

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094048
Printed On: 11/05/2013

Reporting Period: 12/30/2009 to 03/31/2011
Report Type: Completion
Report Status: Approved

Assignment: TF094048

LAO: FCPF READINESS GRANT

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000157997 - Peter Jipp
Approving Manager: 00000022944 - Jeeva A. Perumalpillai-Essex

Summary Information	
TF Status	ACTV
Recipient Country	Laos
Executed By	Recipient
Managing Unit	8297 - EASTS
Grant Start Date / Closing Date	12/30/2009 to 05/31/2011
Program Manager	
Original Grant Amount	200,000.00
Grant Amount	200,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	173,220.00 as of 03/31/2011
Disbursed 12/30/2009 to 03/31/2011	173,220.00
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Completion, Disbursements, Procurement Plan, Procurement Actuals.

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the Grant is to assist a REDD Country participant (LAO PDR) in the FCPF to develop its Readiness Plan (R-plan)

Overall progress from 12/30/2009 to 03/31/2011 with regard to Achieving Grant Objectives:

Comment:

The country has completed the REDD Readiness Plan Proposal (R-PP) in October 2010 and presented this at the 7th Participant Committee (PC7) in Washington D.C in November 2011. The proposal was approved with minor changes recommended to be made by the government. The revised version of the R-PP was submitted to the FCPF Management Team in February 2011 and is considered satisfactory. This final version will be translated into Lao language and the completeness check has been posted on the FCPF website since June for public dissemination.

Overall progress from 12/30/2009 to 03/31/2011 with regard to Implementation of Grant Financed Activities:

Comment:

The grant implementation was progressing well despite experiencing some delay at the beginning of the project start up due to difficulties in finding and recruiting the consultants to support the government preparing the R-PP. Nevertheless, FCPF grant has helped building the capacity of the government and broader stakeholder in the country in understanding REDD and associated challenges as well as setting up the institutional framework/arrangement to lead the REDD discussions and activities in the country and with other regions. For example, a FCPF Technical Working Group was established on Nov 3, 2008 and led by the Director General of the Department of Forestry on behalf of the government. The group comprised 12 key technical staff from the line ministries to lead the preparation of the REDD Readiness Plan Proposal (R-PP) which was completed in October 2010 and the revised version in February 2011. Consultations both at the technical level and at the national level were held over the implementation period to consult and engage key stakeholders in the design and finalization of the R-PP.

Grant follow-up and structure

Description and context of Grant:

Expected follow up (if any):

Comment on follow up:

Lao PDR is eligible to receive an additional funding of \$3.4 million in grant based on the PC7 meeting last year. These resources will be provided through the FCPF Readiness Fund to implement selected prioritized activities identified in the R-PP. The proposed activities tentatively include, among others, the establishment of the new REDD Office under DoF and capacity building (training) to the REDD Office staff on Monitoring, Reporting and Verification. A Draft Staff Assessment Note has been prepared and is expected to be completed in the next few months before the Grant Agreement is signed.

The country has also been selected as one of the eight pilot countries for the Forest Investment Program (FIP) under the umbrella of the Climate Investment Funds (CIF) since March 2010. The Scoping Mission was completed in January 2011 and the First Joint Mission was conducted on June 4-10, 2011. Approximately USD30 million will be allocated to Laos (to be finalized at the FIP Sub-Committee meeting in Cape Town in June 22-29, 2011 on the grant and concessional loan component). It is anticipated that the FIP fund will be used for eligible investment activities that can reduce greenhouse gas emissions and will complement other resources available in the country provided by FCPF and bilateral donors.

End Date of Last Site Visit:

Restructuring of Grant:

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COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

Government demonstrated a high level of commitment and achieved significant inter-ministerial communication and coordination in the development of the R-PP. Nevertheless, availability of staff and capacity of the implementing agency (both technical and fiduciary) to execute this project presented challenges. The project had no dedicated support staff and thus relied on the SUFORD project implementing unit (PIU) in DoF to provide procurement and financial management services. This arrangement was found to be efficient and cost effective. In terms of capacity, there are few staff at DoF with a good technical understanding of REDD principles and implementation modalities. Thus Government has decided to establish a National REDD Office to act as a secretariat for this initiative. This office will be responsible for coordinating and implementing REDD activities in Lao PDR and will have more dedicated administrative and technical staff and office resources. Additional training is needed on technical aspects of REDD for responsible staff at central and provincial levels focusing on those areas where REDD projects are to be managed or implemented with support from the Forest Carbon Partnership Facility (FCPF) and bilateral donors (JICA, GIZ, Finland).

The Department of Forestry (DoF) at Ministry of Agriculture and Forestry (MAF) has performed exceptionally well in engaging the donors, development partners and other stakeholders to support this task. Coordination with REDD stakeholders can be a real challenge and required a dedicated REDD team as mentioned above.

Overall outcome (and its Sustainability):

Comment:

The REDD program is led and driven by the country (Department of Forestry within the MAF on behalf of the Government of Lao PDR) with participation from other line ministries and donors. This project assisted the development of the Readiness Plan Proposal (R-PP) that covers 4 main elements: i) a National REDD Strategy options i.e actions to reduce deforestation and/or forest degradation; ii) REDD management framework; iii) a Reference Emission Level (a scenario of forest cover change and emissions) for GHG emissions from REDD; iv) A monitoring system to measure, report and verify the effect of REDD strategy on GHG emissions.

Inclusion and engagement of the forest dependent local communities and ethnic groups are the key elements in developing the R-PP as well as safeguards. Thus, a Consultation and Participation Plan and a plan on safeguards (both environment and social) have been included in the R-PP to ensure a long term sustainability of the program.

Bank Performance:

Comment:

The World Bank, through supervision of this project and the related SUFORD project, has actively coordinated with other development partners who are engaged in REDD related activities to ensure synergy and complimentary. The project also helped to leverage incremental donor resources to support REDD at the national and sub-national levels (piloting projects).

Additional Assessment

Development / strengthening of institutions:

Comment:

Through substantial consultation the level of understanding among government officials and wider stakeholders on REDD has improved. Internally, DoF also raised its profile and enhanced its capacity as a REDD focal point for the country through a number of activities including organizing an ad-hoc Technical Working Group on REDD chaired by the Director General or Deputy DG of DoF, hosting a high level government meeting on REDD in May 2010 which was well attended by ministers from key line ministries and presenting a REDD activities progress report to the National Environmental Committee (NEC) chaired by Deputy Prime Minister in May 2011. These activities helped strengthen government mechanisms in coordination and facilitated the establishment of mechanisms for inter-ministerial dialogue. With support of this grant DOF was able to build initial capacity and establish a basic understanding and framework for REDD implementation at the national level.

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Mobilization of other resources:

Comment:

This project was the first to provide support to the government for building capacity and institutional frameworks for REDD implementation at the national level. Other bilateral donors (JICA, GIZ) and other INGOs are focusing more on piloting REDD at the sub-national level. Since R-PP was completed, other development partners such as GIZ is supporting DoF in the development of the National REDD Strategy through providing TA and funds to conduct consultation meetings. SNV (Netherlands Development Organization) also received some funds from the USAID to pilot the REDD in Mekong Region, including \$1.5 million to be allocated to Lao PDR to work at both national (Reference Emissions Scenario) and pilot activities at sub-national levels. Apart from these, the project successfully mobilized resources both human resources (experts, technical staff) to help reviewing the draft R-PP and funds from JICA and GIZ to co-finance two consultation workshops on the draft R-PP, hiring of and international consultant to prepare the assessment of the REDD activities status and translation of the R-PP into local language (Lao). As mentioned earlier that Lao PDR was also eligible to receive some \$30 million from the Forest Investment Program (FIP) under the Climate Investment Funds and \$3.4 million from the FCPF Readiness Fund to implement prioritized activities that will address the deforestation and forest degradation in Lao PDR.

Knowledge exchange:

Comment:

DoF has been very active in improving the public awareness on REDD through attending various public seminars organized for the World Environment Day and other public events since 2009. Lately, it published a few articles on forestry and REDD on the local newspaper and television in both Lao and English languages. In order to ensure a consistent flow of information and communication between the department, technical working group members and other stakeholders, DoF invited development partners and INGOs to make a presentation on their REDD activities to give others an update and discuss their activities at the ad-hoc REDD Technical Working Group meeting. An annual report on REDD+ activities is also prepared by DoF for distribution to stakeholders. This is found to be effective and should be strengthened in the future.

Client's policy / program implementation:

Comment:

This grant has helped set a important process in motion but there is still a significant amount of work required to complete the policy and legal framework for REDD implementation. REDD program implementation at the national level will require a sustained effort over the next several years to become fully functional. Government commitment is considered to be quite strong at the highest level but one must consider that: a) the rapid pace of development in Lao PDR; b) the reliance on natural resources as a driver of growth (land concessions, mineral extraction, hydro power development) and c) decentralized decision making (with powerful Provincial Governors) will continue to present significant challenges to development of a national program to reduce emissions from deforestation and forest degradation.

Efficiency:

Comment:

Institutional structure to implement REDD projects in Lao PDR, i.e. single government entity to coordinate and execute REDD projects, has enabled the country to move relatively rapidly in terms of delivering the outputs and efficiently coordinate the work with other line ministries/donors and others. Ongoing engagement and dialogue with the high level government officials through the NEC is a key to the program success in the future.

Replicability:

Comment:

Not applicable as there will not be another R-PP produced by Lao PDR but as indicated above there are lessons from Lao PDR for other countries that are beginning to prepare their own R-PP.

Main recommendations to stakeholders:

DoF has done an excellent job of providing logistical and technical support to projects of several donors especially in light of the limited human resources available within the institution. The Department has also undertaken many research initiatives that are useful for the design and evaluation of existing and future projects. Information dissemination and particularly public availability of information requires further strengthening. Development of a strategic approach to communication is needed to help DoF share more broadly the objectives and opportunities associated with REDD and other forestry related initiatives.

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Strategic communication will enhance both public awareness and the exchange of information both domestically and with other countries. This should be part of the ToRs for the new National REDD Office.

Main recommendations to Bank Management:

The Bank has a strong advantage to continue engaging in forestry sector and REDD because of its experience in the sector and engagement with government and development partners and NGOs. The government has confirmed its commitment to increasing the forest cover from around 41% at present to 65% by 2015 (under the 7th NSEDP) and finally to 70% by 2020. These are stretch goals and additional investments, not just from donors but also from the private sector, will be needed to move toward these targets. Incremental financial support to developing countries to work on REDD and other climate change adaptation and mitigation initiatives post Kyoto commitment in 2012 are anticipated. Lao PDR was selected as a pilot country under the Climate Investment Funds - Forest Investment Program and may also be eligible for participation in the upcoming Green Climate Fund. Continuing engagement will ensure that Lao PDR has access to these funds to leverage IDA, other DP resources and private sector investments in both forest production and climate mitigation.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2009	12/31/2009	0.00	0.00	0.00	0.00
01/01/2010	06/30/2010	0.00	0.00	50,000.00	50,000.00
07/01/2010	12/31/2010	0.00	0.00	173,220.00	123,220.00
01/01/2011	06/30/2011	0.00	0.00	172,661.49	558.51-

PROCUREMENT PLAN

None

PROCUREMENT ACTUAL

None