



FCPF Carbon Fund: Lao PDR Northern Laos Emission Reductions Payments Project (P165751)

EAST ASIA AND PACIFIC | Lao People's Democratic Republic | IBRD/IDA | Investment Project Financing (IPF) | FY 2021 | Seq No: 7 | Archived on 04-Sep-2024 | ISR01186

Implementing Agencies: Ministry of Agriculture and Forestry

1. OBJECTIVE

1.1 Development Objective

Original Development Objective (Approved as part of Approval package on 07-Sep-2022)

To make payments to the Program Entity for measured, reported and verified Emissions Reductions (ER) from reduced deforestation, forest degradation and enhancement of forest carbon stocks (REDD+) in six Lao PDR provinces and to distribute ER payments in accordance with an agreed benefit sharing plan (BSP).

Has the Development Objective been changed since Board Approval of the Project Objective?

No

2. COMPONENTS

Name

ERPA:(Cost 0.00)

3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

4. KEY ISSUES & STATUS

4.1 Implementation Status and Key Decisions



The first Emission Reduction Monitoring Report was finalized and approved in October 2023 for the delivery of 3.2 million emission reductions (ERs). Cumulative payments to Lao PDR of US\$16 million were completed in July 2024 (including US\$ 3 million advance payments). Preparations are underway in districts and villages within the emission reduction program area-Huanpanh, Luang Prabang, Oudomxay, Luang Namtha, Bokeo, and Xayabouly provinces-for the distribution of the first ER payment to stakeholders in accordance with the agreed benefit sharing plan.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 08 Sep 2022	Last Approved Rating ISR Seq. 06 - 29 Mar 2024	Proposed Rating
Political and Governance	●	● Substantial	● Moderate
Macroeconomic	●	● High	● High
Sector Strategies and Policies	●	● Substantial	● Moderate
Technical Design of Project or Program	●	● Substantial	● Moderate
Institutional Capacity for Implementation and Sustainability	●	● Substantial	● Substantial
Fiduciary	●	● Substantial	● Substantial
Environment and Social	●	● High	● Moderate
Stakeholders	●	● Substantial	● Moderate
Overall	●	● Substantial	● Substantial



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

To achieve payments for measured, reported and verified Emission Reductions in GFL Program								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Volume of CO2 Emission Reductions measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund (tCO2e) (Metric ton)	0.00	Jan/2019	3,200,000.00	02-Aug-2024	3,200,000.00	02-Aug-2024	8,400,000.00	Dec/2025
	Comments on achieving targets		The first Emission Reduction Monitoring Report (ERM1) was validated and verified by a Validation and Verification Body (VVB) and approved by FMT in October 2023. Emission reductions were transferred to the FCPF Carbon Fund in April 2024. The delivery amount was slightly short of the target delivery amount of 3.4 million ERs.					
Payment by the FCPF Carbon Fund for CO2 Emission Reductions generated by the Program (US\$) (Amount(USD))	0.00	Jan/2019	16,000,000	02-Aug-2024	16,000,000	02-Aug-2024	42,000,000.00	Dec/2025
	Comments on achieving targets		US\$13 was paid to the GoL in July 2024, which, in addition to US\$3 advance payments, totals \$16 million (\$5/ER).					
ER payments distributed in accordance with agreed Benefit Sharing Plan (Y/N) (Yes/No)	No	Jan/2019	No	02-Aug-2024	No	02-Aug-2024	Yes	Dec/2025
	Comments on achieving targets		Not yet applicable. The distribution process is at the initial stages, with the first monitoring report due in December 2024.					

6.2 Intermediate Results Indicators by Components

ERPA				
Indicator Name	Baseline	Actual (Previous)	Actual (Current)	Closing Period

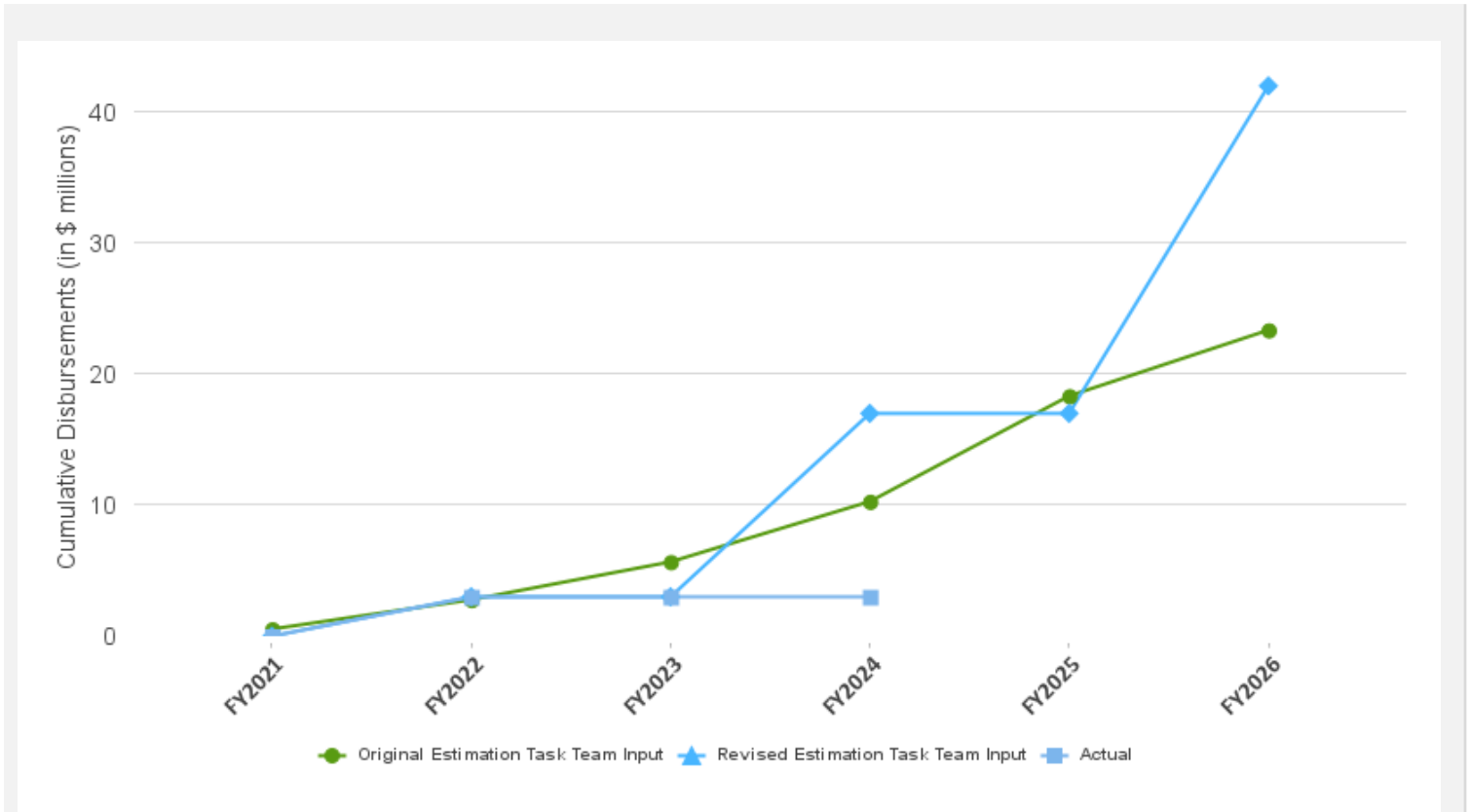


	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
N/A (Metric ton)	0.00	Jan/2019	0.00	02-Aug-2024	0.00	02-Aug-2024	0.00	Dec/2025
	Comments on achieving targets		By the project nature, there are no intermediate results indicators					



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
TF-B4674	Effective	2.25	2.25	0.00	0.86	1.39	38.15%
TF-B4673	Effective	39.75	39.75	0.00	15.16	24.58	38.15%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
TF-B4673	Effective	12-Dec-2020	30-Dec-2020	08-Dec-2021	31-Dec-2025	31-Dec-2025



TF-B4674 Effective 12-Dec-2020 30-Dec-2020 08-Dec-2021 31-Dec-2025 31-Dec-2025

8. KEY DATES

Key Events	Planned	Actual
Approval	Not Available	11-Dec-2020
Effectiveness	30-Dec-2021	08-Dec-2021
Mid-Term Review No. 01	13-May-2024	14-May-2024
Operation Closing/Cancellation	31-Dec-2025	

9. RESTRUCTURING HISTORY

10. ASSOCIATED OPERATION(S)

There are no associated operations