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Record of the facilitative sharing of views at the fifty-second to fifty-fifth session of the Subsidiary Body for Implementation: Lao People's Democratic Republic

Note by the secretariat

Abbreviations and acronyms

AFOLU	agriculture, forestry and other land use
BUR	biennial update report
CBIT	Capacity-building Initiative for Transparency
CO ₂ eq	carbon dioxide equivalent
COP	Conference of the Parties
FSV	facilitative sharing of views
GHG	greenhouse gas
ICA	international consultation and analysis
MRV	measurement, reporting and verification
NAMA	nationally appropriate mitigation action
NDC	nationally determined contribution
non-Annex I Party	Party not included in Annex I to the Convention
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SBI	Subsidiary Body for Implementation

Background and mandate

1. COP 16 decided to conduct, under the SBI, ICA of BURs from non-Annex I Parties, in a manner that is non-intrusive, non-punitive and respectful of national sovereignty, with the aim of increasing the transparency of the mitigation actions and their effects reported by those Parties.¹

¹ Decision 1/CP.16, para. 63.

2. COP 17 adopted the ICA modalities and guidelines² and decided that the first round of ICA would be conducted for developing country Parties commencing within six months of the submission of the first round of BURs.³
3. According to the ICA modalities and guidelines, the ICA process consists of two steps: technical analysis of non-Annex I Parties' BURs by teams of technical experts, resulting in a summary report for each Party; and FSV, to which the BURs and summary reports serve as input.⁴
4. Pursuant to the ICA modalities and guidelines, the SBI convened, from 5 to 6 November 2021 in Glasgow at SBI 52–55, the eleventh FSV workshop, open to all Parties, for the following seven non-Annex I Parties for which there was a BUR and final summary report⁵ by 31 August 2021: Cambodia, Dominican Republic, India, Lao People's Democratic Republic, Oman, Tajikistan and Uruguay.
5. The workshop, chaired by the SBI Vice-Chair, Yeonchul Yoo and SBI Rapporteur Constantinos Cartalis, comprised two 90-minute sessions.
6. As one of the participating Parties, the Lao People's Democratic Republic received 16 written questions in advance of the FSV workshop⁶ from Canada, the European Union, Japan, New Zealand, the United Kingdom of Great Britain and Northern Ireland and the United States of America. This FSV record for the Lao People's Democratic Republic summarizes the proceedings and, together with the summary report on the technical analysis of its first BUR,⁷ constitutes the outcome of the first round of ICA for the Party.

II. Summary of proceedings

7. On 6 November 2021 the Lao People's Democratic Republic made a short statement on its first BUR, including the technical annex with information on results achieved from REDD+ activities that was submitted on a voluntary basis in conjunction with the first BUR in accordance with decision 14/CP.19. The statement was followed by a question and answer session.
8. The Lao People's Democratic Republic was represented by Immala Inthaboualy and BounEua Khamphilavanh from the Department of Climate Change, Ministry of Natural Resources and Environment.
9. The Lao People's Democratic Republic updated and enhanced its NDC in April 2021 by including two new economic sectors (agriculture and waste) and formulating new national level emission reduction targets. It has committed to reduce emissions by 3,975 kt CO₂ eq per year between 2020 and 2030 through mobilizing national resources and existing support from developed country Parties for the implementation of mitigation measures in the land-use change and forestry, and energy sectors. With increased levels of financial support, the Party could reduce emissions by 45,691 kt CO₂ eq per year between 2020 and 2030 in the land-use change and forestry, energy, agriculture and waste sectors.
10. The Lao People's Democratic Republic highlighted that its net GHG emissions in 2014 were 24,099.98 Gg CO₂ eq, owing mainly to the AFOLU sector, which had net GHG emissions of 18,793.41 Gg CO₂ eq. The Party explained that the largest source of emissions in the AFOLU sector was land use and land-use change (9,093.25 Gg CO₂ eq). Other activities contributing to net emissions in the AFOLU sector were livestock (3,966.89 Gg CO₂ eq), aggregate sources and non-carbon dioxide emissions on land (such as biomass burning, liming, urea application, direct and indirect nitrous oxide emissions from soils and

² Decision 2/CP.17, annex IV.

³ Decision 2/CP.17, para. 58(a).

⁴ Decision 2/CP.17, annex IV, para. 3.

⁵ The BURs and summary reports for each ICA cycle are available at <https://unfccc.int/BURs> and <https://unfccc.int/ICA-reports>, respectively.

⁶ As per decision 2/CP.17, annex IV, para. 6.

⁷ FCCC/SBI/ICA/2020/TASR.1/LAO.

manure management, and rice cultivation)(3,908.98 Gg CO₂ eq) and harvested wood products (1,824.30 Gg CO₂ eq).

11. The Lao People's Democratic Republic presented key policies and measures for achieving its NDC target, guided by various policies, strategic frameworks and development planning processes. These include the National Strategy on Climate Change (2010), Climate Change Action Plan (2013), NDC (2021), Climate Change Technology Action Plan (2017), Decree on Climate Change (2017), 8th National Socio-Economic Development Plan (2016–2020), Strategy on Renewable Energy, Forestry and Green Growth, and NAMAs. The Party reported information on 25 mitigation measures relating to forestry, agriculture, energy, transport, industry, waste management, natural resources and environment sectors.

12. The mitigation measures are expected to achieve emissions reductions of 1,468,000 kt CO₂ eq by increasing the share of renewable energy in use by 2025; 63 kt CO₂ eq per year by 2020 by increasing the availability of electricity to rural households; 16,284 kt CO₂ eq per year between 2020 and 2030 by increasing hydroelectricity capacity; 33 kt CO₂ eq per year by reducing travel demands; 158 kt CO₂ eq per year by increasing the use of public transport; and 60,000–69,000 kt CO₂ eq by 2030 by increasing forest cover.

13. Furthermore, the Lao People's Democratic Republic is in the process of designing and developing a harmonized MRV system, building upon and enhancing existing domestic processes, institutional arrangements, standard processes, systems and sectoral approaches. The MRV system will focus on mitigation actions and their effects, GHG emission reductions, sustainable development co-benefits and support received.

14. The Party received approximately USD 223 million in official development assistance to support climate change projects in 2013–2014. It also received financial support amounting to USD 363,000 from the Global Environment Facility for the three-year project to develop its BUR, with technical support from the United Nations Environment Programme to elaborate the BUR. The key constraints and gaps regarding mitigation actions reported by the Lao People's Democratic Republic were categorized as economic and financial (lack of financial resources and incentive mechanisms); market-based (uncertain carbon credit price and market); legal and regulatory (unclear legal and regulatory framework on incentives, feed-in tariffs and subsidies); network-based (lack of specific expert groups and networks); relating to institutional and organizational capacity, skills-based (limited technical capacity, weak institutional and procedural arrangements for planning and implementation); and relating to information and awareness (availability and quality of required information).

15. The Party reported that about USD 1.5 billion is needed to implement its mitigation actions relating to:

- (a) the renewable energy development strategy and related NAMAs;
- (b) policies on energy conservation and efficiency;
- (c) the forestry and REDD+ strategy, including scaling up REDD+ activities;
- (d) the sustainable and low-carbon transportation strategy and related NAMAs;
- (e) a clean and green industries strategy, including an environment management system;
- (f) the National Strategy on Climate Change, natural resources and the environment, sustainable and low-carbon cities, and green growth;
- (g) the technology needs assessment and action plan; and
- (h) the 9th National Socio-Economic Development Plan.

The Party reported that its capacity-building needs are primarily in building technical capacity of, and coordination among, the relevant institutions and experts, and strengthening institutional arrangements for the ICA process.

16. Following the statement, the following Parties made interventions commending the Lao People's Democratic Republic on its efforts and asked questions seeking further clarification: China, Denmark, European Union, Japan, Luxembourg, Republic of Korea and United Kingdom. The questions related to:

- (a) The main reasons for the successful implementation of solar power projects, including any economic incentives to promote solar power projects in the country;
- (b) The planned steps to overcome challenges faced in the coordination across various institutions and ministries to facilitate future reporting and the key lessons learned;
- (c) The highest priority areas for the Party for improvement of its next reporting cycle;
- (d) The type of participants who attended the stakeholder consultation and validation meetings for the BUR report preparation and finalization;
- (e) Progress in establishing a harmonized MRV system for compiling the Party's GHG inventory, monitoring mitigation actions and tracking support, and any challenges faced thus far;
- (f) The challenges faced in implementing mitigation measures in the AFOLU sector and ways to overcome such challenges;
- (g) Any specific constraints and barriers in reporting the financial, technical and capacity-building needs and support received.

17. In response, the Lao People's Democratic Republic explained that:

- (a) The Government has signed a memorandum of understanding with the private sector to mobilize investment for developing renewable energy sources, including solar and wind power;
- (b) The relevant staff from various institutions and ministries were included in the BUR technical working group and task force to ensure effective coordination and collaboration. However, some of the members lacked knowledge on climate change and reporting issues, which prevented them from providing critical analysis and views during the reporting cycle. In addition, the limited budget available to organize the consultation meetings at the local level posed a challenge. The Party intends to address these challenges through the associated CBIT project;
- (c) Its highest priority areas include obtaining higher quality activity data and improving institutional and procedural arrangements for collecting, archiving and sharing data and information;
- (d) The staff of relevant institutions and ministries, and members of the BUR technical working group and task force, were the main participants in the BUR report validation and consultation meetings;
- (e) Under its CBIT project, the Party has begun preparatory work to establish a harmonized MRV system for GHG inventory and mitigation actions, and progress in the development of the system is expected by early 2022. The Party is collaborating with national consultants and consultants from Japan on this work;
- (f) The main challenge for the AFOLU sector is the lack of and limited access to activity data. Under its CBIT project, the Party is developing a national GHG inventory and mitigation database system covering all sectors;
- (g) The lack of a national database system and limited access for the BUR reporting team to the existing partial database systems is the main barrier to tracking the financial, technical and capacity-building needs and support received. One component of the national database system being developed under the CBIT project relates to support received and used, building upon the existing database on official development assistance received, which is maintained by the Ministry of Planning and Investment and Ministry of Finance.

18. The statement and subsequent interventions are accessible via the webcast of the workshop.⁸

⁸ Available at www.youtube.com/watch?v=ru5FhNOINCs.

19. In closing the workshop, the SBI Vice-Chair congratulated the Lao People's Democratic Republic for successfully undergoing FSV and completing the first round of its ICA process. He thanked the Lao People's Democratic Republic and all other participating Parties for engaging in the workshop in a facilitative manner. He also thanked the secretariat for its support.
