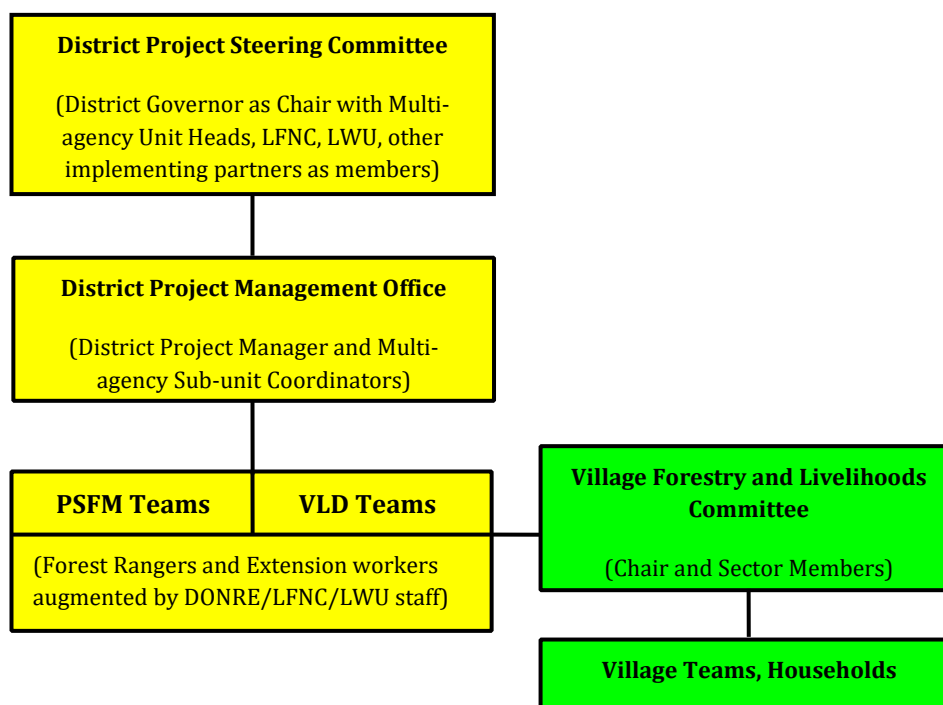


Figure 2: Institutional framework at grassroots level

70. SUPSFM operations at district and village levels are related mainly to Component 1: Strengthening and expanding PSFM in PFAs and Component 2: Developing Forest Landscape Management and to a lesser extent to the other project components. Component 1 specifically has two main concerns: PSFM, to put the 41 target PFAs under participatory, sustainable management, and Village Livelihoods Development (VLD), to support the participating villages in developing livelihoods. Both PSFM and VLD will continue to require project engagement with participating village communities.

71. Mainly the District Agriculture and Forestry Office (DAFO) will continue to undertake project implementation at grassroots level by government institutions. SUPSFM will establish a Project Management Office (PMO) in DAFO of each target district, where the project field teams will be based.

72. DAFO foresters assigned as Forest Rangers will continue to be formed into and operate as PSFM Teams to provide training and technical support to villages in putting sub-FMAs and village-use forests under participatory, sustainable management. DAFO extension agents will be VLD Teams to provide training and technical support to villages in sustainable livelihoods development. Representatives of the Lao Women's Union and Lao National Front for Development will be included in the teams.

73. Staff from the Provincial and District Forest Inspection Offices will work with villagers in the implementation of forest law enforcement at the provincial and district levels.

74. As for the SUPSFM, project implementation at grassroots level by village institutions will be undertaken mainly by village communities and households under the leadership of the Village Forestry and Livelihood Committee (VFLC). The VFLC will be headed by the Village Head as the Chairperson and will include a Deputy Chairperson, a Secretary, a Treasurer, and representatives of women, elders, youth, and other village sub-sectors as members. The VFLC will be the contact points of the PSFM and VLD Teams in village work

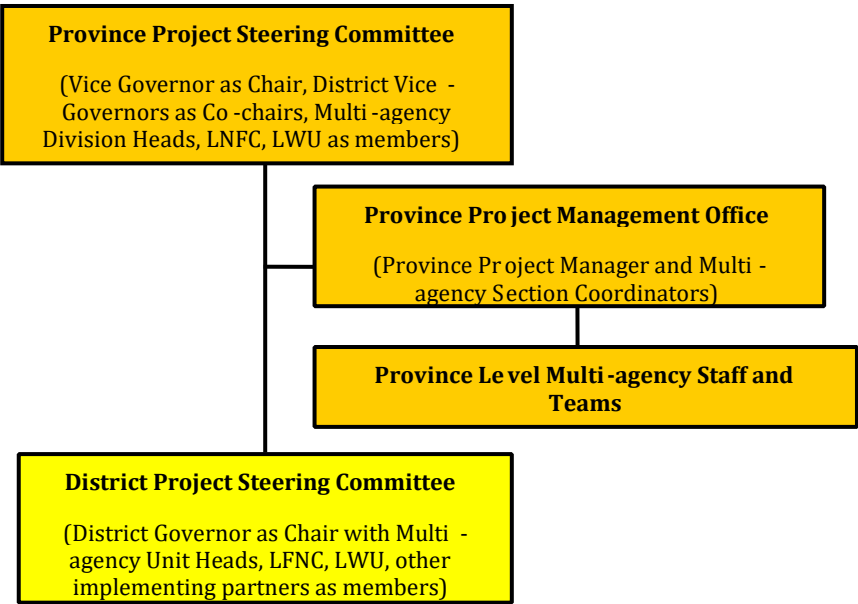
and the action points in the conduct of PSFM and VLD activities, such as in selecting village forestry teams and organizing self-help groups.

75. Project operations at provincial level are formulated and presented in 5-year and annual work plans that are submitted to the Provincial Project Steering Committee (PPSC) for approval. To take responsibility in implementing the project work plans and coordinate with district offices, a Provincial Project Management Office (PPMO) established at each project province is headed by a Provincial Project Manager who is a head of the Forestry Division under the Provincial Agriculture and Forestry Office (PAFO). A provincial financial management staff and a project assistant are assigned in each PPMO. Project operations at provincial level will provide the needed support to grassroots level operations. These include:

- Looking after project operations at provincial level, preparation and/or implementation of PFA management plans jointly with the DOF Forest Inventory and Planning Division, review and transmittal of sub-FMA plans to DOF, approval of action plans and annual operations plans prepared at grassroots level. Note: Given the logging ban in effect, the following activities that were originally envisioned under SUPSFM are not envisioned to take place during AF-SUPSFM: preparation of proposals for logging quotas for sub-FMAs in the province, undertaking timber sales with the Provincial Department of Industry and Commerce, contracting and supervising logging operations, timber revenue sharing, and transfer of revenue shares to stakeholders. AF-SUPSFM will no longer fund Pre-harvest Inventories given the current logging ban. Also no logging is going to be undertaken under AF due to logging ban and PMO 15 still in place. If regulations change, then the project can re-engage.
- Organizing training of PSFM and VLD Teams, including additional team members from LFNC, and LWU. The Technical Assistance (TA) Team and Non-Profit Associations (NPA) undertake training with proficiency in community engagement.
- Acting as conduit of financing needed in grassroots operations. A sub-account is established at each project province to take care of office management expenditures and operations costs of project officers and staff. However, to ensure that funds are available for community engagement of the PSFM and VLD Teams immediately after training in the province, funds for field operations are made available to the province directly by the National Project Management Office.
- Providing support to the TA Team and development partners when conducting field operations, such as those concerning Components 2 and 3, and coordinating with the districts to provide support to the visiting teams.
- Providing oversight and guidance to grassroots operations through the Provincial Project Steering Committee (PPSC) and the Provincial Project Manager. This Project utilizes existing high level Provincial Project Steering Committees revising their ToR and membership as appropriate. PPSC will be headed by the Deputy Provincial Governor and have District Vice-Governors as vice-chairs; provincial heads of relevant line agencies, and representatives of LNFC and LWU will be included as members. As with DPSCs, the project will develop a proposal to coordinate REDD+ project oversight and reporting through the Provincial Project Steering Committees.
- Monitoring and Evaluation, both of projects inputs, outputs, outcomes, and impacts where relevant.

76. Figure 7 illustrates the institutional framework at provincial level and its link to the district level

Figure 7 Institutional framework at provincial level



10.3 Government stakeholders

5.1.1 PAFO, DAFO (agriculture, production forest)

Department of Forestry (DoF) will be responsible for overall project implementation, through the National Project Management Office (NPMO) in Vientiane. Provincial Project Management Offices (PPMO) will be established at provincial levels in the PAFO, with District Project Management Offices (DPMO) in DAFO.

5.1.2 Department of Agricultural Extensions and Cooperatives (DAEC)

The Department of Agricultural Extensions and Cooperatives (DAEC) will continue to provide national level guidance, support and training to village development activities and exercise an oversight function through its Rural Development Division. Responsibility to deliver technical and support services to, and provincial oversight of, village development activities will be transferred to the Planning Section of PAFO. DAFO will manage on-the-ground technical service delivery to local people in support of CEPF preparation including both forest management and livelihood planning.

5.1.3 Lao NCAW

The National Commission for the Advancement of Women (NCAW) is the national machinery for the promotion of gender equality. The sub-commissions on the advancement of women is responsible for coordinating the implementation of national laws, policies and plans for the advancement of women by their respective organizations. MAF Sub-CAW has the Vice-Minister as the Chair. At present MAF engages in a significant step to adopt MAF Resolution on Gender Mainstreaming in Agriculture and Forestry, which will guide their long journey to actualize the goal of gender equality in MAF workforce and women and men in agriculture and forestry population. Capacity building for MAF Sub-CAW is needed in order to carry out gender sensitization within the AF institutions and to monitor gender disaggregated data collection for planning, reporting and assessment purposes.

5.1.4 MoIC

MoIC authorizes the operation and establishment of finished wood processing facilities on the basis of confirmation of the level of sustainable wood supply by MAF. MoIC governs the activities of the commercial forest sector and will be responsible for rationalizing processing capacity with current and long-term sustainable wood supply. Under SUPSFM, MoIC will continue with the responsibility for timber pricing and for establishing and administering the competitive bidding system for logs at the second landing. MoIC is also responsible for development and certification of chain of custody (COC) from the second landing onward.

5.1.5 DoFI

The Department of Forest Inspection (DoFI) and the Provincial Forest Inspection Services have the responsibility to enforce forest laws and regulations through monitoring and inspection of timber harvesting operations, log transportation activities and timber processing facilities. DoFI's responsibilities extend to suppression of wildlife crime. DoFI works closely with police, customs services, the army, state prosecutors and the courts to detect forest crime, make arrests, confiscate illegal materials and help punish violators by issuing fines and facilitating criminal prosecution.

5.1.6 National Assembly

National Assembly can support the project with external monitoring and in specific the Ethnic Minorities Committee of the National Assembly would be most suitable for monitoring progress on activities relating to the ethnic communities in the target areas.

5.1.7 Party and State Inspection Authority

The Party and State Inspection Authority (PSIA) is in charge of inspecting the performance of the Party members in public administration both the government and local administration. PSIA not only inspect the performance of the mandate of Party member but also consider the complaints from the general public regarding the execution of development projects. In practice, it is another channel of complaint when the aggrieved party failed to protect its right under administrative and judiciary procedures, then it often will go to Party and State Inspection Authority.

5.1.8 LFNC/LWU

Mass Organizations and Civil Societies in Lao PDR are actively involved in participatory planning and awareness raising activities to advance the government's development agenda at the grass-roots level. Their role in forest management is just beginning to take shape, as are government practices for engaging civil society in development plans. Relevant mass organizations who have been identified, although underutilized in SUFORD project implementation are the Lao Women's Union (LWU), and the Lao Front for National Reconstruction (LFNR). With respect to institutional arrangements, the key recommendation emerging from all documents is that the Lao National Front for Construction, and the Lao Women Union (LWU) should be more closely involved in implementation of project activities.

Dedicated funds for involvement of the LWU and LFNC will be made directly available to the LWU and LFNC to overcome financing issues limiting coordination/co-implementation during the implementation.

LNFC is organized on all administrative levels from national to village level. LNFC includes senior citizens, veterans, and represents different ethnic groups. Its main aim is to promote a sense of solidarity and equality of among the population irrespective of social status, ethnicity and religion, in line with article 8 of the Constitution 2003. The LNFC currently has overall charge of the planning and implementation of ethnic minorities programs. The LNFC coordinates with the Party, the ministries and the relevant committees. LNFC on village level should be utilized by the project in the participatory planning process and during the implementation of village based activities⁸.

⁸ Other government agencies specifically working with ethnic communities are: (i) Ethnic Minorities Committee of the National Assembly; and the (ii) Institute of Cultural Research and Institute for Linguistic Research, within the Ministry of Information and Culture.

The roles of the LWU are to educate women of all ethnic groups on the Constitution, Laws, Legislations and International Conventions related to the rights and benefits of women and children and to mobilize and advocate women to actively participate in the socio-economic development; to take part in protection of fine culture and traditions of Lao women of all ethnic groups among others. LWU is currently implementing community forest project in Bokeo and Luangnamtha in the North. LWU has rich experience in Women In Development Program, which is similar to Village Development Program implemented by MAF. LWU can be a partner to support women in the program areas⁹.

The activities include “Buad Bang Pa” – a Buddhist terms and process for ordaining forest. The activities start with village participatory planning process (PPP) involving both men and women. They partner with PAFO and DAFO in conducting session on gender issues in forest and in general, awareness raising on forest protection and use and other issues related to poverty reduction (political obligations). In the session, the villagers discuss on how to use forest product in village common forest to balance forest preservation and livelihood. The session also helps the villagers to come up with village rules for forest use, community-based monitoring and control of village forest. Penalty measures and amount of money collected as fine are also set as part of village forest rules¹⁰.

10.4 Civil Society Organizations

As of now, more than 200 Civil Society Organizations (CSOs) operate in Lao PDR. The CSOs generally refer to the international Non-Governmental Organization (INGOs), local Non-Profit Associations (NPAs) and foundations. The Government of Lao PDR, represented by DoF, realizes the importance of the contributions CSOs can make in the project and is willing to explore possible partnerships. However the exact engagement of the CSOs in the project needs to be consulted and designed with the above and concerned stakeholders in a strategic and sensitive manner during the implementation of the project. Potential roles for the CSO to be explored are: free prior informed consultations with communities, participatory planning process and implementation and monitoring of activities.

Their role is critical as supporting DAFO team as part of the project field team. Although not sitting as part of the REDD+ Task Force as members, some of the relevant CSOs participated actively in SUPSFM preparation discussions, attend REDD Task Force meetings on an ad-hoc basis and are kept informed of significant developments in the forest sector in general and REDD+, SUPSFM and DGM processes in particular. As part of the meetings conducted, relevant CSOs were informed of the Dedicated Grant Mechanism for Indigenous People and Local Communities (DGM) including the potential allocation of DGM resources to

⁹ Indufor (2012).

¹⁰ Idem as 6.

Lao PDR, criteria for using the fund and the possibilities of utilizing the DGM fund for ethnic and local people in Lao PDR.

10.5 Village level committees

5.1.9 Village Forestry & livelihood development committees

District teams working in villages at the time of SUFORD dealt with the Village Forestry Committee (VFC) in tasks concerning PSFM and the Village Development Committee (VDC) in tasks concerning village development. The VFC is the village committee that administers the Village Forestry Organization (VFO). The main changes to be made in the Project are that: (a) VFOs will no longer be organized, and (b) the Village will be asked to organize a Village Forestry and Livelihood Committee (VFLC) to serve as the link between the village and the project in both PSFM and livelihoods development. The VFLC should be headed by the Village Chief and should include a Secretary and Treasurer as members. One of its important functions will be to organize village teams to work with the PSFM Team in forest management activities, e.g. pre-harvest inventory, harvest planning, tree marking, supervising logging operations, etc. Another function will be to conduct participatory monitoring of both PSFM and livelihoods development. The VFLC will also be the fund manager of the village receiving shares of timber revenue and managing the Village Livelihood Grant and the Forest Restoration Grant that will be provided by the project to fund approved livelihood and forest restoration proposals of intended beneficiaries.

The project will encourage the VFLC to be the catalyst in the formation of self-help groups, nurturing the groups to evolve into production groups and later into associations. Livelihoods that are village enterprise-based, e.g. processing and marketing of NTFPs; woodworks producing such products as door and window jambs, and door and window frames; etc, should be owned and managed by a village association. As an enterprise is formed in a village, the production groups that spearhead the production activities of the enterprise should evolve and be formally organized as an association that can legally enter into marketing and similar contracting arrangements.

5.1.10 Village mediation units

In 1997 a Decision of the Minister of Justice (No. 304/MOJ) established Village Mediation Units (VMU). New guidelines for the VMUs were issued by Decision No. 08/MOJ, dated 22 February 2005. The VMU is a village level institution which plays a role in resolving disputes which occur within the village. VMUs use peaceful means, based on both the state legal framework and acceptable local traditions. The VMUs have jurisdiction to resolve civil and family disputes, and minor criminal cases.

In addition, VMU's other functions are to assist the village administration authority to enhance knowledge of and compliance with State laws in the village. It acts as the disseminator of laws and regulations in the village, encouraging people of all ethnic groups within the village, to respect and strictly comply with laws and regulations. It closely coordinates with the judicial and other bodies involved (GRID, 2005: 25).

There are now 8,766 VMU throughout the country. In 2009, the VMUs processed 8,118 cases (of which 5,529 were civil cases and of those, 4,492 of which were solved) and 2,529 criminal cases (of which 1,150 were solved). 2,476 cases remain open representing 30.5% of the annual caseload¹¹.

The main strengths of VMUs are that they provide justice at a community level and use defined rules and procedures yet still provide a further opportunity for parties to re-negotiate and find mutual agreement to resolve the dispute. The Access to Justice Survey (2011) found that community use of VMUs is highest in peri-urban regions. Urban areas are more likely to use State Courts and rural areas more likely to use customary law mechanisms. While almost three quarters of participants in the study knew of the existence of VMUs, only between a third and a half, knew how to access them, believed they were effective, believed they were in accessible locations, and conducted proceedings in understandable languages. Nevertheless, they do succeed in resolving a very high proportion of disputes before them, (between 84-88%), with little notable variation between resolution rates between peri-urban and rural areas. Furthermore, while only 12.3% of respondents had used VMUs, those who had, generally had positive experiences.

The Access to Justice Survey (2011) also revealed that 74.3% % of the VMU users reported that someone in the VMU had explained to them how the resolution process works. 86.5% said that the VMU understood the issue they had submitted, 90.5% said that the VMU respected them, 77% said that they are satisfied with the outcome of the VMU resolution process, 86.5% thought that VMU members were fair and neutral in resolving disputes, and 87.8% of the VMU users would use the VMU again. These results suggest that VMUs are largely fulfilling their mandate and having a positive impact in the local justice sphere.

The VMU can assist the village administration to enhance justice in the village; e.g., by disseminating law and regulations, encouraging compliance with the law, and settling minor disputes, both civil and criminal. Such dispute resolution is carried out on the basis of the law, as well as local tradition, but usually in order to reach a negotiated, conciliatory settlement of the problem; i.e., a mediated settlement.

A village may be declared a 'Case-Free Village' (CFV) if it meets the criteria defined in Article 7 of Decision No. 209/Moj dated 19 October 2009. That means

¹¹ Source: Access to Justice Survey in Lao PDR.

VMU could resolve all civil matters and small offences, under Articles 25 of the Penal Law, brought before it in a given year, rather than having any of them 'appealed' to a higher level; e.g., the area court. Once declared a CFV, some minor disputes that are not complicated or dangerous to society are resolved within the village, either by the VMU or a customary mechanism. CFV status is accorded with a ceremony attended by Chief of District, local dignitaries and brings with it benefits, such as additional development assistance. The aim of CFV's policy is to educate family members and villagers to know and understand Laws correctly and deeply and have awareness to comply with the Laws, to strengthen harmony and solidarity in family and village levels and to prevent negative occurrences or violation of the law for contribution to the family and village developments and to ensure social justice and fairness at grassroots level. As such, it is something to strive for and is not to be lightly relinquished by village officials. In August of 2009, there were 2,142 CFVs in Lao PDR.

However VMUs are not without their weaknesses and efforts to strengthen them are ongoing. Their impact remains impeded by a number of identified factors including; their lack of basic facilities and community education resources, their compromised levels of community trust, legitimacy and authority, delays in their decisions, variable fees, the lack of availability of their members, their non-representative composition (including of the poor and women), their susceptibility to corruption and their insufficient skill-levels and capacity to resolve conflicts and fulfill their mandate.

10.6 Financial management

For timely execution of project activities, accounts will be established at each of the project management offices, i.e. at national, provincial, and district levels with ceilings defined based on the level of financial requirement according to the activities indicated in the first annual work plan and on the turn around time for fund replenishment. An exception is that the District PMO may avail of the Provincial PMO account instead of having its own account if the expected rate of financial flow is not high enough to warrant having its own account. Another possible exception is that the expected rate of financial flow of a national agency, e.g. DOFI, may provide justification for the office to have its own account. The decision on how many accounts to keep for the Project will be determined before or shortly after Project start up, but after a detailed work plan for the first year of operations will have been drafted.

10.7 REDD+ institutional framework

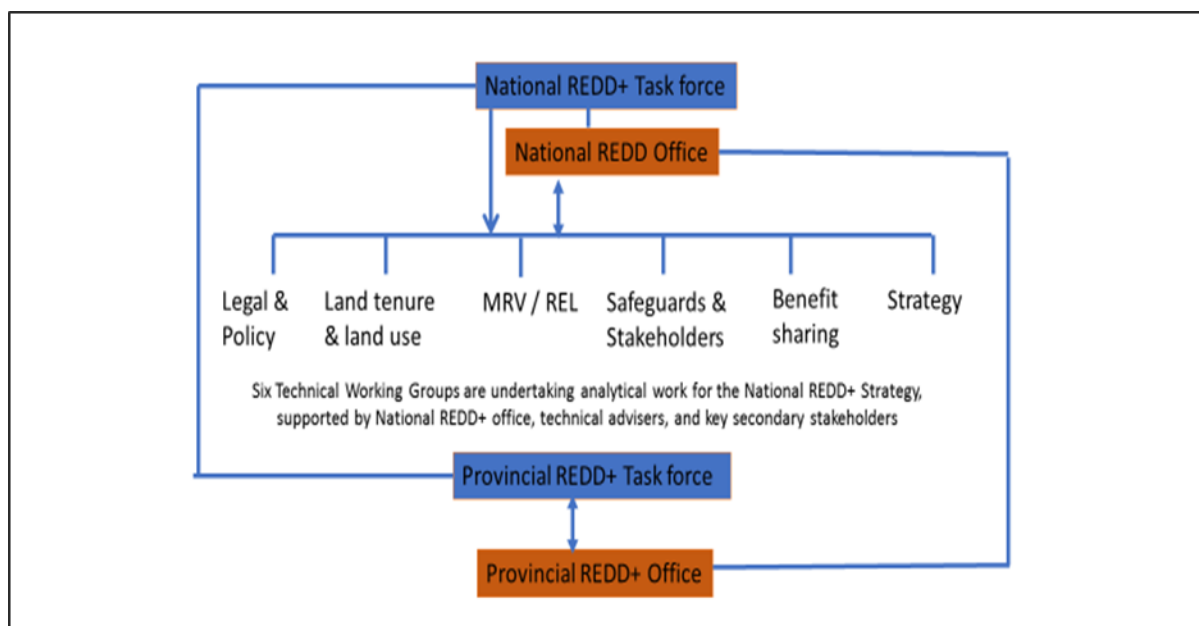
AF-SUPSFM will make important contributions to REDD+ objectives and the activities are closely coordinated with the REDD+ implementation framework set up by the government to manage the development and implementation of its REDD+ Programme on both national and provincial levels.

The **National REDD+ Task Force (NRTF)** was established in 2008 but has been reconfigured periodically. The NRTF was originally under the Department of Forestry (DoF) within the MAF. After the MoNRE was created in 2012, the NRTF moved under MoNRE's DFRM. Initially the NRTF had 12 members, then later 16 members, and was chaired by the Director-General of Forestry. Following the move to MoNRE the NRTF grew to 24 and then 30 members and was chaired by the Vice-Minister of MoNRE. However, in April 2016 the new government decided to reorganise some ministerial mandates, which resulted in the responsibility for forest management to be returned from MoNRE back to MAF. On 23 May 2017 MAF appointed a new National REDD+ Task Force, comprised of 16 members and headed by the Vice-Minister of MAF. This NRTF is an intersectoral body, with members of key concerned agencies. The new Task Force had its first meeting on 31 August 2017.

The NRTF reports to higher levels of government, via the Minister of MAF, which allows work to be shared and guidance received from other Ministers at monthly meetings. The NRTF was originally supported by a secretariat, or National REDD+ Office (NRO), which was established under a Division of Planning at DoF. DFRM also established a REDD+ Division in 2012, while DoF maintained the DoF REDD+ Office. These two offices aimed to coordinate their REDD+ activities and were joint focal points for REDD+ in Laos. Following the ministerial reorganisation in 2016 the two offices were merged and became the REDD+ Division. Six REDD+ TWGs were formally established in late 2015, and their Terms of Reference approved on 23 August 2016. The DoF REDD+ Division also serves as the Secretariat for the six TWGs.

The development of REDD+ activities in the field is being developed in a gradual manner. To date, Provincial REDD+ Task Forces (PRTFs) have been established in three provinces – Huaphan, Champasak, and Luang Prabang. Subsequently, PRTFs and provincial REDD+ offices have been established in Luang Namtha, Bokeo, Oudomxay and Xayabory Provinces. The six Northern provinces (excluding Champasak) are proposed to be part of a future Emissions Reduction Programme Agreement (ER-PA) with the FCPF Carbon Fund. With support from the German Government assisted CliPAD three PRAPs have been prepared in Huaphan, Luang Namtha and Sayaboury. The Japanese International Cooperation Agency (JICA) assisted Forestry and REDD+ (F-REDD) project has assisted Luang Prabang Province to complete its PRAP. The FCPF Readiness Project funded PRAPs in Bokeo and Oudomxay Provinces. The six PRAPs were used in the development of the ERPD.

Figure 8 REDD+ Institutional Arrangement



Lao PDR's FIP supported the BCC-I and includes work on promoting REDD+-related activities with protection and conservation forests in two southern provinces, Attapeu and Xekong. Previously the World Wild Fund for Nature and now the Government of Austria have supported the development of a pilot REDD+ project for the Xe Pian Conservation Area, which is primarily located in Champasack, but also in Attapeu provinces. This project has been developed in line with Verified Carbon Standards.

The Lao FIP also supports REDD+ activities in most of the national production forests, through the Scaling-up Sustainable Forest Management (also known as SUFORD-Scaling Up or SUFORD-SU) Project operational in 13 provinces and provides support to forest law enforcement nationwide through DoFI. The SUFORD-SU Project was co-financed by GoL, the World Bank, the FIP under the global CIF, and the Government of Finland. The third project under the Lao FIP is the Smallholder Plantation Project, which is implemented by the IFC in partnership with the private sector to pilot sustainable smallholder forestry in selected project areas.

In 2014 the CliPAD project commissioned a preliminary study to assess the capacity of staff members working with the DoF, as well as in the field under the PAFOs and DAFOs. GCF has conducted capacity needs assessment and gap assessment on the Implementation of the Lao PDR Emission Reduction Programme through Improved Governance and Sustainable Forest Landscape Management.

Currently, the DoF REDD+ Division is comprised of 18 staff and volunteers. The National REDD+ Focal Point is a Deputy Director of the DoF and he oversees all the government REDD+ work. A Director and four Deputy-Directors head the Division. The senior staff members have good experience and fluency in English and have participated in many regional and international meetings and workshops related to REDD+ over the past decade.

At the provincial level, the PRTF is comprised of representatives from different sectors, and the Vice-Governor chairs the PRTF. A few government employees

working in the PAFO staff the PRTF Office. Provincial and district staff members, villagers, and other stakeholders have limited understanding of REDD+ issues, but various projects are working to enhance stakeholder capacities in this regard. For example, since mid-2016 the REDD+ Readiness project has supported numerous consultations and workshops. In the Mid-Term Report to FCPF the DoF stated that capacity building at the provincial and lower levels will be a focus of the second REDD+ Readiness grant. In terms of institutional capacity building, organisational development requires further work, with clear mandates, terms of reference for personnel, and staff development plans. In addition, although the country has received official development assistance for the forest sector, the sector still remains understaffed, undertrained, and under-equipped. Forest management centers and/or extension centers closer to villages have been proposed as one means to improve extension and forest management.

11 EXTERNAL AND INTERNAL RISKS

11.1 Internal risks

11.1.1. No project scenario

The AF-SUPFSM will support the client to continue to strategically recalibrate the sector, advance and enhance the achievements and sustainability of the PDO and outcomes, and facilitate and regulate a new generation of public-private investment that is environmentally and socially sustainable. This focus builds on recent and on-going policy reforms, such as the 2019 Forest Law, that now encourage commercial forest plantations in degraded production forests and village forestry. These reforms can help the Lao PDR meet its national forest cover target, and AF-SUPFSM is well positioned to continue to assist in the country's transition to a sustainable forest sector as a pillar of Lao PDR's emerging green economy. Without AF resources, the achievement and sustainability of key project objectives could be put at risk. For example, forest certification would stall, which is an important project result that helps establish a system for legal timber throughout the value chain, especially as village forestry is now once again allowed under the new Forest Law. While the Forest Law has been approved, implementation guidelines for village forestry and tree plantations are still being developed, and without AF support key principles present in the law may be overlooked or misinterpreted in the implementation guidelines which regulate activities on the ground. Without the AF support, the GOL would miss potential opportunities to improve its institutional capacity to leverage and regulate existing and incoming large-scale private commercial plantation investments, to help boost sector revenues, local livelihoods and jobs, green growth, and poverty reduction. The policy/regulatory momentum is taking place now. SUPFSM and the proposed AF are well positioned at this moment to help the GOL capture the expected benefits. Waiting for the new landscape operation could mean reduced or lost momentum on the ground and at policy level to implement key reforms.

22. The AF resources are urgently needed considering that the parent project has disbursed ahead of schedule and funds are needed to continue critical activities. In the meantime the project is relying on government staff and staff of

related projects in the Department of Forestry (DOF) including the Bank-financed Forest Carbon Partnership Facility support for REDD+ Readiness. A retroactive financing facility is also proposed for this AF to help close the gap.

11.1.2. Risks related to livelihood loss

Potential loss of livelihoods due to restrictions on livelihood activities or access to forest resources is expected to be minor because, like the parent project, AF-SUPSFM will implement a participatory Community Engagement Framework which will enhance current land and resource use patterns to the extent that is technically possible and environmentally sustainable. The project also will continue to support, through advisory services, more sustainable resource use and a diversity of forest-based livelihoods options, including agroforestry systems that should counteract any potential loss to livelihoods..

11.1.3. Risks related to weak consultations and participation

The project's core activity is to work with communities that are reliant to varying degrees on forest resources for their livelihoods. Many of the communities to be included in the project are culturally and linguistically distinct ethnic groups who live outside the mainstream Lao culture. The project will be based on the informed participation of communities by means of a Community Engagement Framework which is designed to engage with ethnic as well as non-ethnic groups.

11.1.4. Land tenure and access to natural resources

Options for secure tenure of households and communities in Laos are constrained by uncertainty and competition for land. Government retains the authority to expropriate any type of land, whether covered by tenure rights or not, for purposes of national interest as well as for Foreign Direct Investment (FDI) opportunities. A title or concession lease may only increase the value of compensation a developer might have to pay. Under current law, and if future legal revisions enables government to retain comprehensive rights of expropriation. Land tenure in Lao PDR can only be enhanced, not guaranteed, and rests on making expropriation as expensive and unattractive as possible. Addressing land tenure under SUPSFM therefore has taken into account a dynamic set of circumstances, but taking advantage of stated Party and national intentions to safeguard rural tenure security as a key strategy to reduce poverty, improve agricultural production, and enhance environmental protection. A new Land Law was promulgated in 2019 which helps clarify land tenure for urban and rural communities, but has a gap in forestland and forest-dependent communities that remains to be addressed in GOL law and policy. AF-SUPSFM will take this perspective into account and emphasize continued implementation of the CEF (and PLUP as needed) to reduce this risk.

11.2 External risks

11.2.1. Village consolidation

National policies relating to poverty reduction merged villages to maximize the distribution of services and poverty reduction activities and to accelerate economic development. An unwanted consequence has been an increase in land and natural resource disputes. Unfortunately, village merging did not take account of ethnicity or pre-existing customary use rights. Related to this villages have also been relocated from the highlands to the lowlands as a strategy to reduce shifting cultivation, eradicate opium production, improve access to government services, and consolidate villages into larger, more easily administered units. However, in many cases relocation led to the opposite effect of increased poverty, food insecurity, conflicts, and a diminished status for women, as they lose control over agricultural land.

In order to address such risks, the approach under SUPSFM was that those villages that have been consolidated under the government village consolidation program would be identified through a desk review and initial engagement with villages. Participatory consultations would also be carried out in each village to assess if: (i) land and tenure issues associated with the consolidation have been resolved to the satisfaction of communities, and (ii) adequate land for agriculture or other means of livelihood to improve, or at least maintain their livelihoods, has been made available. Those villages where outstanding issues related to land for agriculture and natural resources are identified would be excluded from the project, and the findings will be conveyed to Provincial Authorities for appropriate action. Such villages would be able to subsequently become project beneficiaries if: (i) Provincial Authorities demonstrate that issues have been resolved, (ii) communities confirm such resolution met standards of free, prior and informed consultation, and (iii) communities provide their broad community support for participating in SUPSFM. All those villages scheduled or proposed for consolidation during the project life will be excluded from the project.

This same approach will be carried out under AF-SUPSFM but is anticipated that since the AF-SUPSFM will work only in current villages already supported under SUPSFM, there will be no change in the risk profile.

11.2.2. Relocation

The relocation of villages from the highlands to the lowlands or within the highlands is linked to strategies to reduce shifting cultivation, eradicate opium production, improve access to government services, and consolidate villages into larger, more easily administered units. While government relocation policy aims to contribute to the development of the target population, to provide remote populations access to basic services such as health, education, water or electricity, and to guarantee them a better livelihood, resettlement is reported in many cases to have led to increased poverty, food insecurity, and leads to high mortality rates. As a result, the issue has raised concerns among a number of

government agencies, donors and international organizations. Resettlement has also accelerated the dissolution of customary law and practices.

Many ethnic group villages in the project area are no longer found in their original habitat, but have been resettled because of GOL policy to persuade the groups to give up shifting cultivation and migrate out from the highlands. Villages are also resettled because of infrastructure development such as dams. In resettlement cases villages often end up consisting of more than one ethnic group. In such villages communication needs to take place in Lao or otherwise there is limited communication. Where some ethnic groups 'came first' land rights and forest access of newcomers may be somewhat curtailed. The resettlements, which are intended to promote the 'settling' of the highland populations by enforcing a restriction on (pioneer) slash-and-burn agriculture, may actually cause increased and diversified rural mobility, where people move back to their old areas to cultivate the land due to the limited land where they were resettled.

The resettlements are seen by GOL to facilitate the implementation of a rural development policy — new roads, schools, sanitation works, the implementation of land tenure reform, intensification of agriculture, preservation and exploitation of timber resources (the primary source of income for the country) are all designed to accompany this new dynamic of population settlement. The resettlement means that many ethnic groups no longer have a long experience with the forests around them. They may no longer have a spirit forest area and the burial forest would be a new area. Also the indigenous knowledge of plants and trees may be lost if they are moved to lower altitudes. In the lowlands some lowland Lao villages are very old with well-established cultural traditions and rules for protection of forest resources.

A further impact of relocation is diminished status for women. When major upheavals in communities are experienced, as in the relocation of villages, or when access to natural resources is denied, women lose control of agricultural land. This may cause them to cease to participate in rituals for ancestors or to preside over agrarian rites. Women's power to preserve culture may be lost as a result; thus, denying them a key source of power and status in their communities and widening existing gaps of gender inequality.

During SUPSFM village consolidation has continued, and the problems experienced during predecessor projects have persisted. A survey conducted by the project indicated that 17 project villages had been impacted by resettlement/consolidation but in line with the project policy project resource had not been used to support these activities. AF-SUFORD will continue to monitor the situation.

11.2.3. Land concessions

The topic of land has become one of the most pressing in Laos and one of the most complained about by villagers to the National Assembly (NA). Provision of

land concessions has caused the loss of land not only in villages but also in forestry and watershed areas. Problems arose because concessions were granted without surveys or supervised land allocation, without consultation with local communities, with no consideration of existing land uses by villages, coupled with a perception that granting concessions enables government to achieve targets in other stated policies (such as eradication of slash and burn cultivation). Some land concessions are for as long as 70 years, which means original residents will never be able to repossess their land within their lifetimes. Many concessions have reduced the cultivation and forest resource areas available to villagers, and pushed them into opening up land in designated forest areas. Consequently thousands of villagers have lost their right to use or access their land, and been forced to leave their villages and find work outside farming. At present a moratorium has been called on the granting of all concessions until 2015, but only for mining and rubber plantations. Similar moratoria in the past ten years have been short lived and not strictly enforced.

Land concessions have been championed as a means of reducing poverty by opening land productivity. In many instances, the opposite has been the case, with land losses to communities resulting either in greater impoverishment, or pushing villages to encroach on protection, conservation or production forest areas.

A publication from 2012 on concessions in Laos¹² painted a stark picture of the situation. It notes the lack of reliable information on the scope and scale of land concessions in the country, but that the number of such deals has increased by fifty-fold between 2000 and 2009. This study identifies, for the first time, the actual scale of land concessions, who has them, and where they are to be found. The study notes the majority of concessions are in the form of leaseholds not amounting to more than 5ha. It distinguishes conceptually between a "concession", being mostly FDI and larger in size, from a "leasehold", being mostly domestic investors and smaller in size. DoF favours leaseholds rather than concessions for communities under the SUPSFM project.

The study found that while only 5% of concessions are very large and over 1,000Ha each in size, they account for 89% of the total land area under investment. Agriculture and forestry concessions account for 14% of those awarded. Domestic investors account for 65% of awards, but on average, for investments ten times smaller than foreigners. China, Thailand and Vietnam are the largest investors, with China having more presence in the north of the country, and Vietnam in the south.

Table 12: Overview of Concessions and Leases in Lao PDR

¹² *Concessions and Leases in the Lao PDR: Taking Stock of Land Investments*, by Oliver Schonweger, Andreas Heinemann, Michael Epprecht, Juliet Lu and Palikone Thalongsengchanh, Center for Development and Environment (CDE), University of Bern, Bern and Vientiane, Geographica Bernensia, 2012

	# Deals	Total Area (ha)	Average Area (ha) ⁹	% Total # of all Deals	% Total Area of all Deals
Concessions	1,535 ¹⁰	1,096,797	823	58%	99.8%
Leases	1,107 ¹¹	2,737	3	41%	0.2%
TOTAL	2,642	1,099,534	467	100%	100%

⁴ The total area of Savannaketh Province is 2,177,400 ha (MPI/DoS, 2005).

⁵ The total area of the Lao PDR is 236,800 km² or 23,680,000 ha, (MPI/DoS, 2005). In order to allow for consistent comparisons between national and regional averages, we use a slightly smaller figure (23,045,288 ha), which is derived from the measured areas of the Lao PDR's North, Centre and South (see Table 5).

⁶ Mineral exploration refers to the process of finding ore to mine, as opposed to mining activities, which for the purposes of this publication are referred to as mining exploitation.

Source: Oliver Schonweger, Andreas Heinimann, Michael Epprecht, Juliet Lu and Palikone Thalongsengchanh, *op cit*

As the studies maps indicate, concessions affect every province where SUPSFM is to be implemented. Investment tends to be in more accessible locations where the poverty incidence also tends to be lower overall.

As a multiple-use landscape, a PFA is able to accommodate legitimate and well-planned complementary development activities, including, as per the 2019 Forest Law, commercial plantations on degraded PFA land. However, due to unclear jurisdictional concession granting mandates, particularly between province and central tiers, and weak monitoring and compliance enforcement, project-supported PFAs have experienced considerable difficulties in meeting sustainability objectives in some areas because of incompatible concession granting, in particular in the southern province of Attapeu. Improvements to monitoring and reporting, strengthening governance and interagency coordination, enforcement and legal frameworks will continue to be used as mitigation approaches for AF-SUPSFM.

11.2.4. Illegal Wildlife Trade

Significant overharvest of wild vertebrates typifies all areas of PFAs visited under the SUFORD biodiversity assessments and repeated violations of wildlife protection and trading laws were observed (MAF,2010). Lao PDR wildlife law is adequate on paper to prevent hunting-driven extinction of vertebrates, but enforcement is uneven and throughout the country harvest-sensitive wildlife is declining (MAF,2010).

Illegal hunting is done to supplement domestic consumption or for commercial trade. Wildlife trade has been increasing in recent years due to improvement of road networks, increasing wealth in provincial towns, and expansion of trade networks with Vietnam and China. SUPSFM road and track upgrading may complete the links between markets and wildlife. The building of roads into new areas can change the cost:benefit ratio in favor of hunting. This would lead to collection of a far wider variety of wildlife species for sale from areas which were previously inaccessible and remote (MAF, 2010), and accelerate local stock depletions and contribute to extinction.

Under SUPSFM and AF-SUPSFM, there was and will not be any new investment in roads, but the expansion and use of existing roads will be monitored under the proposed AF. Of particular importance are areas that are likely to contain HCVs, typically features such as dense natural forest, wetlands, floodplain forests, caves, saltlicks etc. In addition, situational monitoring of PFA villages for hunting activities and reporting outcomes to DOFI and other line agencies should be institutionalized.

11.2.5. Pesticides

Pesticides are chemicals designed to kill or control insects, weeds, disease and other unwanted organisms. Over 800 active ingredients are sold worldwide in tens of thousands of formulations. Products are widely used in agriculture, public health, domestic and urban areas. Many pesticides have been found to be harmful to human and animal health or to the environment (PAN, 2009).

Some pesticides have been identified as posing a long-term, global environmental hazard, and are banned or severely restricted by international conventions. International bodies, including the World Health Organization, have classified (some) pesticides according to their acute toxicity, carcinogenicity, or their potential to disrupt hormone systems.

Lao PDR has emerged as a supplier of raw agricultural commodities and tree crops as a result of domestic and foreign demand. This has facilitated a dramatic increase in demand for agribusinesses, which have a much greater propensity to use, and have a reliance on pesticides. This use can create a flow on effect with villages adopting similar practices, but with inadequate understanding of appropriate uses of pesticides. Agriculture is an important sector in Lao PDR, accounting for about 28%¹³ of the GDP and employing the greater percentage of the Lao labor force. Crop production is largely dominated by paddy rice, which represents approximately 63 percent of crop production. Growing farmer awareness and increased pesticide availability is likely to see an upward trend in pesticide use.

SUPSFM project activities will be widespread across several provinces, with variable environmental conditions. Although pesticide use in SUPSFM is discouraged where alternative natural biological solutions can be practically applied, total avoidance is unlikely. Discouraging the use of pesticides has the benefit of preventing land managers and farmers from becoming dependent on costly and potentially destructive chemicals and fertilisers.

Integrated Pest Management Strategies are required where pesticide use is unavoidable. To determine if pesticides are necessary sub-component projects, such as assisted rehabilitation and NTFP development, are filtered through the Negative Check List and Project Screening Process. Where required, an Integrated Pest Management Plan will be prepared and contain information on the following:

¹³ Down from 30.4% in 2009.

¹⁴ Ministry of Planning and Investment, 2011. Statistics Year Book 2010, Vientiane Lao PDR.

- i. The types of chemicals to be used, including trade names and active ingredients.
- ii. Place of purchase.
- iii. Target area and reasons for use.
- iv. Level of prior training undertaken for chemical handling and use.
- v. Application procedures – timing, quantity and application systems.
- vi. Storage arrangements.
- vii. Safety equipment requirements.
- viii. Environmental impact mitigation – including alternative biological control options.

Activities that may require pesticide use:

- Forest restoration
- Agro-forestry site preparations
- NTFP yield enhancements

Types of pesticides and their toxicity

Organophosphate pesticides

Organophosphates (OPs) are among the most widely used insecticides in the world, and many do not appear on restricted lists. They are among the most acutely toxic of all pesticides to vertebrate animals and humans as well as insect pests. OPs act as 'cholinesterase inhibitors': they deactivate an enzyme called *Cholinesterase* which is essential for healthy nerve function. OPs are used in both professional and amateur products and are common in veterinary medicines such as sheep dips as well as agricultural products. They are regularly detected as residues in food items such as fruit and vegetables, and may occur above the safety level known as the Acute Reference Dose, a measure of the highest dose which can be safely consumed in one sitting.

Pesticides which cause cancer

In 1993, Pesticides News listed 70 possible carcinogens – now the list has grown to over 240. Many of the pesticides included are obsolete chemicals but may be found in stockpiles. Other pesticides are still in use, especially those cited by the US EPA. For some pesticides, like DDT, there is agreement about carcinogenic potential, but with many others authorities do not have similar positions.

Endocrine disrupting pesticides

Some pesticides are suspected of being endocrine (hormone) disruptors. These chemicals affect parts of the human body and wildlife hormone systems and can lead to an increase in birth defects, sexual abnormalities and reproductive failure, and may increase the risk of cancers of reproductive organs. As yet, there are still many aspects of these substances that is not understood.

Pesticides toxic to bees

Many insecticides, unsurprisingly, are highly toxic to bees, some more so than others. There are also a few herbicides and fungicides which are toxic to bees. Some pesticides have restrictions placed on their use, to try to minimise risk to bees: for example, they must not be used in a field where bees are foraging. In

the UK beekeepers must be notified 48 hours before certain pesticides are sprayed.

Honey bees are of particular concern when considering the environmental impact of a pesticide because they pollinate 40% of the world's major food crops. In recent years honey bee populations in the US and Europe have been falling dramatically. Pesticides may be a contributing factor, along with parasites, diseases and unfavorable weather conditions. Pesticides at low concentrations which do not directly kill bees may nevertheless have sub-lethal effects (such as altering foraging behavior) on a colony already under stress from disease.

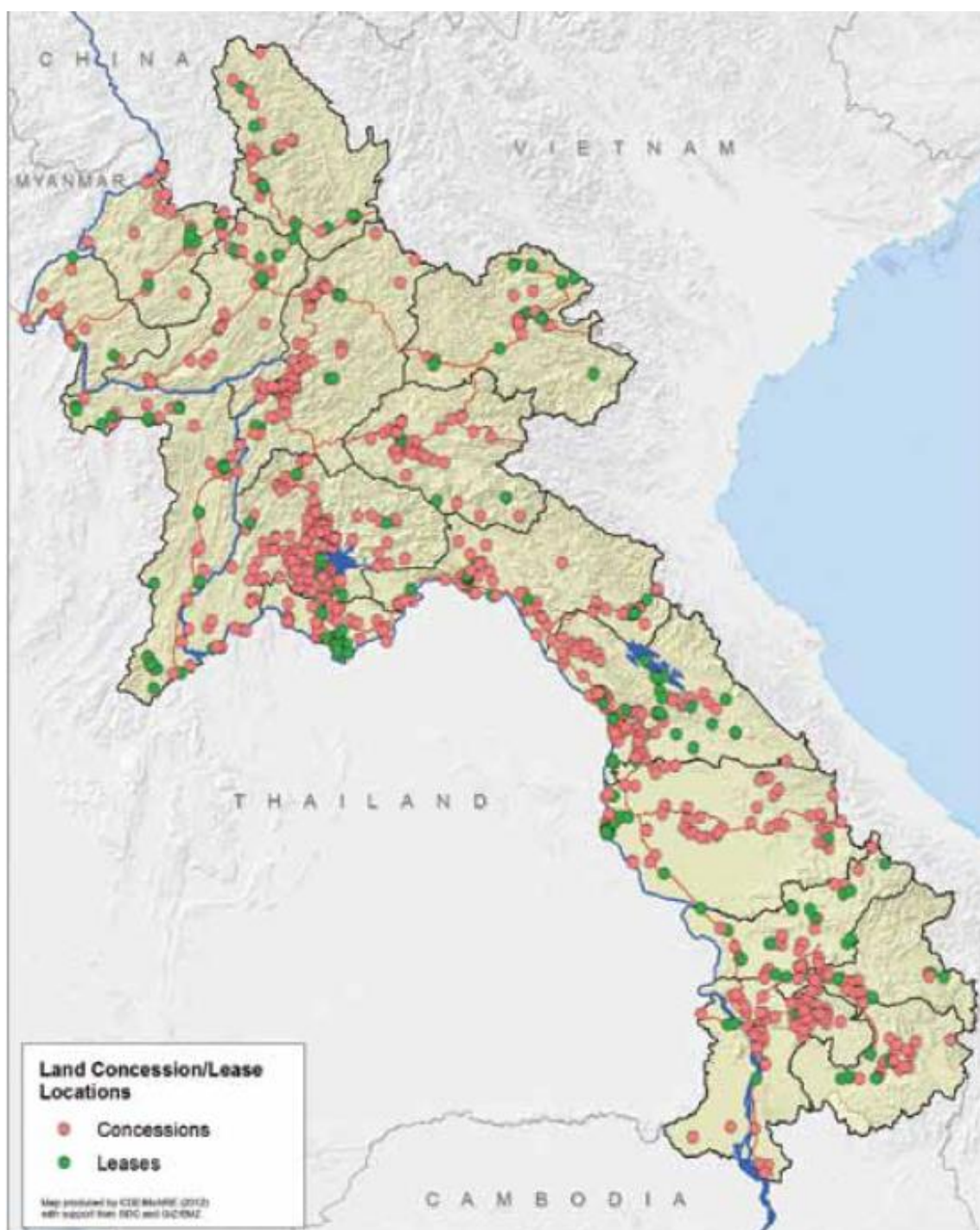
Like SUPSFM, the AF will continue to follow the SUPSFM practice to avoid and manage the use of pesticides. During the past projects (FOMACOP, SUFORD, SUFORD AF, and SUPSFM) implementation no significant incidents related to pesticides were recorded, and or reported. Recent policy and legal reforms provide an updated legal framework upon which the AF-SUPSFM will base its approach. These policies and laws include: (A) Law on Chemicals, No. 07/NA dated 10 November 2016, (B) Decree No. 202/President dated 12 November 2016, and (C) Law on Plant Protection and Quarantine, No. 13/NA dated 15 November 2016, and (D) Decree No. 197/President dated 28 November 2016, and (D) legal provisions and procedures for regulating pesticides, including licensing businesses involved in import, formulation, sale and distribution of pesticides through by (i) Prime Minister's Decree No. 258/PM on Pesticide Management, dated 24 August 2017 and (ii) Ministerial Decision 238/MAF on Control of Pesticides Businesses, dated 14 February 2019.

11.2.6. Existing Land Concessions and Incompatible Concession granting

Provision of land concessions has caused the loss of land not only in villages but also in forestry and watershed areas. Problems arose because concessions were granted without surveys or supervised land allocation, without consulting local communities, and without consideration of existing land uses. This was coupled with a perception that granting concessions enables government to achieve targets in other stated policies, such as eradication of slash and burn cultivation. Land concessions have been championed as a means of reducing poverty by opening land productivity. In many instances, the opposite has been the case.

The Government of Laos (GoL) has designated 64% of total land cover in Laos under designated forest categories. This means that the only form of secure land tenure for forest or agricultural land for rural communities within this designated area can be via leasehold, irrespective of the fact that such designated areas may well be traditional land or ancestral domains of different ethnicities. Approximately 29% of the land area given to concessions and 26% of all concessions, occur in designated forest areas.

Map 1: Location of Concessions and Leases across Lao PDR¹⁵



Source: Oliver Schonweger, Andreas Heinimann, Michael Epprecht, Juliet Lu and Palikone Thalongsechanh, *op cit*

¹⁵ The concessions and leases shown on this map include only those with spatial data

Figure 9: National Forest Management
Categories in the Total Area of Lao PDR

16

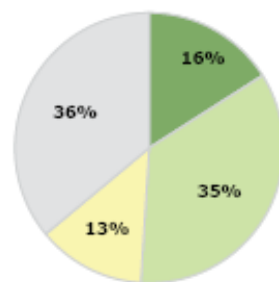
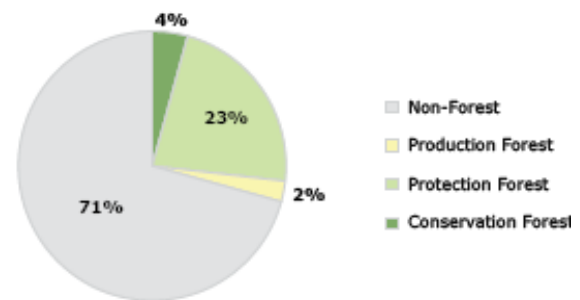


Figure 10: National Forest Management
as Categories in Areas under Investment

17



Source: Oliver Schonweger, Andreas Heinemann, Michael Epprecht, Juliet Lu and Palikone Thalongsengchanh, op cit

The concessions are to a large extent awarded to “unstocked land” but this designation does not mean it is unused. Typically it is used for agricultural purposes, particularly swidden or rotational cultivation, and is therefore vital to the food security and livelihood interests of rural smallholder farmers. It seems that provincial and district authorities consider swidden areas available to foreign investors, partly because de facto local community use may not be recognised, and partly because it is national policy to promote sedentary agriculture and therefore traditional swidden areas are not acceptable, despite this cultivation method being the most sustainable and appropriate for the size of the upland population as well as the local conditions and comparatively poor soil quality of upland land areas. While rotational shifting cultivation is officially tolerated, the reduction of fallow period (from 8 to 15 years to 3 years) undermines the system and leads to decrease of yields and increase of workload especially for women in charge of weeding. Added to this is the consistent lack of transparency over the terms and conditions of concessions awards at all levels.

It can therefore be seen that local communities experience considerable difficulties not only in retaining their own community forest for their resource use, but also face massive competition from investors when it comes to accessing forest areas for individual or community leaseholds. Not only does this divest communities of the resources needed to sustain livelihoods, loss of undesignated swidden agricultural or community forest areas to concessions has pushed some households and villages to open up areas in designated forest areas, such as PFAs, in order to continue to meet their cultivation needs. Not only does it make it more difficult for communities to ensure sustainable resource use, it removes

¹⁶ "Total area" refers to the entire land area of Lao PDR

¹⁷ "Total area" refers to the total area under investment

the natural resources on which they depend, while also undermining national objectives to re-forest a substantial proportion of the country's land area.

Award of concessions for large tracts of on all types of forest land, as well as in-migration of families (particularly in northern provinces) to escape stronger law enforcement elsewhere and to open up new cultivation areas, are both significant threats to tenure security as well as to the prospects of sustainable forestry. Under AF-SUPSFM, attention is placed on strengthening GOL capacity to engage with private investors to better site plantations on degraded forest land as allowed under the 2019 Forest Law, and regulate and monitor activities to help ensure that benefits accrue to local communities and the state (as well as investors). This risk mitigation strategy forms a key activity in the operation and will require sustained dialogue among Government entities, communities and firms and sustained capacity development among Lao institutions and communities.

Regarding risk of overlapping concessions, an inventory of concessions in project provinces will be periodically updated and discussions will be held with participating provincial governments and sponsoring ministries to avoid or minimize impacts in project financed areas.

11.2.7. Fire Control

SUFORD studies (see Ketphanh et al, 2012) have shown that villages have a high dependency on deciduous dipterocarp forests for household income (35% of total value). Deciduous dipterocarp forests are prone to flooding in the rainy season and drought in the dry season. Fires occur regularly. These forest types constitute a fire-prone ecosystem, however current fire frequencies are believed to exceed 'natural' levels. There are good examples of local communities managing deciduous dipterocarp forests in a sustainable manner, by not allowing any cutting of trees and protecting against forest fires. In addition to NTFP and timber, these forests provide other essential functions, including regulating water services, which are compromised by excessive fire, or hot fires.

The extent to which anthropogenic fire has altered the extent and ecological function of deciduous dipterocarp forests is vigorously debated with, so far, little resolution. In a natural system, fires would occur in any given area less frequently than they do at present, but each might be rather stronger (reflecting greater accumulations of combustible material). It is not easy to tell what is the 'optimal' fire regime for deciduous dipterocarp forests. Not least because people, fire and deciduous dipterocarp forests have been interacting for so long in South-east Asia that some adaptation has probably taken place already (MAF, 2010).

From a wildlife habitat perspective it was observed that fire at current levels in SUFORD PFA deciduous dipterocarp forests is probably at levels sufficient to severely reduce habitat suitability to various specialist birds. Particular care should be taken that logging does not increase the level of fire; it should probably decrease it somewhat (MAF, 2010). As fire-prone habitats become more fragmented, single fires are more likely to contribute to long-term damage.

Excessive fire creates case hardened wood of the trees and stumps with birds, mammals, and insects unable to penetrate and shape the wood in their usual manner. Furthermore, reduction in vertical cover and loss of organic duff on the ground reduces the habitat suitability for numerous forest organisms. Intensely burned areas may leave significant amounts of downed woody debris and standing snags. However, the habitat and nutrient benefits of these snags and debris may be severely limited if fire has caused the exterior of the wood to be case hardened (MAF, 2010).

Under SUPSFM information on fire events has been integrated in the CEF, and community-based fire management has been introduced. PLUP will be used to identify high risk villages and PFAs with appropriate fire management plans provided under the AF-SUPSFM.

The objective for fire management under AF-SUPSFM is to reduce fire events inside deciduous forests and deciduous dipterocarp forest in project financed PFAs and khumbans. The key activity is to develop emergency fire response and management plans at district level in collaboration with DAFO and high-risk villages in the area.

11.2.8. Illegal Logging

Illegal logging, which includes unplanned sanctioned logging, reached a highly level in the early years of SUPSFM implementation; estimates vary but it seems probably that illegal logging reached at least 1 million cubic meters in the peak years. SUPSFM was focused on enhancing the capacity of DOFI and POFIs to respond to forest and wildlife criminal activity across all 18 provinces. The tools and systems of forest law enforcement were improved, essential training was provided, and compliance monitoring and community engagement were enhanced. However, a key limitation in any law enforcement activity was the lack of political will.

PMO 15, dated 13 May 2016, alleviated this constraint by providing the high-level authority that is essential in combating forest-based crime. The approach proved to be effective and highly highly successful. The customs statistics suggest that, after PMO 15, illegal logging dramatically declined by about 75 % in one year. Approximately 40% of this reduction is estimated to be attributable to SUPSFM. A May 2019 review of SUPSFM forest law enforcement compared the level of law enforcement activity in the first year of SUPSFM operations (October 2013-September 2014), and the last full year (October 2017-September 2018), and concluded that SUPSFM has improved law enforcement outcomes. The improvements – which are likely to contribute to sustainability of forest management over time - include : 4 times increase in identifying illegal timber; 20 times increase in wildlife and NTFP seizures; 80 times increase in the confiscation of illegal equipment and twice the number of trucks seized; 26 times more cases being referred to the Office of the Public Prosecutor (with cases now progressing to court); and 11 times the level of fines are being issued.

AF-SUPSFM will continue to support DOFI in implementing forest law enforcement. The focus will be on consolidation of systems such as Strategic and Tactical Enforcement Program (STEPP) and SPIRIT (mobile phone based data collection system) as well as on training emphasizing the improvement of investigative skills in accordance with DOFI's current strategy.

11.2.9. Shifting cultivation and access restriction

Shifting cultivation involves cutting down vegetation, burning it in situ and then planting crops on the cleared land. Once crops are harvested, the land is left 'fallow' for natural vegetation to re-grow. This agricultural system has traditionally been widely practiced in many parts of Lao, but most prominently in the north.

In the mountainous northern regions of Laos the overall population density is relatively low (24 people per km²), however the availability of arable land is also very limited. Shifting cultivation (rotational) practices have been developed to account for these conditions, however conversion of land for concessions and other forms of development (mining, hydropower etc) is making even less land available for farming and food production. This is having a two-fold affect. The first is that it is forcing villages to reduce the fallow periods. A study by Management of Soil Erosion Consortium (in Pierret et al, 2011), identified fallow periods dropping from eight to nine years in the 1970s, to two to three years more recently. A shorter fallow period produces lower yield rates than longer fallow. The second response is that to make up for the short fall in food availability, shifting cultivation is now expanding more rapidly into new forest areas, vis. pioneer shifting cultivation. In addition, lands that had been rehabilitated in an effort to produce harvestable timber have also been converted to shifting cultivation. The dilemma that will be faced by SUPSFM is that should it pursue stronger enforcement to protect forest resources, it may have the very negative consequence of reducing peoples food resources.

Under the government land reform program that sees consolidation of villages into larger centers, there has been an impact on local forest resources. In the larger centers food requirements have increased as a response to population expansion, which places pressure on local forests. To overcome this issue, opening up rural economies to more investments that produce employment opportunities for local villages and shifts people away from farming and forest product dependency is required. Concession granting is often seen as a tool to achieve this, so a cycle of restriction and conversion may continue.

12 PROJECT MITIGATION MEASURES

12.1 Checklist, Eligibility criteria and Project Screening

The villages participating in SUPSFM were screened against criteria developed by the project to ensure that the village participation was voluntary. The villages were also screened with respect to their status in village consolidation following

the safeguards approach adopted in projects in Lao PDR supported by the WB. AF-SUPFSM will work in the same villages and will not expand its activities to any new villages.

The safeguards approach adopted in projects in Lao PDR supported by the WB is to exclude villages from project consideration if they have been relocated or administratively consolidated in the four years prior to date of screening in an area, and to arrive at provincial and district agreements that no village involved in SUPFSM activities will be relocated or administratively consolidated for a minimum of four years after the project concludes its activities in that village.

12.2 Enhanced community engagement

The main approach that will be implemented under AF-SUPFSM to address the gaps in the application of safeguard measures is to continue the same application of a responsive community engagement process, building staff capacity, and regular monitoring, as under SUPFSM. The following improvements are the key factors of the current community engagement process:

(i) integration of gender sensitive consultation and data management; (ii) preparation of activities which give equal weight to men and women's land and natural resource use; (iii) community consensus of village area boundaries, activities, land use and land tenure, for PFA land areas targeted for AF-SUPFSM activities; (iv) improved enforcement capacity to local communities, supported by provincial and district authorities, to prevent villagers and migrants opening new slash-and-burn areas; and (v) inclusion of community land adjacent PFAs, and making it eligible for agro-forestry support.

Community engagement by the project will continue to be undertaken by PSFM Teams and Village Livelihoods Development (VLD) Teams whose members will be district staff. The team members will continue to be provided relevant training in each stage of the process that will involve consultants, as well as non-profit associations (NPA), where relevant, with proven expertise in effective community engagement.

Community engagement has been undertaken in stages in SUPFSM and earlier operations, as follows:

Stage 1: Selection of participating villages and team formation. This stage covers the selection of participating villages following a set of eligibility criteria, team formation and orientation, and preparatory studies related to livelihood options, their requirements, markets, and viability.

Stage 2: Community awareness and resource diagnostics. This stage covers project disclosure, baseline surveys and community consultation on project plans, initiating the free prior and informed consultation process, and community resource profiling.

Stage 3: Participatory planning: consultations, consensus, and agreement. This stage covers participatory land use planning (PLUP) and agreement on components of PSFM plans and the Community Action Plan for livelihoods development.

Stage 4: Implementation of a Community Action Plan. This stage covers the implementation of PSFM plans and CAP, institution and implementation of grievance mechanism, and monitoring and evaluation consisting of village self-monitoring (participatory monitoring) and project monitoring.

Enhanced community engagement requires project implementors, to improve their willingness to listen to communities and to provide livelihood and tenure opportunities of interest to them. Making unilateral decisions about villages' land and use rights will not result in positive benefits for villagers and not constitute BCS. Hence the consultation process should also include villagers' right to opt in or opt out of involvement with the project, clarified during the initial scoping step.

To support community engagement, field teams will need to undertake consultation stages which will result in BCS, as reflected in a Community Resource Profile, an output of baseline work, and final agreements on a number of issues (including area boundaries, investments and activities), which will be included in Community Action Plan (CAP). BCS will not be a one-step only process, but a cumulative process with different types of agreements at different project implementation phases. Furthermore, BCS also means that villages have the choice to opt out of project involvement, as well as to opt in. If the choice is to opt out, this means that the project does not have the power to subsequently change village land areas, or to restrict access to them, unilaterally.

12.3 Raising legal awareness at community level

Legal empowerment is a keystone of development and a process through which the poor are protected and enabled to use the law to advance their rights and interests.

AF- SUPSFM will support legal awareness through Village Mediation Units. In areas where they already exist, communities will be informed and directed toward paralegals for legal awareness, as grassroots paralegals are effective agents for creating legal awareness amongst ethnic minority communities. Other arguments for expanding the role of paralegals in the provision of legal services is threefold – accessibility, quality of communication, and financial and non-financial costs (Byrne & all, 2007).

Developing ICE material in ethnic language (posters, pamphlets, calendars, T-Shirts, etc.) and Public Address System Broadcasts/community radio (example Khoun radio in Xieng Khouang supported by UNDP; or radio program in Brao language supported by GAPE in Champassak) could also be considered as effective ways to disseminate legal awareness in ethnic minority communities.

12.4 PLUP – Participatory Land Use Planning

Participatory and use planning has been used to identify land use areas and agreements with communities and this is central to PSFM strategy and a mandatory pre-step towards issuance of tenure documents (that are not financed by SUPSFM or AF-SUPSFM or predecessor operations). There are numerous PLUP methodologies used in Laos at the time of SUPSFM preparation. DOF follows the updated PLUP Manual issued by MAF and NLMA under a joint MoU originally agreed in 2009.

Key methodological improvements of the 2009 PLUP Manual already cover most of the requirements from SUFORD lessons learned, and include: (i) more participatory methods; (ii) time takes is 12-14 days per village (though the GoL preparation team is proposing this be reduced to 7 days); (iii) current land tenure analysis is undertaken, distinguishing between state, community and private land; (iv) gender disaggregated processes and documentation are required.

Many agencies are recommending three-dimensional PLUP (3D-PLUP), originally developed in the Philippines and piloted in Laos by CIFOR. While 3D-PLUP has many advantages, particularly when working with less literate communities, it also takes longer and requires new training of field staff. So far, DoF plans to continue to work with its own Manual, but plans to harmonise PLUP methodologies in Laos are under way, and project PLUP methods should reflect this when it occurs. The DoF will use 0.5 meter resolution aerial photographs rather than 3D terrain model.

The experience todate suggests that due to time and resources constraints the PLUP methodology had to be simplified to focus mainly on land use zoning. Assessments done by the project indicate that while the overall quality of land use zoning was reasonably good, some errors were made that cause confusion and hamper effective implementation. Land use may also be very dynamic, and it may be necessary to review and revised the existing zoning in selected priority areas such as the areas potentially allocated to establishment of commercial tree plantations.

Remaining challenges include the fact that district authorities are more accustomed to instruct communities than to listen to community views, and as transmitters of state policy, are prone to short-cut a fully participatory methodology. In some provinces and districts, limited human resources and capacity, lack of supporting project, inadequate budgets, , often result in central government policies not being effectively implemented at district and village-level application. Facilitation skills are often weak among DAFO.

PLUP is a vital step in the community engagement process, resulting in community consensus over land use zones, reflected in signed boundary agreements within and between villages. This provides the basis for subsequent land management plans to be developed, which will be through the outputs in a Community Action Plan (CAP). Both the process and outputs will be deemed evidence of a satisfactory village free, prior and informed consultation leading to broad community support.

12.5 Physical Cultural Resources

AF-SUPSFM project covers a wide footprint across three provinces in northern Laos. In this area is a rich diversity of cultures and ethnicities and there is potential for AF-SUPSFM activities to impact on PCR.

This policy addresses PCR, which are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Their cultural interest may be at the local, provincial, or national level, or within the international community.

AF-SUPSFM will continue to work in all SUPSFM's provinces where there is a rich diversity of cultures and ethnicities and there is potential for AF-SUPSFM activities to impact on PCR. Detailed evaluations of village PCR was not conducted as part of the SUPSFM as well as AF preparation. PLUP planning process, which precedes on-ground activities, is generally the approach to identify known and potential PCR sites. Relevant authorities are consulted on whether PCR would be affected by the project in any given location.

During implementation, but prior to on-ground activities, the Safeguard Manager should meet with competent government authorities – such as the Ministry of Culture and Information, as well as village committee (PLUP), and provincial authorities to verify whether physical cultural resources would be affected by a project in any given location.

12.6 Adaptable Models for Forest-based Livelihoods

Potential options for expanding forest-based livelihoods will continue to be explored with villagers through farmers associations. Three principal models have been identified including tree farming, agroforestry, and assisted natural regeneration, which have been supported under SUPSFM. AF-SUPSFM continues to provide extension services to implement these and other forest-based non-timber livelihoods strategies, and will enhance this activity by assessing opportunities for market linkages to small and medium enterprises where possible.

13 PROJECT FEEDBACK and GRIEVANCE MECHANISMS

13.1 General Principles on grievance redress procedures

Even though villagers who participate in the project will ultimately benefit from sustainable use of forest and other natural resource and alternative livelihoods that the project seeks to develop, miscommunication, short-term loss in livelihood and internally and externally originating conflicts may occur.

Grievances that arise due to project activities will be resolved following a grievance mechanism that is based on the following key principles:

- a. Rights and interests of project participants are protected.
- b. Concerns of project participants arising from the project implementation process are adequately addressed and in a prompt and timely manner.
- c. Entitlements or livelihood support for project participants are provided on time and in accordance with the above stated Government and World Bank safeguard policies.
- d. Project participants are aware of their rights to access grievance procedures free of charge.
- e. The grievance mechanism will be in line with existing policies, strategies, and regulations on redressing village grievances as defined by GOL.
- f. The grievance mechanism will be institutionalized in each village by a selected group of people, involving ethnic minorities, women, and representatives of other vulnerable groups in the village.

At the beginning of the project implementation, the SUPSFM project should set up a Grievance Redress mechanism from the community level up to central level.

13.2 Project grievance redress procedures

A grievance mechanism will be available to allow any project-affected persons to appeal decisions, arising from project practices or activities related to use and management of land, forest or other assets. Project participants will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, assessment surveys and implementation of activities. Care will always be taken to prevent grievances rather than going through a redress process. This can be ensured through careful activity design and implementation, by ensuring full participation and consultation with villages, and by establishing extensive communication and coordination between the community, the project, and local authorities in general.

There are three distinct cases where complaints mechanisms will be required: (i) disputes within or between villages (ii)) disputes between village and government authorities; (iii) disputes between a village and a third party other than the government.

In case of conflicts, claim, an issue or a problem, an individual or a group may decide to submit a grievance, either verbally or in writing, to the Village Mediation Unit which is the first interface of grievance redress at the community level.

13.2.1. Step 1 Village level

The first step in case of a grievance would be to report to the Village Mediation Unit. The VMU will be in charge of documenting the grievance by using the form provided and signed/fingerprinted by the Grievant for processing. The project will develop grievance registration forms, similar to the Form 1 developed under NT2 project, for use by complainants and record by VMU.

The VMU should be required to provide immediate confirmation of receiving a complaint and should complete an investigation within x days of receipt. Then, within 5 days after receipt of the grievance the VMU should meet the Complainant to discuss (mediate) the grievance and, if they are found to be simple miscommunication or clarification, they will be addressed immediately. If it is found that further investigations are needed to find adequate solutions, Technical Service Centers will be called upon for technical guidance. Solutions will be provided to complainants within three weeks of original complaint registration, or if solutions cannot be found within three weeks, complainants will be informed of the progress on every two weeks afterward. If solutions cannot be found at the village level or if the Complainant is not satisfied with the response, the issue is transferred within one month to the next level, led by the District Grievance Committee, for further action.

The Project will provide training and capacity development support to VMU to strengthen their representativeness and capacity to address grievances fairly and equitably. In particular, participation of vulnerable people including minority ethnic groups in the village, women, youth and other vulnerable people in VMU will be required and carefully monitored. Training will also be provided so VMU is well aware of the rights and responsibilities of communities under the project and the supports and assistance they are entitled to under the project.

13.2.2. Step 2 District level

Grievances that cannot be resolved at the village level will be brought to the District Steering Committee that will have 30 days after the receipt to review all available information from the investigation by both VMU and TSC, and analyze / investigate each case. Within 30 days, the DSC invite the Complainant to discuss the grievance and the Grievant is informed of the outcome of the investigation and the decision.

If the Complainant is satisfied with the outcome, the issue is closed, and the Complainant provides a signature as acknowledgement of the decision. If the Complainant is not satisfied with the outcome, the Complainant may submit an appeal to the DSC if there is additional relevant information for reconsideration.

Within 14 days the DSC will both collect facts and reinvestigate and will invite the Complainant to discuss the appeal and the Complainant is informed of the outcome of the investigation and the decisions made. If the Complainant is still dissatisfied with the outcome, he/she can then submit his/her complaint to the Provincial Steering Committee. The DSC will also be in charge of compiling all grievances into a **District Grievance logbook**.

13.2.3. Step 3 Province level

In case of strong or unresolved grievances such as land grabbing cases will be referred to the Provincial REDD+ Steering Committee (PRSC) that will be chaired by the Vice Governor of the province. Members of this committee will include the District Governors of participating districts, division heads of participating line agencies, and representatives of LWU and LNFC. The Provincial National Assembly should also be involved in acknowledging the grievance and advocating for suitable resolution.

PRSC will both collect facts and reinvestigate and will invite the Complainant to discuss the outcome of the investigation and the decisions made. If the Complainant is still dissatisfied with the outcome, he/she can then submit his/her complaint to the National Steering Committee. The PRSC will also be in charge of compiling all grievances into a **Provincial Grievance logbook**.

13.2.4. Step 4 Central level

Grievances that cannot be solved at the provincial level will be sent to the National Project Steering Committee (NPSC) chaired by the Vice Minister of MAF at the central level and members will include DG/DDG level representatives of participating agencies in various ministries (MAF, MONRE, MOIC, MPI, etc.), as well as national leaders of mass organizations like LWU and LNFC. The World Bank TT may participate as an observer.

Step 5 is not only the ultimate level and end of the process that can only be reached after having gone through each of the previous steps; this means that a Grievant¹⁸ can directly contact the central level NPSC or national assembly.

13.3 Petitions

In addition to the formal, semi-formal, and informal dispute resolution mechanisms petitions can be filed. A petition is a document presented by a citizen or organization to the relevant authority requesting that they consider and deal with an action or decision made that the petitioner believes infringes the law and affects the interests of the State, community, the rights or legitimate interests of the petitioner.

For example, as part of the National Assembly's oversight role, it has a mandate to receive public petitions. These may relate to administrative decisions, court decisions or individual state officials' decisions or behaviour. Petitions are reviewed and may be referred to the Standing Committee of the National Assembly. The Standing Committee may then request the OSPP or SPC to review and re-consider a court decision or instruct the government to address the grievance.

¹⁸ Grievant: an individual or group that has an issue, concern, problem, complaint, or claim [perceived or actual] that he, she, or they want addressed and/or resolved.

There are three types of petitions: (1) a petition to a State administrative body, which is called a 'request'; (2) a petition to a judicial body, such as the prosecutor or court, is called a claim; and (3) a petition to the National Assembly that is called a 'petition for justice'.

14 MONITORING AND EVALUATION

AF-SUPSFM will use the current reporting, monitoring, and evaluation system developed for SUPSFM, and is being slightly modified to extend some targets and add several intermediate results indicators. The role of communities in monitoring will continue to be strengthened. Participatory monitoring will be supported to ensure that grassroots level information and perceptions are incorporated and forming an important basis for the M&E process and databases. One example is that during late SUPSFM implementation, community interest in additional extension support was noted based on community monitoring of their livelihoods and NTFP activities.

14.1 Internal monitoring

- 1) **Village self-monitoring.** Village Forestry and Livelihood Committees (VFLC), under the support of the project Forest team and Livelihood team as well as the consultants embedded at the district level, will take a lead and carry out a participatory monitoring of project performance, impact, efficiency. A community meeting will be held on a quarterly basis where villagers will discuss their perceptions on the efficiency of project support, suggestions they may have to improve the efficiency or alternative options, and any negative impact that has occurred and remains to be resolved. Such meetings will also be used by the project to assess the level of understanding and ownership of villagers to PSFM and alternative livelihood development, as well as changes in people's attitude and behavior. These participatory monitoring efforts will not be stand alone activities but will be linked to the overall project monitoring and evaluation framework.
- 2) **Participatory Monitoring and Evaluation.** The project will carry out an annual meeting at the district level where village representatives, including both a representative of VFLC and another villager nominated by villagers, will present their perspectives and opinions collected through the village self-monitoring process. If the VFLC representative is a male, then the second village representative should be a female, or the vice versa. If a village consists of multiple villages that have been consolidated, at least one representative of each hamlet will also participate. Village level meetings will precede the annual district level meeting, in participation of Village Grievance Units, where perspectives of villagers will be discussed and outstanding grievances or issues that are

raised to VGU frequently will be reported. The PSFM teams and VLD teams supporting respective villages will support the village level meetings, paying particular attention to ensure vulnerable people and the minority ethnic groups from each hamlet will meaningfully participate in the village level meetings.

This district level meeting will be organized by DAFO and supported by the project Forest team and the Livelihood team as well as the consultants embedded at the district level. At the meeting, village representatives will be encouraged to share their perspectives on project performance, suggestions for improvement, outstanding grievances, and other relevant issues. Measures to improve project performance and resolve outstanding grievances will be also discussed and agreed. Minutes will be taken and kept in the project file, and progress on agreed actions will be discussed in the meeting to be held in the following year.

- 3) **Project monitoring.** Project implementation will be regularly supervised and monitored by the relevant Project Assistants. The consultants hired by the project and embedded at the district level will prepare a quarterly progress report and describe their observations in project performance including on issues related to safeguards, which will be kept in the project file for possible review by the World Bank. The National Project Management Office (NPMO) will supervise and monitor the process at least one time per year and include the results in the Project annual reports to be furnished to the World Bank. The Project staff in close consultation with local government and project beneficiaries will establish a set of practical monitoring indicators in line with the project objectives. Indicators will cover at least the following aspects of the project:
 - Budget and time frame of implementation
 - Delivery of project activities (project inputs)
 - Project achievements in developing alternative natural resource use and livelihoods (project outputs and outcome)
 - Consultation, Grievance and Special Issues
 - Monitoring of benefits from project activities.
- 4) **Forest inspection department.** Department of Forest Inspection (DOFI) has clear mandate to monitor encroachment and timber extraction in the AF-SUPSFM target areas. DOFI will be supported to implement its Strategic and Tactical Enforcement Patrol Program (STEPP) especially in areas of greatest risk.

14.2 External monitoring

External monitoring: Project activities will be subjected to external monitoring by appropriate agency and/or an independent qualified individual consultant or a team as required. The external monitoring agency or consultants should be

hired under terms of reference that specify frequency of monitoring, sampling and interview methods, and reporting requirements. Monitoring reports will be maintained by SUPSFM monitoring team and made available to the World Bank supervision team. External monitoring will take place at least once a year, focusing on process indicators, output indicators as well as impact indicators.

15 Appendices

15.1 References

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- A Social Safeguards Assessment and Methodology for SUFORD-SU
- Legal Review of the Framework and the Current Practice for Salvage Logging in Lao PDR
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