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PROJECT (CLIPAD/I-GFLL) // 07/2021

# „IMPLEMENTATION OF THE LAO PDR GOVERNANCE FOREST LANDSCAPE AND LIVELIHOOD PROGRAM “(I-GFLL)”

## Context

Laos has one of the highest rates of forest cover in Southeast Asia, covering about 58% of its land area. More than 70 % of the population lives near the forest and draws about 20 % of its livelihood from its use. However, deforestation and degradation of natural forests lead to a dramatic reduction of forest areas and to increased greenhouse gas emissions.

The Program “Implementation of the Lao PDR Emission Reductions Program through improved governance and sustainable forest landscape management” (I-GFLL, FP117) was approved by the Green Climate Fund in 2019 at B.24. The project aims at the implementation of the Lao PDR Emission Reductions Program through improved governance, sustainable management of forests, landscapes and agricultural resources in three provinces of northern Laos (Houaphan, Luang Prabang and Sayaboury) respectively seventeen districts. Working together, authorities at national and sub-national levels as well as non-state actors will improve conditions for sustainable forest management and specifically for Reducing Emissions from Deforestation and Forest Degradation (REDD+). The project is expected to mitigate 5.6 million tCO<sub>2</sub>eq until June 2024 and benefits around 355,800 people.

## Objective

The project I-GFLL aims at reducing emissions from deforestation and forest degradation including the promotion of sustainable forest management, and the conservation and enhancement of forest carbon stocks. This will be achieved through strengthened institutional and regulatory systems

## PROJECT FACTS

Project title	Implementation of the Lao PDR Emission Reductions Program through improved governance and sustainable forest landscape management (I-GFLL)
National Designated Authority	Ministry of Natural Resources and Environment (MONRE)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of Agriculture and Forestry, Department of Forestry
Project regions	Luang Prabang, Houaphan, Sayaboury Province, and Vientiane Capital
Total financing	65.2 million Euros
Exp. mitigation impact	5.6 million t CO <sub>2</sub> eq
Direct/indirect beneficiaries	120,000 / 355,800
Duration	2020–2024

for low-emission planning and development and improved management of forest and land areas contributing to emission reductions.

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## Partners

The government partner for the project in Laos is the Department of Forestry (DoF), Ministry of Agriculture and Forestry (MAF). In addition to GCF, the Government of Laos and the Federal Ministry for Economic Cooperation and Development (BMZ), the Asian Development Bank (ADB), the International Fund for Agricultural Development (IFAD), the Japanese International Cooperation Agency (JICA) and the KfW Development Bank are co-financing partners of the project.

Besides GIZ, the Lao Environmental Protection Fund (EPF) acts as Executing Entity (EE).

## Project Approach

Laos has embraced REDD+ as a way to address its principal source of GHG emissions and has progressed substantially towards REDD+ readiness. The country is now strategically well-placed for Phase 2 of REDD+ (implementation) in order to reduce forest-sector emissions and to achieve a true paradigm shift. To achieve such a paradigm shift, the Project is:

- Strengthening the enabling environment for REDD+ implementation through 3 principal means: enhancing the availability of financing for a deep transformation in the way Laos manages its forest landscapes – including through supporting a Climate Change Funding Window; revising and strengthening the legal and regulatory framework for forestry; and improving the enforcement of the new regulatory framework (creation of an enabling environment for REDD+).
- Supporting deforestation-free agriculture and agroforestry by enhancing productivity, increasing farmers' integration into agricultural value chains, and improving access to finance and private sector participation in economic activities that reduce pressure on forests (market solutions for agricultural drivers of deforestation).
- Supporting the implementation of sustainable forest landscape management (SFM) and forest landscape restoration (FLR) on over 1.5 million ha of degraded lands (climate mitigation action through forestry).

Surrounded by forests, a community is regarded as forest guardians protecting the resources while benefiting from its in tandem.

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An indigenous household comfortably consumes firewood from village forests in order to secure their livelihoods while its long-term supply can be a challenge © GIZ / Vilatsay

## Envisioned Impact

- I-GFLL will mitigate 5.6 million tCO<sub>2</sub>eq during its 4-year implementation period, at a cost to the GCF of Euro 2.7/tCO<sub>2</sub>eq. It benefits 355,800 people (120,000 directly) in 3 provinces of rural northern Laos by promoting sustainable management of forests, landscapes and agricultural resources. It represents the first project of a program that will ultimately mitigate 12.3 million tCO<sub>2</sub>eq over 6.5 years.
- Forest impacts: As a result of the direct and the enabling implementation activities, over its 4-year implementation period, the project is estimated to achieve (relative to the baseline): a reduction of deforestation of 6%, equivalent to 9,900 ha; a reduction of forest degradation of 10%, equivalent to 9,030 ha and an increase of restoration and reforestation of 8% and 1%, respectively – equivalent to 3,160 ha of forest restoration and 1,850 ha of reforestation.
- The Project mobilizes Euro 50.0 million of co-financing and will, during its 4-year implementation period, unlock REDD+ results-based payments of US-Dollar 42 million from the FCPF Carbon Fund.
- I-GFLL will have significant socio-economic and gender-positive co-benefits in disadvantaged rural areas. Lao PDR, a landlocked least developed country (LLDC), is unable to bear the full project cost alone. Although the government is contributing significant co-financing, surpassing its NDC commitments, the GCF's contribution is essential for the Project to proceed.

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