



Department of Geography  
Faculty of Arts & Social Sciences



**CGSEA**  
CARBON GOVERNANCE IN  
SOUTHEAST ASIA

## CARBON GOVERNANCE IN SOUTHEAST ASIA TERRESTRIAL FOREST CARBON PACKAGE

# Governing the Forest Carbon Through Market-Based Mechanisms: Policy Design and Framework Development in the Lao PDR

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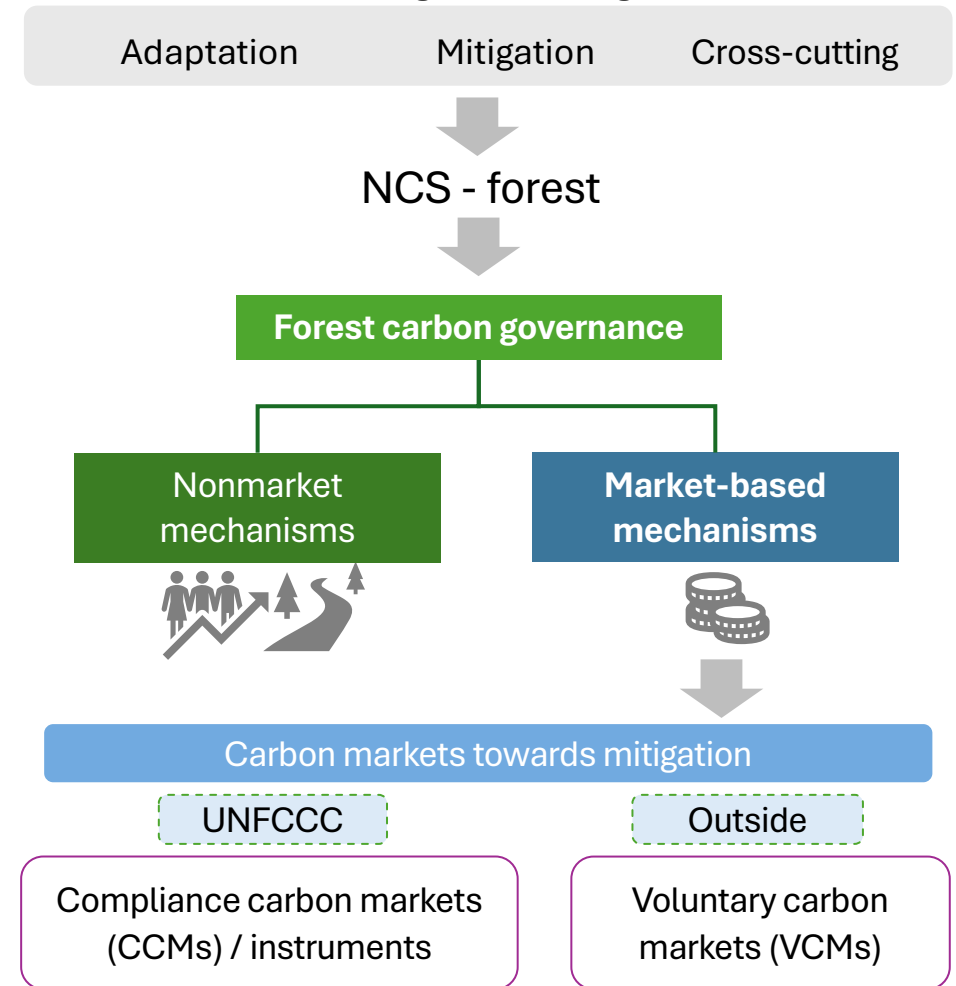
# Background

- Global framework to address climate change impacts: adaptation, mitigation, cross-cutting
- Forest carbon governance: formal and informal institutional arrangements – guide the forest carbon management and regulation – multiple scales, partnerships between actors
- Regimes: market, nonmarket or hybrid
- Approaches/schemes: Protection/conservation (e.g., REDD+), Restoration (e.g., ARR), and Management (e.g., IFM), as finance sources (donor, market)
- Carbon markets: Climate mitigation policy – Natural climate solutions (NCS) – compliance vs. voluntary

UNFCCC: United Nations Framework Convention on Climate Change  
REDD+: Reducing emissions from deforestation, forest degradation and more  
ARR: Afforestation, Reforestation, and Revegetation  
IFM: Improved Forest Management

(Griffiths et al., 2007; Chen and Xie, 2023; Ruseva, 2023; Konstantinos, 2024; Bond, 2020; Osborne, 2015)

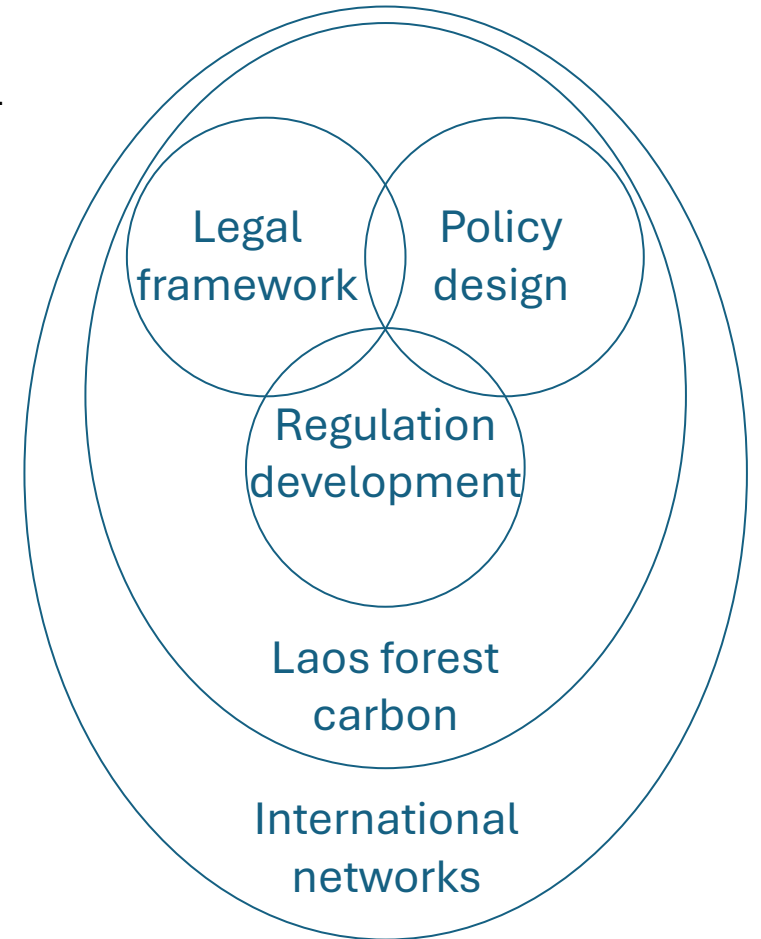
## Climate change addressing efforts



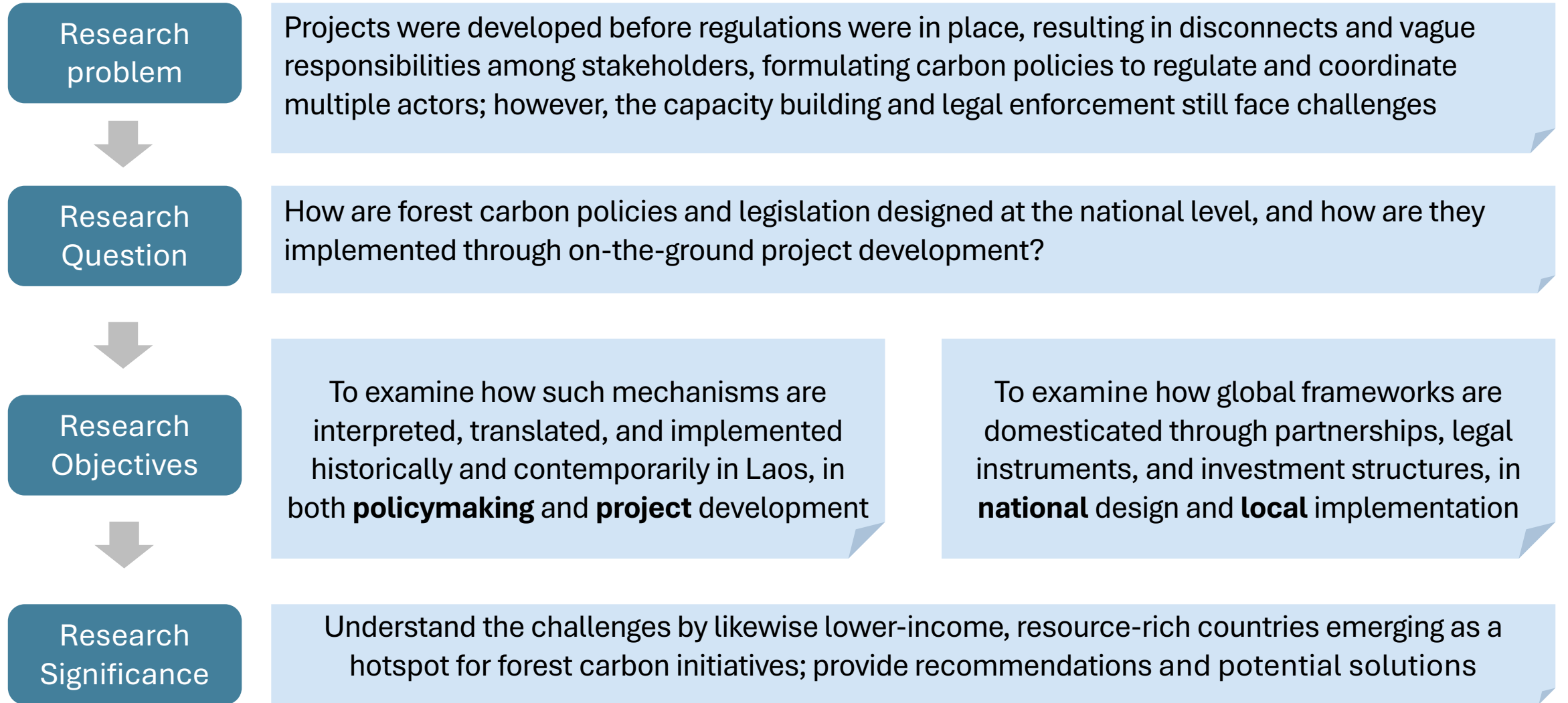
(summarised from Black, 2011; Hibi and Dublin, 2023)

# Research scope & previous research

- Research scope:
  - The analysis situates Laos' engagement with compliance mechanisms and voluntary carbon markets within broader geopolitical and financial networks, focused on regulation; Laos increasingly engaged with.
- Previous research:
  - Forest carbon offsets and international law: a deep equity legal analysis, David Takacs, [2010](#)
  - Fostering REDD+ Investment Through Effective Legal Frameworks: Lessons From the Development of Early Forest Carbon Projects, [2013](#)
  - Reconsidering REDD+, Julia Dehm, [2021](#)
  - Comparative Study of Carbon Rights Governance Among 7 Countries to Develop Carbon Rights Policy in Vietnam, [2025](#)
  - Ground Truth: An Assessment of Forest Carbon Credit Protocols A CATF REPORT,

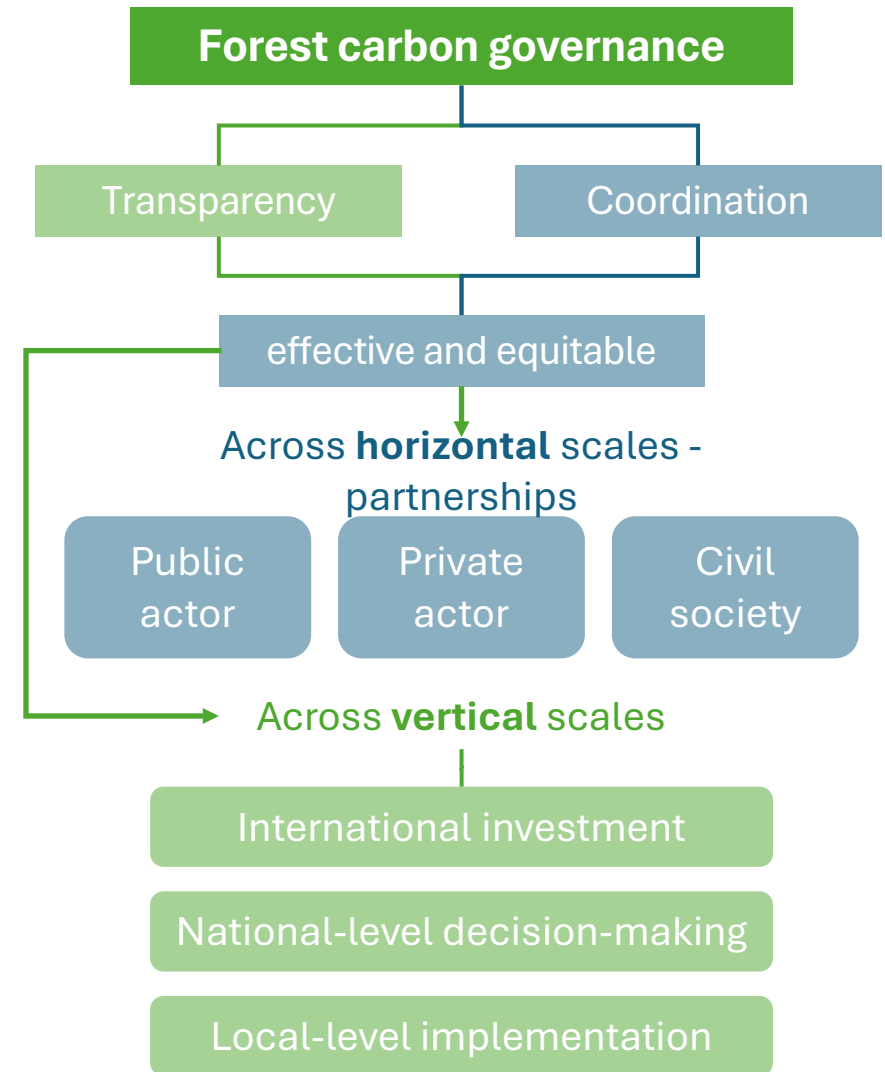
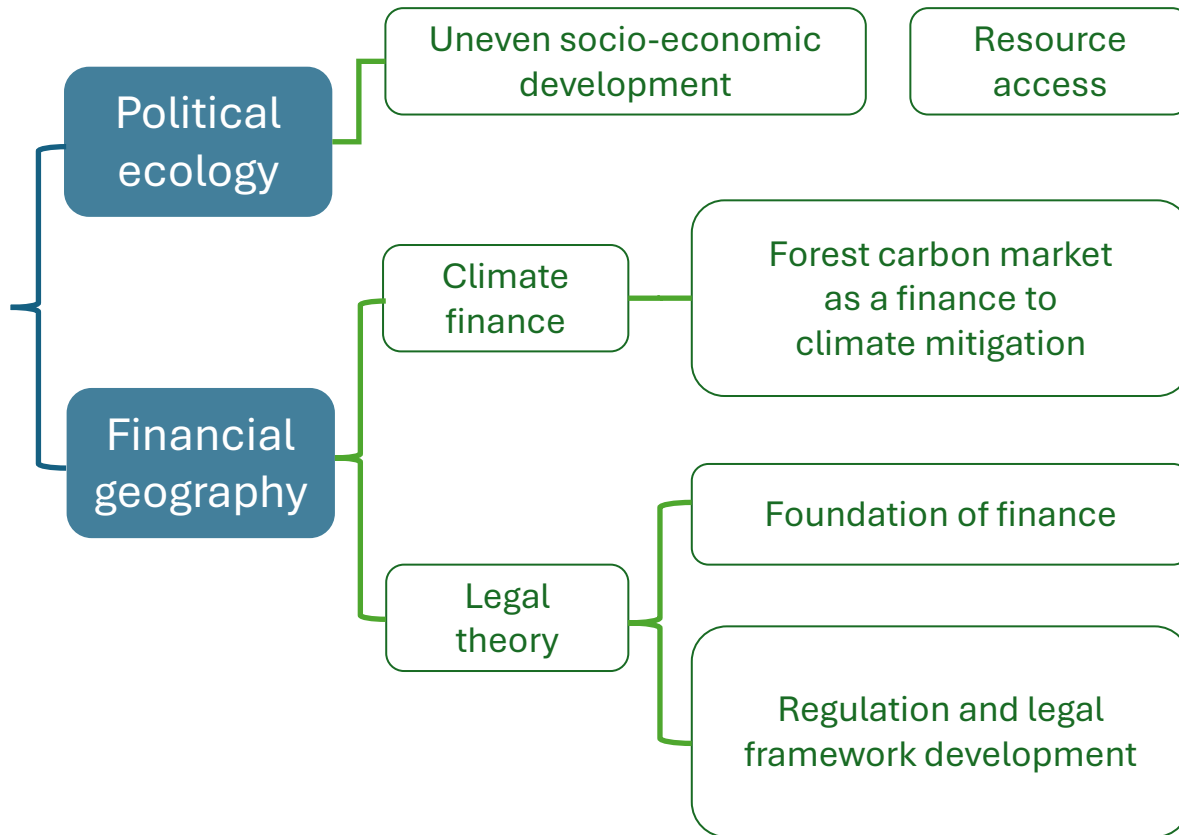


# Research framing

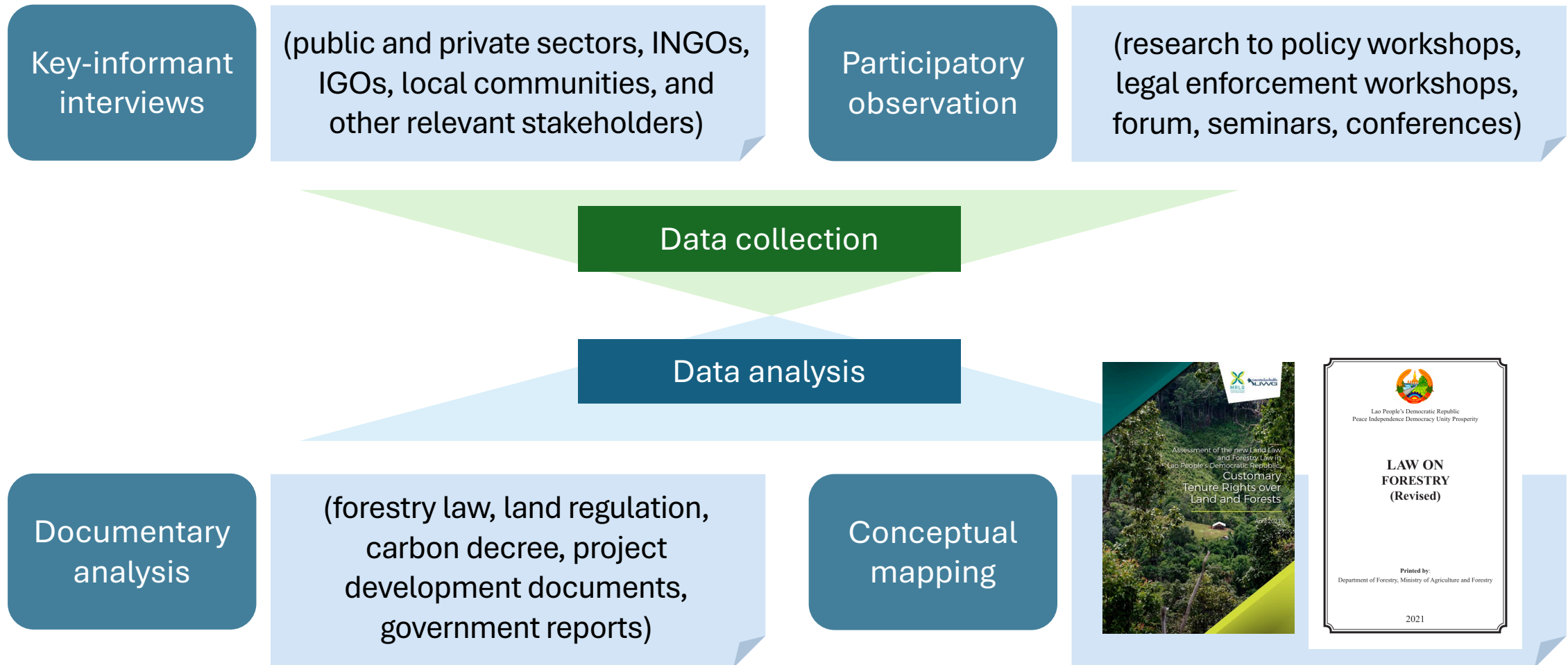


# Conceptual framing

- Political ecology, financial geography (climate finance, legal theory as the foundation of finance)
- Forest carbon governance

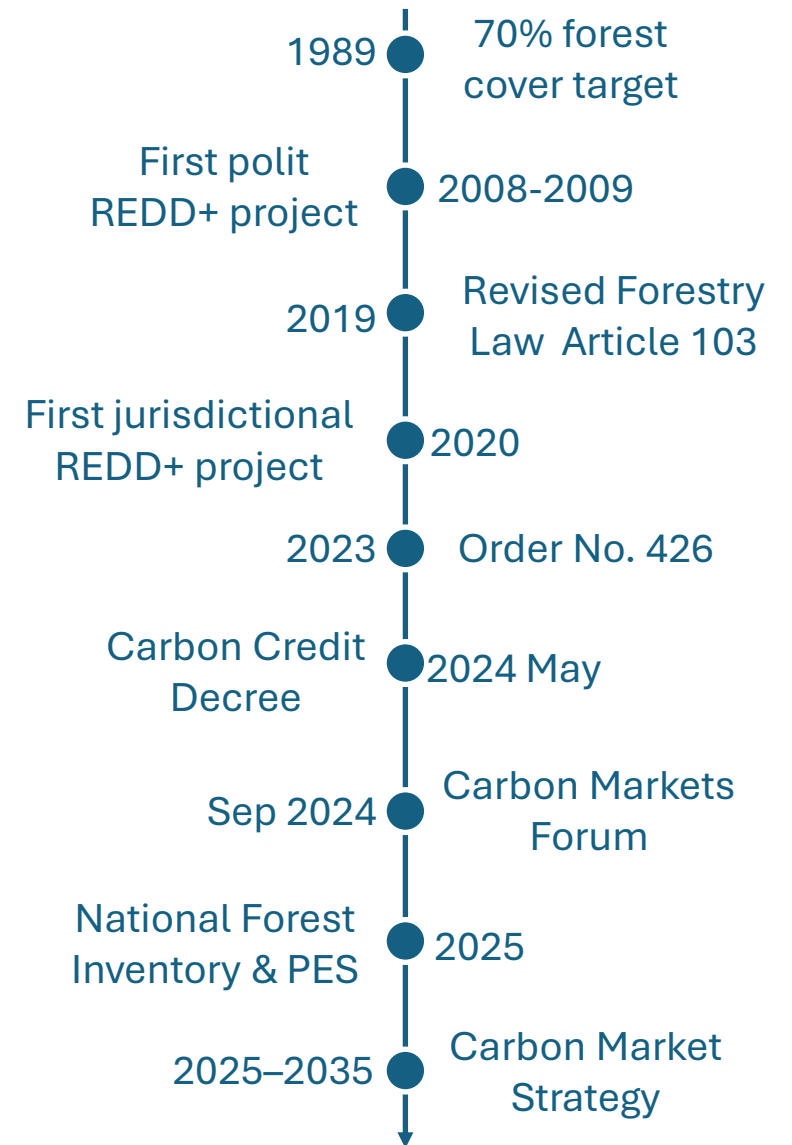


# Data & mixed methods



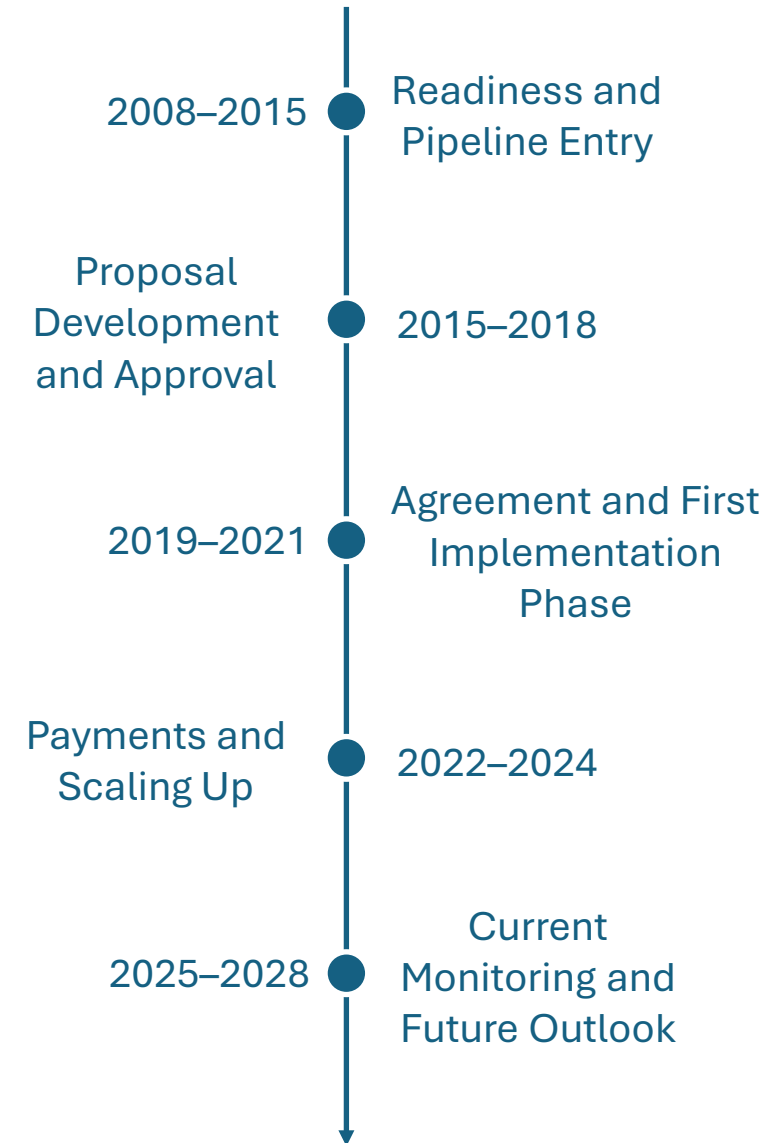
# Policymaking

- National policy design and legal framework
  - **The 70% Forest Target:** a central policy goal of forest cover
  - Foundation in the 2019 **Forest Law:** Primary legal instrument. Article 103 (or 106 in some translations) with the explicit legal basis for trading forest carbon credits
  - The **Carbon Credit Decree:** Mandated by Prime Minister Order No. 426, to govern the entire carbon sector, aiming to establish the institutional framework for participation in international markets under Article 6 of the Paris Agreement
  - **Institutional Roles:** Governance merging to MAE (Ministry of Agriculture and Environment) with a focal point for climate change and the carbon market, and technical forest carbon activities
  - **Capacity Building and Technical Support:** gov limited internal expertise, policy design relies heavily on GGGI, the World Bank, JICA, and FAO's technical assistance to build capacity for MRV (Measurement, Reporting, and Verification), PES (payment for ecosystem services), referring to Vietnam's



# Project-making

- On-the-ground implementation ( 2 Models)
  - Jurisdictional REDD+ (e.g., GFLL and I-GFLL): IGO and gov
  - Private Sector Project Development: Companies and gov
- Jurisdictional REDD+ (J-REDD+)
  - Free, Prior and Informed Consent (**FPIC**): voluntarily agree to participate through a structured consent process
  - Participatory Land Use Planning (**PLUP**): Communities work with district authorities to demarcate agricultural from forest zones
  - Village **Grants** and **Bonus Payments**: project financial support (e.g., €400 per family) and performance bonuses to villages
  - **Monitoring Systems**: via National Forest Monitoring System (NFMS) and Provincial Deforestation Monitoring System (PDMS)
  - Uneven distribution and participation

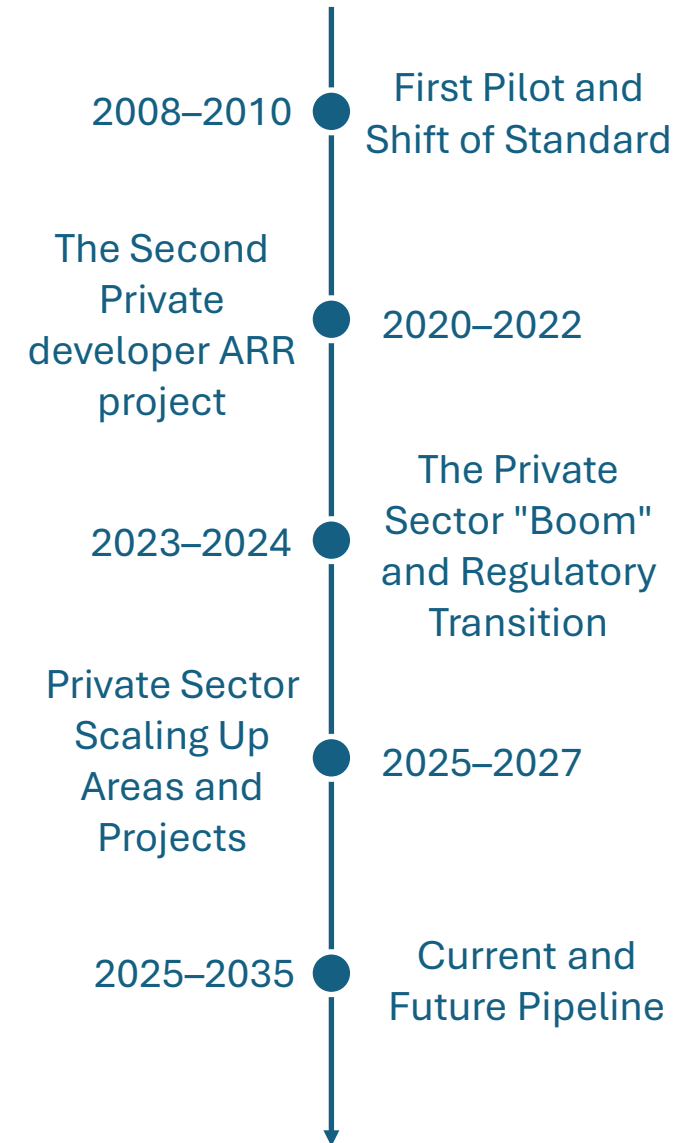


# Project-making

- Private sector project development

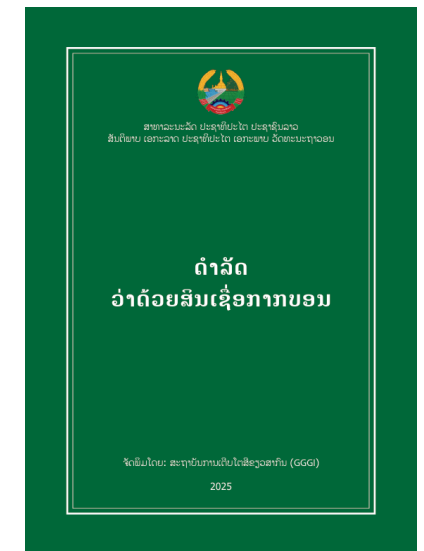
Often focusing on the ARR project, alongside REDD+, FPIC optional up to the carbon standards (e.g., Verra, Gold standard)

- **Concession and Cooperation Agreements:** Companies such as SilviCarbon and LTH obtain government land concessions, but also sign cooperation agreements directly with villages via **Contract Farming** (2+3, 1+3 Model); farmers with (land and/or labour) + company with (seedlings, technical expertise, and capital)
- **Agroforestry Models:** often use degraded lands and allow crops like rice or coffee between tree rows to maintain livelihoods
- **Due Diligence and Certification:** seek international certifications like FSC or Verra's CCB to ensure high social and environmental integrity, which can increase the market price of the credits
- **Voluntary Standards:** apply international standards like Verra (VCS) or Gold Standard to ensure credit quality and attract high-paying buyers



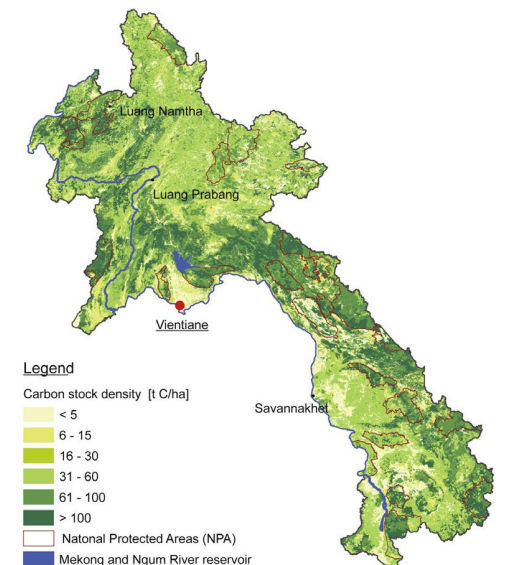
# Translated from international to localised

- International framework: standards and technical translation
  - International partners act as **translators** on the **technical** setup
  - High **integrity** standards as donors push for a "higher bar" of access
  - Knowledge exchange through **regional** workshops
- National level: legislative and institutional implementation
  - Carbon Decree **overarching** legal frameworks for CCM & VCM
  - **Legislative** foundation and **institutional** coordination
  - National forest Monitoring System for a real-time portal
- Local level: implementation and livelihood translation
  - **FPIC**, Consent, and **Participatory** Land Use Planning (PLUP)
  - Negotiated Benefit Sharing Plans (BSP) in **benefit-sharing**
  - **Livelihood** transitions from solely forest-dependent to alternative



# Key Challenges in Implementation

- Implementation of law/regulations
  - Literacy + Language + Awareness raising + Legal enforcement
- Project implementation
  - **Conflicting Economic Incentives:** financial returns from carbon are often insufficient to compete with lucrative cash crops like cassava, maize, and others, leading to continued forest encroachment
  - **Land Tenure Ambiguity:** Permanent land titles are generally not issued inside state forest land, forcing projects to rely on leases
  - **Weak Enforcement:** While legislation exists, there is still illegal logging and continued land clearing despite official bans
  - **Data and capacity Gaps:** a disconnect between GIS mapping data and the actual situation; need more professional staff on the ground



# In broader debates

- Previous research focusing on legal equity
  - Local communities' rights of land use and project participation
  - The process of REDD+ and its practice, adapting the international framework and definition/conceptualisation
- Trend of jurisdictional REDD+, private ARR and general REDD+
- Focusing on local practices and advocating community-based implementations with concerns for livelihoods
- Shifting from international adaptation into “good practice” learned from the countries in the same region
- Attempt from assistance reliance to self-independence

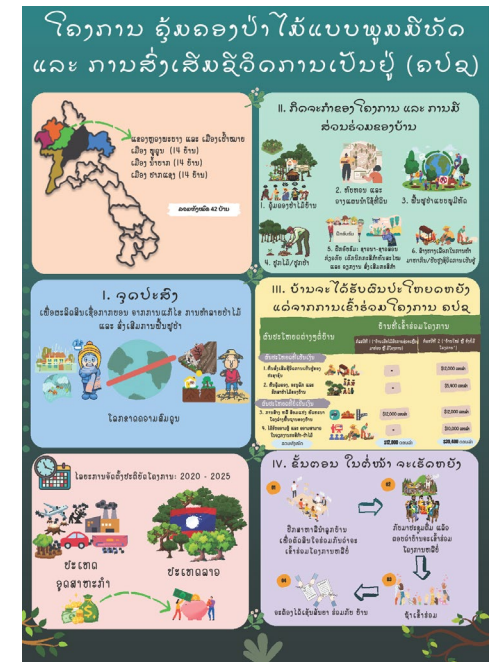
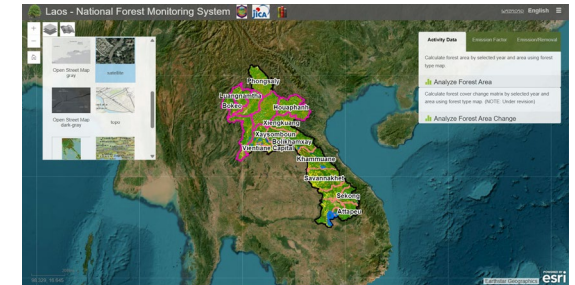


# Recommendations & contribution

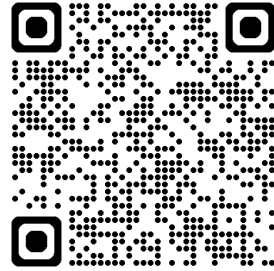
- A systematic framework is highly needed
  - National inventory/registry and monitoring system
  - Education on carbon literacy and capacity building for all sectors
  - More comprehensive legal framework and detailed guidelines to guide project developers, from high-level national objectives to specific sectoral regulations

National Forest Objectives and Land Categories  
Key Decrees and Legislation  
REDD+ and Emissions Reduction Framework  
Emerging Carbon Market Regulations  
Land Tenure and Community Rights

- Contributions: add debates on environmental governance, political ecology, and climate finance by providing empirical insights into the forest carbon policymaking and project-making in a frontier carbon economy.



THANKS FOR YOUR ATTENTION



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