



DEPARTMENT OF  
**ECONOMIC AND  
SOCIAL AFFAIRS**

# Lao PDR

Developing the strategic guidelines for climate financing, considering possible linkages between climate financing and post COVID-19 agricultural development in Lao PDR

Report of the DESA project, “Strengthening the capacity of least developed countries to develop evidence-based, coherent and well financed strategies to implement the 2030 Agenda”

October 2021

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This report was prepared under the capacity development activities of the Development Policy Branch (DPB), Economic Analysis and Policy Division (EAPD), United Nations Department of Economic and Social Affairs (DESA). The Project is funded by the UN Peace and Development Trust Fund (UNPDF): "2030 Agenda for Sustainable Development Sub-Fund" (2030 ASD Sub-Fund). Inputs from the project consultant Ms. Latsany Phakdisothare gratefully acknowledged. For more information, please contact Namsuk Kim, EAPD/DESA ([kimnamsuk@un.org](mailto:kimnamsuk@un.org)). The content, findings, interpretations and conclusions as expressed in this report do not necessarily represent the views of the United Nations or the Government of Lao PDR.

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## Abbreviation

ADB	Asian Development Bank
AF	Adaptation Fund
CIFs	Climate Investment Funds
CTF	Clean Technology Fund
DAC	Development Assistance Committee
DFIs	Development Finance Institutions
DMCs	Developing Member Countries
DPF	Department of Planning and Finance
EPF	Environment Protection Fund
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
GCF	Green Climate Fund
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
IFAD	International Fund for Agricultural Development
ISFL	Initiative for Sustainable Forest Landscapes
Lao PDR	Lao People's Democratic Republic
LDCs	Least Developed Countries
MAF	Ministry of Agriculture and Forestry
MEM	Ministry of Energy and Mine
MEM	Ministry of Energy and Mines
MICT	Ministry of Information, Culture and Tourism
MLSW	Ministry of Labor and Social Welfare
MOES	Ministry of Education and Sports
MOH	Ministry of Public Health
MOIC	Ministry of Industry and Commerce
MOIC	Ministry of Industry and Commerce
MONRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MPWT	Ministry of Public Works and Transport
NAMAs	Nationally Appropriate Mitigation Actions
NDC	Nationally Determined Contribution
NDF	Nordic Development Fund
NSEDP	National Socio-Economic Development Plan
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PMR	Partnership for Market Readiness
PPCR	Pilot Program for Climate Resilience
REDD+	Reducing Emissions from Deforestation and forest Degradation
SCF	Strategic Climate Fund
SREP	Scaling-Up Renewable Energy Program
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank

## 1. Introduction

The Lao People's Democratic Republic (Lao PDR) is located in Southeast Asia, bordered by Myanmar, Thailand, Cambodia, China, and Viet Nam. With a population of 7.2 million and total land areas of 236,800 square kilometers. Lao PDR is gifted with rich natural resources, such as forests, water, minerals and biodiversity.

Over the past decades, the country has experienced positive economic growth. The country has been among the fastest growing economies in Southeast Asia, moving from low-income to lower-middle income status in 2011. In February 2021, Lao PDR has been recommended by the UN Committee for Development Policy for graduation from Least Developed Country (LDC) status with an extended five-year preparatory period effectively setting the graduation to 2026 assuming a continued positive performance throughout the time period leading up to graduation. The country's poverty rate has continuously decreased since 1992/1993. In 1992/1993 the poverty rate was at 46% and declined to 23.2% and 18.3% in 2012/2013 and 2018/2019 respectively. However, the Gini index, a measure of inequality, increased from 36 in 2012/13 to 38.8 in 2018/19<sup>1</sup>.

Despite past impressive development progress made, the country has been hit seriously by the COVID-19 outbreak. The pandemic has deepened the growth slowdown, putting the Lao economy into its first recession since the Asian financial crisis of the late 1990s. Recovery is projected beyond 2021 and in the medium term. The government faces unprecedented fiscal challenges. Revenue collection from January to November 2020 met only 77 percent of the revised budget. The fiscal deficit is projected to increase to 7.6 percent of GDP in 2020. Public debt is expected to rise to 69 percent of GDP in 2020. External debt-service payments stood at USD1.2 billion for 2020<sup>2</sup>.

The development of the 9th National Socio-Economic Development Plan (NSED) 2021-2025 happened at a critical time when the country continues to face with number of challenges. The 9th NSED will guide the country's policy directions to advance sustainable and inclusive growth, human capital investment, infrastructure development and progress towards the smooth transition from LDC status. To support the implementation of the 9th NSED, line ministries have developed their new five year sectoral plans which outline their priorities in the next five years. The Five-Year Plan of the Natural Resources and Environment sector (2021 – 2025) overall directions focus on “Enhancing the management of natural resources and environment, implementing mechanisms and legislations effectively, and contributing to support green and sustainable development”. The Five-Year Plan of the Agriculture, Forestry and Rural Development focuses on “enhancing agricultural production to ensure food and nutrition security; diversifying and producing quality agricultural products; increasing people's income in order to reduce poverty and improve the lives of people in rural areas; Forests and resources are protected and used in value added manner, and generate higher revenues to national economy.”

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<sup>1</sup> Lao Statistics Bureau and World Bank. 2020. Poverty Profile in Lao PDR: Poverty Report for the Lao Expenditure and Consumption Survey 2018-2019.

<sup>2</sup> World Bank, Lao Economic Monitor, January 2021: Supporting Economic Recovery

## II. Climate change vulnerability

### 2.1 Climate change vulnerability in general

Lao PDR is exposed to high climate and disaster risks, including floods, landslides, droughts, and tropical storms and cyclones. From 1970 to 2010, 33 natural hazard events (mostly floods and droughts) were registered, affecting almost 9 million people and causing economic damage of more than USD400 million. Flooding is the major natural hazard in Lao PDR, with the Mekong River as its primary source.<sup>3</sup> The potential impacts of climate change further contribute to the vulnerability of Lao PDR. The increased levels of precipitation and rising temperatures projected could result in greater variability of the hydrological regime of the Mekong River. An increase in the risk of both floods and droughts is expected.<sup>4</sup>

The data from the 2021 INFORM Risk Index shows that Lao PDR is a high risk flood country and low coping capacity. Table 01 presents selected indicators for Lao PDR and global average scores from the 2021 INFORM report which creates a risk profile for 191 countries. Each has a rating between 0 and 10 for risk and all of its components. For risk categories, e.g drought, higher scores represent greater risks. By contrast the most at-risk country is ranked 1<sup>st</sup>.

*Table 1: Selected Indicators from the INFORM 2021 Index for Risk Management for Lao PDR*

	Flood (0–10)	Drought (0–10)	Tropical Cyclone (0–10)	Epidemic (0–10)	Vulnerability (0–10)	Lack of Coping Capacity (0–10)	Overall Inform Risk Level (0–10)	Rank (1–191)
<b>Lao PDR</b>	9.1	2.4	3.3	6.3	3.6	6.0	4.0	79
<b>Global average</b>	4.5	3.3	1.7	4.6	3.6	4.5	3.7	

Source: [INFORM Annual Report 2021.pdf \(europa.eu\)](#). Accessed 10 July 2021.

Climate change is a key challenge facing rural livelihoods, and the country is vulnerable to climate change also due to its slow adaptability and its dependence on climate-sensitive natural resources. The recently published Climate Risk Country Profile: Lao PDR (2021) of the World Bank Group and the Asian Development Bank (ADB) suggests that Lao PDR faces projected warming of 3.6°C by the 2090s against the baseline conditions over 1986–2005, under the highest emissions pathway; increases in annual maximum and minimum temperatures are likely to be faster than the rise in average temperature and expected to intensify pressure on human health, livelihoods, and ecosystems. The report also echoes that Lao PDR is amongst the most vulnerable countries to projected climate change trends, as its

<sup>3</sup> Government of Lao PDR. 2018. *Post-Disaster Needs Assessment*.

<sup>4</sup> *ibid*.

communities face significant climate-related hazards that are exacerbated by poverty, malnourishment, and high exposure of poor and marginalized communities. The impacts of climate change are likely to fall profoundly on the poorer and more marginalized communities.

## 2.2 Climate change vulnerability related to agricultural sector and food security

Although gradually declining in terms of its contribution to Gross Domestic Product (GDP) in recent years, agriculture continues to play a major role in Lao PDR's economy. The agriculture sector accounts for 16.5 percent of the country's GDP in 2020<sup>5</sup> and employs about 70 percent of its population<sup>6</sup>. Rice is the major crop for the country, accounting for 50% of national agricultural output. Other major crops include maize, cassava, banana, and coffee, which are grown for both subsistence and commercial purposes<sup>7</sup>.

Climate change could cause unpredictable water levels and lead to reduced agricultural production. This may cause food insecurity and an increase of poverty as the livelihood of most Lao people relies on agriculture. Climate change possibly will influence agriculture production via direct and indirect effects on crop growth practices. Direct effects consist of changes in carbon dioxide availability, precipitation patterns and temperatures. Indirect effects include impacts on water resource availability and seasonality, soil organic matter transformation, soil erosion, changes in pest and disease profiles, the arrival of invasive species, and decline in arable areas due to flooding or desertification<sup>8</sup>.

Changes in the onset, length and intensity of the rainy season, increased drought incidence, and increased frequency of heatwave, if coinciding with key phases towards the start and end of the cropping cycle, may have strong negative implications for total rice production, as well as its reliability as a source of income and calories. Adaptations have been identified which may to some extent reduce these risks, but financial and technical barriers may prevent uptake by the poorest and most vulnerable smallholders<sup>9</sup>.

Livelihoods based natural resources are likely to be the most vulnerable to changing climatic conditions. Recognizing these important issues, there have been various steps initiated by the Lao PDR government and development partners to address issues of sustainable agricultural growth, conservation of natural resources and preparedness to cope with climate change and natural hazards. For instance, the government of Lao PDR has introduced initiatives such as the National Adaptation Program for Action (NAPA) 2009 which aims to build capacity for climate sensitive planning amongst Lao planners and decision makers. NAPA has identified four priority areas of response to climate change adaptation:

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<sup>5</sup> Lao Statistics Bureau. 2020. *Summary social-economic figures*.

<sup>6</sup> Government of Lao PDR. 2018 *Post-Disaster Needs Assessment*.

<sup>7</sup> ADB. 2018. *Lao PDR Agriculture, natural resources, and rural development sector assessment, strategy, and road map*.

<sup>8</sup> The World Bank Group and the Asian Development Bank. 2021. *Climate Risk Country Profile: Lao PDR*

<sup>9</sup> Laing, A. M., Roth, C. H., Chialue, L., Gaydon, D. S., Grünbühel, C. M., Inthavong, T., . . . Williams, L. J. (2018). *Mechanized dry seeding is an adaptation strategy for managing climate risks and reducing labor costs in rainfed rice production in lowland Lao PDR*. *Field Crops Research*, 225(May), as cited in the World Bank Group and the Asian Development Bank. 2021. *Climate Risk Country Profile: Lao PDR*



agriculture, forestry, water and public health. The government is also in the process of developing the National Adaptation Plan (NAP) which is a means of identifying medium- and long-term adaptation needs and developing and implementing strategies and programmes to address those needs. The 9<sup>th</sup> National Socio-Economic Development Plan (2021-2025) (NSEDPP) also highlights the importance of mainstreaming climate change adaptation and community-based adaptation into sectoral development in order to protect the people from increasingly frequent and severe natural disasters.

## III. Climate finance overview

### 3.1 Global Climate Finance Status

Despite its common use, the term ‘climate finance’ has no agreed definition. The United Nations Framework Convention on Climate Change (UNFCCC) defines climate as local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change.

According to the Global Landscape of Climate Finance 2019 Report average annual public climate finance<sup>10</sup> made USD 253 billion in 2017/2018, representing 44% of total commitments. Disbursements on transport overtaken renewable energy to become the largest beneficiary of public finance, accounting for 37% of the public total. Large sums of public money were dedicated to adaptation and resilience, energy efficiency, land use, and projects with cross-sectoral impacts. Domestic, bilateral, and multilateral development finance institutions (DFIs) account for the majority of public finance in 2017/2018. National DFIs continued to be the largest providers of climate finance among DFIs. Climate finance provided by governments and their agencies doubled to USD 37 billion in 2017/2018.

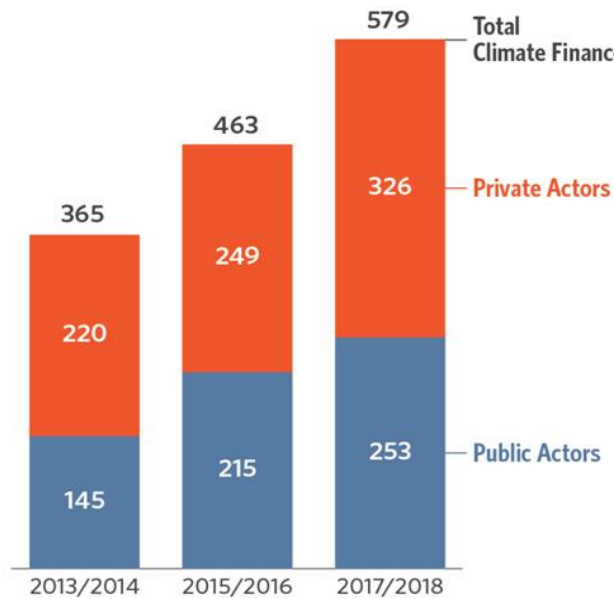
Private finance<sup>11</sup> reached USD 326 billion on average annually in 2017/2018 account for the majority of climate finance, at around 56%. Of this quantity, 85% flowed to renewable energy, 14% to low-carbon transport, and under 1% to all other subsectors. Summary figures of private and public global climate finance are presented in *Figure 01 Breakdown of global climate finance by public and private actors, 2013-2018 (two-year average, USD billion)*.

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<sup>10</sup> Public finance includes funds provided by governments and their agencies, climate funds, and development finance institutions (DFIs).

<sup>11</sup> The Global Landscape of Climate Finance 2019 Report consider five categories of private actors: households, non-financial corporations (project developers and other corporate actors), commercial financial institutions (banks), institutional investors (including asset managers, insurance companies, and pension funds), and a mixture of private equity, venture capital, and infrastructure funds.

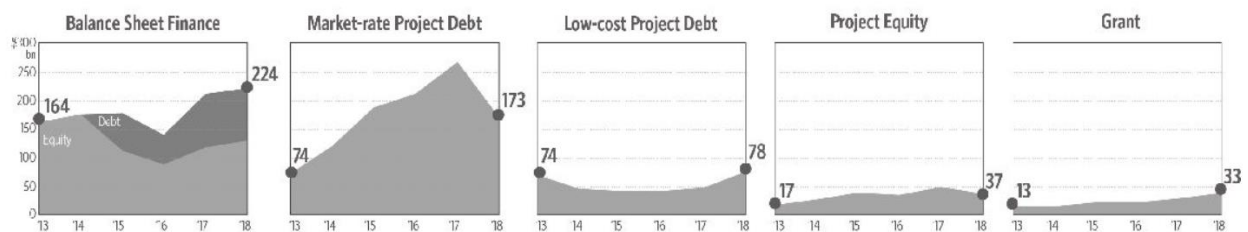
Figure 1: Breakdown of global climate finance by public and private actors, 2013-2018 (two-year average, USD billion)



Source: The Global Landscape of Climate Finance 2019 Report

Market-rate debt was the financial instrument used to channel the most climate finance in 2017/2018, averaging USD 316 billion annually. 70% of this debt was provided at the project level, while the remaining 30% was balance sheet borrowing. An additional USD 64 billion in debt was issued as low-cost project debt, bringing the total debt issued for climate financing in 2017/2018 to an annual average of USD 380 billion, or 66% of all tracked finance. The second-largest instrument type as a percentage of tracked climate finance was equity, at 29%, averaging USD 169 billion annually. Grants accounted for 5% of total climate finance per year in 2017/2018. Almost all grants were issued by the public sector, focusing on geographies and sectors underserved, e.g. low-carbon transport sector, agriculture, forestry, land use, and natural resource management sector. Breakdowns of climate finance by instrument are shown in Figure 2.

Figure 2: Breakdowns of climate finance by instrument (USD billion)



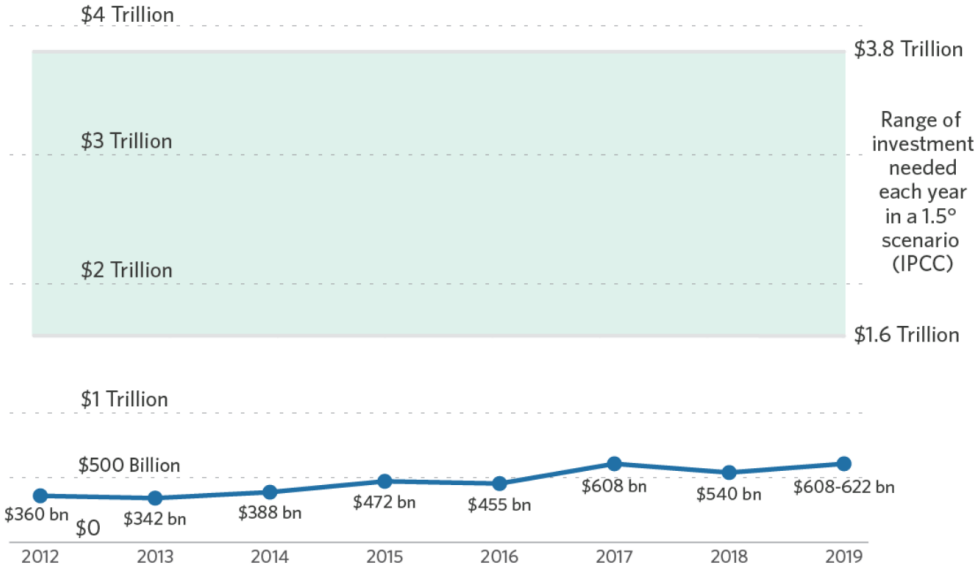
Source: The Global Landscape of Climate Finance 2019 Report

Climate finance flows to two primary use categories: mitigation and adaptation. Mitigation activities accounted for 93% of climate finance tracked in the Landscape in 2017/2018, averaging USD 537 billion per year. Renewable energy generation, at 63% of mitigation finance, accounted for the largest portion of mitigation flows captured in 2017/2018, while another 26% went to low-carbon transport and 6% to energy efficiency.

Adaptation finance gained momentum in 2017/2018, increasing 35% to an annual average of USD 30 billion from 2015/2016, although adaptation still accounts for just 5% of followed climate finance based on available data. Almost all adaptation finance tracked in the Landscape was funded by public actors. Public adaptation finance was distributed across three sectors – water and wastewater management (32%), agriculture and land use (24%), and disaster risk management (22%).

Overall, the global climate finance shows steady growth, but remains far below the levels needed, as per illustrated in Figure 3: Global climate finance gap. To reach 1.5-degree pathway by 2050, over USD 1.6 to 3.8 trillion in new climate investment is required. To reach this target, current investment trends need to significantly shift towards low emissions and carbon resilient development.

Figure 3: Global climate finance gap



Source: Updated view on the Global Landscape of Climate Finance 2019, Climate Policy Initiative.

The ongoing COVID-19 pandemic and the resulting socio-economic crisis make this task even more challenging. COVID-19 has, in a short time, intensified existing vulnerabilities and inequalities. The pandemic has pressed several countries to embrace measures to reduce its potential of becoming a full-scale crisis and also created new budgetary pressures on all countries, with urgent redistribution of funds towards health sectors. This could stretch public finances, threatening the green deals. As countries continue to address the socio-economic impacts of the COVID-19 crisis, there is a risk that

economic recovery stimulus packages designed to save economies could undermine environmental sustainability<sup>12</sup>. Ambitious and innovative policies for sustainable recovery and even greater collaboration among public and private actors will be needed to achieve climate goals<sup>13</sup>.

### 3.2 Lao Climate Finance Status

Similar to the global level, climate finance has not yet been officially defined for Lao PDR as to what counts and what does not. At this stage what is considered as climate finance is finance flows from the government, private sector, bilateral and multilateral partners as well as climate finance funds that are used for climate mitigation and adaptation activities. Currently, there is no established climate finance monitoring and reporting mechanism in the country, however there have been efforts in supporting the government to create the system from development partners such as United National Development Programme (UNDP), Food and Agriculture Organization (FAO) and Global Green Growth Institute (GGGI). UNDP provided technical support to Ministry of Natural Resources and Environment (MONRE) on climate finance monitoring by developing a guidance note on a process to gather data on climate-related Official Development Assistance (ODA) from line ministries; FAO has been supporting Ministry of Agriculture and Forestry (MAF) in establishing of Project Management Information System (PROMIS2); and GGGI will be working with Ministry of Planning and Investment (MPI) to include climate change markers into the Official ODA database (ODAMIS) that is administered by the MPI.

In light of this, Lao climate finance data used for analysis in this report was obtained from the Organization for Economic Co-operation and Development (OECD) dataset<sup>14</sup> on climate-related development finance data which include ODA, other official flows, private grants and private amounts mobilized reported by Development Assistance Committee (DAC) and non-DAC members. It should be noted that some cooperation and investment projects that include climate change outcomes, such as Lao-China railway project which is identified as one of mitigation targets in 2020 Nationally Determined Contribution (NDC) is not captured in the dataset, and it is difficult to validate the dataset locally.

Data from OECD climate-related development finance data, through reporting from donors, shows around USD987 million were committed to Lao PDR during 2015-2019. 2019 annual flow rose to USD 314 million, representing a 260% increase from 2018 and a recorded high during the period. Multilateral development bank, bilateral partners (DAC members) and other multilateral partners<sup>15</sup> are key climate-related development finance providers to Lao PDR.

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<sup>12</sup> Shipalana, P., Chigwenya, C. (April 2021). *The Impact of COVID-19 on Climate Finance and Green Development*.

<sup>13</sup> Climate Policy Initiative (2020). *Updated view on the Global Landscape of Climate Finance 2019*

<sup>14</sup> <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/climate-change.htm>, updated on 21 May 2021. Accessed 14 June 2021.

<sup>15</sup> Other multilateral partners are multilateral climate finance funds (AF, CIF, GEF and GCF), NDF, GGGI and UN agencies.

Table 2: Climate-related development finance flows to Lao PDR by providers from 2015 to 2019

Year	Sum of Commitment (thousand USD)			
	DAC member	Multilateral development bank	Other multilateral	Grand Total
2015	82,242.32	84,420.02	5,183.00	171,845.35
2016	176,855.48	33,750.00	34,004.10	244,609.58
2017	54,619.53	79,367.90	1,791.43	135,778.85
2018	40,735.40	64,521.36	15,706.85	120,963.61
2019	115,062.48	154,665.67	44,755.73	314,483.87
<b>Grand Total</b>	<b>469,515.20</b>	<b>416,724.96</b>	<b>101,441.10</b>	<b>987,681.26</b>

Source: OECD Climate-related development finance data

Loans and Grants were key instruments used to channel the majority of the flows during 2015-2019. Loans and Grants accounted for 61% and 38% of the flows respectively; While only one percent of the flows was transferred through equity/ shares in collective investment vehicles. Grants played significant roles in 2018 and 2019 and accounted for 59% and 49% respectively. The situation contrasts to the global climate finance flows where grants only account 5% of the total flows in 2017/2018.

Table 3: Climate-related development finance flows to Lao PDR by instruments

Year	Loan		Grant		Equity/ shares in collective investment vehicles	
	Thousand USD	%	Thousand USD	%	Thousand USD	%
2015	137,478.02	80%	34,367.32	20%		
2016	181,640.20	74%	62,969.38	26%		
2017	74,369.66	55%	55,772.85	41%	5,636.34	4%
2018	44,809.12	37%	71,129.72	59%	5,024.78	4%
2019	160,850.51	51%	153,633.37	49%		
<b>Five-year total</b>	<b>599,147.51</b>	<b>61%</b>	<b>377,872.64</b>	<b>38%</b>	<b>10,661.12</b>	<b>1%</b>

Source: OECD Climate-related development finance data

Adaptation finance accounted for 71% of the total flows during the period of 2015-2019, or about USD697 million. Water Supply & Sanitation, 38% of adaptation finance, accounted for the largest portion of adaptation flows of the period, followed by transport & storage (18%), health (10%) and

agriculture, forestry and fishing (9%). In 2019, adaptation finance accounted for as high as 80% of the total flows. Transport & storage accounted for the largest portion (30%) of the flows.

Mitigation finance accounted for 20%, about USD194 million, of the total flows during 2015-2019. Agriculture, forestry and fishing ,23%, and transport & storage ,21%, together accounted for a sizable share of the mitigation flows of the period. In 2019, mitigation activities accounted for 14% of the total flows.

Sum of climate-related development finance for the mitigation and cross-cutting category stood at about USD290 million, or 29% of climate related finance, during 2015-2019.

Based on the OECD data, Lao PDR adaptation finance outperformed mitigation finance. Obviously, the Lao situation again is different from the global climate finance flows, where adaptation finance only accounted for 5% of total tracked climate finance in 2017/2018.

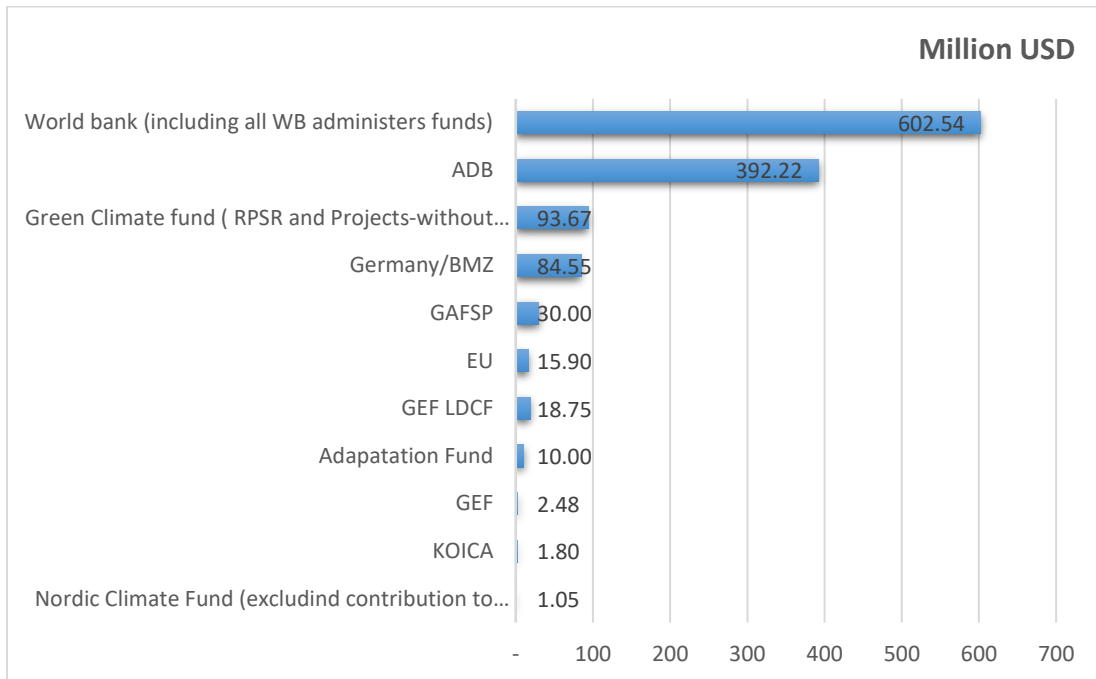
*Table 4: Climate-related development finance flows to Lao PDR by financing categories*

Year	Adaptation		Mitigation		Cross-cutting		Total
	Thousand USD	Percent	Thousand USD	Percent	Thousand USD	Percent	Thousand USD
2015	83,321.48	48%	84,606.85	49%	3,917.02	2%	171,845.35
2016	194,106.11	79%	17,748.01	7%	32,755.46	13%	244,609.58
2017	81,261.94	60%	33,655.36	25%	20,861.55	15%	135,778.85
2018	86,653.07	72%	14,661.15	12%	19,649.38	16%	120,963.61
2019	251,692.29	80%	43,725.86	14%	19,065.72	6%	314,483.87
<b>Total</b>	697,034.90	71%	194,397.24	19%	96,249.13	10%	987,681.26

Source: OECD Climate-related development finance data

In addition to OECD data, the report compiled list of recent climate change projects in Lao PDR through various sources. List of climate change projects and programmes (over last five years) is in the Annex 1. Data from the list shows that the World Bank, ADB and GCF are top three supporters of climate change project in Lao PDR. Figure 4 illustrate the summary figures from the List of climate change projects and programmes.

Figure 4: Summary total support from compiled list of climate change project in recent years



Source: Author compiled.

## IV. Key stakeholders in the climate change and environment sector

Key government and Development partner stakeholders in the climate change and environment sector are presented as follow:

### 4.1 Government Stakeholders

**Ministry of Natural Resources and Environment (MONRE):** The Decree on Climate Change issued on September 19th, 2019 by the Prime Minister’s Office assigns MONRE to take direct responsibility and coordination with relevant ministries, organizations and local authorities on climate change issues. MONRE plays a critical coordinating role in several national climate change coordination bodies, e.g the Natural Resource and Environment Sector Working Group, the Climate Change and Environmental Sub-Sector Working Group. MONRE is also Green Climate Fund (GCF) National Designated Authority (NDA); Global Environment Facility (GEF) Focal Point and Adaptation Fund (AF) Designated Authority.

**Ministry of Planning and Investment (MPI):** MPI is responsible for the National Socio-Economic Development Plan (NSEDP), coordinating official development assistance (ODA) and ensuring ODA aligned with the NSEDP; promoting foreign direct investment (FDI) in Lao PDR by offering investment incentives, screening investment proposals, correcting investment data and monitoring investment

practices. The MPI also hosts an ODA database which maps available international aid flows and related projects.

**The Environmental Protection Fund (EPF):** EPF was established in 2005 as a financially autonomous organization to strengthen environmental protection, sustainable natural resources management, biodiversity conservation and community development in Lao PDR. Potential sources of capital and income of the EPF are from grants and loans from domestic and foreign entities; government budget, development projects; contribution from business and entities and interest or benefits accrued from investing the EPF endowment. EPF channel funds through six windows:

1. Policy implementation and capacity enhancement
2. Biodiversity and community investment
3. Pollution control
4. Water resources management
5. Sustainable land resources management
6. Climate change (recently opened)

In late 2019, EPF submitted a proposal to the GCF to be accredited as a Direct Access Entity of Lao PDR.

**The Ministry of Finance (MOF):** MOF is responsible for coordinating with major international organizations on loans, debt management and fiscal policy. Currently, UNCDF will be providing support to MOF on mapping climate related expenditures.

**Other Relevant Ministries:** The Decree on Climate Change assigns Ministry of Agriculture and Forestry (MAF), Ministry of Industry and Commerce (MOIC), Ministry of Energy and Mines (MEM), Ministry of Public Works and Transport (MPWT), Ministry of Labor and Social Welfare (MLSW), Ministry of Information, Culture and Tourism (MICT), Ministry of Education and Sports (MOES), and Ministry of Public Health (MOH) to ensure mainstreaming of climate change into their activities, as well as conduct studies, research and promote the use of environmentally friendly technologies to mitigate greenhouse gas emission and/or increase resilience to climate change. The ministries shall also provide information related to climate change from their sectors to MONRE.

**The National Steering Committee for Green Growth**<sup>16</sup> is tasked, among others, to guide overall green growth activities to ensure that they are successfully performed in an efficient and effective manner and in compliance with actual requirements of the NSEDP in each period; consider and adopt the policies related to green growth and other tasks that are related to green growth.

At the time of preparing this study, MONRE is in the process of revising the climate change committee term of reference.

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<sup>16</sup> The National Steering Committee for Green Growth is chaired by Deputy Prime Ministry, vice-chaired by Minister of MPI and with president national institute for economic research, minister at the prime minister's office, minister of MoNRE, minister of MAF, Minister of PWT, Minister of MOIC, Minister of MEM as members,



## 4.2 Development Partner Stakeholders

**Asian Development Bank (ADB):** ADB provided support to the government to develop the Decree on Climate Change 2019. It is supporting the Climate-Friendly Agribusiness Value Chains Sector Project which aims to help farmers and agribusinesses develop sustainable and climate-smart agriculture value chains in the country. Its proposal to GCF on ASEAN Catalytic Green Finance Facility: Green Recovery Program has been approved in March 2021. The initiative aims to kick start countries' low-emission investments to support economic recovery following COVID-19. By catalyzing increased climate finance from both the private and public sectors, the programme will support at least 20 high-impact, low-emission sub-projects in five countries (Cambodia, Indonesia, Lao PDR, Malaysia and Philippines).

**Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ):** GIZ is supporting the Lao Government in developing regulations and laws relating to land policy and land rights. GIZ also advises the Government on sustainable forestry and the effective management of protected areas with a view to reducing deforestation and loss of biodiversity as well as promoting implementation of global climate change mitigation mechanisms.

**Food and Agriculture Organization of the United Nations (FAO):** The FAO support is carried out through a series of projects oriented around four country outcomes: (a) fostering agricultural production and rural development; (b) improving food security and nutrition, with special focus on the most vulnerable; (c) protecting and enhancing forests and other ecosystems; and (d) improving capacity to respond to food and agricultural threats and emergencies and to climate change impacts.

**Global Green Growth Institute (GGGI):** GGGI together with the World Bank (WB) supported the government in Lao PDR to develop a National Green Growth Strategy (NGGS), which provide policy direction on the mainstreaming of green growth into national, sub-national, and sector strategies and policies. GGGI also supported MONRE to revise the Lao NDC and put forth more ambitious mitigation targets, including a national commitment on the 2050 Net Zero Emission. GGGI works with MPWT to promote electric mobility through technical study and analysis, supports MEM on pilot solar auction, and starts working with MOIC on green industry and industrial energy efficiency.

**United Nations Development Programme (UNDP):** UNDP has sought to explore the links between poverty, livelihoods, environment and climate change through a number of initiatives on forest and land management through people's participation, climate change adaptation measures in rural small scale infrastructures and farming, biodiversity conservation, rural energy, and disaster management and recovery<sup>17</sup>.

**United Nations Environment Programme (UNEP):** Though not physically present in Lao PDR, UNEP has provided number of support to Lao PDR, for example through a GCF project on "Building Resilience of Urban Populations with Ecosystem-based Solutions in Lao PDR" and GEF funded project "Strengthening Lao PDR's Institutional Capacity to Comply with the Enhanced Transparency Framework under the Paris Agreement". UNEP is support the government to develop National Adaptation Plan (NAP) through a

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<sup>17</sup> UNDP Country Programme (2017-2021) Evaluation – Lao PDR.

LDCF project on “Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process”

**World Bank (WB):** WB and Germany are the co-chair of the Natural Resources & Environment Sector Working Group, one of the key coordination platforms for each thematic area of development in Lao PDR’s Round Table Process. The Bank current country partnership framework with Lao PDR (2017-2021) has three areas namely:(i) supporting inclusive growth, (ii) investing in people, and (iii) protecting the environment which aims to promote environmental protection and sustainable natural resources management and put in place enhanced disaster risk management and climate and disaster resilience.

## V. Climate change interventions

Responses from key informant interviews suggested that the Department of Planning of each line ministry is an entry point for development cooperation. For example, at MAF, the Department of Planning and Cooperation is the entry point for all development projects from development partners. Once the department and development partners agree on general project ideas and cooperation arrangement, the department will assign technical departments to work with development partners in detail on project proposals. All development projects must be in line with relevant sector strategies, sector five-year development plan and NSEDP.

With regard to submitting proposal to GCF and GEF, a project proponent has to submit the funding concept notes and proposals, which align with NDC, relevant sector plan and NSEDP, to Department of Planning and Finance (DPF) of MONRE, who is the NDA of GCF and Operational Focal point of GEF for no objection certification; DPF would request technical clearance from Department of Climate Change of MONRE prior issuing the certification.

Key main climate change projects and programmes in Lao PDR over the last five years are summarized in Annex 1: list of climate change projects and programmes. The list is arranged in accordance with NAPA 2009 and NDC 2015 focused sectors which are agriculture, forestry, water resource, urban development, transport, energy and health sections.

### 5.1 Areas for potential climate change and agricultural projects

The National Climate Change Strategy (NCCS) (2010), NDC (2015) and NDC (2020), National Green Growth Strategy (NGGS) (2019), draft MONRE Five Year Development Plan (2021-2025) and draft MAF Five Year Development Plan (2021-2025) set out priority areas of climate change adaptation and mitigation for agriculture and they could be considered for future invention. The NAP which is being developed will further elaborate long term adaptation plans of Lao PDR and will support the development and review of adaptation plans at the national and sub-national levels. In light of past and current projects and programmes and upcoming interventions and plans, some potential areas for climate change interventions are proposed in Table 5. Summaries potential areas for climate change interventions.

*Table 5: Summaries potential areas for climate change interventions*

Areas	Relevant plan and/or policy	Potential funding source
<p>Mainstream climate change adaptation in sectoral strategy and action plan, including through results-based management framework; and promote technical and institutional capacity on climate change adaptation, disaster risk reduction, natural disaster response.</p>	<p>NDC 2015/2020, NGGS 2019, NCCS 2010,</p> <p>draft MONRE Five Year Development Plan (2021-2025) and draft MAF Five Year Development Plan (2021-2025)</p> <p>Draft UNSCF 2022-2026 (strategic priority 4)</p>	<p>Adaptation Fund, GCF and LDCF.</p>
<p>Promote climate resilience in farming systems and agriculture Infrastructure by improving appropriate resilient agricultural farming system practices and technologies to address climate change impacts.</p>	<p>NDC 2015/2020, NCCS 2010,</p> <p>draft MONRE Five Year Development Plan (2021-2025) and draft MAF Five Year Development Plan (2021-2025)</p>	<p>GCF and GEF</p>
<p>Adjusted water management practices in lowland rice cultivation. Emphasis should be on strengthening both software and hardware aspects of water management practices. Software would include but is not limited to (1) capacity building at all levels including communities; and (2) incentives for behavior change, while hardware aspects would include the renovation of irrigation systems to support the practices, which takes into account the small scale and fragmented nature of Laos' irrigation, and low adoption rate</p>	<p>NDC 2015/2020, NCCS 2010, NGGS (2019),</p> <p>draft MONRE Five Year Development Plan (2021-2025) and draft MAF Five Year Development Plan (2021-2025)</p>	<p>GCF and GEF</p>
<p>Reduce waste and pollution which are resulted from agricultural production and encourage comprehensive agricultural practice that reuse waste from agricultural production process</p>	<p>NDC 2015/2020, NCCS 2010, NGGS 2019,</p>	<p>NAMA facility, GCF and GEF</p>

<p>as raw material for producing organic fertilizers and biogas. The use of domestically available regenerative resources helps communities to become less reliant on international value chains.</p>	<p>draft MONRE Five Year Development Plan (2021-2025) and draft MAF Five Year Development Plan (2021-2025)</p> <p>Draft UNSCF 2022-2026 (strategic priority 4)</p>	
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## VI. Climate Finance Funding sources

### 6.1 Accessing Climate Finance Funding sources

Lao main climate finance sources are from multilateral funds - UNFCCC and non UNFCCC, and development partners, e.g. WB, ADB, GIZ and others. UN agencies do provide funding, but often their funding amount is relatively small compared to others, UN agencies mostly work with relevant government counterparts on developing funding proposals to be submitted to UNFCCC funds. Government does also provide funding on climate change to ministries, but there is no tracking system on this. Private sector does carry out investment that is related to climate adaptation and mitigation, however, they may not be aware that their activities contribute to climate mitigation and/or adaptation. A tracking system on the private sector's climate change investment is not yet available either.

Responses from key informant interviews indicated that the government will continue focusing on mobilizing climate related funding from the mentioned multilateral funds, as they provide grants and with large investment amounts. Some multilateral funds, e.g. GCF, are also open to the private sector for extremely low interest loans. In this regard, climate change related support should also be extended to the private sector to facilitate and support them to access the funds. Overall, there is a lack of diversified sources of long-term financing. Public sector funding including ODA and other development assistance are primary sources of climate finance in Lao PDR<sup>18</sup>.

To access to multilateral funds, the government relies on development partners who are multilateral funds' Accredited Entities (for GCF) or Implementing Entities (for AF) or Partner Agencies (GEF/LDCF), as some of the funds require the government to work together with the funds' partners, and, importantly, due to limited capacity and resource of government entities to meet criteria set by the funds. Significant time and resources are required for proposal development to UNFCCC funds, for example one of Lao GCF projects took four years for proposal to be approved.

Climate change technical elements, financial management capacity, project management capacity and environmental safeguard procedure are basic elements that multilateral funds apply when reviewing concept notes and project proposals. At the present, none of the government entities possess all kinds of the capacity. MONRE is technically sound but has limited financial management capacity. Bank of Lao

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<sup>18</sup> Government of Lao People's Democratic Republic, (March, 2021). Intended Nationally Determined Contribution

PDR may meet the multilateral funds' financial management requirements, but they lack climate change expertise. In some instances, government entities have clear ideas on what issues are and the kind of assistance they need, but they face challenges in putting ideas into project proposals in English.

Beside climate finance mobilization, several interviewed informants stressed the importance of maximizing the effectiveness of resources by promoting synergy and avoiding duplication among climate change projects and programmes; they also stressed the necessity of balancing budget on technical assistance and actual activity implementation. Currently climate change related budgets tend to be allocated more to technical assistance than actual activities on ground.

## 6.2 Review of Climate Finance Funding sources

This report has reviewed 21 climate funding sources from multilateral, bilateral and private investment channels. The funds brief information is summarized in Table 6 Climate Funds Summary Table and more detailed information of the funds is shown in Annex 2: Climate Finance Sources.

Data from Table 6 is consistent with information collected from key informant interviews which shows that Lao climate change projects are mostly financed by multilateral funds - UNFCCC and non UNFCCC, which were designed to support LDCs to shift towards low emissions and carbon resilient development. This multilateral funds provide large amount of grants which needed for LDCs with limited public resources, like Lao PDR. Funds which Lao PDR has not be able to access are often those that do not target LDCs and/or do not have an accessing channel outside host government countries.

### 6.2.1 UNFCCC Funds

With support from development partners, Lao PDR is able to access four out of five UNFCCC funds. During the time of writing this report, the government is implementing two AF projects with UN-Habitat who is Implementation Entity of AF.

In 2019, GCF has approved two projects for Lao PDR, with a total grant amount of USD28.5million. In addition to the approval of the two projects, GCF has approved nine readiness activities with a total amount of USD3.2 million to Lao PDR. Lao PDR is in the process of preparing the EPF to be accredited as a Direct Access Entity of Lao PDR.

Since its inception, GEF has approved 30 projects for Lao PDR, this include GEF projects and LDCF projects. Since 2010, GEF has begun using the system for transparent allocation of resources (STAR), which provides indicative allocations of funding for each country. Lao PDR is STAR country with resource allocation under GEF-7 is USD8.07 million (USD1.5 million for Climate change, USD1.5 million for Degradation Land and USD5.07 million for Biodiversity)

Lao PDR has not accessed the Special Climate Change fund, as the fund does not apply the STAR system, all Non-Annex 1 countries<sup>19</sup> are eligible to apply to all and requirements for accessing the fund are more demanding than GEF and LDCF.

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<sup>19</sup> UNFCCC Non-Annex 1 countries [https://unfccc.int/process/parties-non-party-stakeholders/parties-convention-and-observer-states?field\\_national\\_communications\\_target\\_id%5B514%5D=514](https://unfccc.int/process/parties-non-party-stakeholders/parties-convention-and-observer-states?field_national_communications_target_id%5B514%5D=514)

## 6.2.2 Non-UNFCCC Funds

### *UN Funds*

The International Fund for Agricultural Development (IFAD) Adaptation for Smallholder Agriculture Programme (ASAP) was established in 2012. ASAP grants are joined with IFAD baseline investments which are implemented by government entities. The programming of ASAP funds follows the IFAD project design cycle and is fully aligned with regular IFAD procedures and safeguards. Therefore, ASAP does not employ call for application procedures like other funds.

**The UN-REDD Programme** is the United Nations Collaborative Programme on Reducing Emissions from Deforestation and forest Degradation (REDD+) in developing countries. Under the UN-REDD Programme, Lao PDR received a six-month project, amount USD178,000, in 2015. The Support focused on monitoring, reporting and verification activities.

### *Multilateral Development Bank Funds*

**The World Bank** administers a number of climate funds including Climate Investment Funds (CIFs) which comprise two trust funds, the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). The SCF has three targeted programs: The Forest Investment Program (FIP), the Pilot Program for Climate Resilience (PPCR), and the Scaling-Up Renewable Energy Program (SREP). CIFs are channeled exclusively through five MDBs<sup>20</sup>, which work with national governments to prepare national investment plans including individual projects, and associated financing packages to achieve the national development agendas of the participating countries. Three projects under CIFs investment plan have been implemented in Lao PDR by ADB, WB and International Finance Corporation.

Lao PDR has accessed the WB Forest Carbon Partnership Facility (FCPF). Lao PDR has received USD 8.375 million of financial support from the FCPF/Readiness Fund, starting with a USD 200,000 grant to prepare a REDD+ Readiness Preparation Proposal approved in 2010. Thereafter, in 2014, the Government signed a Readiness Grant agreement with the FCPF for USD 3.6 million. In its mid-term review in 2016, Lao PDR requested additional funding of USD 4.575 million. In January 2021, the country and WB' FCPF have signed an agreement to provide up to \$42 million between 2021 and 2025 to support the country's efforts to reduce emissions from deforestation and forest degradation (REDD+).

Other Mitigation-REDD+ funds that WB administers are Bio Carbon Fund Initiative for Sustainable Forest Landscapes (ISFL) and Partnership for Market Readiness (PMR). The ISFL currently supports programs in Colombia, Ethiopia, Indonesia, Mexico, and Zambia; While PMR opens to all interested countries to present an Organising Framework for the Scoping of PMR Activities.

**ADB Climate Change Fund** was set up in 2008 to facilitate greater investments in developing member countries (DMCs) to effectively address the causes and consequences of climate change, by strengthening support to low-carbon and climate-resilient development in DMCs. The fund provides financing through grant components of ADB investments, technical assistance (stand-alone and piggy-

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<sup>20</sup> The African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank Group (IDBG), and the World Bank Group (WBG).

back or linked to loan), and direct charge. The fund in 2020 allocated USD 1 million to Lao PDR to support the preparation and design of Lao PDR Flood and Drought Mitigation and Management Project.

#### *Other Multilateral Donor Funds*

Other multilateral funds reviewed under this analysis include Global Agriculture and Food Security Program (GAFSP), NAMA Facility and Nordic Development Fund.

The Global Agriculture and Food Security Program (GAFSP) aims to fill the financing and technical gaps in country-owned and country-led agriculture and food security strategies and plans. GAFSP takes a holistic food systems perspective – with agriculture at its core – to support countries resiliently and sustainably transform their food and agriculture sector and improve environmental outcomes, reduce greenhouse gas emissions, advance gender equality, increase smallholders’ incomes, improve human health and nutritional outcomes, and enhance countries’ capacity to adapt to and build resilience for potential future crises. GAFSP has funded a programme in Lao PDR on Agriculture for Nutrition Programme (AFN), USD30 million. The project aims to raise agricultural productivity, link farmers to markets, and develop institutional capacity to provide farmer families with food and nutrition security. GAFSP has launched a call for proposals on 20 May 2021 with a deadline on 8 September 2021.

**NAMA Facility** supports nationally appropriate mitigation actions (NAMAs) in developing countries and emerging economies that want to implement ambitious mitigation measures. Since its inception in 2012 until April 2020, the facility has launched seven proposal calls, with a total committed amount of EUR 486 million. Lao PDR has not yet obtained funding from the facility, but it has submitted a proposal for the 7th Call, the proposal focuses on agriculture and land use.

**Nordic Development Fund (NDF)** has been established since 1988. The fund focuses on supporting lower-income countries and countries in fragile situations, its activities are financed through financing operations in collaboration with other multilateral financing institutions. NDF support to Lao PDR is financed through WB and ADB.

#### 6.2.3 Bilateral Funds

**EU Global Climate Change Alliance Plus (GCCA+)** supports adaptation and mitigation and disaster risk reduction. It supports the implementation of national climate change adaptation plans (NAPs) and mitigation policies. The Lao PDR Global Climate Change Alliance (GCCA) Programme with a total budget of EUR 6.2 million has awarded to three International Non-Government Organizations to support the design and implementation of development plans addressing climate change in Lao PDR by fostering institutional capacities development at the national and sub-national level and providing policy advice.

**The International Climate Initiative (IKI) – Germany.** IKI finances climate change mitigation and biodiversity conservation in developing, emerging and transition countries through open call for proposals. IKI is supporting a regional project on “Production-driven forest landscape restoration under REDD+ through private sector – community partnerships” (FLOURISH). The project aims to further develop partnerships between local communities and the private sector to achieve forest restoration, increase food productivity, and improve local livelihoods in Lao PDR, Thailand and Viet Nam.

**The United Kingdom International Climate Fund (ICF)** is the UK's primary instrument for funding international action on climate change. It is jointly managed by the Department for International Development (DFID), the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (Defra). There is currently no route through which an organisation outside of the UK Government can independently develop a project to be considered by the ICF Board. Sizeable fund of ICF is channel to multilateral funds.

**Norway - International Climate and Forest Initiative (NICFI)** uses both multilateral and bilateral channels to disburse its funds. Multilateral channels include the Forest Carbon Partnership Facility (FCPF) and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD); Bilateral channels include bilateral agreements with REDD+ countries or sub-regions, support to civil society organisations (CSOs) through open calls for proposals and direct funding through Norway's embassies. NICFI has bilateral partnerships with Brazil, Colombia, the Congo Basin, Ecuador, Ethiopia, Guyana, Indonesia, Liberia and Peru.

**Germany - REDD Early Movers (REM) Programme** provides performance-based payments for verified emission reductions from deforestation prevention, thereby managing REDD+ in line with the decisions agreed to in the context of the UNFCCC. So far, the REM programme has been implemented in three countries: in the Brazilian, in Colombia and in Ecuador.

#### 6.2.4 Public-Private Partnership Fund

**The Global Climate Partnership Fund (GCPF)** is an innovative public-private partnership, GCPF uses public funding to leverage private capital in order to mitigate climate change and drive sustainable growth in developing and emerging markets. GCPF mainly invests through local financial institutions but also directly. GCPF funds local financial institutions that are committed to building a green lending portfolio and meet GCPF's environmental and social management standards



Table 6: Climate fund summary table

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
<b>Multilateral Climate Finance</b>										
<b>UNFCCC Funds</b>										
1	Adaptation Fund	2010	Adaptation	US\$ 1.05 billion	Eligible developing country submit project/programme proposals to the Adaptation Fund Board	Developing countries that are Parties to the Kyoto Protocol	Grants	Two projects	10	
2	Global Environment Facility	1991	Mitigation	US\$21.5 billion	GEF works with Partners Agencies (18 GEF Implementing Agencies). The Operational Focal Point decides which Agency would be best suited to develop and implement the project idea.	Countries may be eligible for GEF funding in one of two ways: a) if the country has ratified the conventions the GEF serves ; or b) if the country is eligible to receive World Bank financing or if it is an eligible recipient of UNDP TRAC	<ul style="list-style-type: none"> <li>▪ Grants</li> <li>▪ Non-grant program only:</li> <li>▪ Concessional loans</li> <li>▪ Equity</li> <li>▪ Risk mitigation</li> </ul>	22projects <sup>22</sup>	48.68	The GEF began using the system for transparent allocation of resources (STAR), which provides indicative allocations of funding for each country. Lao PDR is

<sup>21</sup> For more detailed projects information please refer to Annex 2: Climate finance sources

<sup>22</sup> With different themes including climate change.

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
										STAR country.
3	The Least Developed Countries Fund (LDCF)	2001	Adaptation	US\$1.8 billion	Submission of project proposals, LDCs need to work with a GEF Partner Agency	All Least Developed Countries that are part of the UNFCCC are eligible.	Grants	Eight projects	33.14	
4	Special Climate Change Fund (SCCF)	2001	Adaptation and Technology transfer	US\$355 million	Submission of project proposals through a GEF Partner Agency.	All Non-Annex 1	Grants	No	NA	
5	The Green Climate Fund (GCF)	2010	Adaptation Mitigation	US\$8.4 billion	Submission of funding proposal	All developing country Parties to the UNFCCC	<ul style="list-style-type: none"> <li>▪ Grants</li> <li>▪ Concessional loans</li> <li>▪ Risk mitigation</li> <li>▪ Equity</li> </ul>	Yes	31.67	Without co-finance
<b>Non-UNFCCC Funds</b>										

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
<b>UN</b>										
6	Adaptation for Smallholder Agriculture Programme (ASAP)	2012	Adaptation Mitigation	US\$300 million	ASAP grants are joined with IFAD baseline investments which are implemented by government entities.	Country eligibility is established by the IFAD Programme Management Department and follows regular IFAD procedure and policy for grant financing.	Grants	Yes	NA	
7	UN-REDD Programme	2008	Mitigation-REDD+	US\$325 million	To access to the fund, a country's UN-REDD National Programme needs to be accredited.	Not restricted to ODA recipient countries. To become eligible to access funding, a country needs to meet set criteria.	Grants	One project	0.18	
<b>World Bank</b>										
8	The Climate Investment Funds (CIFs)	2008	Adaptation Mitigation		Funds are channelled exclusively through five MDBs, which work with national governments to prepare national investment plans	To receive CIF funding, countries must be official development assistance (ODA)– eligible and have an active country program with one of the five MDBs.	<ul style="list-style-type: none"> <li>▪ Grants</li> <li>▪ Concessional loans</li> <li>▪ Risk mitigation</li> <li>▪ Equity</li> </ul>	Lao PDR benefits from CIP through FIP. Three FIP/CIF programmes have been implemented		CIFs comprise two trust funds, the Clean Technology Fund (CTF) and the Strategic

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
					including individual projects, and associated financing packages to achieve the national development agendas of the participating countries.			d in Lao PDR.		Climate Fund (SCF). The SCF has three targeted programs: the Forest Investment Program, the Pilot Program for Climate Resilience, and the Scaling-Up Renewable Energy Program.)
8.1	Clean Technology Fund (CTF)	2008	Mitigation	US\$5.8 billion as of 2020	Refer to CIF	Refer to CIF	Refer to CIF	No		
8.2	Pilot Program for Climate Resilience (PPCR)	2008	Adaptation	US\$1.2 billion as of 2020	Refer to CIF	Refer to CIF	Refer to CIF	No		
8.2.1	Scaling Up Renewable Energy Program (SREP)	2008	Mitigation	US\$779 million	Refer to CIF	Refer to CIF	Refer to CIF	No		

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
8.2.2	Forest Investment Program (FIP)	2008	Mitigation	US\$750 million	Refer to CIF	Refer to CIF	Refer to CIF	Three Projects	28.67	
9	Forest Carbon Partnership Facility (FCPF)	2008	Mitigation-REDD+	US\$1.3 billion	An eligible country can directly authorize an entity to act on its behalf in submitting a proposal for funding support.	developing countries that are members of the World Bank can participate in the FCPF.	The Readiness Fund is grant-based. Within the Carbon Fund, funds are delivered in exchange for emission reductions (results-based finance).	Two projects	50.4	
10	The BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)	2013	Mitigation-REDD+	US\$355 million	Forest countries propose projects that can certify their emission reductions under a variety of standards such as the Clean Development Mechanism (CDM) of the United Nations Framework	Forest countries which are World Bank's Borrower Members	Grant-based technical assistance; Results-based payment.	No	NA	The ISFL currently supports programs in Colombia, Ethiopia, Indonesia, Mexico, and Zambia.

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
					Convention on Climate Change (UNFCCC)					
11	Partnership for Market Readiness (PMR)	2011	Mitigation-REDD+	US\$130 million	Interested country to present an Organising Framework for the Scoping of PMR Activities	To become eligible to access funding, a country needs to complete a Market Readiness Proposal (MRP), which is an action plan for designing and piloting market-based instruments for GHG mitigation.	Grants	No	NA	
<b>ADB</b>										
12	Climate Change Fund	2008	Adaptation Mitigation	US\$76.8 million	The fund provides financing through grant component of ADB investments, technical assistance (stand-alone and piggy-back or linked to loan), and direct charge.	All ADB developing member countries (DMCs) are eligible for the fund	Grants	One project	1	
<b>13</b>										

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
13	The Global Agriculture and Food Security Program	2010	Adaptation Mitigation	US\$1.7 billion	Open call for proposal	Countries that are eligible to receive financing from IDA and not from the International Bank for Reconstruction and Development (IBRD) and that are not in non-accrual status	Grants	One project	30	
14	NAMA Facility	2012	Mitigation	EUR 486 million (2012-2020)	Open call for proposal	OECD ODA countries	Grants Concessional loans Guarantee funds Development of bankable project pipeline Advisory services	No	NA	Lao PDR has submitted proposal for the 7th Call of NAMA Facility, the proposal focuses on agriculture and land use

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
15	Nordic Development Fund	1988	Adaptation Mitigation	NA	The Fund's activities are financed through financing operations in collaboration with other multilateral financing institutions.	Lower-income countries and countries in fragile situations	Grants, loans and equity.	Yes	1.05 <sup>23</sup>	NDF finances some projects in Laos through WB and ADB.
<b>Bilateral Climate Finance</b>										
16	Global Climate Change Alliance Plus (GCCA+) – EU	2007	Adaptation Mitigation DRR	EUR 750 million (2007 – 2020)	Express of interest	Developing countries, particularly LDCs and SIDS, as well as for middle-income countries	Grants	Yes	6.94	The GCCA+ also contributes 7 million Euro to the UN Capital Development Fund (UNCDF) multi-regional Local Climate Adaptive

<sup>23</sup> The figure doesn't include amounts channeled to MDBs



	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
										Living facility (LoCAL II) which Lao PDR is one of beneficiary country for the duration of 2019-01-01 to 2024-01-01.
17	International Climate Fund (ICF) - United Kingdom	NA	Adaptation Mitigation	£5.8bn (2016-2020)	There is currently no route through which an organisation outside of UK Government can independently develop a project to be considered by the ICF Board.	NA	Grants	No	NA	Sizeable fund of ICF is channel to multilateral funds.
18	The International Climate Initiative (IKI) – Germany	2008	Mitigation Biodiversity-conservation	EUR 4.5 billion (2008-2020)	Open call for proposal	Developing, emerging and transition countries	Grants	One project	EUR 2.32 million	

	Fund	Year established	Thematic Focus	Size	Access mode	Eligibility	Funding Instruments	CC Project(s) <sup>21</sup> in Lao PDR	Total (million USD)	Remarks
18	International Climate and Forest Initiative (NICFI) – Norway	2008	Mitigation _ REDD	3 billion NOK a year	Open call for proposal	OECD ODA countries	Grants	No	NA	NICFI also disburses its fund to FCPF and UN-REDD
20	REDD Early Movers (REM) Programme - Germany	2021	Mitigation _ REDD	NA	NA	Countries or regions that have already taken measures to protect forests.	Results-based finance.	No	NA	So far, the REM programme has been implemented in three countries: in the Brazilian, in Colombia and in Ecuador
<b>Private Investment Fund</b>										
21	The Global Climate Partnership Fund (GCPF)_Private investment Fund	2009	Mitigation (energy efficiency and renewable energy)	NA	GCPF mainly supplies financing to local financial institutions	GCPF funds local financial institutions that: - Are committed to building a green lending portfolio - Meet GCPF's environmental and social management standards	Market-rate loans	No	NA	

Source: Author compiled.

## VII. Conclusion and recommendations

As an LDC which is vulnerable to climate change impacts and with low coping capacity, adaptation has accounted for 71% of the total flows during the period of 2015-2019. Grants have accounted for 59% and 49% of the total flows in 2018 and 2019 respectively. The Lao situation contrasts to the global climate finance flows where grants and adaptation flows only accounted for 5% of the total flows in 2017/2018. With high debt to GDP ratio, grants will continue to be a priority for climate finance mobilization. Under such circumstances, it is necessary to explore innovative mechanisms to maximize grant utilization. One of possible options to consider is to leverage grants to support private sector investment in NDC priority sectors.

Monitoring and reporting on climate finance should be considered as one of urgent and priority areas to pay attention to. A clear overview of climate finance flows and their use will allow a targeted resourcing and planning of activities towards a countries NDC. This includes learning from the use of climate finance flows in the past. Good monitoring and reporting system will also enhance stronger confidence with climate finance donors. In this regard, it is important for Lao PDR to establish a standard definition of climate finance and a harmonized system on monitoring and coordinating climate change projects.

Obviously there is a strong need to strengthen the government's capacity in mobilizing climate finance, the current situation is that they depend on development partners' support. Capacity building initiatives should be designed for systematic, strategic and continuous assistance; and avoid short-term one off support. Capacity building programmes should integrate climate change, project cycle management, financial management and environment safeguard topics and target both government and private sector entities.

## Annexes

### 1. List of climate change projects and programmes (over last five years)

Name of project	Amount (USD)	Sector	Theme	Time-frame	Funding Sources	Funding Instruments	Government Partner	Delivery Partner
<b>Adaptation Fund</b>	<b>10</b>							
Building Climate and Disaster Resilience Capacities of Vulnerable Small Towns in Lao PDR	5.5	Urban Development	Adaptation	2019-2023	Adaptation Fund	Grant	MPWT, MONRE	UN-Habitat
Enhancing the Climate and Disaster Resilience of the Most Vulnerable Rural and Emerging Urban Human Settlements in Lao PDR	4.5	Urban Development	Adaptation	2017-2021	Adaptation Fund	Grant	MPWT, MONRE	UN-Habitat
<b>Green Climate fund (Projects-with co finance and RPSR)</b>	<b>93.67</b>							
Building Resilience of Urban Populations with Ecosystem-based Solutions in Lao PDR ( <i>GCF grant USD10 million + Cofinancing USD1.5million</i> )	11.5	Urban Development	Adaptation	2020-2024	GCF	Grant	MONRE	UNEP

Implementation of the Lao PDR Emission Reductions Programme through improved governance and sustainable forest landscape management ( <i>GCF grant: USD18,488,531 + Co Financing USD60,525,000</i> )	79.00	Forestry	Mitigation	2020-2024	GCF / BMZ	Grant	MAF	GIZ
Incentive mechanism for private sector engagement under REDD+	0.35	Forestry	Mitigation	2018-2020	GCF RPSP	Grant	MAF/MONRE	FAO
Urban Climate Change Resilience in the Cities along the GMS East-West Economic Corridor in Lao PDR	0.41	Urban Development	Adaptation	2019-2021	GCF RPSP	Grant	MPWT	UN-Habitat
Readiness Support to enhance green finance in the areas of green cities	0.48	Urban Development	Cross-cutting	2018-2019	GCF RPSP	Grant	MoNRE/MPWT	GGGI
Development of Action Plan for Designing and Implementing Standards and Labelling Programme in Laos	0.3	Energy	Mitigation	2019-2020	GCF RPSP	Grant	MEM	UNEP
Enhancing NDA Capacity and Access to the GCF in Lao PDR	0.24	Cross-cutting	Cross-cutting	2020-2021	GCF RPSP	Grant	MONRE	GGGI
Completion of the accreditation of the EPF as DAE for Lao PDR	0.4	Cross-cutting	Cross-cutting	2021-2023	GCF RPSP	Grant	EPF	UNOPS
Enhancing NDA capacity and access to the GCF in Lao PDR	0.24	Cross-cutting	Cross-cutting	2020-2021	GCF RPSP	Grant	MONRE	GGGI
Getting Lao PDR EPF accredited to the GCF	0.45	Cross-cutting	Cross-cutting	2018-2019	GCF RPSP	Grant	EPF	GIZ
Green Climate Fund Readiness and Preparatory Support for Lao PDR	0.3	Cross-cutting	Cross-cutting	2017-2019	GCF RPSP	Grant	MoNRE	UNDP
<b>GEF</b>	<b>2.48</b>							

Reducing of Greenhouse Gas Emissions in the Industrial Sector through Palletization Technology in Laos	1.27	Energy	Mitigation	2016-2020	GEF	Grant	MOIC	UNIDO
Strengthening Lao PDR's Institutional Capacity to Comply with the Enhanced Transparency Framework under the Paris Agreement	1.21	Cross-cutting	Cross-cutting	2020-2023	GEF	Grant	MONRE	UNEP
<b>GEF LDCF</b>	<b>18.78</b>							
Strengthening Agro-climatic Monitoring and Information System (SAMIS)	5.48	Agriculture	Adaptation	2017-2021	GEF LDCF	Grant	MONRE,MAF	FAO
Climate Adaptation in Wetland Areas of Lao PDR (CAWA)	4.7	Agriculture	Adaptation	2016-2021	GEF LDCF	Grant	MONRE, MAF	FAO, IUCN
Building the Capacity of the Lao PDR Government to Advance the National Adaptation Planning Process	3.5	Cross-cutting	Adaptation	2020-2024	GEF LDCF	Grant	MONRE	UNEP
Climate Smart Agriculture alternatives for upland production systems in Lao PDR	3.5	Agriculture	Adaptation	2019-2024	GEF LDCF	Grant	MONRE, MAF	FAO
Building Climate Resilience of Urban Systems through Ecosystem-based Adaptation (EbA) in the Asia-Pacific	1.6	Urban Development	Adaptation	2019-2022	GEF LDCF	Grant	MONRE	UNEP
<b>ADB</b>	<b>392.22</b>							

Greater Mekong Sub-region Flood and Drought Risk Management and Mitigation Project	101	Agriculture	Mitigation	2012-2021	ADB	Loan and Grant	MAF, MPWT	ADB, ADF
Climate-friendly Agribusiness Value Chains Sector Project	40.5	Agriculture	Adaptation	2019-2025	ADB	Loan and Grant	MAF	ADB
Second Greater Mekong Sub region Corridor Towns Development Project	52	Urban Development	Cross-cutting	2015-2021	ADB	Loan	MPWT	ADB
Fourth Greater Mekong Sub region Corridor Towns Development Project	48	Urban Development	Cross-cutting	2019-2024	ADB	Grant	MPWT	ADB
Greater Mekong Sub region East-West Economic Corridor Towns Development Project	47.73	Urban Development	Cross-cutting	2013-2021	ADB	Loan and Grant	MPWT	ADB
Pakse Urban Environmental Improvement Project	24.25	Urban Development	Cross-cutting	2012-2021	ADB	Loan and Grant	MPWT	ADB
Vientiane Sustainable Urban Transport Project	78.74	Transport	Cross-cutting	2016-2022	ADB, OFID, EUAIF, EIB, GEF	Loan and Grant	MPWT	ADB
<b>World bank (including all WB administers funds)</b>	<b>602.54</b>							
Northern Laos Emissions Reduction Payments	42	Forestry	Cross-cutting	2019-2024	FCPF	Results based Financing	MAF	World Bank
Readiness for Reducing Deforestation and Forest Degradation (REDD+)	8.4	Forestry	Cross-cutting	2014-2022	FCPF	Grant	MAF	World Bank

Agriculture Competitiveness Project	25	Agriculture	Cross-cutting	2018-2024	IDA	Loan	MAF	World Bank
Mekong Integrated Water Resources Management	51	Water Resources	Adaptation	2012-2021	IDA	Loan	MONRE, MAF, MRC	World Bank
Southeast Asia Disaster Risk Management Project for Laos	31	Urban Development	Adaptation	2017-2024	IDA	Loan and Grant	MPWT, MONRE	World Bank
Lao PDR – Scaling-up Water Supply, Sanitation and Hygiene Project	25.9	Health	Adaptation	2019-2024	IDA	Loan	MPWT, MOH	World Bank
Green Growth Development Policy Operation 2	40	Cross-cutting	Cross-cutting	2019-2021	IDA	Loan	MOF, MPI	World Bank
Second Lao Environment & Social Project	38.83	Cross-cutting	Cross-cutting	2014-2022	IDA (32),GEF (6.83)	Loan and Grant	Multiple	World Bank
Lao Road Sector Project 2	170	Transport	Adaptation	2017-2026	IDA, AIIB,EIB, NDF	Loan and Grant	MPWT	World Bank,NDF, EIB, AIIB
National Road 13 Improvement and Maintenance Project	128	Transport	Adaptation	2018-2023	IDA, AIIB,NDF, GoL	Loan and Grant	MPWT	World Bank, NDF, AIIB
Additional Financing for Scaling-up Participatory Sustainable Forest Management	36.83	Forestry	Cross-cutting	2013-2021	IDA, FIP	Loan and Grant	MAF	World Bank
Lao PDR Clean Cook Stove Initiative	5.58	Energy	Mitigation	2019-2025	Ci-Dev, ESMAP,World Bank	Grant	MEM	World Bank



<b>GAFSP</b>	<b>30</b>							
Agriculture for Nutrition Programme (AFN)	30	Agriculture	Cross-cutting	Active	GAFSP	Grant	MAF	IFAD and WFP
<b>Nordic Climate Fund (excluding contribution to MDBs)</b>	<b>1.05</b>							
Encouraging Climate Adaptation and Mitigation Investments through Private Sector Engagement in Decentralized Wastewater Treatment Systems (DEWATS) and Small-scale Water Supply Infrastructure in Lao PDR	1.05	Urban Development	Cross-cutting	2018-2021	Nordic Climate Fund	Grant	MPWT	UN-Habitat
<b>Germany</b>	<b>84.55</b>							
Climate Protection through Avoided Deforestation (CliPAD)	23.296	Forestry	Mitigation	FC: 2011-2020; TC: 2009-2020	BMZ	Grant	MAF	GIZ, KfW
Forest Law Enforcement, Governance and Trade	22.39	Forestry	Mitigation	2020-2026	BMZ	Grant	MAF, MOIC	KfW
Integrated Conservation of Biodiversity and Forests	17.36	Forestry	Mitigation	2015-2022	BMZ	Grant	MAF	KfW
Protection and sustainable use of Forest Ecosystems and Biodiversity (ProFEB I & II). ProFEB III is currently being discussed	13.664	Forestry	Mitigation	2017-2021	BMZ	Grant	MAF	GIZ
Village Forestry Management Project	7.84	Forestry	Mitigation	2018-2024	BMZ	Grant	MAF	KfW
<b>EU</b>	<b>15.90</b>							

Accelerating Climate Action through the Promotion of Urban Low Emission Development Strategies Project (Urban-LEDS II) in Lao PDR	8.96	Urban Development	Mitigation	2017-2021	EU	Grant	MONRE	ICLEI-UN-Habitat
The Lao PDR Global Climate Change Alliance (GCCA) Programme	6.94	Cross-cutting	Cross-cutting	2014-2018	GCCA-EU	Grant	Provincial Department of Agriculture and Forestry in targeted provinces	IUCN; CARE international; CIRAD
<b>JICA</b>	<b>NA</b>							
Sustainable Forest Management and REDD+ Support Project		Forestry	Mitigation	2014-2021	JICA	Technical Cooperation	MAF	JICA
<b>KOICA</b>	<b>1.8</b>							
Integrated Programme for Climate Resilience and Empowerment in Attapeu Province: Building Climate Resilient and Eco-friendly Agriculture Systems and Livelihoods (Climate REAL)	1.8	Agriculture	Adaptation	2020-2023	KOICA	Grant	MAF	KOICA; FAO
<b>China</b>	<b>NA</b>							
Laos and China climate change mitigation project on a low carbon dioxide emissions demonstration area in Saysettha Development Zone, Vientiane	NA	Urban Development	Mitigation	MOU signed in 2020	NA	NA	NA	NA

Source: Author compiled.

## 2. Climate finance sources

### UNFCCC Funds

<b>Adaptation Fund (AF)</b> <a href="https://www.adaptation-fund.org">https://www.adaptation-fund.org</a>	
Year of established	2010
Fund objective	The AF aims to increase resilience through concrete adaptation projects and programmes that reduce the adverse effects of climate change facing communities, countries, and sectors.
Project sizes	As of November 2020, the Fund's total financial contributions received over time amount to approximately USD 1.05 billion.
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation
Funding instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	Food security, water management, agriculture, rural development, multisector, coastal zone management, disaster risk reduction, forests.
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	<p>Developing countries that are Parties to the Kyoto Protocol. The full list is available at: <a href="https://unfccc.int/process/parties">https://unfccc.int/process/parties</a></p> <p>In addition, these countries must be particularly vulnerable to the adverse effects of climate change. This includes: low-lying coastal and other small island countries, and countries with fragile mountainous ecosystems, arid and semi-arid areas, and areas susceptible to floods, drought and desertification.</p>
Access modalities (e.g international access, direct access)	Eligible developing country Parties to the Kyoto Protocol may submit project/programme proposals directly to the Adaptation Fund Board Secretariat (AFBSEC) via their National Implementing Entities (NIEs) or via Multilateral Implementing Entities (MIEs). NIEs/MIEs have to be accredited by the Adaptation Fund Board (AFB) to be eligible as an implementing entity for the purpose of submitting projects to the Adaptation Fund. They should also meet the fiduciary standards and other qualifications provided by the Board.

	<p>AF pioneered Direct Access, empowering countries to access funding and develop projects directly through accredited national implementing entities.</p> <p>The list of actual Designated Authorities is available at <a href="https://www.adaptation-fund.org/apply-funding/designated-authorities/">https://www.adaptation-fund.org/apply-funding/designated-authorities/</a></p>
<p>CC projects implemented or approved for Lao PDR</p>	<p>1. Enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in Lao PDR.</p> <p>Sector : Disaster Risk Reduction; Grant Amount: USD4.5million; Implementation Entity: UN-Habitat; Executing Entity: Ministry of Natural Resource and Environment. Duration: 4 years. Start year: 2017 <a href="https://www.adaptation-fund.org/project/enhancing-climate-disaster-resilience-vulnerable-rural-emerging-urban-human-settlements-lao-pdr/">https://www.adaptation-fund.org/project/enhancing-climate-disaster-resilience-vulnerable-rural-emerging-urban-human-settlements-lao-pdr/</a></p> <p>2. Building climate and disaster resilience capacities of vulnerable small towns in Lao PDR</p> <p>Sector : Disaster Risk Reduction; Grant Amount: USD5.5million; Implementation Entity: UN-Habitat; Executing Entity: Ministry of Public Works and Transport, Min of Natural Resources and Environment, Provincial Department of Public Works and Transport in Savannakhet Province, Department of Natural Resources and Environment in Savannakhet Province. Duration: 4 years. Start year: 2020 <a href="https://www.adaptation-fund.org/project/building-climate-disaster-resilience-capacities-vulnerable-small-towns-lao-pdr-3/">https://www.adaptation-fund.org/project/building-climate-disaster-resilience-capacities-vulnerable-small-towns-lao-pdr-3/</a></p>

<p><b>Global Environment Facility (GEF)</b> <a href="https://www.thegef.org/about-us">https://www.thegef.org/about-us</a></p>	
<p>Year of established</p>	<p>1991</p>
<p>Fund objective</p>	<p>The GEF focuses on enabling developing countries to invest in nature, and supports the implementation of major international environmental conventions including on biodiversity, climate change, chemicals, and desertification.</p>

	<p>The GEF serves as the financial mechanism for the following conventions:</p> <ul style="list-style-type: none"> <li>• <a href="#">Convention on Biological Diversity (CBD)</a></li> <li>• <a href="#">United Nations Framework Convention on Climate Change (UNFCCC)</a></li> <li>• <a href="#">Stockholm Convention on Persistent Organic Pollutants (POPs)</a></li> <li>• <a href="#">UN Convention to Combat Desertification (UNCCD)</a></li> <li>• <a href="#">Minamata Convention on Mercury</a></li> </ul> <p>The GEF, although not linked formally to the <a href="#">Montreal Protocol on Substances that Deplete the Ozone Layer</a>, supports implementation of the Protocol in transition economies.</p>
Fund sizes	<p>It has provided more than \$21.5 billion in grants and mobilized an additional \$117 billion in co-financing for more than 5,000 projects and programs.</p> <p>The GEF Trust Fund is replenished every four years in an intergovernmental negotiating process. The current GEF -7 is from 2018 to 2022.</p>
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation
Funding Instruments	<ul style="list-style-type: none"> <li>▪ Grants</li> <li>Non-grant program only: <ul style="list-style-type: none"> <li>▪ Concessional loans</li> <li>▪ Equity</li> <li>▪ Risk mitigation</li> </ul> </li> </ul>
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	GEF-7 focal area/theme: Biodiversity; climate change; land degradation; chemical and waste; international waters; non-grant instruments program; small grants programme.
Eligibility requirements (e.g LDC, all developing	<p>Eligible country: Countries may be eligible for GEF funding in one of two ways:</p> <p>a) if the country has ratified the conventions the GEF serves and conforms with the eligibility criteria decided by the Conference of the Parties of each convention; or b) if the country is eligible to receive World Bank (IBRD and/or</p>

country parties to the UNFCCC)	IDA) financing or if it is an eligible recipient of UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2).
Access modalities (e.g international access, direct access)	<p>In 2010, the GEF began using the system for transparent allocation of resources (STAR), which provides indicative allocations of funding for each country across the focal areas of biodiversity, climate change, and land degradation based on transparent indicators of country performance, potential to achieve global environmental benefits, and social-economic development. Lao PDR is STAR country, allocation for Lao PDR under GEF-7 is available at <a href="https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-C.55-Inf.03-GEF-7-STAR.pdf">https://www.thegef.org/sites/default/files/council-meeting-documents/GEF-C.55-Inf.03-GEF-7-STAR.pdf</a></p> <p>The GEF has 18 Partner Agencies. The Operational Focal Point decides which Agency would be best suited to develop and implement the project idea. This is an important decision since the Agency will be the partner at all stages of the project or program.</p>
CC projects implemented or approved for Lao PDR	<p>Currently, GEF has approved 22 GEF projects for Lao PDR with a total financing amount of USD 48,679,500, and nine national LCDF projects with a total financing amount of USD 33,139,870.</p> <p>List of Lao GEF and LDCF projects: <a href="https://www.thegef.org/projects-faceted?f[]=field_country:90">https://www.thegef.org/projects-faceted?f[]=field_country:90</a></p>

<b>The Least Developed Countries Fund (LDCF)</b> <a href="https://www.thegef.org/topics/least-developed-countries-fund-ldcf">https://www.thegef.org/topics/least-developed-countries-fund-ldcf</a>	
Year of established	2001
Fund objective	<p>LDCF funding helps recipient countries address their short-, medium- and long-term resilience needs and reduce climate change vulnerability in priority sectors and ecosystems.</p> <p>LDCF helps countries implement the National Adaptation Programme of Action (NAPAs). It also supports the implementation of the National Adaptation Plan (NAP) process, and the Least Developed Country work program under the UNFCCC.</p>

Fund sizes	As of April 2021 almost USD1.8 billion has been pledged to the LDC. Germany is the biggest contributor to the fund <sup>24</sup> .
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation
Fund Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	<p>Priority funding areas include agriculture and food security; natural resource management; water resources; disaster risk management and prevention; coastal zone management; climate information services; infrastructure; and, climate change induced health risks.</p> <p>Nature-based adaptation solutions – such as restoring mangrove forests to help protect exposed coastal areas – are another focus of the fund.</p>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	<p>Eligibility is not restricted to ODA eligible countries. All Least Developed Countries that are part of the UNFCCC are eligible.</p> <p>The list of eligible countries can be found at: <a href="https://unfccc.int/topics/resilience/workstreams/national-adaptation-programmes-of-action/lcd-country-information">https://unfccc.int/topics/resilience/workstreams/national-adaptation-programmes-of-action/lcd-country-information</a></p>
Access modalities (e.g international access, direct access)	<p><b>Access Modalities</b> – Before a LDCF Project Proponent can access financing for an adaptation project, a country National Adaptation Programme of Action (NAPA) must be completed and sent to the UNFCCC Secretariat. Once a NAPA has been submitted to the UNFCCC Secretariat, the LDCF Project Proponent can start the process of preparing for project implementation under the LDCF.</p> <p>To submit project proposals, LDCs need to work with a GEF Partner Agency. The 18 GEF Agencies are the only institutions that access GEF funding directly on behalf of a government recipient. In addition, the LDCF Project Proponent needs to secure the endorsement of a national GEF operational focal point, which will confirm that the project proposals are consistent with national plans and priorities.</p>

<sup>24</sup> Trust Fund for Least Developed Countries Fund for Climate Change -Schedule of Funds Available as of April 30, 2021.

CC projects implemented or approved for Lao PDR	<p>Nine national LCDF projects, with a total amount of USD33,139,870, have been approved for Lao PDR.</p> <p>List of Lao GEF and LDCF projects: <a href="https://www.thegef.org/projects-faceted?f[]=field_country:90">https://www.thegef.org/projects-faceted?f[]=field_country:90</a></p>
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<p><b>Special Climate Change Fund (SCCF)</b>  <a href="https://www.thegef.org/topics/special-climate-change-fund-sccf">https://www.thegef.org/topics/special-climate-change-fund-sccf</a></p>	
Year of established	2001
Fund objective	<p>The SCCF is managed by the GEF and operates in parallel with the Least Developed Countries Fund (LDCF). Both funds have a mandate to serve the Paris Agreement. SCCF financing is open to all vulnerable developing countries and supports a wide spectrum of adaptation activities, including innovative tools that can be scaled for impact.</p> <p>The SCCF facilitates the inclusion of resilience and adaptation in larger efforts backed by the GEF trust fund, and in projects that promote private sector involvement. The SCCF's main goal is to facilitate the creation of strong, climate-resilient economies and communities by helping countries address a range of barriers, including:</p> <ul style="list-style-type: none"> <li>- Limited access to climate-resilient technologies and infrastructure</li> <li>- Limited institutional capacity to foresee and manage climate risks</li> <li>- Low engagement by the private sector, including small and medium-sized enterprises and entrepreneurs, for developing and providing adaptation solutions</li> <li>- Lack of access to finance from public sources and to markets for adaptation solutions.</li> </ul>
Fund sizes	In the 20 years since its inception, the SCCF has invested \$355 million in 87 projects.
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation and Technology transfer
Fund Instruments	Grants
Activity supported (e.g Water resources)	The SCCF is designed to finance activities, programs, and measures related to climate change that complement those funded through the climate change focal area of the GEF under the following four financing



management, land management, agriculture, health, infrastructure development, fragile ecosystems)	windows: adaptation to climate change (SCCF-A); technology transfer (SCCF-B); mitigation in selected sectors including energy, transport, industry, agriculture, forestry, and waste management (SCCF-C); and economic diversification of fossil-fuel-dependent countries (SCCF-D)
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	SCCF is open to all vulnerable developing countries and is therefore not restricted to ODA eligible countries. All Non-Annex 1 countries are eligible to apply, although the needs of the most vulnerable countries in Africa, Asia, and the Small Island Developing States (SIDS) are to be prioritised.
Access modalities (e.g international access, direct access)	<p>To be eligible, projects or programmes are to be country-driven, cost-effective and integrated into national sustainable development and poverty-reduction strategies; and also take into account national communications or National Adaptation Programmes of Action (NAPAs) and other relevant studies.</p> <p>The 18 GEF Agencies are the only institutions that access GEF funding directly on behalf of a government recipient. To submit project proposals, eligible countries need to work with a GEF Partner Agency. In addition, the SCCF Project Proponent needs to secure the endorsement of a national GEF operational focal point, which will confirm that the project proposals are consistent with national plans and priorities.</p>
CC projects implemented or approved for Lao PDR	No information

<b>The Green Climate Fund (GCF)</b> <a href="https://www.greenclimate.fund/about#">https://www.greenclimate.fund/about#</a>	
Year of established	2010

Fund objective	The GCF was designed to play a key role in channeling financial resources to developing countries and catalyzing public and private climate finance at the international and national levels and aims to promote a paradigm shift toward low-emissions and climate resilient development pathways
Fund sizes	Total GCF financing committed USD8.4 billion <sup>25</sup>
Thematic focus ( e.g mitigation, adaption, capacity building)	GCF is mandated to invest 50% of its resources to mitigation and 50% to adaptation in grant equivalent. At least half of its adaptation resources must be invested in the most climate vulnerable countries (SIDS, LDCs, and African States).
Funding Instruments	<ul style="list-style-type: none"> <li>▪ Grants</li> <li>▪ Concessional loans</li> <li>▪ Risk mitigation</li> <li>▪ Equity</li> </ul>
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	<ul style="list-style-type: none"> <li>- Building, cities, industries, and appliances;</li> <li>- Ecosystems and ecosystem services;</li> <li>- Energy generation and access;</li> <li>- Forests and land use;</li> <li>- Health, food, and water security;</li> <li>- Infrastructure and built environment;</li> <li>- Livelihoods of people and communities;</li> <li>- Transport.</li> </ul>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	All developing country Parties to the UNFCCC are eligible to receive resources from the GCF. Being an ODA-eligible country is not set out as a mandatory requirement to access the Fund.
Access modalities (e.g international access, direct access)	The GCF allows for both direct access and international access through accredited entities. The accredited entities are the central actors of GCF's funding proposal cycle. They are in charge of presenting funding applications to the GCF and overseeing, supervising, managing and monitoring the overall implementation of GCF-approved projects and programmes.

<sup>25</sup> <https://www.greenclimate.fund/> Accessed 28 June 2021.

	<p>Recipient countries can submit funding proposals through their National Designated Authorities (NDAs). Some recipient countries can receive GCF funding via direct access through accredited sub-national, national and regional implementing entities.</p> <p>GCF funds can also be accessed through multilateral implementing entities, such as accredited multilateral development banks and UN agencies. In addition, a private sector facility also allows direct and indirect financing by the GCF for private sector activities.</p>
CC projects implemented or approved for Lao PDR	<ol style="list-style-type: none"> <li>1. Strengthening the natural capacity of ecosystems to regulate water flowss and limiting the exposure of local populations in vulnerable areas to climate effects. Duration: 2019-2025; Total project value: 11.5m (GCF grant USD10 million + Cofinancing USD1.5million); Theme: Adaptation. UNEP.</li> <li>2. Improving forest and land-use management in order to implement REDD+ in the Lao People’s Democratic Republic. Duration 2019-2024; Total project value: 79 m (GCF grant: USD18,488,531 + Co Financing USD60,525,000);</li> </ol>

**Non-UNFCCC Funds**

*UN Funds*

<b>UN-REDD Programme</b> <a href="https://www.un-redd.org/">https://www.un-redd.org/</a>	
Year of established	The Programme was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).
Fund objective	<p>The UN-REDD Programme is the United Nations Collaborative Programme on Reducing Emissions from Deforestation and forest Degradation (REDD+) in developing countries.</p> <p>The UN-REDD Programme supports nationally led REDD+ processes and promotes the informed and meaningful involvement of all stakeholders, including indigenous peoples and other forest-dependent communities, in national and international REDD+ implementation.</p>

Fund sizes	As of November 2020, the total source of funds amounts to approximately USD 325 million
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation – REDD+
Funding Instrument	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	<p>The UN-REDD Programme is comprised of two components:</p> <ul style="list-style-type: none"> <li>● National / Country Programmes: Assisting developing countries with the preparation and implementation of national REDD strategies and mechanisms</li> <li>● Global Programme: Supporting the development of normative solutions and standardised approaches based on sound science for a REDD instrument linked with the UNFCCC.</li> </ul> <p>The National/Country Programmes have six work areas:</p> <ol style="list-style-type: none"> <li>1. Measurement, reporting and verification (MRV) and Monitoring</li> <li>2. National REDD+ Governance</li> <li>3. Engagement of Indigenous Peoples, Local Communities and Other Relevant Stakeholders</li> <li>4. Ensuring Multiple Benefits of Forests and REDD+</li> <li>5. Transparent, Equitable and Accountable Management of REDD+ Payments</li> <li>6. REDD+ as a Catalyst for Transformation to a Green Economy.</li> </ol> <p>The Global Programmes are based on the same work areas as the National/Country Programmes and they also focus on knowledge management, coordination and communication.</p>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	<p>Access to the UN-REDD Programme is not restricted to ODA eligible countries.</p> <p>The following criteria were set for prioritising funding allocations for new National Programmes:</p> <ul style="list-style-type: none"> <li>● Being a partner country of the UN-REDD Programme</li> <li>● Achieving regional balance</li> <li>● Enhanced coordination with other initiatives</li> <li>● Ability of UN agencies to assist the country</li> <li>● Ability to demonstrate progress/results in the short term based on REDD+ early action</li> <li>● REDD+ potential</li> <li>● Commitment to applying the principles of the UN-REDD Programme.</li> </ul>

<p>Access modalities (e.g international access, direct access)</p>	<p>For the UN-REDD Programme, not the participating implementing entities, but a country's UN-REDD National Programme needs to be accredited. In the first stage of the National Programme accreditation, the government in association with focal points from the three participating UN organisations and the country offices, prepare the draft Readiness Preparation Proposal (R-PP) and the National Programme Document (NPD), describing the UN-REDD Programme contribution to the implementation of the R-PP and to the national REDD+ readiness process. The NPD serves as a grant agreement between the three participating UN organisations and the government. Based on these documents, the Policy Board decides whether the country should receive funding and approves the allocation of funding.</p> <p>During the second stage, the UN-REDD Programme Secretariat supports the actors of the first stage in the finalisation of the R-PP and the NPD. Both documents need to incorporate comments formulated by the Policy Board as well as additional insights from consultations with relevant stakeholders. If the R-PP and the NPD have been prepared in accordance with UN-REDD Programme guiding documents, the NPD is ready for signature. The National Programme is signed by: the National Government authorised representative(s), UN Resident Coordinator, UNDP Country Director/Resident Representative, FAO Country representative and UNEP's authorised representative. The signed NP is then submitted to the Administrative Agent who will then release funds to the participating UN organisations.</p>
<p>CC projects implemented or approved for Lao PDR</p>	<p>Lao PDR received a six-month project, amount USD178,000, through the Programme in 2015. The Support focused on Monitoring Reporting and Verification (MRV).</p>

<p><b>Adaptation for Smallholder Agriculture Programme (ASAP)</b>  <a href="https://www.ifad.org/en/asap">https://www.ifad.org/en/asap</a></p>	
<p>Year of established</p>	<p>2012</p>
<p>Fund objective</p>	<p>ASAP aims to make climate and environmental finance work for smallholder farmers. A multi-year and multi-donor financing window, ASAP provides a new source of co-financing to scale up and integrate climate change</p>

	adaptation across IFAD’s approximately USD1billion per year of new investments.
Project sizes	NA
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation, Mitigation, Cross-cutting
Funding Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	Agriculture, Forestry and Land-Use, Disaster risk reduction, Gender
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	Country eligibility is established by the IFAD Programme Management Department and follows regular IFAD procedure and policy for grant financing. The eligibility for ASAP financing goes beyond ODA eligible countries, but recipient countries are restricted to IFAD developing Member States
Access modalities (e.g international access, direct access)	ASAP grants are joined with IFAD baseline investments which are implemented by government entities. The programming of ASAP funds follows the IFAD project design cycle and is fully aligned with regular IFAD procedures and safeguards. Therefore, ASAP does not employ specific application procedures like other funds.
CC projects implemented or approved for Lao PDR	<p>IFAD began operations in the Lao People’s Democratic Republic in 1980. Its strategy is to ensure that poor rural people have increased opportunities for sustainable food and nutrition security and livelihoods.</p> <p>The IFAD country strategic opportunities programme has three main objectives, focused on improving:</p> <ul style="list-style-type: none"> <li>- community-based access to and management of land and natural resources;</li> </ul>

	<ul style="list-style-type: none"> <li>- access to advisory services and inputs for sustainable, adaptive and integrated farming systems;</li> <li>- access to markets for selected products.</li> </ul>
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*World Bank Administered Funds*

<p><b>The Climate Investment Funds (CIFs)</b>  <a href="https://www.climateinvestmentfunds.org/">https://www.climateinvestmentfunds.org/</a></p>	
Year of established	2008
Fund objective	<p>The Climate Investment Funds (CIFs) were founded to deliver concessional funding through the multilateral development banks (MDBs) to support climate objectives.</p> <p>The CIFs comprise two trust funds, the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). The SCF has three targeted programs: the Forest Investment Program, the Pilot Program for Climate Resilience, and the Scaling-Up Renewable Energy Program.</p>
Project sizes	At the pledging meeting for the CIFs in September 2008, 10 developed countries pledged \$6.1 billion to the two trust funds. A further pledge has brought the total capitalization to \$8.3 billion from 14 countries, including one developing country (CIFs 2015a).
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation and Mitigation
Funding Instruments	<ul style="list-style-type: none"> <li>▪ Grants</li> <li>▪ Concessional loans</li> <li>▪ Risk mitigation</li> <li>▪ Equity</li> </ul>

<p>Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)</p>	<p>The USD5.8<sup>26</sup> billion <b>Clean Technology Fund (CTF)</b> is empowering transformation in developing countries by providing resources to scale up low carbon technologies with significant potential for long-term greenhouse gas emissions savings. Over \$4 billion (75% of CTF resources) is approved for implementation in renewable energy, energy efficiency, and clean transport.</p> <p>The USD1.2 billion <b>Pilot Program for Climate Resilience (PPCR)</b> supports developing countries and regions in building their adaptation and resilience to the impacts of climate change. First, the PPCR assists governments in integrating climate resilience into strategic development planning across sectors and stakeholder groups. Second, it provides concessional and grant funding to put the plans into action and pilot innovative public and private sector solutions.</p> <p>The USD779 million <b>Scaling Up Renewable Energy Program (SREP)</b>, a funding window of the CIF, is empowering transformation in developing countries by demonstrating the economic, social and environmental viability of renewable energy.</p> <p>The USD750 million <b>Forest Investment Program</b> empowers developing countries to manage natural resources and achieve a triple win of benefits for forests, for development, and for climate. It provides direct investments to address the drivers of deforestation and forest degradation. It also offers grants and low-interest loans to help governments, communities, and businesses work together to define sustainable solutions for people and economies that rely on forests, while maintaining important ecosystem services.</p>
<p>Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)</p>	<p>To receive CIF funding, countries must be official development assistance (ODA) eligible and have an active country program with one of the five MDBs.<sup>27</sup></p>

<sup>26</sup> Climate Investment Fund, Annual Report 2020

<sup>27</sup> The African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank Group (IDBG), and the World Bank Group (WBG).



<p>Access modalities (e.g international access, direct access)</p>	<p>Funds are channeled exclusively through five MDBs, which work with national governments to prepare national investment plans including individual projects, and associated financing packages to achieve the national development agendas of the participating countries.</p> <p>MDBs rely on their own policies and procedures in developing and supervising activities financed by the CIFs. The share of CIF funding managed by each MDB is based on country requests and the comparative advantage of each MDB, and their experience in a region or country<sup>28</sup>.</p>																
<p>CC projects implemented or approved for Lao PDR</p>	<p>Lao PDR benefits from CIP through FIP. Three FIP/CIF programmes have been implemented in Lao PDR.</p> <table border="1" data-bbox="472 688 1430 1176"> <thead> <tr> <th data-bbox="472 688 716 762">Name</th> <th data-bbox="716 688 948 762">CIF Funding (US Million)</th> <th data-bbox="948 688 1182 762">Co-financing (US Million)</th> <th data-bbox="1182 688 1430 762">MDB</th> </tr> </thead> <tbody> <tr> <td data-bbox="472 762 716 936"><a href="#">Protecting Forests for Sustainable Ecosystem Services</a></td> <td data-bbox="716 762 948 936">12.84</td> <td data-bbox="948 762 1182 936">20.51</td> <td data-bbox="1182 762 1430 936">ADB</td> </tr> <tr> <td data-bbox="472 936 716 1110"><a href="#">Scaling-up Participatory Sustainable Forest Management</a></td> <td data-bbox="716 936 948 1110">12.83</td> <td data-bbox="948 936 1182 1110">26.56</td> <td data-bbox="1182 936 1430 1110">IBRD</td> </tr> <tr> <td data-bbox="472 1110 716 1176"><a href="#">Smallholder Forestry Program</a></td> <td data-bbox="716 1110 948 1176">3.00</td> <td data-bbox="948 1110 1182 1176">0.46</td> <td data-bbox="1182 1110 1430 1176">IFC</td> </tr> </tbody> </table>	Name	CIF Funding (US Million)	Co-financing (US Million)	MDB	<a href="#">Protecting Forests for Sustainable Ecosystem Services</a>	12.84	20.51	ADB	<a href="#">Scaling-up Participatory Sustainable Forest Management</a>	12.83	26.56	IBRD	<a href="#">Smallholder Forestry Program</a>	3.00	0.46	IFC
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<p><b>Forest Carbon Partnership Facility</b>  <a href="https://www.forestcarbonpartnership.org/">https://www.forestcarbonpartnership.org/</a></p>	
<p>Year of established</p>	<p>2008</p>
<p>Fund objective</p>	<p>The Forest Carbon Partnership Facility (FCPF) is a World Bank multi-donor fund of governments and non-governmental entities, including private companies, and consists of two separate but complementary funding mechanisms, namely a Readiness Fund and a Carbon Fund. The FCPF was created to assist developing countries to reduce emissions from deforestation and forest degradation, enhance and conserve forest carbon stocks, and sustainably manage forests (REDD+).</p>

<sup>28</sup> World Resources Institute – The Future of the Funds: Exploring the Architecture of Multilateral Climate Finance.

	FCPF consists of two funding channels: the Readiness Fund and the Carbon Fund
Project sizes	The FCPF works with 47 developing countries across Africa, Asia, and Latin America and the Caribbean, along with 17 donors that have made contributions and commitments totaling \$1.3 billion.
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation-REDD+
Funding Instruments	The Readiness Fund is grant-based. Within the Carbon Fund, funds are delivered in exchange for emission reductions (results-based finance).
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	Forestry.
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	Only developing countries that are members of the World Bank can participate in the FCPF. Eligibility for accessing the FCPF is not restricted to ODA countries.
Access modalities (e.g international access, direct access)	An eligible country can directly authorize an entity to act on its behalf in submitting a proposal for funding support.
CC projects implemented or approved for Lao PDR	In 2007, Lao PDR joined the Forest Carbon Partnership Facility (FCPF). Lao PDR has received USD 8.375 million of financial support from the FCPF/Readiness Fund, starting with a USD 200,000 grant to prepare a REDD+ Readiness Preparation Proposal (R-PP) approved in 2010. Thereafter, in 2014, the Government signed a Readiness Grant agreement with the FCPF for USD 3.6

	<p>million. In its mid-term review in 2016, Lao PDR requested additional funding of USD 4.575 million<sup>29</sup>.</p> <p>With regard to the Carbon Fund, in January 2021, the country and WB' FCPF have signed an agreement to provide up to \$42 million between now and 2025 to support the country's efforts to reduce emissions from deforestation and forest degradation (REDD+). Under this Emission Reductions Payment Agreement (ERPA), the World Bank commits to making payments to the Lao PDR for verified reductions of up to 8.4 million tonnes of carbon dioxide emissions in northern Laos. The program aims to address the drivers and underlying causes of forest loss in six provinces (Houaphanh, Luang Prabang, Oudomxay, Luang Namtha, Bokeo, Xayabouly), encompassing a third of national territory. The region has been responsible for 40 percent of nationwide deforestation and forest degradation between 2005–15.</p>
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<b>The BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)</b>	
<a href="https://www.biocarbonfund-isfl.org">https://www.biocarbonfund-isfl.org</a>	
Year of established	2013
Fund objective	The BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) is a multilateral fund, supported by donor governments and managed by the World Bank.
Fund sizes	USD355 million
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation-REDD+
Finding Instruments	- Grant-based technical assistance activities and capacity-building; - Results-based payments for verified reductions in GHG emissions through an Emission Reductions Purchase Agreement (ERPA).
Activity supported (e.g Water resources)	It promotes reducing greenhouse gas emissions from the land sector, including efforts to reduce deforestation and forest degradation in developing

<sup>29</sup> Lao People's Democratic Republic Forest Carbon Partnership Facility Readiness Package Self-Assessment Report: Readiness for Reducing Emissions from Deforestation and Degradation (REDD+) February 2018

management, land management, agriculture, health, infrastructure development, fragile ecosystems)	countries (REDD+), sustainable agriculture, as well as smarter land-use planning, policies and practices.
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	Eligibility covers forest countries which are World Bank's Borrower Members and goes beyond ODA eligible countries.
Access modalities (e.g international access, direct access)	To access the BioCarbon Fund, forest countries propose projects that can certify their emission reductions under a variety of standards such as the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC) <sup>30</sup> .
CC projects implemented or approved for Lao PDR	No project in Lao PDR.  The ISFL currently supports programs in Colombia, Ethiopia, Indonesia, Mexico, and Zambia.

<b>Partnership for Market Readiness (PMR)</b> <a href="https://www.thepmr.org/">https://www.thepmr.org/</a>	
Year of established	2011
Fund objective	The Partnership for Market Readiness (PMR) supports collective innovation and action by providing a platform for countries to share lessons and work together to shape the future of cost-effective greenhouse gas mitigation. It also funds capacity building to scale up climate change mitigation efforts.
Fund sizes	As of November 2020, the cumulative pledges to the Fund amount to approximately USD 130 million.

<sup>30</sup> <https://climatefundsupdate.org/the-funds/biocarbon-fund/> . Accessed 27 June 2021.

Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation -REDD
Funding Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	<p>The PMR supports activities that use market instruments to scale up mitigation efforts in developing countries.</p> <p>More specifically, it helps countries prepare carbon policy choices and their future implementation by focusing on the readiness components that include:</p> <ol style="list-style-type: none"> <li>1. monitoring, reporting and verification (MRV) systems;</li> <li>2. greenhouse gas emissions (GHG) inventories and emission reduction registers;</li> <li>3. legal and institutional frameworks and first pilot activities.</li> </ol>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	To become eligible to access funding, a country needs to complete a Market Readiness Proposal (MRP), which is an action plan for designing and piloting market-based instruments for GHG mitigation. The country eligibility is not restricted to ODA eligible countries.
Access modalities (e.g international access, direct access)	<p>The countries that are interested in becoming ‘Implementing Country Participants’ submit an expression of interest to the Secretariat. A country is then invited to present an Organising Framework for the Scoping of PMR Activities. The framework presents the types of activities a country is prepared to explore in its Market Readiness Proposal, including:</p> <ul style="list-style-type: none"> <li>● Overview of a country’s mitigation objectives and emissions profile</li> <li>● Potential core readiness components (and potential market-based mechanisms if a country is at this stage) for development</li> <li>● Identification of sectors to be targeted</li> <li>● Inclusion of other relevant work streams that could complement the PMR work.</li> </ul>

CC projects implemented or approved for Lao PDR	No projection in Laos
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ADB

<b>Climate Change Fund (CCF)</b> <a href="https://www.adb.org/what-we-do/funds/climate-change-fund">https://www.adb.org/what-we-do/funds/climate-change-fund</a>	
Year of established	2008
Fund objective	The Climate Change Fund (CCF) aims to facilitate greater investments in developing member countries (DMCs) to effectively address the causes and consequences of climate change, by strengthening support to low-carbon and climate-resilient development in DMCs. CCF plays a key role in mainstreaming climate actions in ADB's operations and is critical for achieving the climate targets under Strategy 2030's third operational priority of tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability.
Fund sizes	As of 31 December 2019, total CCF resources have reached USD 76.8 million, comprising USD74.0 million in total contributions and USD2.8 million in interest or investment income. Of these resources, USD74.6 million have been appropriated as follows: USD39.6 million (53.1%) for clean energy, USD27.0 million (36.2%) for adaptation, USD7.8 million (10.4%) for REDD+ and land use, and USD 0.3 million (0.3%) for climate finance readiness.
Thematic focus ( e.g mitigation, adaption, capacity building)	<ul style="list-style-type: none"> <li>● Adaptation</li> <li>● Clean energy, sustainable transport and low-carbon urban development</li> <li>● Reduced emission from deforestation and degradation and improved land use management (REDD+)</li> </ul>
Funding Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure)	<p>The following types of activities may qualify for the fund's support:</p> <ul style="list-style-type: none"> <li>● Preparation of relevant strategies or action plans for DMCs</li> <li>● Investment in climate change mitigation or adaptation measures</li> <li>● Development of knowledge products and services related to climate change</li> <li>● Facilitating knowledge management activities, including regional conferences and workshops</li> </ul>

development, fragile ecosystems)	<ul style="list-style-type: none"> <li>• Funding to off-set ADB's corporate carbon footprint</li> </ul>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	All ADB developing member countries (DMCs) are eligible for the fund.
Access modalities (e.g international access, direct access)	The fund provides financing through grant components of ADB investments, technical assistance (stand-alone and piggy-back or linked to loan), and direct charge.
CC projects implemented or approved for Lao PDR	ADB allocated CCF amount USD 1 million to Lao PDR in 2020. CCF intends to support the preparation and design of Lao PDR Flood and Drought Mitigation and Management Project, which aims to improve climate resilience and livelihoods of agricultural communities through harnessing flood water and reducing damages, improving water reliability during droughts, modernizing agrometeorological information systems, and improving nutrition awareness and facilities. CCF will support the integration of climate adaptation initiatives in the project design to reduce the impacts of extreme weather events caused by climate change.

*Others*

<b>The Global Agriculture and Food Security Program</b> <a href="https://www.gafspfund.org/projects/agriculture-nutrition-programme-afn">https://www.gafspfund.org/projects/agriculture-nutrition-programme-afn</a>	
Year of established	2010
Fund objective	GAFSP aims to fill the financing and technical gaps in country-owned and country-led agriculture and food security strategies and plans. GAFSP takes a holistic food systems perspective – with agriculture at its core – to support countries resiliently and sustainably transform their food and agriculture sector and improve environmental outcomes, reduce greenhouse gas emissions, advance gender equality, increase smallholders' incomes, improve human health and nutritional outcomes, and enhance countries' capacity to adapt to and build resilience for potential future crises.

Fund sizes	USD1.7 billion multilateral financing mechanism that supports resilient and sustainable agriculture systems.
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation and Mitigation
Funding Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	Agriculture and Food Security
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	Countries that are eligible to receive financing from IDA and not from the International Bank for Reconstruction and Development (IBRD) and that are not in non-accrual status <sup>31</sup> .
Access modalities (e.g international access, direct access)	<p>Open call for proposal. Only one country-led proposal may be submitted per country.</p> <p>Countries should clearly specify their preferred Supervising Entity(ies) (SEs): The African Development Bank (AfDB), the Asian Development Bank (ADB), the International Fund for Agricultural Development (IFAD), the Inter-American Development Bank (IDB), or the World Bank.</p> <p>In addition, countries could also choose to select a second preferred SE for technical assistance activities from the following eligible Technical Assistance-only SEs(optional):the Food and Agriculture Organization of the United Nations (FAO) or the World Food Programme (WFP)</p>
CC projects implemented or approved for Lao PDR	Agriculture for Nutrition Programme (AFN) - USD30 million programme aims to raise agricultural productivity, link farmers to markets, and develop institutional capacity to provide farmer families with food and nutrition security.

<sup>31</sup> See list of eligible country for GAFSP call for proposal 2021 at [https://www.gafspfund.org/sites/default/files/inline-files/CfP%20for%20Countries%20Guidelines\\_Template\\_ENGLISH\\_FINAL\\_20May21\\_0.pdf](https://www.gafspfund.org/sites/default/files/inline-files/CfP%20for%20Countries%20Guidelines_Template_ENGLISH_FINAL_20May21_0.pdf)



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<b>NAMA Facility</b> <a href="https://www.nama-facility.org/">https://www.nama-facility.org/</a>	
Year of established	NAMA Facility was jointly established by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the Department for Business, Energy and Industrial Strategy (BEIS) of the United Kingdom (UK) in 2012.
Fund objective	NAMA Facility supports nationally appropriate mitigation actions (NAMAs) in developing countries and emerging economies that want to implement ambitious mitigation measures.
Project sizes	<p>Since its inception until April 2020, the facility has launched seven proposal calls, with a total committed amount of EUR 486 million.</p> <p>In December 2020, the facility launched Ambition Initiative Call targets an even higher level of ambition in mitigation projects to achieve transformation towards carbon neutrality and to allow countries to build back greener as they recover from the Covid-19 pandemic. The UK and German government, alongside the Children’s Investment Fund Foundation (CIFF), intend to commit EUR 174 million to the Ambition Initiative.</p> <p><i>The information in this analysis focuses on NAMA Facility normal calls.</i></p>
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation
Funding Instruments	Grants Concessional loans Guarantee funds Development of bankable project pipeline Advisory services
Activity supported (e.g Water resources management, land management,	The facility finances innovative projects that tackle specific local challenges for reducing emissions in sectors and countries with strong potential for up-scaling, replication and the ability to influence wider sectoral changes.

agriculture, health, infrastructure development, fragile ecosystems)	
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	Countries approved by OECD/DAC as recipients of Official Development Assistance (ODA) <sup>32</sup>
Access modalities (e.g international access, direct access)	Open competitive calls
CC projects implemented or approved for Lao PDR	Lao PDR has submitted a proposal for the 7th Call of NAMA Facility, the proposal focuses on agriculture and land use.

<b>Nordic Development Fund (NDF)</b> <a href="https://www.ndf.int/who-we-are/about-us.html">https://www.ndf.int/who-we-are/about-us.html</a>	
Year of established	NDF is the joint Nordic international finance institution (IFI) established by an intergovernmental treaty between Denmark, Finland, Iceland, Norway and Sweden in 1988.
Fund objective	The Fund aims to advance Nordic leadership in addressing climate change and development challenges through financing, knowledge and partnerships.

<sup>32</sup> <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2020-flows.pdf>

Fund sizes	NA
Thematic focus ( e.g mitigation, adaption, capacity building)	Adaptation and Mitigation.
Funding Instruments	Grants, loans and equity.
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	The Fund select projects and investments based on criteria and principles derived from its Mandate and Strategy. Following the co-financing model, it often identifies projects and programs through strategic partners and lead investors.
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	The Fund focus on lower-income countries and countries in fragile situations The countries where climate change impact is most severe and development needs are the greatest.
Access modalities (e.g international access, direct access)	The Fund’s activities are financed through financing operations in collaboration with other multilateral financing institutions. The Fund’s financing is not based on applications. It develops project ideas and financing structures in priority areas together with its strategic partners such as international financing institutions.
CC projects implemented or approved for Lao PDR	NDF finances some projects in Laos through WB and ADB.

<b>Global Climate Change Alliance Plus (GCCA+) – EU</b> <a href="https://www.gcca.eu/about-eu-gcca">https://www.gcca.eu/about-eu-gcca</a>	
Year of established	2007
Fund objective	The Global Climate Change Alliance Plus (GCCA+), previously known as GCCA, is a European Union flagship initiative helping the world’s most vulnerable countries to address climate change
Project sizes	The GCCA/GCCA+ budget amounts to EUR 750 million for the period 2007 – 2020. From 2007 to the end of 2017, most projects have received an EU financial contribution between 4 and 8 million Euros with an average contribution of 5 million Euros
Thematic focus ( e.g mitigation, adaption, capacity building)	The EU’s GCCA+ supports adaptation and mitigation and disaster risk reduction. It supports the implementation of national climate change adaptation plans (NAPs) and mitigation policies, but with a stronger emphasis than in the previous phase on the binding role of knowledge management and communication.
Funding Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	The EU GCCA+ aims at funding actions that: <ul style="list-style-type: none"> <li>● <b>Strengthen the resilience and adaptive capacity of human and natural systems to climate-related natural hazards and disasters</b> (e.g. climate-smart and sustainable agriculture, integrated coastal-zone management, improving the sustainability of ecosystem services via Eco-system based adaptation and eco-DRR approaches, etc.);</li> <li>● <b>Improve community and institutional capacity for enhanced climate resilience</b> (e.g. by integrating participatory disaster risk reduction, climate adaptation and climate mitigation co-benefits, development of national climate change policies and roadmaps, etc.);</li> <li>● <b>Promote effective climate change planning and management capacities</b>, paying particular attention to gender issues, youth and local and marginalised and vulnerable communities (e.g. mainstreaming climate change issues into national and local governments’ planning and budgeting systems; increasing the amount of finance available to local authorities and actors (governmental and non-governmental) for implementing climate strategies).</li> </ul>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	The GCCA+ targets mostly, but not exclusively, the group of Least Developed Countries (LDC) and Small Island Developing States (SIDS) recipients of aid (in line with the official OECD/DAC and UN lists).
Access modalities (e.g international access, direct access)	The Delegations of the European Union presence around the world act as gatekeepers. Expressions of interest for GCCA+ funding must be submitted through them to DEVCO Unit C6 'Sustainable Energy and Climate Change' by summer each year.

	<p>Expressions of interest for EU GCCA+ funding must meet certain eligibility criteria, which are taken into account during the EuropeAid screening of proposals submitted by EU Delegations, such as, among others<sup>33</sup>:</p> <ul style="list-style-type: none"> <li>• The quality of the request made and endorsements by the relevant country authorities and/or the EU Delegation for a EU GCCA+ funded action;</li> <li>• The status of the dialogue on climate change between the country and the EU (e.g. quality of related actions, joint declarations);</li> <li>• Political factors such as strategic and/or enforced cooperation with certain countries;</li> <li>• The role the country plays in the <a href="#">UNFCCC</a> negotiations and commitment to its processes, and efforts in the implementation of related commitments.</li> </ul>
<p>CC projects implemented or approved for Lao PDR</p>	<p>The Lao PDR Global Climate Change Alliance (GCCA) Programme with a total budget of EUR 6.2 million aims to support the design and implementation of development plans addressing climate change in Lao PDR by fostering institutional capacities development at the national and sub-national level and providing policy advice.</p> <p>The project is closely linked to another co-funded EU project named Northern Upland Rural Development Project (NUDP)</p> <p>Under the umbrella of the GCCA programme, there were three projects</p> <ol style="list-style-type: none"> <li>1. Capacity Development to integrate Ecosystem-based Adaptation into sub-national development planning in Lao PDR, 2014-2018, implemented by IUCN.</li> <li>2. Landscape management and Conservation Agriculture development for Eco-Friendly Intensification and Climate Resilient Agricultural Systems in Lao PDR (EFICAS), 2014-2018, implemented by CIRAD</li> <li>3. Northern Uplands - Promoting Climate Resilience Mai, Samphan, and Ngot Ou Districts, Phongsaly, Laos, 2014-2018, implemented by CARE International.</li> </ol>

<p><b>International Climate Fund (United Kingdom)</b></p>	
<p>Year of established</p>	<p>NA</p>
<p>Fund objective</p>	<p>The ICF is the UK's primary instrument for funding international action on climate change. It is jointly managed by the Department for International Development (DFID), the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (Defra)<sup>34</sup>.</p>

<sup>33</sup> <https://www.gcca.eu/funding/eligibility-criteria> accessed 25 June 2021

<sup>34</sup> Independent Commission for Aid Impact (ICAI) Report-International Climate Change Fund, 2014.

Project sizes	ICF budget amounts of £5.8bn between 2016-2020, aiming for a balance between mitigation and adaptation
Thematic focus ( e.g mitigation, adaption, capacity building)	<p>It helps developing countries adapt to climate change, take up low-carbon growth and tackle deforestation.</p> <p>An approximate thematic split has been agreed for ICF spend: 50% Adaptation; 30% Low Carbon Development, 20% Forestry.<sup>35</sup></p>
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	<p>Three broad priorities for the ICF:</p> <ul style="list-style-type: none"> <li>i. Demonstrate that building low carbon climate resilient growth at scale is feasible and desirable</li> <li>ii. Support the international negotiations, particularly through providing support for adaptation in poor countries and building an effective international architecture.</li> <li>iii. Drive innovation and new ideas for action, and create partnerships with the private sector</li> </ul>
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	A methodology for prioritising countries for ICF spend has been developed, looking at low carbon potential (i.e. CO2 emissions) and poverty reduction potential (e.g. access to electricity, Human Development Index) as well as factors such as UK Government’s presence in countries and global competitiveness scores.
Access modalities (e.g international access, direct access)	<p>Officials across Government are invited to develop project ideas consistent with the ICF implementation Plan. These include officials both based in developing countries (usually FCO and DFID) and in the UK (DECC, DFID &amp; DEFRA).</p> <p>In developing the concept note and business cases, officials will work closely with the developing country government and may advertise for consultants to develop projects that require specific expertise. Depending on the specific project, officials might work closely with other donor countries or multilateral institutions (such as the World Bank), or development banks (such as KfW) who might co-fund and/or implement the project.</p> <p>There is currently no route through which an organisation outside of UK Government can independently develop a project to be considered by the ICF Board. All projects must have a UK Government sponsor.</p>

<sup>35</sup> The UK’s International Climate Fund & Capital Markets Climate Initiative [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/48409/5539-uk-international-climate-fund-cmci.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/48409/5539-uk-international-climate-fund-cmci.pdf) (accessed 07 June 2021)

CC projects implemented or approved for Lao PDR	NA
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<b>The International Climate Initiative – Germany</b> <a href="https://www.international-climate-initiative.com">https://www.international-climate-initiative.com</a>	
Year of established	2008
Fund objective	The International Climate Initiative (IKI) is one of the most important instruments of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) for international financing of climate protection and biodiversity. IKI operates within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD), It finances climate protection and biodiversity conservation in developing and emerging countries as well as in transition countries.
Project sizes	From 2008 to 2020, IKI approved more than 750 climate and biodiversity projects with a total funding volume of over EUR 4.5 billion in more than 60 countries.
Thematic focus ( e.g mitigation, adaption, capacity building)	It finances climate change mitigation and biodiversity conservation.
Funding Instruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	<p>Four IKI funding areas are:</p> <ul style="list-style-type: none"> <li>- Reduction of greenhouse gases</li> <li>- Adaptation to the consequences of climate change</li> <li>- Preservation of natural carbon sinks, with a focus on reducing emissions from deforestation and forest degradation (REDD +)</li> <li>- Protection of biological diversity</li> </ul>

<p>Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)</p>	<p>It finances climate change mitigation and biodiversity conservation in developing, emerging and transition countries.</p> <p>The following institutions can apply:</p> <p>Non-governmental organizations, commercial enterprises, universities and research institutions from Germany and abroad, implementing organizations in the Federal Republic of Germany, institutions in the partner countries (including accredited national implementing organizations in international or multilateral organizations) and international intergovernmental organizations and institutions, such as development banks, organizations and programs the United Nations.</p> <p>Governments of the partner countries cannot apply for IKI funding.</p>
<p>Access modalities (e.g international access, direct access)</p>	<p>The IKI provides support with two pillars of support: thematic and country-specific selection processes with ideas competitions.</p> <p>Thematic selection process: The funding amount per project can be between 5 and up to 30 million euros, depending on the funding focus. The selection takes place in a two-stage process – project outline and detailed project proposal stage.</p> <p>Country-specific selection process: Recently, country-specific calls were announced for Peru, Vietnam, Thailand, Indonesia, India and Philippines.</p>
<p>CC projects implemented or approved for Lao PDR</p>	<p>IKI is supporting a regional project on “Production-driven forest landscape restoration under REDD+ through private sector – community partnerships” (FLOURISH). The project aims to further develop partnerships between local communities and the private sector to achieve forest restoration, increase food productivity, and improve local livelihoods in Lao PDR, Thailand and Viet Nam.</p> <p>The project duration is from May 2018 to April 2020, with total budget of EUR 2,317,860. The project is implemented by Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC)</p> <p><a href="https://www.international-climate-initiative.com/en/details/project/forest-landscape-restoration-with-ppps-in-asia-18_III_085-3031">https://www.international-climate-initiative.com/en/details/project/forest-landscape-restoration-with-ppps-in-asia-18 III_085-3031</a></p>

**International Climate and Forest Initiative – Norway (NICFI)**  
<https://www.nicfi.no/about-us/>



Year of established	2008
Fund objective	Norway's International Climate and Forest Initiative – NICFI is a contribution to the international efforts to reduce greenhouse gas emissions from deforestation and forest degradation in developing countries (REDD+).
Project sizes	The initiative has pledged up to 3 billion NOK a year, through bilateral partnerships, multilateral channels and civil society, to help save the world's tropical forests while improving the livelihoods of those who live there.
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation _ REDD
Finding intruments	Grants
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	The initiative focuses on reducing and reversing loss of tropical forests, contributes to a stable climate, protects biodiversity and enhances sustainable development.
Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)	Countries that are eligible to NICFI grants are those approved by OECD/DAC as recipients of Official Development Assistance (ODA)
Access modalities (e.g international access, direct access)	NICFI uses both multilateral and bilateral channels to disburse its funds. Multilateral channels include the Forest Carbon Partnership Facility (FCPF) and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD);  Bilateral channels include bilateral agreements with REDD+ countries or sub-regions, support to civil society organisations (CSOs) through open calls for proposals and direct funding through Norway's embassies. NICFI has bilateral

	partnerships with Brazil, Colombia, the Congo Basin, Ecuador, Ethiopia, Guyana, Indonesia, Liberia and Peru.
CC projects implemented or approved for Lao PDR	NA

<b>REDD Early Movers (REM) Programme</b> <a href="http://kfw-entwicklungsbank.de">REDD Early Movers (REM) Programme (kfw-entwicklungsbank.de)</a>	
Year of established	The REDD Early Movers (REM) programme was established in 2011 and officially launched at the Rio+20 Conference in June 2012 by the Federal Ministry for Economic Cooperation and Development (BMZ).
Fund objective	The programme provides performance-based payments for verified emission reductions from deforestation prevention, thereby managing REDD+ in line with the decisions agreed to in the context of the United Nations Framework Convention on Climate Change (UNFCCC).
Project sizes	NA
Thematic focus ( e.g mitigation, adaption, capacity building)	Mitigation-REDD+
Financing Instruments	Results-based finance.
Activity supported (e.g Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems)	The programme targets countries or regions that have already taken measures to protect forests.
Eligibility requirements (e.g LDC, all developing)	Eligibility criteria of countries to performance-based REM finance: <ul style="list-style-type: none"> <li>• MRV system advanced</li> <li>• Initial benefit-sharing arrangements in place (linking to established and proven structures and programs to kick-start the system)</li> <li>• Technical conditions, enabling policy and institutional environment to ensure efficient forest conservation in place</li> </ul>

country parties to the UNFCCC)	<ul style="list-style-type: none"> <li>Large-scale forest conservation programme at sub-national or national level developed, with the potential to be rapidly developed into performance-based REDD programmes</li> </ul>
Access modalities (e.g international access, direct access)	<p>NA</p> <p>So far, the REM programme has been implemented in three countries: in the Brazilian, in Colombia and in Ecuador.</p>
CC projects implemented or approved for Lao PDR	No information.

#### *Private investment Fund*

<p>The Global Climate Partnership Fund (GCPF)  <a href="https://www.gcpf.lu/about.html">https://www.gcpf.lu/about.html</a></p>	
Year of established	The Global Climate Partnership Fund (GCPF) is an investment company under Luxembourg law. It was established by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and KfW Entwicklungsbank in 2009.
Fund objective	As an innovative public-private partnership, GCPF uses public funding to leverage private capital in order to mitigate climate change and drive sustainable growth in developing and emerging markets. GCPF mainly invests through local financial institutions but also directly.
Project sizes	Please refer to below Eligibility requirements
Thematic focus ( e.g mitigation, adaption, capacity building)	GCPF finances energy efficiency and renewable energy projects directly. Eligible projects cover different sectors and loan sizes. (Mitigation)
Financing Instruments	Market-rate loans
Activity supported (e.g Water resources management, land	Energy efficiency projects: Eligible projects must provide projected energy savings and/or CO2 emissions reductions of at least 20%

<p>management, agriculture, health, infrastructure development, fragile ecosystems)</p>	<p>Renewable energy projects: Most commercially viable renewable energy generation technologies are eligible for financing, with the exception of bioliquid or biofuel production. GCPF targets renewable energy projects for the retail market, such as home solar systems, as well as small-scale renewable generation plants.</p>
<p>Eligibility requirements (e.g LDC, all developing country parties to the UNFCCC)</p>	<p>GCPF funds local financial institutions that:</p> <ul style="list-style-type: none"> <li>- Are committed to building a green lending portfolio</li> <li>- Meet GCPF’s <b>environmental and social management standards</b></li> </ul> <p>GCPF offers:</p> <ul style="list-style-type: none"> <li>- Dedicated funding in the form of senior or subordinated debt</li> <li>- Mid to long-term financing</li> <li>- Total facilities usually amounting to USD 10 million – USD 30 million, with flexible funding schedules</li> <li>- Financing of up to 49.9% of tier 1 capital and/or up to 25% of total assets</li> </ul>
<p>Access modalities (e.g international access, direct access)</p>	<p>GCPF mainly supplies financing to local financial institutions, which provide sub-loans for energy projects that benefit small and medium-sized businesses and private households in particular.</p>
<p>CC projects implemented or approved for Lao PDR</p>	<p>No information</p>

### 3. List of people consulted

No	Name	Title	Organization
1.	Mr. Virana Sonnashinh	Deputy Director General	Department of Planning and Finance, MONRE
2.	Mr. Bounpakone Phongphichit	Director of Planning and Cooperation Division	Department of Planning and Finance, MONRE
3.	Mr. Boualomphone Khamvongsa	Director of Budget and Technical Services Revenue Division	Department of Planning and Finance, MONRE
4.	Mr. Amphayvanh Oudomdeth,	Director of Climate Change Adaptation Division	Department of Climate Change, MONRE
5.	Ms. Sisomboun Ounavong	Director General	Department of International Cooperation, MPI
6.	Mr. Sysomphorn Phetdaoheuang	Deputy Director General	Department of International Cooperation, MPI
7.	Mr. Alounsith Manyphol	Deputy Director, International Organizations Division	Department of International Cooperation, MPI
8.	Mr. Thatheva Saphangthong,	Deputy Director General	Department of Agriculture Land Management, MAF
9.	Mr. Phanisone Samountry	Deputy Director, Division of Internal cooperation	Department of Planning and Finance, MAF
10.	Ms. Linglong Sithixay	Deputy Director, Planning and cooperation Division	Department of Agriculture, MAF
11.	Ms. Viengkham Sengsoulivong	Deputy Director, Agriculture Management Division	Department of Agriculture, MAF
12.	Mr. Phonesavanh Latmany	Cities and Climate Change Senior Officer	Global Green Growth Institute

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