

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF014777
Printed On: 10/01/2018

Reporting Period: 07/01/2017 to 06/30/2018
Report Type: Progress Report
Report Status: Approved

Assignment: TF014777

Lao PDR - FCPF REDD+ Readiness FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000269425 - Stephen Danyo
Approving Manager: 00000175113 - Christophe Crepin

Summary Information	
TF Status	ACTV
Recipient Country	Laos
Executed By	Recipient
Managing Unit	9532 - GEN2B
Grant Start Date / End Date	08/11/2014 to 12/31/2020
Original Grant Amount	3,600,000.00
Grant Amount	8,175,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	3,542,170.76 as of 06/30/2018
Disbursed 07/01/2017 to 06/30/2018	1,344,470.40
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

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OVERVIEW

Overall Assessments

Grant Objectives:

The Project Development Objective is to contribute to Lao PDR's efforts to design and implement a sound national REDD+ strategy.

Key Results indicators include:

- a) Strengthened technical and institutional capacities, and human resources for effective management, implementation and coordination of REDD+ Programs, projects and policies with DOF and DFRM;
- b) Improved understanding and awareness of drivers of deforestation and degradation and of strategies to address them;
- c) An efficient, effective and equitable REDD+ management framework designed and validated nationally, including an Environmental and Social Management Framework;
- d) Appropriate social inclusion in REDD+ through consultations at the national, provincial, and especially the district and community levels; and
- e) Sub-national dialogue on REDD+ implementation.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Achieving Grant Objectives:

Comment:

The Project Development Objective is to contribute to Lao PDR's effort to contribute to design and implement a sound National REDD+ Strategy.

This will help enable Lao PDR to become ready to participate in and benefit from the emerging performance-based payment system from REDD+ within the context of the UNFCCC. The activities aim to develop or enhance socially and environmentally sound policies and programs to reduce deforestation and forest degradation, and internationally recognized reference emission level, generate forest carbon emission scenarios, and design technically robust systems of forest monitoring and emissions reporting. This Readiness Preparation grant support assists the GOL in preparing for a comprehensive National REDD+ Strategy and setting up necessary instruments including the establishment of the national REDD+ Office and associated Technical Working Groups.

The Client reached important milestones during FY18 with respect to achieving the grant's objectives. Specifically, Lao PDR presented a Readiness Package to the FCPF Participants Committee in March 2018. The Readiness Package included a comprehensive multi-stakeholder self-assessment of the progress made with the support of the FCPF readiness grant and other donor support on REDD+. The Participants Committee endorsed the Readiness Package and noted Lao PDR's achievement of REDD+ milestones, including the preparation of a national REDD+ strategy; submission of forest reference level to UNFCCC; development of a first draft Strategic Environmental and Social Assessment (SESA), a draft Environmental and Social Management Framework (ESMF) and FGRM at national level as well as the preparation of Free, Prior and Informed Consent (FPIC) Guidelines and piloting at sub-national level. Important associated progress included the revision of land law and forest law. As per the grant objectives, national and sub-national capacity could be built with the implementation of the grant activities. The implementation unit at DOF showed capacity to coordinate an increasing number of project activities. Also, Lao PDR effectively and actively participated in a number of international meetings that helped advance the REDD+ implementation in the country.

The other significant milestone was the successful preparation and presentation of an Emission Reduction Program Document (ER-PD) to the Carbon Fund in June 2018 (accepted without conditions), which followed a period of intensive preparation throughout FY18. The preparation of the ER-PD benefitted significantly from the analysis, resources, and capacities developed with the readiness preparation grant.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Implementation of Grant Financed Activities:

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Comment:

A second Readiness Preparation Grant funded with Additional Funding approved by the Participants Committee in 2017 was signed in March 2018, along with an extension of the parent grant, which allowed the Client to seamlessly continue the ongoing work and maintain the sound momentum generated during FY18. This allowed the Client to add new staff to the implementation unit, which was instrumental to allow the preparation of the ER-PD for the emerging program in the six Northern Provinces to continue. Missions noted that the project had accelerated work demonstrably over the past year.

Grant follow-up and structure

Description and context of Grant:

The grant allows to effectively engage with the Client and key technical and policy issues related to sustainable landscapes management. It also allowed important connections to be made with other operational work of the Bank in the natural resource space. The grant and proposals made internally for funding (notably the ER-PD for the FCPF Carbon Fund) is in the context of important and positive policy development in the country, most importantly the (i) new Prime Minister's order to improve the legality of timber (draft), (ii) The Prime Minister's bans on timber and wood products (under implementation), (iii) a new Land Law (set to be approved by the National Assembly in October 2018), (iv) stronger new protected areas policies (some approved in 2017 and some set for approval in December 2018), (v) the new Water Law approved in 2017, and (vi) the new Forest Law (set for National Assembly discussion around April-May 2019).

Expected follow up (if any): Follow up Bank project/loan/credit/grant

Comment on follow up:

While the first grant (US\$ 3.6 million) was successfully implemented, a priority of the second grant (US\$ 4.575) is now to continue to build national capacity to effectively engage internationally, while also building capacity at the sub-national level, especially with respect to the implementation of an operationally sound emission reduction program in the North. Going forward, with key document available (at least in advanced draft format), the focus will now shift to (i) technical and implementation capacity building from national to sub-national levels, including on monitoring forest degradation; (ii) coordination with other sectors (notably agriculture) on implementation of REDD+; (iii) and the preparation of safeguard instruments, a benefit sharing plan and sustainable financing strategy for the emission reduction program.

End Date of Last Site Visit:

Restructuring of Grant:

As noted above, a second grant was processed with the same objective as the first grant, though with more focus on implementation at the subnational level.

OUTCOME

Comments on outcome achieved from 07/01/2017 to 06/30/2018

The principal outcome of the grant has been that Lao PDR could effectively and credibly engage internationally on REDD+. This is reflected in the successful presentation of an Emission Reduction Program to the FCPF Carbon Fund, which now opens the door to potentially access significant REDD+ financing from a multi-lateral mechanism.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

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COMPONENTS

There are no components defined for this trust fund / grant.

Comment on planned and actual Output

Comment on component implementation progress

No components defined for this Trust Fund/Grant

EXECUTION

Bank project related to the grant

Project ID / Name: P125082 - LA-FCPF Implementation Support
Project Status: Lending
Global Focal Area: Climate change
Product Line: CN - Carbon Offset

Implementing agency and contact details

Agency: Ministry of Agriculture and Forestry, Dept. of Forestry, REDD+ Office
Contact: Mr. Khamsene Ounekham
Address: Ministry of Agriculture and Forestry, Dept. of Forestry, REDD+ Office
Phone: +856 2054466829 Email:
Website:

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those f

A National REDD+ Task Force (NRTF) was created in 2008. Since then, the government has worked with many development partners on REDD+ issues, including the Japanese International Cooperation Agency (JICA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Kreditanstalt für Wiederaufbau (KfW), the Government of Finland, the World Bank (IDA), MDB Forest Investment Program, Global Environment Facility, Asian Development Bank, the EU (FLEGT), and the Korean Green Growth Trust Fund which is helping finance policy reforms on forestry and protected areas.

2. Describe any important changes in the technical design or approach related to the Grant activities.

There are no changes in technical design, though going forward the focus will be more on subnational implementation.

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

Capacity has been significantly strengthened through the implementation of the grant activities. Still, more work is needed for the national government to effectively advance REDD+ implementation subnationally. The main constraint has been on fiduciary issues including procurement. The national team benefitted from a strong TA contract that paired international experts with them. The government continues to seek international support because the starting point for REDD+ and broader climate change response capacity is characterized by significant financial, human, and technical constraints.

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Development partners have contributed roughly USD 65 million in the last ten years including the ongoing IDA/Forest Investment Program support under the SUFORD-SU project that closes August 2019. Anticipated support through the Green Climate Fund, new WB/GEF financing, and private sector investment could increase this value substantially in addition to the government's own budget and indirect contribution. Discussions with bilateral donors continues, to help increase the prospects for success of the upcoming ER Program in the six northern provinces.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

A national SESA has been drafted, but important gaps now need to be filled to make it relevant and applicable for the implementation of the ER program in the Northern provinces.

5. Is the ESMF prepared in accordance with the Common Approach?

It will be once it is finalized.

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant.

The REDD+ Division under the Department of Forestry (DOF) in MAF serves as the secretariat to the NRTF, and to the six Technical Working Groups (TWGs), which provide advice to the NRTF on thematic areas of work under REDD+. Coordination on climate change (including REDD+) is also being strengthened including mainstreaming climate finance related reporting and monitoring between the forestry sector (DOF) and the climate change focal point (in MONRE). Through the multi-sectoral and multi-ministerial structure of the NRTF and the six TWGs, discussions and decisions related to REDD+ are consulted across different sectors; coordination is continuing to improve as a result. Consultations and decisions pertaining to the ER-Program have also been taken through both of these mechanisms. To date, information has been primarily provided through traditional means of consultation meetings. Implementation and public disclosure of consultation outcomes is ongoing as various elements of the National REDD+ Program have been under development, but further work on communication materials and uploading materials on the website is needed.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2014	12/31/2014	0.00	0.00	300,000.00	300,000.00
01/01/2015	06/30/2015	0.00	0.00	305,004.86	5,004.86
07/01/2015	12/31/2015	0.00	0.00	500,677.67	195,672.81
01/01/2016	06/30/2016	0.00	0.00	963,207.83	462,530.16
07/01/2016	12/31/2016	0.00	0.00	1,446,354.39	483,146.56
01/01/2017	06/30/2017	0.00	0.00	2,197,700.36	751,345.97
07/01/2017	12/31/2017	0.00	0.00	2,854,843.55	657,143.19
01/01/2018	06/30/2018	0.00	0.00	3,542,170.76	687,327.21
07/01/2018	12/31/2018	0.00	0.00	0.00	0.00
01/01/2019	06/30/2019	0.00	0.00	0.00	0.00
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00
01/01/2020	06/30/2020	0.00	0.00	0.00	0.00
07/01/2020	12/31/2020	0.00	0.00	0.00	0.00