Cover page for Project/Program Approval Report			
1. Country/Region:	Lao PDR	2, CIF Project ID#:	
3. Source of Funding:	☒ FIP	☐ PPCR	☐ SREP
4. Project/Program Title:	*Protecting Forests for Sustainable Ecosystem Services*		
5. Type of CIF Investment:	☒ Public	☐ Private	☐ Mixed
6. Funding request in millions USD equivalent:	*Grant: $12.84 million*	*Non grant:*	
7. Implementing MDB(s):	Asian Development Bank (ADB)		
8. National Implementing Agency	Mr. Vongdeuane Vongsiharath Director General Department of Forest Resource Management Ministry of Natural Resources and Environment (MONRE)		
9. MDB Focal point and Project/Program Task Team Leader (TTL):	*Headquarters Focal Point:* *Ancha Srinivasan* *Principal Climate Change Specialist, Southeast Asia Department, ADB*	*TTL:* *Sanath Ranawana, Senior Natural Resources Economist, Southeast Asia Department, ADB*	

10. Project/Program Description (including objectives and expected outcomes):

This project is a part of Lao PDR's FIP investment Plan (IP) and aims to address key drivers of deforestation and forest degradation, including forest clearance by local communities for rotational agriculture and agricultural expansion by small and medium entrepreneurs for growing commercial crops (e.g., coffee). The FIP IP, which is aligned with the Lao PDR's Forestry Strategy to attain a 70% forest cover in the country by 2020, sets out strategic options to reduce emissions from deforestation and forest degradation (REDD+). The FIP IP aims to put forest land and resources under participatory and sustained protection, development, and management. The project directly contributes to the above objectives.

Since 2008, Lao PDR has participated in the international dialogue on REDD+, becoming one of the first countries to join the Forest Carbon Partnership Facility (FCPF). A REDD Readiness Preparation Proposal (R-PP) grant was approved in October 2009 under which an R-PP was developed and accepted by the FCPF Secretariat in late 2011. The REDD Readiness grant is being implemented and is expected to be completed by the end of 2017.

Lao PDR has also implemented numerous REDD+ projects since 2009. These projects cover a significant part of the forest landscape and target both the national and subnational levels. A range of REDD+ pilot approaches are being tested, giving rise to a diverse menu of practices which can be scaled up under future REDD+ implementation arrangements. Notably a significant number of projects have targeted National Protected Areas (NPAs) while a few have targeted production forests. Several projects have pursued a 'no regrets' path by adopting an integrated conservation and development approach. Overall, the donors that are active in the Lao PDR forestry sector have been fine-tuning their programs towards REDD+ with a view to:

contributing to reducing GHG emissions from deforestation and forest degradation, sustainably managing forests and conserving or enhancing carbon stocks, while enhancing co-benefits, such as biodiversity conservation, poverty reduction, and soil conservation.

Following the selection of Lao PDR as a FIP pilot country, the government requested ADB to utilize FIP funds as additional financing (hereinafter referred to as AF) to the Greater Mekong Subregion (GMS) Biodiversity Conservation Corridors (BCC) Project, which was approved in 2010 and became effective in April 2011. AF resources will be used to scale up sustainable forest management activities of the BCC project, with a view to strengthening REDD+ readiness and implementation capacity in selected districts and amongst targeted project beneficiaries.

The proposed AF adopts a jurisdictional approach and combines policy and institutional support at the provincial level with livelihood-oriented support at the village level. The AF differs from other REDD+ projects as it primarily targets watershed protection forest areas, a large part of which lies outside the State Forest Areas. This is also one of the few REDD+ projects focusing on the Southern part of Lao PDR.

The original BCC project aims to support climate resilient sustainable forest ecosystems, benefitting local livelihoods in biodiversity conservation corridors. The development outcome is sustainably managed biodiversity corridors in Lao PDR. The project is being implemented in five districts in three southern provinces of Champasak, Attapeu and Sekong. The project's targets include enhancement of 3,900 ha of forest, including 800 ha of agroforestry to be established in 67 communities. It will delineate and demarcate 300 km of community forest lands and facilitate the issuance of land use certificates for 62 plots of community forest among 2,300 households.

AF funds will be used to strengthen REDD+ readiness efforts under the BCC Project. Accordingly, the development outcome of the overall project is revised to 'sustainably managed biodiversity corridors with communities ready to scale up REDD+ activities'. Within the BCC project framework, the AF activities will be implemented in 21 new villages in Phouvong district of Attapeu province and Dakcheung district of Sekong province. The areas for AF intervention were identified through a consultative process and selected on the basis of evidence that they represent areas with strongest potential to demonstrate REDD+ outcomes: (i) reducing emissions from avoided deforestation and forest degradation and (ii) promoting sustainable alternative livelihoods for forest-dependent communities. The AF funds are being effectively used to leverage the BCC Project to incorporate REDD+ readiness efforts within the broader context of REDD+ readiness efforts in Lao PDR.

The overall project has four outputs listed below:

(a) institutions and communities strengthened for biodiversity corridor management and ready to implement REDD+;
(b) biodiversity corridors restored, ecosystem services protected, maintained and REDD+ ready;
(c) livelihoods improved and small-scale infrastructure support provided in target villages; and
(d) project management.

AF funds will be used to support a set of additional interventions under each of the above outputs. Under Output 1, the AF will support REDD+ awareness and training with the objective of strengthening institutional and technical capacity at the provincial, district and local levels to implement REDD+. Activities under this output will strengthen the policy framework for implementing REDD+ at the subnational level by supporting the REDD+ task forces in Attapeu

and Sekong provinces. Output 2 will be expanded through forest restoration interventions targeting 350 ha, and forest protection activities targeting 50,000 ha. A carbon baseline and monitoring mechanism in the targeted districts will also be established. Output 3 will be expanded by implementing agroforestry and livestock support activities in 21 new villages to reduce pressure on forest areas (targeting 1,100 ha) and by converting discarded wood into charcoal as an alternative sustainable livelihood option. Additional interventions under Output 4 will support strengthening management of REDD+ projects. The project management offices at the provincial and national level will periodically monitor and evaluate the project's progress vis-a-vis the output level indicators listed in the results framework. These reviews will be the basis for refining activities under each output.

The AF will aim to bring about transformational changes in the way REDD+ is implemented at the subnational level in Lao PDR. Transformation is expected in forest-related institutions, policies, technologies, and behavior of stakeholders. Specifically, the project will

(i) strengthen institutional capacity of the Ministry of Natural Resources and Environment (MONRE) and its provincial and district counterpart offices to implement REDD+, including strengthening capacity in landscape-based conservation zoning and planning, participatory land use planning, and REDD+ readiness conditions [i.e. establishing monitoring, reporting and verification (MRV) arrangements and reference emission levels (RELs)] ;
(ii) support the advancement of REDD+ policy in Lao PDR, specifically by integrating REDD+ within the biodiversity conservation policy framework;
(iii) enhance the use of appropriate technologies in REDD+ implementation, such as remote sensing, GIS and spatial planning tools;
(iv) support the effective involvement of the private sector in addressing deforestation and forest degradation, especially by working with concessionaires of hydro-power projects located downstream of the project area; and
(v) enhance capacity of local communities to participate in REDD+ by creating awareness and supporting community-based sustainable forest management and sustainable alternative rural livelihoods.

11. Consistency with Investment Criteria:

(a) Climate change mitigation potential

The Land Change Modeler (LCM), a spatially explicit land use change model of the IDRISI software (Version "Selva"), was used to estimate future location of deforestation and forest regrowth in the project area on the basis of historical land use change data. The output was a land cover map in the year 2020, obtained as a result of the projection of the past land cover change dynamics under a business-as-usual scenario. By comparing the 2020 and the 2010 maps, the gains and losses for each land change category were assessed and subdivided for each district and for each village cluster (Kum Ban). The land change values were then converted to carbon emissions and removals using the biomass reference values and emission factors. The calculated emissions and removals of carbon are reported in CO_2 equivalent units (CO_2-e). Finally, carbon emissions and removals were converted to annual values and applied to the project time frame in order to compute the project specific Reference Emission Levels (RELs) for the Kum Bans targeted under the AF.

The estimation of the changes in emissions of CO_2-e considers the following:

- reduced emissions from forest that would have been cleared without the project, but remains as forest as a result of the project interventions;
- reduced emissions from forest that would have been degraded, primarily caused by uncontrolled or illegal logging, grazing and wildfire as a result of the project intervention to improve protection;
- sequestration of CO_2 by the forest that would have been cleared or degraded without the project, through growth of the trees in the forest that now remains;
- sequestration of CO_2 by trees in plantations and agroforestry systems established to restore forest cover and other purposes; and
- the type of forest that would have been cleared without the project and the corresponding carbon stocks.

Accordingly, the total net reduction in emissions over the next decade as a result of FIP resources is estimated to be 970,000 tons CO_2 equivalent, as shown in Table 1.

Table 1: Estimates of Net Reductions in Emissions of CO_2 in the Project Areas

Years after project commences	Reforestation (planned - 350 ha)	Agroforestry (planned - 1100 ha)	Avoided deforestation & degradation from protecting existing forests	Avoided deforestation from growth of trees in primary and secondary forests	Avoided shifting cultivation	Total annual emission reductions
1	410	190	9,383	91	441	10,516
2	1,797	1,100	18,767	182	1,685	23,531
3	4,727	3,696	28,150	273	2,778	39,626
4	9,544	9,726	37,534	365	3,811	60,979
5	15,653	18,126	46,917	456	4,810	85,962
6	22,022	27,588	56,301	547	5,787	112,244
7	28,001	36,653	65,684	638	6,750	137,726
8	34,642	40,671	75,067	729	7,703	158,812
9	41,110	34,614	84,451	820	8,647	169,642
10	48,548	18,671	93,834	912	9,584	171,549
Total	**206,455**	**191,036**	**516,088**	**5,014**	**51,996**	**970,588**

Source: Asian Development Bank estimates.

(b) Demonstration at scale

FIP funds will be used to demonstrate readiness to implement REDD+ in selected provinces under the BCC Project. Specifically, the AF will support REDD+ awareness-raising and capacity building and REDD+ policy dialogue activities (Output 1) at the provincial, district and community levels. These activities will benefit the adoption of REDD+ initiatives at scale beyond the areas immediately targeted by the BCC project. So are the activities to support conservation of forest areas with high carbon stocks and to restore forest cover in areas with high potential for maximizing carbon sequestration, soil, water, and biodiversity conservation.

Output 2 will demonstrate appropriate sustainable forest management practices that can be applied at scale at the landscape level. The provinces of Attapeu and Sekong (i.e., the Project area) alone have about 1.7 million ha of forest (the equivalent of 18% of the country's total forest area) where the REDD+ activities could be scaled up. Furthermore, these areas make up part of the Central Annamites landscape, which together with the Tri-Border and Northern Annamites conservation landscapes, are recognized for their high ecosystem service and

conservation values. These transboundary landscapes receive support from multi-lateral and bi-lateral donors as well as from conservation organizations. Hence, the potential to scale up good practices demonstrated under the AF extends beyond Lao PDR into Cambodia and Viet Nam.

The AF will also establish RELs and a MRV system applicable to local level REDD+ initiatives. This system will complement the MRV system that is being developed at the central level.

Finally, sustainable livelihood activities based on agroforestry with cash crops or pastures will be demonstrated as alternatives to rotational agriculture, which is one of the main drivers of deforestation in the area. These demonstration projects could be widely replicated across the aforementioned conservation landscapes since the majority of communities located throughout these landscapes engage in similar agricultural practices.

(c) Cost-effectiveness

The proposed approach is the most cost-effective for several reasons.

- Firstly, it will result in significant gains by adopting the 'additional financing' modality. The project implementation structure and arrangements of the BCC project were established and tested for almost five years. The incremental cost – both in terms of time and funds – of implementing the AF is therefore significantly lower than of a stand-alone project.
- Secondly, the AF will demonstrate replicable and scalable interventions that can be readily adopted with resources that Lao PDR would receive following the implementation of the REDD+ readiness activities supported by the Forest Carbon Partnership Facility (FCPF) grant. Therefore, the AF constitutes a cost-effective strategy for leveraging larger amounts for REDD+ implementation.
- Thirdly, the economic internal rate of return (EIRR) of the proposed activities is estimated at 15.1% based on the economic cost of interventions to address the drivers of deforestation and forest degradation and emission reductions estimated over a 30-year project life. The investment remains economically viable when costs are increased 10% or revenues decreased by 10%, when both of these changes are combined, or with a one-year benefit lag. In particular, EIRRs of the tested sensitive cases are in the range of 12.8-14.3%, above the threshold of 12%. This compares favorably with investments in the forestry sector.
- Despite prevailing low price of carbon in the voluntary market, the AF will position Lao PDR to take advantage of performance-based payments in future when the demand or carbon credits and the price of carbon are likely to be significantly higher.
- Finally, co-benefits from ecosystem services such as watershed protection (benefiting downstream water users including hydro-power projects and water supply), ecotourism, and biodiversity conservation will enhance the overall benefit cost ratio.

(d) Implementation potential

Implementation potential of the AF is high since it builds on arrangements already in place and functioning well for the BCC Project. At the national level the MONRE serves as the executing agency. Within MONRE, the Department of Forest Resources Management (DFRM) is responsible for the project. DFRM's capacity to implement the project has been significantly strengthened by the BCC Project for several years. The National Project Management Office (NPMO) has demonstrated its capacity to carry out routine implementation tasks and handle required due diligence and reporting functions.

The Provincial Departments of Natural Resources and Environment (PONRE) serve as the implementing agencies. The limited capacity of the Provincial Project Management Offices (PPMOs) within the respective PONREs was a constraint during the early years of implementing the BCC. This limitation was addressed during the mid-term review of the BCC Project in November 2014. Implementation progress has improved considerably since then. Nevertheless, lessons from implementing the BCC project have been taken into account in designing the implementing arrangements for the AF. Where possible, the AF aims to increase operational efficiency (such as by recruiting service providers to undertake livelihood development activities). Recognizing the capacity limitations, especially at the sub-national level, additional staff positions are proposed under the AF. Finally, the effectiveness of implementation is significantly strengthened by the presence of a good team of implementation consultants. Therefore rather than engaging a separate team of consultants, the AF will be supported by the same team of consultants but with additional inputs and a few new positions.

The national level REDD+ Task Force was initially established within the Ministry of Agriculture and Forestry (MAF). Following the creation of MONRE with responsibility for climate change adaptation and mitigation, the leading role for REDD+ was, however, assigned to MONRE. Since then, the REDD+ Task Force is chaired by the Director General of DFRM. DFRM is directly responsible for implementing REDD+ activities in and around protected areas and watershed protection forest areas. About 2.3 million ha of forest currently remain outside one of those designated forest types. In order to achieve the forest cover targets specified in the Forestry Strategy 2020, DFRM will need to address the restoration and protection of such forests by demarcating additional areas as watershed protection forest. The FIP funding will demonstrate practical and cost-effective REDD+ models, which DFRM can then implement at scale in the proposed newly demarcated watershed protection forest areas.

DFRM will ensure that the FIP supported interventions will be closely coordinated with REDD+ projects implemented by other development partners. In particular, the project would benefit from coordination with (i) the Forestry Sector Capacity Development Project (FSCAP) funded by the Japan International Cooperation Agency (JICA) which promotes stakeholder coordination among government agencies and development partners; (ii) the GIZ supported CliPAD program which is piloting a Free, Prior and Informed Consent (FPIC) process and developing a FPIC procedure and tools for jurisdictional REDD+ in selected provinces; (iii) the SUFORD project by the World Bank, which has developed participatory management guidelines for Production Forest Areas and implemented in 1.2 million hectares of production forests so far, and (iv) the UN-REDD+ Program.

(e) Integrating sustainable development (co-benefits)

Apart from the direct benefits quantified in the economic analysis, the AF will generate significant sustainable development co-benefits listed below.

- Firstly, the forest restoration and protection activities will increase the availability of non-timber forest products (NTFP) such as bamboo, rattan, fruit and resins. Other products, such as fuel wood and medicines may also be used by local communities directly.
- Secondly, the AF will enhance the biodiversity values by reducing the levels of threat to important species and possibly promoting the return of species thought to have been locally extinct. In the longer term, these achievements may increase the potential for ecotourism, which will bring financial returns.

- Thirdly, the AF will significantly enhance soil and water conservation values. These are site specific, since they depend on the proportion of an upper river basin that is protected from soil erosion and the current land-use, which determine both the quantity of the soil loss that can be avoided and the scale of the overall impact on the seasonal distribution, quality and quantity of water supply within the river basin. Hydropower operators downstream of the AF project sites have shown keen interest in collaborating with DFRM to establish a mechanism for payment for ecosystem services that would benefit the longevity of their investments.

(f) Safeguards

The project is rated as a safeguard category of B for environment, indigenous people, and involuntary resettlement. The primary focus of the AF is to maintain and restore forest ecosystems that provide critical ecosystems services benefiting local livelihoods and downstream users. This will be achieved largely through establishment of a landscape approach that allows for multiple use zones, reforestation of degraded areas, livelihoods improvements and small-scale income enhancing infrastructure as incentives for beneficiaries. Potential sample subprojects have been pre-screened to ensure conformity with project criteria which include strict adherence to safeguard regulations of the ADB and the Government of Lao PDR, including environmental and social impact on the population in general and on vulnerable groups in particular. Criteria for selection of subprojects virtually eliminated subprojects with potential significant impact on environment, and resettlement and land compensation matters. Consideration was also given during the subproject selection process to ensure that women and vulnerable groups as well as indigenous peoples would derive significant benefits from the selected subprojects and that any potential negative impact could be mitigated.

The project investments are geared towards institutionalization of provincial and local instruments that will rationalize and minimize land use conflicts by (i) reducing dependence on forests through generation of alternative livelihood opportunities; (ii) enhancing ecosystem service flows and benefits (e.g. water discharge, climate regulation, NTFPs); and (iii) harmonizing land use regimes and communities use rights over natural resources by strengthening access and tenure rights. It promotes livelihood support interventions (i.e., access to secure land tenure, community forestry, plantations, primary processing of wood and non-wood products at local level, ecological farming and ecotourism). Examples of livelihood improvement activities generated through village consultations are livestock production, agroforestry (that includes fruit trees in combination with cash crops) home gardens, reforestation, agri-plantations, rattan plantation establishment, mushroom production and the like. These subprojects will not entail land acquisition.

Social assessments conducted during the preparation of the AF indicated limited, temporary and reversible project impacts that trigger involuntary resettlement under the Safeguards Policy Statement of ADB (2009), as follows:

(i) **Temporary loss of assets/ disturbance.** Temporary loss of small areas of land due to rehabilitation/ construction works, in addition to loss of crops, trees and structures, may occur, although not expected to cause severe impacts since rehabilitation works will be carried out within existing right-of-way. Examples of disturbance may take the form of (a) removal of vegetation and disturbance to wildlife; (b) dust suspension due to construction works; and (c) depending on the final design, emissions of obnoxious gas and particulates from vehicles/heavy equipment and/or generator sets.

(ii) **Social exclusion/elite capture.** Protocols in a number of ethnic minority communities require that project entry needs prior approval of the village/ district chiefs and other such designated entities. This includes distribution of benefits, which have to be coursed through these parties. While such protocols are imperative for project entry, ultimate acceptability the project has to take stock of dynamics that may limit flow of information and deter equitable benefit distribution especially with the vulnerable population.

(iii) **Increased developmental dependency.** Village development grant arrangements as well as future local involvement in payment for environmental/ecosystems services may encourage ethnic minority dependency on donors and government institutions and may also result in complacency and/or containment of benefits to a chosen few as related to social exclusion/elite capture.

The project will generate significant positive environmental impacts. Biodiversity conservation in the project area is of global significance and will support several critically endangered species through the conservation and restoration of habitats essential to their survival.

Some of the activities have a potential for generating a few localized but manageable, negative environmental impacts. These have been identified, as well as the measures to prevent or mitigate such impacts. The project takes a sector-like approach to a number of its activities, whereby exact locations and type of activity will be determined during project implementation by the local implementation partners within the geographical boundaries and according to the project objectives. The project has been designed to take environmental considerations into account for subprojects as and when they are being formulated. A framework for environmental safeguarding of subprojects has been developed and will be applied.

The project activities that have the potential of causing minor negative environmental impacts include the forestry activities and support to livelihoods development and improvement. Identification and design of all of these activities will be finalized during project implementation. All project activities that will be defined during implementation will be subject to review for environmental impact during the planning stage, and during detailed design, construction and operation. The design, location and other characteristics of the subprojects will be amended to minimize negative environmental impacts. The activities will cover the costs for required environmental monitoring and mitigation measures. Proposed subprojects with significant environmental impacts that might alter the environmental classification of the project are not admissible. In addition to subproject-specific monitoring, there will be regular monitoring of the overall environmental performance of the project as a whole, in line with the ADB environmental safeguarding requirements. Subprojects will comply with the prevailing environmental safeguarding regulations of Lao PDR.

12. Stakeholder engagement:

During project preparation, village leaders and members from targeted villages in Phouvong and Dak Cheung districts were engaged in developing the proposed AF interventions. The AF will be implemented in Phouvong district of Attapeu Province and Dak Cheung district of Sekong Province which are among the country's poorest districts. The provinces of Attapeu and Sekong contain about 1.7 million ha of forest, the equivalent of 18% of the country's total forest area. Much of the forest in these two provinces is located in upland areas characterized by elevations of above 200 meters above sea level (m.a.s.l.) and mountainous terrain with steep slopes. Across the country, upland areas account for 25% of the population and 39% of the poor. Upland communities depend largely on natural resources and agriculture for livelihoods where

agriculture is primarily by smallholders practicing rotational cropping. Attapeu and Sekong are also amongst the provinces that have the highest levels of income disparity between upland and other districts. The village consultations revealed that the targeted villages comprised largely of poor households of ethnic minority origin, mainly from the Brao and Yae and to a lesser extent the Ta-Lieng groups. Their main sources of income are from rotational cultivation, rain-fed upland rice cultivation, rearing of livestock and harvesting of non-timber forest products. Incomes are supplemented by providing wage labor especially across the border in Viet Nam. A proportion of farmers are also changing from rotational cultivation to growing perennial crops such as coffee, and cattle raising in response to cross border demand from Viet Nam. The majority of villagers support the proposed agroforestry interventions under the AF with a combination of cash crops or livestock development. Villagers also support the proposed community-based forestry interventions to establish both production and conservation forests within village areas. The summary results of the village stakeholder engagements are recorded in the Stakeholder Consultation and Participation Plan. The detailed 'Village Profiles and Proposed Development Plan' are available upon request.

Project preparation also involved engagement with central, provincial and district level agencies of the Government of Lao PDR, including MAF, MONRE, Ministry of Planning and Investment and Ministry of Finance at the central level as well as PONREs and District Offices of Natural Resources and Environment (DONRE) in the targeted provinces and districts. These agencies also participated in inception, mid-term and final workshops held during the project preparatory phase. Prior to the mid-term and final workshops, the project preparatory consultants and ADB consulted with non-government organizations engaged in conservation and development programs and with special interest groups such as the Lao Women's Union and the Lao National Front which has responsibility for ethnic minority affairs. The project preparation consultants also met on several occasions with private entities involved in commercial agriculture, forestry and hydropower to determine their interest in engaging with the project.

During project implementation, the NPMO and PPMOs will implement a stakeholder Consultation and Participation Plan as specified in the Ethnic Group Development Framework. The Consultation and Participation Plan presents the definitive points for stakeholder participation under the project, specific to subproject preparation and implementation. The Plan will be undertaken to ensure informed participation in all facets of the project cycle such that project benefits that accrue to beneficiaries shall be in a culturally appropriate manner. Timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people/gender, will be made available in an atmosphere free of intimidation or coercion. Accordingly, communities will be mobilized in a number of different ways during subproject design, implementation and operation. During subproject design and preparation stages, community participation will consist primarily of their contribution through the consultation process. During the implementation of subprojects, there will be significant opportunities for active participation, particularly for households to benefit through the provision of wage labor during the construction and in planting and maintenance of reforested areas. Community members will also participate in enforcement and protection activities.

The REDD+ Task Force will play an important role during implementation by facilitating the coordination of REDD+ initiatives currently being undertaken by various development partners including the World Bank, JICA and GIZ as well as several non-governmental organizations. The concession agreements of private operators of hydro-power projects in the project area require them to support the maintenance of the catchment of their respective reservoirs. One company in particular (e.g. the Xekaman Power Company) expressed an interest in setting up a special unit to implement forestry activities and to work with the project to implement such

activities. Therefore the project presents a good opportunity to engage with the private sector and to pilot a payment for ecosystem services scheme in the project area.

13. Gender considerations:

Despite being a biodiversity and conservation project, tangible benefits to women abound and are built into the project design. The project ensures women's' access to social services, economic and financial resources and opportunities, and/or enhance voices and rights, which contribute to gender equality and women's empowerment. As such, the AF is categorized as "Effective Gender Mainstreaming" and gender considerations are incorporated throughout the project cycle from the stage of designing interventions to implementation, monitoring and reporting and evaluation of impacts. Specifically, they ensure (i) equality of project benefits and opportunity sharing between men and women; (ii) adoption of systematic approaches to reduce gender inequalities; (iii) targeted approaches for women of ethnic minority groups; (iv) collection of gender disaggregated data including benefit monitoring and evaluation; and (v) increased representation of women in decision-making bodies at all levels. Gender mainstreaming requires that the opportunities for addressing women and gender issues are identified at the design stage of activities and that accepted by the implementing agency. Gender targets as well as performance and monitoring indicators for mainstreaming are found in the project design and monitoring framework.

The implementation arrangements and estimated costs of the Gender Action Plan are incorporated in the overall arrangements and total budget of the Project. Similarly, the menu of livelihood options and technical assistance extended (i.e., on climate change, REDD, early warning devices, etc.) shall provide for support activities and instructional materials that are sensitive to the needs of women. The NPMO and specifically the PPMO will implement the gender strategy. Representatives from the Women's Union, Ethnic Minorities, and the Lao Front specifically from the provincial level down to the villages will play important roles in facilitating the participation of women in project activities.

14: Indicators and Targets (consistent with results framework):

Core indicator:	Target
Expanded forest area under sustainable forest management by capacitated community groups	• 350 ha of forest area under sustainable forest management. • 206,455 tCO_2eq of emissions reduced over 10 years.
Sustainable management of forests and forest landscapes to address the drivers of deforestation and forest degradation	• 50,000 ha protected from deforestation and forest degradation • 516,088 tCO_2eq of emissions reduced over 10 years.
Empowered forest-dependent villages and households of various ethnic groups practicing sustainable livelihoods	• 1,100 ha. under sustainable agroforestry practice • 191,036 tCO_2eq of emissions reduced over 10 years.
Strengthening the governance, incentives and REDD+ framework	• 50 provincial, 75 district, 800 village level persons trained in REDD+ activities with at least 30% of trainees being female and 30% of trainees being from ethnic groups

Development Indicator(s)	
Increased number of households with monetary and non-monetary benefits from forest	• At least 420 additional households receive cash and technical support to improve productivity and income from livelihoods, with at least 40% of beneficiaries being female

15. Co-financing:		
	Amount (in USD millions):	*Type of contribution:*
• Government:	0.27 (BCC)	In-kind
• MDB	20 (BCC)	Grant financing
• Others (Beneficiaries)	0.18 (BCC)	In-kind
Co-financing Total:	**20.45**	

16. Expected Board/MDB Management approval date:	
FIP Committee Approval:	April 2016
Grant Negotiations:	May 2016
ADB Board Approval:	June 2016

Annexes:

(1) Draft ADB Additional Financing Board Document
(2) Project Administration Manual
(3) Economic and Financial Analysis
(4) Gender Action Plan
(5) Environmental Assessment and Review Framework
(6) Resettlement Framework
(7) Ethnic Groups Development Framework
(8) Technical Feasibility Study for Expanding the Scope of the Biodiversity Conservation Corridors Project in Lao PDR to Accommodate Additional Financing from the Forest Investment Program
(9) Stakeholder Consultation and Participation Plan