



PROJECT IDENTIFICATION FORM (PIF)¹

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	Strengthening protection and management effectiveness for wildlife and protected areas		
Country(ies):	Lao PDR	GEF Project ID: ²	4650
GEF Agency(ies):	WB (select) (select)	GEF Agency Project ID:	P128392
Other Executing Partner(s):	Government of Lao PDR	Submission Date:	December 2011
GEF Focal Area (s):	Multi-focal Areas	Project Duration (Months)	60
Name of parent program (if applicable):	Greater Mekong Subregion Forests and Biodiversity Program (GMS-FBP)	Agency Fee (\$):	614312
➤ For SFM/REDD+ <input checked="" type="checkbox"/>			

A. FOCAL AREA STRATEGY FRAMEWORK³:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
(select) BD-1	1.1 Improved management effectiveness of existing and new protected areas	Output 1.1. New protected areas (number) and coverage (hectares) of unprotected ecosystems. Output 1.2. New protected areas (number) and coverage (hectares) of unprotected threatened species (number).	GEFTF	4034932	8900000
(select) BD-1	1.2 Increased revenue for protected area systems to meet total expenditures required for management	Output 1.3. Sustainable financing plans (number)	GEFTF	360000	500000
CCM-5 (select)	5.1: Good management practices in LULUCF adopted both within the forest land and in the wider landscape	Output 5.1: Carbon stock monitoring systems established Output 5.2: Forests and non-forest lands under good management practices	GEFTF	401922	800000
(select) LD-3	3.1: Enhanced cross-sector enabling environment for integrated landscape management	Output 3.1 Integrated land management plans developed and implemented	GEFTF	20000	200000
(select) LD-3	3.2: Integrated landscape management practices adopted by local communities	Output 3.2 INRM tools and methodologies developed and tested Output 3.4 Information on INRM technologies and good practice guidelines disseminated	GEFTF	58637	2000000
(select) SFM/REDD-2	2.1: Enhanced institutional capacity to account for GHG emission reduction and increase in carbon stocks.	Output 2.1: National institutions certifying carbon credits (number). Output 2.2: National forest	GEFTF	925164	3400000

¹ It is very important to consult the PIF preparation guidelines when completing this template.

² Project ID number will be assigned by GEFSEC.

³ Refer to the reference attached on the [Focal Area Results Framework](#) when filling up the table in item A.

		carbon monitoring systems in place (number).			
(select) SFM/REDD-2	2.2: New revenue for SFM created through engaging in the carbon market	Output 2.3: Innovative financing mechanisms established (number). Output 2.4: Carbon credits generated (number).	GEFTF	700000	1000000
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)	Others		(select)		
Sub-Total				6500655	16800000
Project Management Cost ⁴			GEFTF	325033	800000
Total Project Cost				6825688	17600000

B. PROJECT FRAMEWORK

Project Objective: increase capacity for effective protected area management, wildlife conservation and control of illegal wildlife trade through an SFM/REDD+ and multiple benefits approach						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Cofinancing (\$)
	(select)			(select)		
1. Supporting protected area management, wildlife conservation, REDD and sustainable forest management (\$3,394,932 from BD-1; \$401,922 from CCM-5; \$78,637 from LD-3; \$1,625,164 from SFM/REDD-2)	Inv	(i) enhanced regional sharing of information and knowledge on best practices (ii) increased planning and prioritisation for species and protected areas, nationally and at site level (iii) monitoring and evaluation of protected area and species management, and of threats (iv) improved understanding at high levels of government on the issues that affect endangered species and their protection (v) decrease in threats from infrastructure to protected areas (vi) increased participation by local communities in protected area management (vii) increased	(i) Participation in the Adaptable Program Lending's Regional Virtual Centre for Excellence for wildlife (ii) Transboundary protected area management (iii) Management plans developed/updated for all 4 NPA project sites, using integrated land management methods (iv) Ministerial Regulations on PA Management Guidelines and Ecotourism developed and endorsed (v) list of protected and management plant species for Laos developed and endorsed (vi) standardised reporting system endorsed and operating from NPA Units to central and province for at least 10 NPAs (vii) Endangered Species Committee established, embedded in high levels of government	GEFTF	5100655	12200000

⁴ GEF will finance management cost that is solely linked to GEF financing of the project.

		<p>understanding of the value of natural resources and protected areas, and the issues with illegal poaching and wildlife trade, in local communities</p> <p>(viii) improved livelihoods in target villages</p> <p>(ix) REDD+ yeilds benefits including increased income to target villages, decreased forest loss, biodiversity benefits</p>	<p>(viii) Smart Green Infrastructure cross sectoral committee and process established and operational</p> <p>(ix) standardised systems for species and threats monitoring endorsed and operational at project sites (eg SMART or MIST)</p> <p>(x) village agreements on natural resource management developed and ratified for at least 50% of all enclave villages in all 4 NPA project sites</p> <p>(xi) on ground and mapped demarcation of NPA boundary, core zone and management zone for all 4 NPA project sites</p> <p>(xii) at least two ecotourism pilots established</p> <p>(xiii) co-management bodies established at all 4 NPA project sites</p> <p>(xiv) baseline surveys for tiger presence in Xe Pian NPA</p> <p>(xv) national and site level carbon stock monitoring methods developed</p> <p>(xvi) methodology developed and piloted in at least one NPA for REDD+</p> <p>(xvii) verified carbon credits generated</p>			
<p>2. Addressing the illegal national and regional wildlife trade</p> <p>(\$1,000,000 from BD-1)</p>	TA	<p>(i) strengthened capacity of insitutions mandated with wildlife trade control</p> <p>(ii) decrease in illegal wildlife and timber trade</p> <p>(iii) improved capacity for on-ground wildlife poaching and trade control in/around project sites</p> <p>(iv) improved coordination between Laos-Vietnam on controlling illegal trade in wildlife and timber</p>	<p>(i) DoFI staff trained to implement the Wildlife and Forestry Laws, and Lao WEN, CITES SA and CITES MA staff trained to undertake their roles and obligations</p> <p>(ii) Patrols in all 4 NPAs operating in strategic locations</p> <p>(iii) Mobile teams established and operating investigations, stings and patrols at key market and restaurants patrols in at least 4 provinces</p> <p>(iv) Law enforcement operates at key border areas and checkpoints in at least 2 provinces</p> <p>(v) Laos and Vietnam joint patrols occur at at least 2</p>	GEFTF	1000000	4000000

			border areas			
3. Awareness raising, and communication	TA	(i) strong understanding of the design and concepts of the project amongst stakeholders, including community, line agencies and non-government agencies, at central level and at province, district and local level for project site NPAs	(i) Materials developed to disseminate key messages on forest and wildlife conservation (stickers, posters, other media) (ii) Dissemination of REDD model to other protected area managers in Laos and regionally	GEFTF	400000	600000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Sub-Total					6500655	16800000
Project Management Cost ⁵				(select)	325033	800000
Total Project Costs					6825688	17600000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
GEF Agency	World Bank - IDA	Grant	12000000
GEF Agency	World Bank - FCPF	Grant	3400000
National Government	Government of Lao PDR	In-kind	550000
CSO	Wildlife Conservation Society Laos	In-kind	350000
CSO	WWF Laos	In-kind	300000
GEF Agency	World Bank - FIP	Grant	1000000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Cofinancing			17600000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
WB	GEF TF	Biodiversity	Lao PDR	4614679	415321	5030000
WB	GEF TF	Climate Change	Lao PDR	422018	37982	460000
WB	GEF TF	Land Degradation	Lao PDR	82569	7431	90000
WB	GEF TF	Multi-focal Areas	Lao PDR	1706422	153578	1860000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0

⁵ Same as footnote #3.

(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				6825688	614312	7440000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

² Please indicate fees related to this project.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 the [GEF focal area/LDCF/SCCF](#) strategies:

The proposed project is consistent with the GEF strategies for Biodiversity, Climate Change, Land Degradation, and REDD/Sustainable Forest Management. The project activities work towards the GEF focal area goal for biodiversity: conservation and sustainable use of biodiversity and the maintenance of ecosystem goods and services. The project will improve the sustainability of the protected area system in Laos, in line with **BD-1** to (i) improve management of existing protected areas and to (ii) increase revenue for protected areas. The project will work with central government, and with provincial and local staff at four National Protected Areas to build capacity for development of management plans, protecting resources, and incentivizing local communities towards stewardship and sustainable use of the protected area wildlife and habitats. The project will develop sustainable long term financing mechanisms, such as PES and ecotourism, that link the community with wildlife and habitat protection, at project sites. The project is consistent with the **Climate Change Mitigation Objective 5**, to promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry. Climate change mitigation funds will be used to do carbon stock monitoring at project protected area sites and will contribute to on-ground activities to reduce forest loss. The project is in line with **LD-3: Integrated Landscapes**, to reduce pressures on natural resources from competing land uses in the wider landscape, by working participatively with villages to do integrated land management towards livelihood development coupled with forest and wildlife protection. **Sustainable Forest Management/REDD Objective 2**, which seeks to reduce pressures on forest resources and generate sustainable flows of forest ecosystem services, is a key objective of this project. A pilot on REDD+ linked to wildlife conservation will be developed in at least one of the National Protected Area project sites, to implement incentives for sustainable forest management, and will coordinate under the Forest Carbon Facility Partnership in developing methodologies for carbon stock monitoring.

A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:

A.2. national strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

The project is consistent with several national priorities and plans. The project contributes to the implementation of the *National Biodiversity Strategy and Action Plan to 2020* developed by the GoL in cooperation with UNDP and GEF-financed, particularly Objective 2: Improve biodiversity management and monitoring; and Objective 4: Increase public awareness of and encourage participation in the sustainable management of Biodiversity. The project is in-line with the Department of Forestry's 20-year *Forest Management Strategy to 2020* which calls for improvement of NPA management, specifically development of management plans, improving financing, promoting ecotourism, capacity building for managers and providing basic equipment needed to manage individual protected areas (section 5.2.7).

The FSP is consistent with the *Lao PDR Tiger Action Plan, 2010*, developed by the Department of Forest Resource Management (DFRM) with input from all stakeholders and other government sectors, and funded by the Global Tiger Initiative, and formally endorsed by the Minister of Agriculture and Forestry. It is the first species action plan to be officially endorsed by Lao government. The project supports the Priority Actions Programs to achieve long term strategic goals for tiger conservation outlined in the *National Tiger Recovery Program*, developed by Government of Laos, with input from WCS, WWF and World Bank,

and developed as part of the GTI process, also endorsed by the Lao government. This FSP draws from the background work and the goals of the TNAP and the NTRP; specifically the goals of (i) increase public awareness and support for recovery and conservation of wild tigers and their habitats, (iii) increase and make effective the enforcement of national regulations and international conventions to stop the killing of tigers and to regulate illegal harvest and trade of tiger prey, (iv) increase national cross-sectoral cooperation for the recovery and conservation of wild tigers and their habitats, and (vii) strengthen protected area organization, capacity and sustainable financing to effectively implement management activities to reduce threats to tigers and prey at priority source sites in Class I and II tiger conservation landscapes. This FSP addresses all three core areas identified as priorities by DoF as part of GEF/UNDP's program on *Supporting Country Action on the CBD Programme of Work on PAs* (2008) to improve the effectiveness of Lao's PA system: (a) securing financial sustainability; (b) building capacity to address long-term needs; and (c) creating better governance (particularly activity 1.4.4 develop management plans for NPAs).

The sustainable protected area management component of this FSP is consistent with the national legal instruments within the *Forestry Law No. 01/2007* and the *Wildlife Law No. 01/2007*. The wise management of natural resources – the core of this project - is one of the three pillars of the 2005 *National Growth and Poverty Eradication Strategy*. The FSP supports national priorities for community-based ecotourism development, as outlined in the *National Ecotourism Strategy and Action Plan 2004 – 2010*. The project is aligned with the recently approved *Readiness Preparation Proposal (RPP)*, which notes that the main cause of emissions from Laos is from the land use, land use change, and forestry (LULUCF) sector, and emphasises the importance of sustainable management and avoiding loss of existing forest. The *National Climate Change Strategy and Action Plan 2020* also refers to the importance of REDD and sustainable forest management.

B. PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

Lao PDR (Laos) is a sparsely-populated least-developed country in south-east Asia. Forest covers around 40% of the nation, and these forests harbor some 1200 animal species, several of which are near-endemic and rare, and a number of endangered species, including the Indochinese Tiger and Asian Elephant. Almost 15% of the country's land area is under the national protected area system. Designation of protected areas followed extensive data collection to determine sites of high conservation value and to include 5-20% of every ecosystem found in Laos (IUCN, 2004). The protected area system hosts a very high mammal diversity, including 13 species of diurnal primates, two canids, two bears, eight cats, nine deer and six bovids, among other mammals.

Wildlife throughout Lao PDR is declining. The loss of these species will have a global impact on overall biodiversity, particularly for endangered species, and will negatively impact local forest ecology and the sustainable subsistence lifestyles of communities living inside and near protected areas.

The two key reasons for these declines are (i) over-hunting wildlife and over-collection of non-timber products and (ii) habitat conversion. Forests are being emptied of wildlife and valuable non-timber forest products, driven by unsustainable over-hunting and extraction for consumption by local people, and illegal hunting or collection by outsiders for trade in medicines, meat, pets and trophies. Habitat conversion is occurring due to encroachment by agriculture and plantations, development such as roads, hydropower and mines in and next to protected areas, and logging. The root causes of these two problems are that: (a) villagers living near the protected areas are not aware of the link between their actions, for example, use of non-traditional hunting technologies (e.g. guns, flashlights, steel snares, nylon nets) and decline

in wildlife numbers; (b) access to markets for wildlife and non-timber forest products has improved; (c) many villagers lack alternative livelihood options; (d) increasing demand for wildlife and non-timber products in the growing middle class in urban Laos and in neighboring Vietnam and China is driving an increase in poaching wildlife and non-timber products; (e) government sectors and private sector lack of awareness of location and values of protected areas; (f) while poaching and habitat loss is increasing in prevalence, the capacity and resources for law enforcement in and around protected areas, in terms of prevention, detection and suppression of illegal wildlife poaching and trade and habitat clearance, has not matched the threat; and (g) protected areas lack staff numbers, staff capacity and skills and resources to address root causes of biodiversity loss, such as patrols and investigations to limit poaching, developing livelihoods and incentives linked to behavioral change away from over-use of forest resources in the local community, knowledge of land use zoning, conservation management planning and implementation, and community awareness raising techniques.

Deforestation and degradation is also a key issue to protected area and forest landscape conservation in Laos. The national deforestation rate is 0.84% per year, and this forest loss is occurring in all forest types, including the national protected areas. Forest loss and degradation in protected areas and other forest categories is driven by development (such as conversion of forest land for development of roads, hydropower, mines and plantations), shifting cultivation and agricultural encroachment into forested areas, and by illegal or unsustainable logging.

The proposed GEF FSP aims to address these root causes of biodiversity and forest loss in protected areas, through promotion of, and capacity building for, protected area management, wildlife protection and illegal wildlife trade control, and sustainable forest management, at the regional and national level, and also through activities in four National Protected Area (NPA) sites:

- Xe Pian NPA in southern Laos (Annex 1) is in a Tiger Conservation Landscape (TCL) Class I. Baseline activities by the NPA Management Unit with support from WWF Laos, include patrolling and coordinating with local communities. There are also activities in the surrounding area of the NPA through the ADB-GoL Biodiversity Corridors Initiative. However, the site lacks a current and approved management plan, lacks scientific surveys of the tiger and prey populations (a priority of the Lao NTRP), and requires a scale up of activities to protect the forest from encroachment and wildlife from over-hunting. A preliminary investigation into REDD feasibility was conducted for Xe Pian, and it appears the site may be REDD viable, but more investigation (firstly, a feasibility study) is required, and this is not included in the baseline.
- Nam Kading NPA in central Laos, part of the Annamite Mountains and a TCL Class II, will be a project site. This site has baseline activities by the NPA Management Unit with support from WCS, and some funding from a hydropower company for part of the NPA that forms the watershed. Activities include sub-stations and staff for patrolling, wildlife surveys, and an approved management plan. The project was supported during GEF 3 and the Government of Laos has prioritised this site for GEF 5 funding, due to lack of recurrent financing for the site, and the high biodiversity value of the site. The NPA has gaps in terms of coverage by patrol teams, and co-management initiatives with enclave villagers. Nam Kading has been the subject of preliminary analysis on REDD feasibility, and appears to be likely REDD viable, but more investigation (including a feasibility study) is required to move forward, and this is not included in the baseline.
- Nam Et Phou Louey NPA, the last known tiger breeding site in Indochina, will be a third project site, funded through IDA co-financing (not GEF 5). Baseline activities include patrolling, tiger and prey surveys, ecotourism, and community engagement in forest and wildlife protection. A REDD+ pilot is planned, with a Feasibility Study

almost complete. However, the site lacks enough finance to undertake the full level of protection required, especially due to potentially increased threats at the site due to recent development in the area, and there is limited linkage to the forested area adjacent in Viet Nam. IDA funded activities will focus on filling gaps in the baseline activities and on transboundary protected area initiative with an adjacent forest site in Viet Nam.

- The fourth NPA site to be funded through the GEF, will be determined by a selection process with government, NGOs and stakeholders during project pre-appraisal. NPA site selection will be determined based on factors that were used to select the previous mentioned three sites, such as biodiversity value, ecoregion representation, existing capacity, organisational links, potential for sustained financing (REDD, ecotourism, PES), strategic conservation value (transboundary links to Vietnam, connectivity), recognition as Tiger Conservation Landscapes Class I or II, and size.

At the national level, limited conservation capacity and funding and a lack of management plans, mean that most of the 24 National Protected Areas (NPAs) exist as “paper parks”. This is coupled with a high level of threat from forest conversion (from logging, infrastructure and encroachment) and poaching of wildlife and high-value timber. Baseline funding for protected areas is 3 billion kip (USD 375,000) for operation for FY 10/11, and at each national protected area unit there is 2-3 staff, and around ten staff in conservation at the central level. The baseline government budget for the new Department of Forest Protection, mandated with law enforcement regarding forests and wildlife, in FY 2010/11 is around \$250,000, for all national activities. Significant funds have not been available before for activities on controlling illegal wildlife trade in Laos.

The current baseline for REDD+ in Laos includes initial institutional set up (such as the REDD+ Taskforce, with plans for a REDD+ Office) and capacity (built through Phase I of FCPF, preparation for the Forest Investment Plan, and through projects funded by GIZ/KfW and JICA). As yet there is no Monitoring, Reporting and Verification (MRV) system for Laos, and through FCPF Phase II national standards and guidelines for verification will be developed. It is expected that this will ideally use national coverage with medium-resolution imagery combined with sample measurements from ground inventories to high resolution imagery. Initial analysis has been undertaken at Nam Kading NPA (by WCS) and at Xe Pian NPA (by WWF). A pre-feasibility study of the Nam Kading NPA indicates a **60,000 tCO₂ annual emission reduction potential, based upon the assumption that approximately 160 ha of forest with an average carbon content of 373 tCO₂ / ha is lost every year at Nam Kading NPA, which is an area of 150,00 ha** (Draft Report, WCS). Initial findings from a pre-feasibility study for Xe Pian NPA suggest that a REDD+ project in this area could result in emissions reductions of around 14,800 tCO₂ annually (Draft Report, WWF). This was calculated **for an area of 240,000 ha, however, the full NPA area will not be included in the REDD+ pilot. Current planning suggests that around 80% of the NPA (around 200,000 ha) will be included in the pilot, as high elevation areas, which are inaccessible and not at risk of deforestation or degradation, will be excluded. During the project period it will be necessary to further refine the baseline assumptions on which these calculations are based. Representative reference areas will be selected and baseline rates and location of deforestation will be modeled consistent with international best practice methods. Existing VCS REDD methodologies will be consulted and used in this regard. Furthermore, risks of leakage and non-permanence will also be assessed to arrive at a more accurate quantification of the project’s carbon credit potential.**

The baseline project, through government, WWF and WCS funding, will continue to address wildlife poaching inside protected areas, conduct some wildlife monitoring and raise awareness of communities on wildlife conservation. However, these budgets do not cover in full the requirements for site management or for REDD+. There is a need for: increased patrols to reduce illegal poaching and forest encroachment, tiger and prey baseline surveys and

monitoring, reduction of forest loss to conversion for agriculture and shifting cultivation in the protected areas, and establishment of national systems required for REDD+. There is no baseline for tackling the illegal wildlife trade chains beyond protected area sites in Laos. There is a need to fill this gap by tackling the illegal trade by middle men, in the province markets, and at key border points. These are the gaps to be filled by this proposed project. The project, by blending GEF TF and IDA funds, will be the largest project on protected areas and wildlife conservation in Laos to date, and this will raise the profile of both wildlife and protected areas, and the management and law enforcement institutions involved.

A number of activities under this project will lead towards sustainability of project outcomes beyond the period of GEF/IDA assistance, including:

- An enhanced institutional framework for the conservation sector in the country. The agency responsible for protected areas, Division of Forest Resource Conservation, under Ministry of Agriculture and Forestry has recently (October 2011) been upgraded to the Department of Forest Resources Management (DFRM) under the new Ministry of Natural Resources and Environment (MoNRE). It is anticipated that this project will incentivize and support a similar upgrade and structure at the province and district levels. The institutions for law enforcement related to forests and wildlife will also be strengthened under this project.
- Strengthened policy framework at the national level, put into practice at the local levels, will enhance the tools for conservation and law enforcement.
- Technical capacity of central government (DFRM, Department of Forest Inspection, CITES, Lao WEN) and local staff will be enhanced to lead and implement effective conservation in the country.
- Protected area project sites will be demarcated using participatory methods with the local community, and this clear zonation will assist to better protect sites from development activities.
- A guiding plan for the national protected area system, and management plans developed or updated, finalized and endorsed at Ministry level, for the NPA project sites, which will assist and drive ongoing management.
- Establishment of financial instruments to create an ongoing flow of benefits to fund protected area management and community incentives for biodiversity protection after GEF assistance ends, including ecotourism in at least two sites and REDD+ in two sites.
- Build ownership and co-management of the protected area conservation in the local community through fostering village conservation units, improved livelihoods associated with sustainable use of forest resources, and community inclusion in law enforcement.

B. 2. [incremental /Additional cost reasoning](#): describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated [global environmental benefits](#) (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The key incremental activities that the GEF TF will bring to this project are resources that can assist to meet capacity gaps that currently prevent effective action in Laos on biodiversity conservation.

By providing funding for best practice protected area and wildlife management and REDD/SFM, the GEF TF money will showcase successful models and illustrate the need for government core budget allocation to protected area management and control of illegal wildlife and timber poaching and trade. The GEF TF will be complimented by national IDA funds, which would be targeted at livelihood development linked to conservation outcomes, and regional IDA, which would be targeted at transboundary collaboration at protected area sites at the Lao-Vietnam border and on bilateral and regional cooperation on illegal wildlife and timber

trade control.

Three related components will deliver incremental activities to the baseline project:

Component 1: Supporting protected area management, wildlife conservation, REDD and sustainable forest management

Sub-component 1.1: Regional promotion of protected area management and wildlife conservation, by:

(i) A Virtual Regional Center of Excellence (VRCE) for protected area management and wildlife, by coordinating with agencies executing the APL on Strengthening Regional Cooperation for Wildlife Protection in Asia to create a virtual network of scientists and practitioners to share and disseminate knowledge, expertise and best practices through a knowledge platform, training modules, workshops and seminars.

(ii) DFRM and NPA Management Units coordinating with counterpart Vietnamese government agencies to foster transboundary protected area cooperation at NPA project sites which have a boundary with Vietnam (e.g. Nam Et Phou Louey NPA).

Sub-component 1.2: Capacity building and support at the national level for NPA forest and wildlife conservation and management, by:

(i) planning and prioritisation for effective management of the protected area system, including TA, staff training and support for workshops for: developing or updating management plans for the NPA project sites (plus other priority NPAs); creating a 'business plan' for NPA management, which analyses roles and responsibilities for staff, staff numbers and resources, to support action on PM Agreement 25/PM regarding forest management (3 April 2007);

developing a series of Ministerial Regulations to provide detail to support the upcoming Prime Minister Decree on Protected Areas, including regulations on (a) guides for site management, and (b) ecotourism; and producing a list of protected and management plant species for Laos;

(ii) building capacity through TA, staff training and workshops for monitoring and evaluation of species and protected areas and their management, including developing and implementing standardized reporting from NPA Management Units to Central (DFRM) and Province; use of METT (Management Evaluation Tracking Tool) for all NPAs; wildlife surveys to monitor populations and to confirm whether tigers exist and in what numbers in key NPAs in TCL I landscapes; working in partnership with FCPF and REDD Taskforce to develop methods and train staff in national carbon stock monitoring;

(iii) establishment of an Endangered Species Committee (under Environment Committee or MAF) to facilitate high level and cross sectoral government engagement on endangered species issues;

(iv) building capacity within DFRM and other sectors for smart green infrastructure and managing systemic threats to protected areas, particularly habitat loss to forest clearance for development by conducting an investigation into, and analysis of, proposed and planned infrastructure and other development for protected areas to enable cross-sectoral dialogue and planning; establishing a mechanism and/or committee for coordination amongst key sectors to avoid inappropriate and ill informed development in/around protected areas; using the concepts of smart green infrastructure and payment for ecosystem services, hold a number of workshops and trainings with cross sectoral and central to district level partners; pilot initiatives in Smart Green Infrastructure and PES.

Sub-component 1.3: Support and capacity building for protected area management, forest and wildlife conservation and REDD pilots at the project NPA site level:

(i) building capacity for site-level planning and monitoring, by: training protected area managers to develop yearly work plans based on management plans; implementing a process of species and habitat prioritization and training and equipping staff to implement standardized methods to monitor key wildlife populations and habitat; implementing SMART Patrol/MIST

for data recording and reporting from patrol efforts; developing methods and training staff in carbon stock monitoring at site level

(ii) engaging stakeholders, including local community, in biodiversity protection through: awareness raising in enclave and surrounding villages, and in target communities in local area, regarding values of wildlife and habitats; developing village agreements and performance based incentives linked to improved natural resource management and protection for local communities through ecotourism pilots and NTFP sustainable harvest and sales group pilots; participative demarcation of NPA boundary, village boundaries inside NPAs, and NPA core and management zones; conservation compatible livelihood development and promotion of community based resource management; interventions (such as livestock assistance) to reduce human-wildlife conflict incidences; and establish co-management committee at each NPA which includes ket (cluster of villages) heads, youth union and women's union representatives, District Forestry, District Governors Office, NPA Management Unit.

(iii) Develop and implement a REDD+ pilot for the voluntary carbon market, by financing feasibility studies for Nam Kading NPA and Xe Pian NPA, and based on this, establish a pilot project at both sites, if REDD+ is found to be feasible. **GEF Funds will be used for the three main cost categories of a carbon offset project: (i) carbon project development costs (e.g. REDD+ Project Document, baseline carbon study of the pilot area), (ii) mitigation activities, and (iii) ongoing monitoring and verification of the project's effectiveness (e.g. reporting and verification for the voluntary market through VCS and CCBS).** GEF funds will be used to cover the initial carbon project development costs in order to register the project under the relevant carbon standards, so that the project can generate carbon credits. Mitigation activities for the first several years of the project will also be covered by the GEF, until carbon finance is generated. The costs for mitigation activities include NPA management, land use planning, and community incentives such as agricultural extension. Carbon revenues, anticipated for year 4 or 5 of the project, will be re-invested into the project as a way of sustainably financing the ongoing mitigation, monitoring and verification costs. The project intends to target voluntary carbon market buyers once the project has achieved registration under the relevant carbon standards. The typical profile of a voluntary carbon market buyer includes corporates wishing to achieve carbon neutrality or pre-compliance buyers – bodies or entities looking to purchase offsets in anticipation of future cap and trade regulation. As a way of diversifying the project's possible portfolio of credit buyers, especially in the case where sales into the voluntary market prove difficult, the project will also seek out additional sources of carbon finance, such as bi-lateral or multi-lateral bodies interested in supporting REDD readiness activities. Through this sub-component, GEF CCM and SFM/REDD funds will contribute to reduction of forest loss by improving protection and community engagement in wildlife and forest protection: i.e. relying on, but not duplicating activities outlined in 1.3.i and 1.3.ii (particularly land-use planning and delineation and titling of village and household use areas, with local participation, development of alternative livelihoods, increased agricultural productivity), and initial incentives to villages found to be driving deforestation/degradation to instead protect forest. The project will partner with FCPF. FCPF will operate nationally to develop national systems for REDD+. Co-financing from FCPF Phase II (2012-2015), will develop a national system for REDD+, by developing: capacity for GHG surveys; an integrated forest information system; a carbon registry; and national standards for MRV systems. FCPF relies on the lessons and outcomes from site-based projects to be able to develop national systems. As such, the GEF Climate Change Mitigation incremental value is in assisting the site projects to develop methodology for, and implementing, carbon stock monitoring. GEF SFM/REDD incremental value includes assisting development of agreements on, and mechanisms for, carbon credit ownership and sale through awareness raising, meetings, consensus building and multi-stakeholder and donor relationship management, within various government sectors, and also to generate consensus on how to ensure revenue flows back to target villages and to the NPA management budget; with the lessons from this feeding into development of national systems for FCPF. The Forest Investment Plan will also co-finance the site-based REDD+ projects (for example, GEF

SFM/REDD incentive may fund one REDD+ site while FIP may fund the second site).

Component 1 will be executed by **Department of Forest Resource Management (DFRM)** as the lead responsible implementation agency, in cooperation with partners, particularly NPA Management Units, provincial and district Forestry and Forest Inspection offices, the REDD Taskforce, and NGOs such as WCS, WWF, IUCN and FFI.

Component 2: Addressing the illegal national and regional wildlife trade

Sub-component 2.1 Institutional strengthening of national agencies to do wildlife conservation and illegal wildlife trade control, by:

- (i) TA, training, facilities, equipment and other support to strengthen recently established institutions mandated with controlling wildlife trade, including Department of Forest Inspection (DoFI, established in 2008), and especially their Wildlife and Aquatic Division, to develop and undertake procedures in enforcement of the Forestry Law 2007 and Wildlife Law 2007, and the Lao Wildlife Enforcement Network (launched in May 2011) to become operational and have strong input from involved partners and link in with ASEAN WEN and South Asia WEN. Facilitate coordination among central, provincial and local levels for these institutions.
- (ii) TA, support and training to strengthen CITES Management and Scientific Authorities in their capacity for analytics and operational protocols to meet the requirement of the CITES agreement.

Sub-component 2.2 Training and operational support for wildlife and timber trade control at NPA project sites and surroundings in the province and border areas of the NPA project sites by:

- (i) providing support to DoFI and others to extend and operationalise the current MOU with Vietnam on “cooperation in controlling, preventing illegal trading and transporting of timber, forest products and wildlife.” This may include agencies meetings, establishing mechanisms for information sharing and joint trainings. TA, support, equipment and training will be provided to DoFI, Customs and Vietnamese partners to conduct joint patrols to improve law enforcement related to timber and wildlife trade at key border crossings and checkpoints, in the provinces in which the project NPAs are located.
 - (iii) TA, support, equipment and training to provincial DoFI, NPA Management staff and partners (district and provincial forestry and police offices, villagers) to implement best practice wildlife and forest protection in NPAs to prevent wildlife trade, including risk and priority assessments and strategic and targeted SMART patrols within NPA project sites. Additionally, mobile patrol teams to conduct investigations and market/restaurant patrols for illegal trade in the towns in the district and province in which the project NPAs are located.
- Component 2 will be executed by the partner agency in this grant, **Department of Forest Inspection (DoFI)**, with collaboration with: Lao WEN partners (e.g. Forestry, Police, Customs); CITES agencies; provincial and district staff under DoFI and partner agencies; and NGO partners such as WCS, WWF, IUCN and TRAFFIC.

Component 3: Awareness raising and communication

The third component will include activities to support the implementation of the two components described above.

Sub-component 3.1: Training of project staff in project coordination for national and regional activities and project management, including fiduciary and safeguards aspects.

Sub-component 3.2: Awareness raising and communications, including an extensive and ongoing consultation and communications process with stakeholders to develop strong understanding of, and buy in to, this project across sectors and from central to village level.

This will include disseminating information on wildlife conservation near the project sites, to complement the incentives to villagers and law enforcement work, and disseminating more widely to protected area staff and other concerned sectors in Laos and the region the findings from the REDD+ pilot described in Component 2. Support will be provided to project staff to engage in regional meetings, such as ASEAN WEN, which is not currently covered in the government baseline.

The grant recipient responsible for overall implementation will be the Department of Forest Resource Management (DFRM, under Ministry of Natural Resources and Environment), the agency with responsibility for protected areas and wildlife conservation in Laos. The Department of Forest Inspection (DoFI, under Ministry of Agriculture, Forestry and Fisheries), mandated with enforcement of the Forestry Law, 2007 and Wildlife Law, 2007 will be a partner agency to DFRM in implementation. The agencies have a good working relationship, having been under the same Ministry until recently, and already work in partnership on Lao WEN and CITES.

Global environmental benefits to be delivered by this project include effective and comprehensive management of four protected area sites of high biodiversity value, including two Tiger Conservation Landscape Class I protected areas and at least two sites with borders with Vietnamese forest areas. The project will deliver real action on illegal wildlife trade control and improved conformity to CITES, and this will provide improved protection of key wildlife and plant species. Overall, there will be improved protection of key species, such as tiger, elephant and others, and key ecosystems, such as those in the Annamite Mountains. This assists the Government of Lao PDR towards meeting their obligations and objectives under the National Tiger Recovery Plan and Tiger National Action Plan (2010), NBSAP and the CBD, ASEAN WEN and CITES. Further, it is envisioned that the models created and disseminated on REDD+ in protected areas will be replicated in protected areas internationally.

- B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF). As a background information, read [Mainstreaming Gender at the GEF.](#)":

Socioeconomic benefits to be delivered by the project include livelihood development and direct incentives for conservation schemes (through REDD+ and ecotourism) for target villages in and around the project site NPAs. Gender dimensions will be considered by enhancing both men's and women's involvement in, and benefit from, the project, and this will be taken into account during project design, implementation, and in monitoring and evaluation. This is very important in Laos, which ranks 88th of 138 countries in the 2010 Gender Inequality Index, showing there is much work needed to gain gender equity.

- B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

Risks to project objectives being achieved, and proposed measures to address the risks include:

1. Lack of interest in stakeholders, such as Ministry Energy and Mines, Ministry for Public Works and Transportation etc, in participation in a coordination mechanism to avoid incompatible development in protected areas. This will be addressed during the early stages of the project by: earliest engagement with all stakeholders
2. Project requires an increase in staff at project sites and at central government (DFRM), and there is a risk that enough qualified national staff are not available. Further, there is a risk that the additional staff would not be made permanent at project close, if government planning of recurrent budgets does not account for additional staff, and/or that additional funds are not generated through sustainable financing mechanisms.
3. Lack of market to drive sustainable financing mechanisms such as REDD+, PES, marketing

NTFPs and ecotourism. This will be addressed by conducting feasibility studies before launching any such mechanisms at project sites.

4. Revenue from sustainable financing mechanisms (REDD+, ecotourism, PES) generated in final years/after the project does not feed back to the project site from where funds were generated, given that all revenue is centralized in Lao PDR. To avoid this, the project will learn from other projects that have succeeded in revenue flow to communities and local sites, and if needed, will establish a multi sector working group on revenue flow to communities and protected area sites. The project will work closely with FCPF implementation on this issue.
5. Revenue directed to local communities from REDD+ and ecotourism is not enough to incentivize a change in behavior away from illegal poaching, logging and encroachment. To address this, more than one method will be implemented towards driving positive change in practices, towards most sustainable forest and wildlife management, such as awareness raising and also law enforcement.
6. Climate change is a risk to the conservation of the ecosystems in the protected areas, as decreased rainfall, droughts and storms may contribute to: increased pressure to clear forests to meet agricultural caused by crop failures/substitutions; and unsustainable harvesting of forest products and hunting. Mitigation against this is to increase community skills in managing offtake of wild foods while increasing domestic food production to adapt to change.

- B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

Key stakeholders in government will be the lead agency, the Division of Forest Resource Conservation, under the Department of Forestry, mandated with protected area and wildlife conservation; the other project technical agency, the Department of Forest Inspection; mandated with law enforcement related to forest and wildlife protection; NPA Management Units at project sites, who will lead activities and coordination at each project site; and the REDD Taskforce and others involved in implementation of FCPF. The key community stakeholder will be the enclave and surrounding villages at project sites, and these communities will have a role in engaging in forest and wildlife protection, linked with livelihood development and revenue generation from REDD+ NTFP marketing, ecotourism, and other ecosystem services. Non-government organizations will be involved, in providing training and technical assistance at central level and at the project sites. Key NGOs in Laos, all likely to be involved in the project, are IUCN, WCS, and WWF.

- B.6. Outline the coordination with other related initiatives:

The project will coordinate with Phase Two of the Adaptable Program Loan (APL) on Strengthening Regional Cooperation for Wildlife Protection in Asia. This regional project, including Bangladesh and Nepal in Phase One, and including Laos and Vietnam in Phase Two, has a project objective to: assist the participating governments to build or enhance shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other selected regional conservation threats to habitats in border areas. The three components of the project are: capacity building for addressing the illegal trans-boundary wildlife trade; promoting wildlife conservation in South Asia; and project coordination and communication. The project will be funded by national and regional IDA allocations, and for Laos will focus on illegal wildlife trade control, and regional efforts in wildlife trade control, transboundary protected area management at strategic sites, livelihood development linked to conservation, and capacity building.

The project also coordinates with the ongoing efforts of the Global Tiger Initiative, and the

project components described above are largely derived from the National Tiger Recovery Plan, and the Ministry of Agriculture and Forestry endorsed Lao PDR Tiger Action Plan (2010) that was developed as part of the GTI process.

The project will work closely with the Forest Carbon Partnership Facility in implementing a REDD+ pilot in an NPA site, and in capacity building at the national and site level. The project will also likely link in with the Forest Investment Program for Laos, which is currently under planning stages. FCPF will fund: training of central government staff to do GHG inventories, accounting and reporting for Land Use, Land Use Change and Forestry (LULUCF); the second National Forestry Inventory, for monitoring forest degradation (allowing progression to Tier 3 accounting); a nation-wide forest base-map; a system that integrates forests, biodiversity and carbon for all forest categories; a carbon registry for Laos; and development of national standards and guidelines for REDD+ verification – all of which are necessary for the site level REDD+ sub-projects.

FCPF requires carbon stock assessment and monitoring, combined with biodiversity monitoring, for protected areas, yet lacks funding for this activity. The GEF 5 funding will provide incremental value to FCPF by supporting carbon stock and biodiversity monitoring in two NPA sites. For sub-national monitoring, capacity building at the provincial and district levels is required, and FCPF largely relies on site projects for this. As such, this GEF 5 project will build capacity of local and provincial forestry office staff and local communities to assess carbon stock, monitor land use change, forest fire, deforestation and degradation. The project will coordinate closely with FCPF and the REDD+ Office on the methodology to be used in such trainings. So far there has been limited experience in Laos in using local communities to assess forest change and carbon (promoted as an alternative income source, and to generate local buy-in to forest protection). This is an area that the GEF 5 project will trial, and feedback lessons to FCPF/REDD+ Office.

In site management at Xe Pian NPA, the project will work in one of the same target provinces as the ADB Biodiversity Corridor Initiative, and linkages between the corridor activities and activities under this FSP in Xe Pian NPA will be made towards improved landscape conservation.

This GEF FSP will also fit under the proposed GEF GMS Forests and Biodiversity Program. This proposed national project on protected area management, wildlife and forest conservation and wildlife trade control fits well to the overall objectives of the Regional Program. The project activities contribute upwards to the GMS Forests and Biodiversity Program, by assisting achieving the aim of "enhancing the management effectiveness of high priority forest biodiversity conservation landscapes including protected area systems of the Greater Mekong Subregion (GMS)." Particularly, this FSP will achieve outcomes of the Regional Program, including support for national Tiger Recovery Action Plans; tiger and other targeted wildlife populations stabilized or increased; ecotourism piloted; livelihood support programs for communities in protected areas; development and application of forest carbon measurement, reporting and verification mechanisms; development and dissemination of good practices and model examples of landscape conservation; and development of conservation financing mechanism.

The project also cooperates with the GEF 4 MSP by including a focus on the key tiger site for Laos, Nam Et Phou Louey NPA. While GEF 5 fund will not be directed to the site, IDA funds will be used for increased activity in livelihood development towards conservation objectives at the site, and towards transboundary cooperation for protected area management, by linking in with adjacent forest on the Vietnam side. The GEF 4 MSP is currently on hold due to World Bank safeguard issues around a road being built in the protected area, and the task team and management are working to resolve the issue.

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

C.1 Indicate the co-financing amount the GEF agency is bringing to the project:

Cofinancing will be through IDA funds, at around \$4 million national IDA, which would leverage \$8 million regional IDA. Cofinance is also brought by the Forest Carbon Partnership Facility project in Laos, at \$3.4 million.

C.2 How does the project fit into the GEF agency's program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

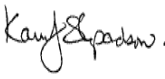
The World Bank is a leading international financial institution at the global scale in a number of sectors. The World Bank has strong experience in investment lending focusing on institution building, infrastructure development and policy reform, across all focal areas of the GEF. World Bank has been an important financier of GEF projects, with more than \$3 billion in co-financing for GEF projects since the inception of the GEF. The Bank has been an important player in efforts to combat the illegal trade in wildlife parts, and has invested in several projects to improve the effectiveness of protected area management in several countries. The World Bank has partnered with the Lao PDR government and the Wildlife Conservation Society on two previous GEF MSPs in Laos, including the Integrated Ecosystem and Wildlife Management Project (GEF-MSP- PO80765) in Bolikhamxay Province, and the Protected Area Management Models for Lao PDR: Learning and Disseminating Lessons from Nam Et -Phou Louey (GEF-MSP-P113860). The World Bank has a strong portfolio in forest management, with the Sustainable Forestry and Rural Development Project (now in its second phase), and in environmental management, through the Laos Environment and Social Project (also in its second phase). Through these projects a strong capacity for engagement in forest and environment projects has been built, and good partnerships have been developed with government and NGOs. Additionally, the World Bank, both at headquarters and in the country office, has been a leader in the Global Tiger Initiative process, which is a key contributor to the conceptual framework of this project. World Bank will be the lead agency of the Lao PDR Forest Investment Program, which allows for linkage between this FSP and the FIP. The World Bank Country Assistance Strategy for Lao PDR is currently under development and is likely to include a pillar on Sustainable Natural Resource and Environmental Management, in recognition of the importance of this area and the increased engagement by World Bank in this area. There is strong in country capacity in the implementing agency to follow up on project implementation, including environment staff who have developed and followed implementation of two GEF MSPs in Laos (IEWMP and PAMM Laos), as well as staff working on FCPF and FIP.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

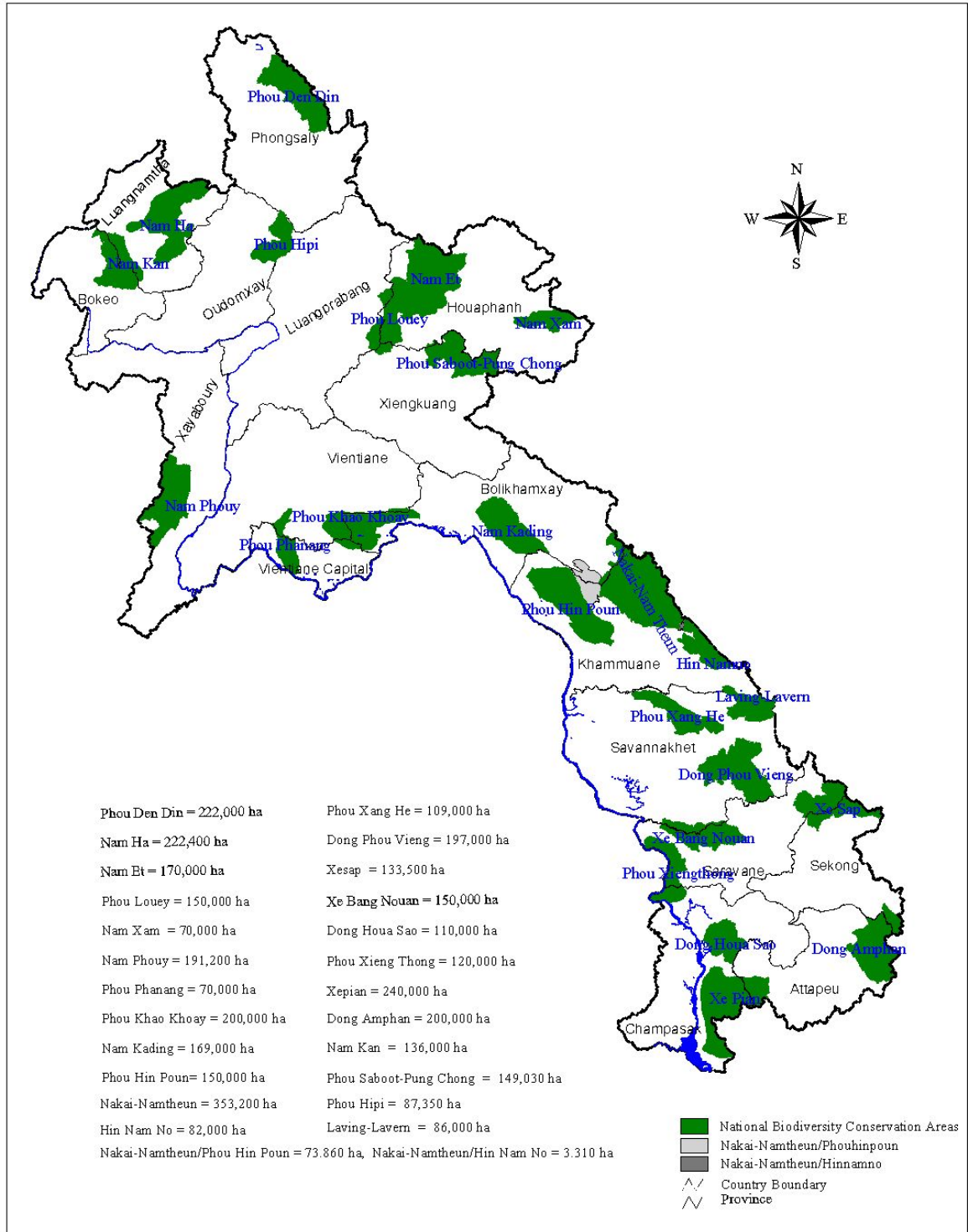
NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Khampadith Khammounheuang	OFP	MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT	09/12/11

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Karin Shepardson, World Bank		August 2011	Jiang Ru	202 473-8677	jru@worldbank.org

Annex 1: Map of National Protected Areas in Lao PDR

NATIONAL BIODIVERSITY CONSERVATION AREAS IN LAO PDR



DIVISION OF FOREST RESOURCE CONSERVATION (DFRC)