



## Purchase / Sale of Emission Reductions (ER) to be generated under the Mai Ndombe ER Program (P160320)

EASTERN AND SOUTHERN AFRICA | Congo, Democratic Republic of | Environment, Natural Resources & the Blue Economy Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2019 | Seq No: 4 | ARCHIVED on 28-Jul-2022 | ISR52482 |

Implementing Agencies: Ministry of Environment and Sustainable Development, Ministry of Finance

**Key Dates****Key Project Dates**

Bank Approval Date: 13-Sep-2018

Effectiveness Date: --

Planned Mid Term Review Date: --

Actual Mid-Term Review Date:

Original Closing Date:

Revised Closing Date: --

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to make payments to the Recipient for measured, reported and verified Emission Reductions related to reduced deforestation, forest degradation and the enhancement of forest carbon stocks (ER payments) in the Mai-Ndombe province, and to distribute ER payments in accordance with the agreed Benefit Sharing Plan.

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

No

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<span style="color: orange;">■</span> Moderately Satisfactory	<span style="color: orange;">■</span> Moderately Satisfactory
Overall Implementation Progress (IP)	<span style="color: orange;">■</span> Moderately Satisfactory	<span style="color: orange;">■</span> Moderately Satisfactory
Overall Risk Rating	<span style="color: red;">■</span> High	<span style="color: red;">■</span> High

**Implementation Status and Key Decisions**

In September 2018 the Democratic Republic of Congo (DRC) signed a landmark Emission Reductions Payment Agreement (ERPA) with the World Bank, unlocking performance-based payments of up to US\$55 million for verified emission reductions generated under the Mai-Ndombe jurisdictional Program. The payments will come from the Carbon Fund of the Forest Carbon Partnership Facility (FCPF), a global partnership housed at the World Bank. Since then, DRC, with support from the World Bank, has been working towards meeting conditions for the ERPA to become operational:

- As of July 2022, all of the 6 conditions of effectiveness have been met, including the submission of the Program's Letter of Approval; Action Plan on Reversal Management Mechanism; Terms of reference for the ER Program Management Unit; Action Plan on transfer Title to ERs; Evidence of the Client having secured funding of USD 2,200,000 to operationalize instruments for ER Program implementation; and the finalization of the Program's Benefit Sharing Plan (BSP). DRC has established a multi-stakeholder BSP Working Group that led the process of consulting on and updating the final BSP. The BSP Working Group met 10 times between November 2018 and February 2022 to advance the finalization work. Extensive additional consultations of local communities in Mai Ndombe were also carried out in 2020 and directly involved about 2,500 people. They were led by experts from the Network of Indigenous and Local Populations for the Sustainable Management of Forest Ecosystems (REPALEF), Reformed Climate Working Group on REDD+ (GTCRR), Climate Working Group on REDD+ (GTCR), Youth Dynamic for the Environment and Sustainable Development (DYJEDD), Coalition of Women Leaders for Environment and Sustainable Development (CFLEDD). The consultation report was finalized in June 2020 and posted on the REPALEF



website: <http://peuplesautochtones.cd/events/rapport-des-consultations-aupres-des-peuples-autochtones-et-communautes-locales-des-zone-juridictionnelle-du-programme-de-reduction-des-emissions-dans-le-mai-ndombe/>. The final BSP was then presented to Mai-Ndombe stakeholders at the Provincial Steering Committee of the Emission Reductions Program in INONGO (April 2022) and was subsequently validated at a national workshop in Kinshasa (May 2022). The final BSP received non-objection from the FCPF donors in July 2022. The document is publicly posted on the WB website in ENGLISH <http://pubdocs.worldbank.org/en/740301657967569768/Final-Benefit-Sharing-Plan-June-2022-DRC> and FRENCH <https://pubdocs.worldbank.org/en/873261657967723237/Final-Plan-de-Partage-des-Benefices-Juin-2022-RDC> and the DRC government will also publish it in-country shortly.

- As per a Legal Covenant of the ERPA, DRC also had to revise the Reference Level of the Mai-Ndombe jurisdictional Program to enhance its accuracy. Independent expertise consisting of the University of Maryland (GLAD laboratory), the Observatory of Satellite data of the Forests of Central Africa (OSFAC), and DRC’s Department of Forest Inventory and Management (DIAF) were charged with the work. The analysis relied on a probability-based sample of time-series imagery used as reference data to estimate changes in forest areas focusing on key forest types and related generation of CO2 emissions. Forest activity data and related emissions were quantified over the reference period (2004 to 2014) and a monitoring period (2017 to 2019) to determine the performance of the ER Program and related ERPA payments. Methodological aspects were discussed in a Seminar organized by DRC’s MRV Platform in April 2020, and the related report was shared subsequently with stakeholders for a 2-week comment period. A second Seminar was organized with DRC’s MRV Platform in October 2020 to share and discuss early results. The draft final report was shared with DRC stakeholders in December 2020 who subsequently convened through the DRC MRV Platform to consolidate the last comments and endorse the report and UMD’s recommendations. This work resulted in revised activity data with increased accuracy and precision as confirmed by two renowned international independent experts. Hence, in March 2021, the FCPF was able to confirm that DRC revised the Reference Level accordingly in line with the ERPA Covenant. The activity data were used to revise the Reference Level, resulting in a reduction of the Reference Level from 48,022,794 tCO2/year to 33,025,746 tCO2/year.
- The Monitoring Report (MR) for the 1st Monitoring Period (MP) of the ERPA (2019-2020) is under preparation with support from the University of Maryland, OSFAC, and DIAF. The MR will quantify the number of Emissions Reductions (ERs) generated at the jurisdictional level under the Program over the 1st MP. The first results will be presented and discussed with stakeholders in September 2022. After finalization, the MR will be independently verified and will provide the basis for issuing verified ERs and delivering related payments under the ERPA.

**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	<input type="checkbox"/> High	<input type="checkbox"/> High
Macroeconomic	--	<input type="checkbox"/> High	<input type="checkbox"/> High
Sector Strategies and Policies	--	<input type="checkbox"/> High	<input type="checkbox"/> High
Technical Design of Project or Program	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Fiduciary	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Environment and Social	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Stakeholders	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Other	--	--	--
Overall	--	<input type="checkbox"/> High	<input type="checkbox"/> High



Results

PDO Indicators by Objectives / Outcomes

To achieve payments for measured, reported and verified Emission Reductions (ER)				
▶ Volume of ERs measured and reported by the Recipient, verified by an independent reviewer, and transferred to the FCPF Carbon Fund (Tons/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	11,000,000.00
Date	21-Sep-2018	14-Jan-2022	30-Jun-2022	30-Jun-2024
▶ Payments received by the Recipient from the FCPF Carbon Fund for ERs generated by the ER Program (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	55,000,000.00
Date	21-Sep-2018	14-Jan-2022	30-Jun-2022	30-Jun-2024
▶ ER payments distributed in accordance with agreed Benefit Sharing Plan (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	21-Sep-2018	14-Jan-2022	30-Jun-2022	30-Jun-2024

Intermediate Results Indicators by Components

Given the nature of the Project there is no Intermediate Indicators				
▶ N/A (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N/A	N/A	N/A	N/A
Date	21-Sep-2018	14-Jan-2022	30-Jun-2022	30-Jun-2024
Comments:	N/A			

Performance-Based Conditions



Data on Financial Performance

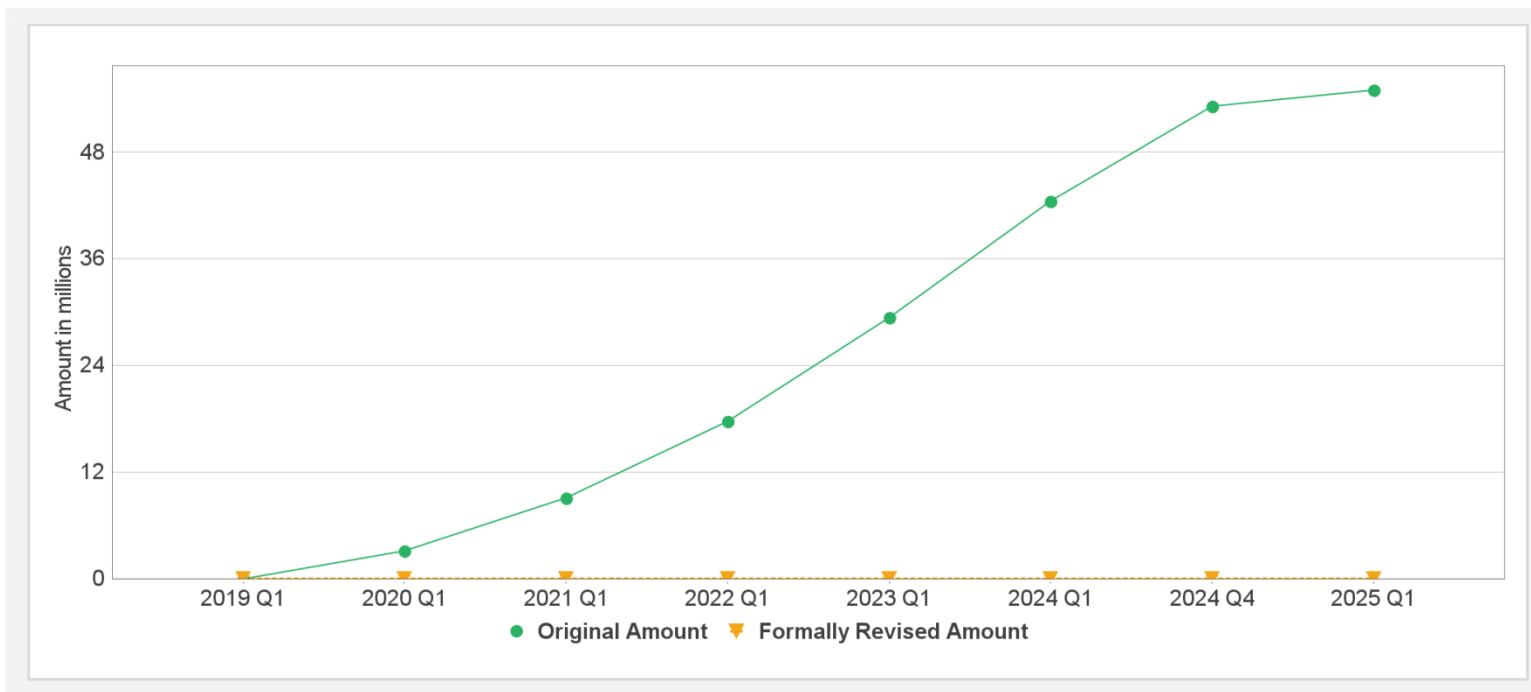
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
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Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.