



## Chile REDD+ Emissions Reductions Program (P160277)

LATIN AMERICA AND CARIBBEAN | Chile | Environment, Natural Resources & the Blue Economy Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2020 | Seq No: 4 | ARCHIVED on 29-Jun-2022 | ISR52099 |

Implementing Agencies: Agencia Chilena de Cooperacion Internacional para el Desarrollo (AGCID), Corporacion Nacional Forestal (CONAF), Instituto Forestal (INFOR)

### Key Dates

#### Key Project Dates

Bank Approval Date: 27-Nov-2019

Effectiveness Date: 04-Jun-2021

Planned Mid Term Review Date: 15-Nov-2022

Actual Mid-Term Review Date:

Original Closing Date: 31-Dec-2025

Revised Closing Date: 31-Dec-2025

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to incentivize reduced deforestation, forest degradation and the enhancement of forest carbon stocks (REDD+) in selected regions of southern Chile, through payment of verified emission reductions (ER) and to ensure that paid amounts are distributed according to an 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	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

### Implementation Status and Key Decisions

The two ERPAs (TF0B1592 and TF0B1593) were declared effective on June 4, 2021, on the basis that all conditions precedent to the effectiveness of the agreements were met on time.

The Country submitted the first Emissions Reductions Monitoring Report (ERMR) for the retroactive period (2018 and 2019) on June 30, 2021. Considering that results show negative Emission Reductions, the WB and FCPF have identified alternatives to support the counterparts to find a potential solution, through: (i) review of uncertainty levels and methodological approach; and (ii) developing a strong technical justification to provide a clearer understanding of the results obtained to date, potentially demonstrating that the country is facing a Force Majeure event. The proposed alternatives were accepted by the Ministry of Agriculture through a formal response on December 28, 2021. The first analysis is currently being carried out, and the second analysis is in the final stages of procuring process.



**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	☐ Moderate	☐ Moderate
Macroeconomic	--	☐ Low	☐ Low
Sector Strategies and Policies	--	☐ Moderate	☐ Moderate
Technical Design of Project or Program	--	☐ Substantial	☐ Substantial
Institutional Capacity for Implementation and Sustainability	--	☐ Moderate	☐ Moderate
Fiduciary	--	☐ Moderate	☐ Moderate
Environment and Social	--	☐ Moderate	☐ Moderate
Stakeholders	--	☐ Substantial	☐ Substantial
Other	--	☐ Moderate	☐ Moderate
Overall	--	☐ Moderate	☐ Moderate

**Results**

**PDO Indicators by Objectives / Outcomes**

Payments for measured, reported and verified ERs in selected regions and to distribute ER payments				
► Volume of Emissions Reductions that have been measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund (tCO2e) (Tons/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5,200,000.00
Date	25-Nov-2019	16-Dec-2021	16-Dec-2021	31-Dec-2025
Comments:	The indicator measures the Volume (i.e. ERs) aspect of the transaction. It is conditioned on the existence and operation of a National Forest Monitoring system to measure and report the ERs generated by the ER Program. All ERs generated by the ER Program during each Reporting Period are subject to Verification by an Independent Reviewer contracted by the WBG in consultation with the Program Entity, transfer of ERs require the set-up of a Registry capable of receiving, holding and transferring ERs to the Carbon Fund.			
► Amount of payments made by the FCPF Carbon Fund for Emission Reductions generated by the Program (USD million) (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	26,000,000.00
Date	25-Nov-2019	16-Dec-2021	16-Dec-2021	31-Dec-2025



Comments:	The indicator measures the financial value aspect of the transaction based on the pricing approach agreed between the Program Entity and the Carbon Fund. It is conditioned on the establishment of adequate financial management arrangements for the transfer of the funds from the World Bank to the Program Entity.			
► Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan and arrangements (Yes/No) (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	25-Nov-2019	16-Dec-2021	16-Dec-2021	31-Dec-2025
Comments:	The indicator seeks to capture the development aspects of the transaction. As per the General Conditions of the ERPA, ERPA payments have to be distributed based on a Benefit Sharing Plan that has been deemed acceptable to the WBG. ER Monitoring Reports will have to provide evidence satisfactory to the WBG that the Benefits have been shared in accordance with the Benefit Sharing Plan.			

### Intermediate Results Indicators by Components

Given the nature of Project it does not have Intermediate Indicators				
► N/A (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	25-Nov-2019	16-Dec-2021	16-Dec-2021	31-Dec-2025
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
P160277	TF-B1592	Effective	USD	24.70	24.70	0.00	0.00	24.70	0%
P160277	TF-B1593	Effective	USD	1.30	1.30	0.00	0.00	1.30	0%

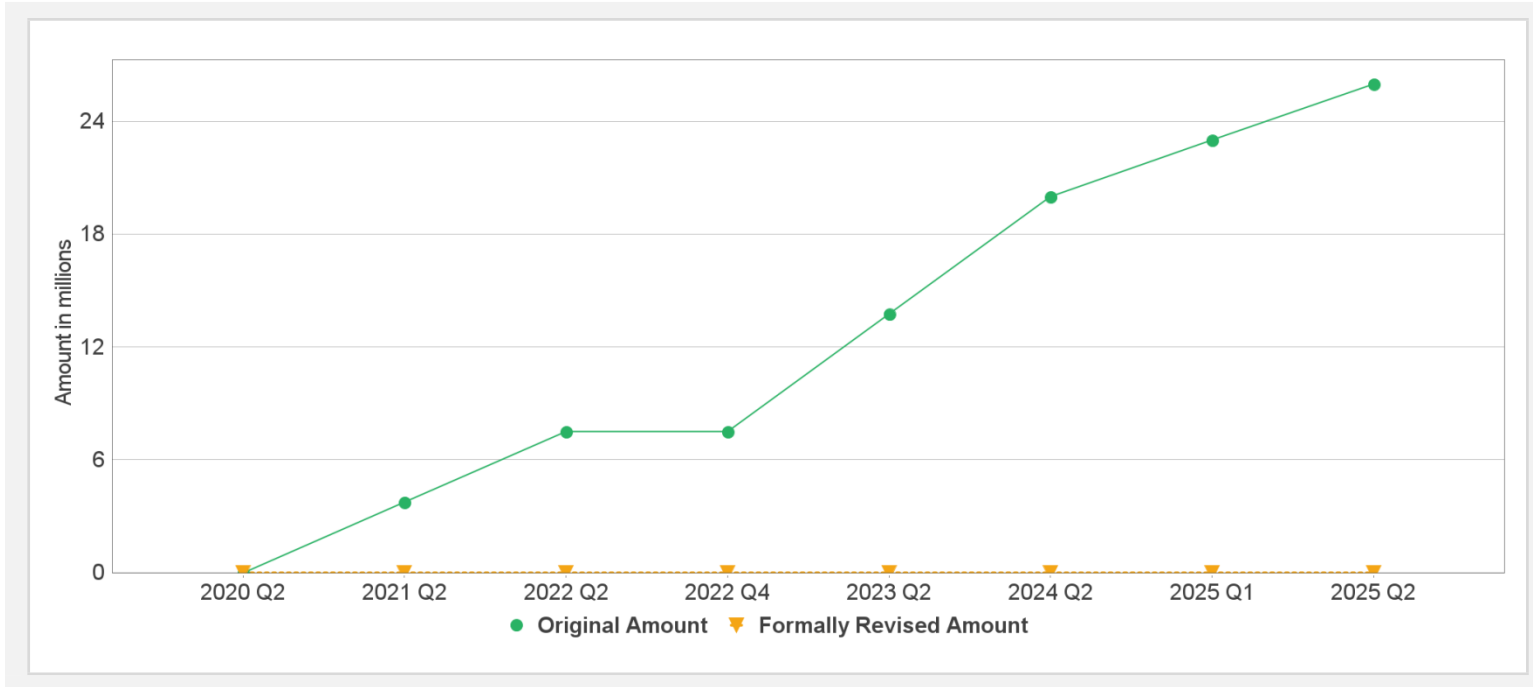
#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P160277	TF-B1592	Effective	27-Nov-2019	04-Dec-2019	04-Jun-2021	31-Dec-2025	31-Dec-2025
P160277	TF-B1593	Effective	27-Nov-2019	04-Dec-2019	04-Jun-2021	31-Dec-2025	31-Dec-2025

**Cumulative Disbursements**



**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.