

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF096103
Printed On: 05/16/2015

Reporting Period: 04/26/2010 to 09/30/2013
Report Type: Completion
Report Status: Approved

Assignment: TF096103

Vanuatu - Grant for the Readiness Plan Readiness Fund of the FCPF R-PP Formulation and Readiness Preparation

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

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Summary Information	
TF Status	ACTV
Recipient Country	Vanuatu
Executed By	Recipient
Managing Unit	8298 - EASNS - HIS
Grant Start Date / End Date	04/26/2010 to 12/30/2013
Original Grant Amount	200,000.00
Grant Amount	200,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	127,501.76 as of 09/30/2013
Disbursed 04/26/2010 to 09/30/2013	127,501.76
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 support Vanuatu, a REDD Country Participant in the Forest Carbon Partnership Facility (FCPF), to develop its Readiness Plan (R-Plan). The overall objective is to reduce greenhouse gas emissions from deforestation and forest degradation.

Overall progress from 04/26/2010 to 09/30/2013 with regard to Achieving Grant Objectives:

Comment:

The grant objective was achieved in that the recipient has successfully formulated an approved Readiness Preparation Proposal (R-PP) on the basis of the Readiness Preparation Idea Note, following the Forest Carbon Partnership Facility template.

Overall progress from 04/26/2010 to 09/30/2013 with regard to Implementation of Grant Financed Activities:

Comment:

The recipient has successfully formulated an approved Readiness Preparation Proposal (R-PP) on the basis of the Readiness Preparation Idea Note, following the Forest Carbon Partnership Facility template. Additionally, the recipient addressed all of the formulation activities as outlined in the grant agreement, completing most of them. The following activities were completed:

- a)#preparation of a brief assessment of land use and forest policies and governance in the forest sector;
- b)#establishment of a multi-stakeholder national-level REDD Working Group, the National REDD+ Technical Committee (TC), responsible for following-up on REDD activities in the country;
- c)#preparation of a consultation and outreach plan (to be implemented during the implementation phase of the Readiness Plan) and conducted consultations among key entities;
- d)#preparation of Terms of Reference (TOR) for the development of the national REDD strategy;
- e)#preparation of TOR for the design of a national REDD implementation framework;
- f)#preparation of a summary of proposed social and environmental impact analysis methodology and the TOR for carrying out the analysis;
- g)#Vanuatu's REDD+ Scheme is considering a national investment program for sustainable land use activities by Ni-Vanuatu, with the national government creating the institutional and implementation framework for REDD+, and steering in-kind benefits to the Ni-Vanuatu on the provincial level. This investment program would address the drivers of small-scale subsistence land use activities, which is currently understood as being the main driver of deforestation and forest degradation in Vanuatu.
- h)#preparation of TOR for the development of a reference scenario for emissions from deforestation and forest degradation; and
- i)#preparation of TOR for establishing the monitoring, reporting and verification system for changes in forest cover and changes in carbon stocks at the national level.

GoV decided that it will conduct the assessment of capacity building needs for the implementation of the national REDD strategy early during R-PP implementation.

Implementation is rated moderately satisfactory because of delays in completing a financial audit report for the project.

Grant follow-up and structure

Description and context of Grant:

Vanuatu is a Melanesian archipelagic nation of about 83 islands in the South Pacific Ocean, with a small population estimated at 230,000. Ni-Vanuatu, or indigenous people from Vanuatu, comprise the majority of the population. Rural and traditional economies characterized by very low monetary incomes and subsistence land use are dominant in the country; around three-fourths of Ni-Vanuatu live in rural areas. Produce such as root crops and seasonal fruits as well as fishing and cattle raising form the base of many livelihoods. Given its low per-capita income, Vanuatu belongs to the group of Least Developed Countries.

Vanuatu has vast forest resources relative to its land area. Approximately 74 percent of the land area, or about 900,000 ha, are covered with different types of forests (FAO, State of the World's Forests 1999; and Vanuatu National Forest Policy, 2011).

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With forests covering so large a proportion of Vanuatu's land area, forest sector governance is of key importance for its climate resilience efforts. Forest cover is mostly secondary growth inter-planted with native fruit and nut tree species; undisturbed primary forests no longer exist except for small cloud forests in the highlands. All forest areas in Vanuatu are customarily owned by Ni-Vanuatu people; the 10 percent of land owned by the government is not forested.

Vanuatu has historically low rates of deforestation, especially compared to other countries in the region (e.g., Solomon Islands and Papua New Guinea). However, the forests have been largely degraded due to selective logging by international timber companies during 1980-1990. A detailed national forest cover area change assessment using satellite imagery for the time steps 1990 and 2000 was carried out for all the islands in 2007 (Herold, Sambale, Lindner, Urban and Weaver, 2007). The analysis revealed a variety of change patterns due to the high social, economic and ecological diversity of among the islands, and their widely varying sizes. The study estimated gross deforestation at 4,677.6 ha, or 467.8 ha/year, over the period. More than one-fifth of the total forest loss was observed on the island of Espiritu Santo, the largest in the archipelago.

The Government's efforts to develop a national climate change and disaster risk reduction (DRR) policy and action plan are being supported by the Pacific DRR and Disaster Management Framework for Action 2005-2012 and the Pacific Islands Framework for Action (2006-2015). REDD+ will contribute to these broader climate resilience goals by supporting the mapping and monitoring of forest and tree resources as the basis for strategic land use and resource management planning, sustainable land management, water security, flood and drought mitigation, and biodiversity conservation.

The REDD+ process in Vanuatu began in 2006 with the Vanuatu Carbon Credits Project (VCCP), which enabled Vanuatu to implement demonstration activities to inform intergovernmental policy development on REDD+. The project helped build Vanuatu's capacity to access carbon and ecosystem services financing for climate change mitigation and sustainable development in the forest and energy sectors. The VCCP also assisted Vanuatu in developing a Readiness Preparation Idea Note (R-PIN) in 2007, which launched Vanuatu's participation in the multi-donor Forest Carbon Partnership Facility (FCPF) when it became operational in 2008.

The establishment of an international mechanism to compensate countries for reducing emissions from deforestation and forest degradation offers an opportunity for Vanuatu to manage its forests in a balanced way for long-term sustainable economic growth, while supporting rural livelihoods and ensuring that its important national and unique biodiversity is conserved. Vanuatu is planning to implement an innovative approach, its national REDD+ Scheme. Once the scheme is functional, the government will use the carbon money to invest into sustainable land use activities in different sectors and thereby lower the rate of deforestation and forest degradation, hence the GHG emissions.

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

Comment on follow up:

The Bank is presently preparing the R-PP Assessment Note which will describe the activities to be implemented in further preparation for REDD+ Readiness under a grant for US\$3.6m.

End Date of Last Site Visit:

Restructuring of Grant:

None

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

Some of the following important lessons were learned while developing the R-PP:

- Implementation takes longer in extremely low capacity environments. For example, lack of knowledge of Bank systems can cause significant delays. In this grant implementation, a consultant left after his payment was severely hindered because the government was unfamiliar with Bank system requirements for processing payments.
- Partnerships can significantly achieve the grant's objectives especially when Bank presence is low on-the-ground: Through the cooperative agreement, SPC/GIZ completed and/or contributed to many of the studies required for the R-PP formulation.

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Overall outcome (and its Sustainability):

Comment:

The preparation of the Readiness Preparation Proposal (R-PP) is complete and approved. The budget for the implementation of most of the activities is to be financed with a grant from the FCPF of US\$3.6m. Other activities are to be financed by funding from other donors but as yet there are no firm commitments. Despite the lack of concrete commitments, ongoing activities by other donors and GoV in-kind contributions are expected but are as yet unquantifiable.

The likelihood of the strategy's social sustainability in terms of support from multiple stakeholders and beneficiaries was increased through consultations with multiple parties. Indeed, because most of the land in Vanuatu is owned by its people, stakeholder engagement was central. A REDD+ Consultation and Participation Plan was developed. The Strategic Environmental and Social Assessment and the accompanying Environment and Social Management Framework, outlined here in the R-PP, should further support both social and environmental sustainability of the REDD+ activities which will eventually be developed with additional FCPF funding.

Bank Performance:

Comment:

Given the capacity weaknesses in the client the Bank team had to provide significant support. On the fiduciary side, detailed guidance on procurement and financial management was provided given the unfamiliarity with the Bank's procedures. On the technical and broader operational side the team had to provide regular hands-on support to the IA. The Bank team was also able to establish a partnership with a regional GIZ REDD+ project which leverage technical support for preparation of the R-PP.

Additional Assessment

Development / strengthening of institutions:

Comment:

Since the National Advisory Body on Climate Change and Disaster Risk Reduction (NAB) capacities are low and their awareness of REDD+ issues is lacking, the R-PP necessitates the hiring of an administrative (financial) specialist to support GoV in handling FCPF funds including contracting and hiring services.

A National REDD+ Technical Committee (TC) was established in September 2012 in order to make recommendations to the National Advisory Body on Climate Change and Disaster Risk Reduction (NAB) for decisions on the National REDD+ Program and to provide strategic oversight to the National REDD+ Program. NAB is the governing body responsible for the overall coordination of REDD+ activities and of donor efforts supporting REDD+ or land use activities. Ad-hoc working groups (AWG) will be formed as necessary, to provide technically well-informed advice to the National REDD+ coordinator and the TC on specific issues.

Finally, in terms of long-term strengthening of institutions, the R-PP calls for a capacity building assessment to take place early during implementation in order to develop a national capacity building plan. Capacity development will be used to ensure national ownership of REDD+ in Vanuatu. To that end, representatives of civil society, private sector associations and government officials (both national and provincial) will fill capacity gaps. Along with capacity building (including on-the-job training), education and transparent communication structures are designed to allow for stakeholder participation in REDD+ to continuously improve. National non-governmental organizations (NGOs) are unable to participate fully in REDD+ because of a lack of awareness and resources. Therefore educational materials are already being developed specifically for civil society organizations (both local and international located in Vanuatu) in order to increase their participation.

Mobilization of other resources:

Comment:

Because of their common foci, the grant recipient entered into a cooperative agreement with the Secretariat of the Pacific Community (SPC) and German Agency for International Cooperation's (GIZ) regional REDD++ project, Climate Protection through Forest Conservation in Pacific Island Countries. Under this agreement, the SPC/GIZ project supported the Government of Vanuatu (GoV) in developing the Monitoring, Reporting and Verification/Reference Emission Level (MRV/REL) components, while the FCPF supported the work on forest and land use policy (how the newly revised policy addresses relevant REDD+ issues), REDD+ strategy and environmental and social safeguards, the cost of the National Coordinator for REDD+ and outreach activities. The SPC/GIZ's participation in the agreement played an important and significant role in GoV's successful completion of the R-PP by the extended closing date. Unquantified contributions from a number of other donors (such as Ausaid, EU and World Bank funded Jastis Blong Evriwan) are expected to be secured for the implementation of some REDD+

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activities outlined in the R-PP.

Knowledge exchange:

Comment:

There has been considerable knowledge exchange in the process of formulating the R-PP both with other REDD+ implementing organizations such as SPC/GTZ as well as local civil society organizations (CSO) such as Live & Learn. This R-PP formulation effort entered into and fulfilled on a mutually beneficial collaborative agreement with SPC/GTZ whereby the SPC/GIZ project would support the GoV in developing the Measurement, Reporting and Verification System/Reference Emission Level (MRV/REL) components, while the FCPF would support the work on forest and land use policy (how the newly revised policy addresses relevant REDD+ issues), REDD+ strategy and environmental and social safeguards, as well as the cost of the National Coordinator for REDD+. This partnership was extremely beneficial to the FCPF R-PP formulation efforts in that the R-PP was completed under budget and more easily than without SPC/GTZ.

GoF, GIZ and the PMU carried out information sharing and early dialogue with stakeholders (including provincial government, farmers and the private sector) during three one to two day workshops in the 3 larger island provinces of Tafea, Sanma and Malampa. Further meetings were held to develop the Consultation and Participation Plan. In total, consultations were held in four of Vanuatu's six Provinces.

In terms of CSOs, there is insufficient information sharing structures and multiple challenges such as low literacy, scattered rural communities and the lack of a vibrant civil society. The most prominent NGO involved in REDD+ is Live & Learn (LL). LL is currently implementing a pilot project that tests a community-owned model of REDD+ which includes local on-site awareness-raising and educational activities as well as a broader communication strategy that seeks to foster collaboration between government, development organizations, conservation groups and research institutions on the development of REDD+ policy mechanisms and support systems. LL's materials are produced in English as well as local languages and consider the most appropriate means to raise awareness considering the audience's particular needs. Instead of just web-based and printed materials, movies and radio shows were developed and a manual produced. A local newspaper, the Vanuatu Daily Post, was invited to attend and report on the national stakeholder meetings that validated the R-PP.

Client's policy / program implementation:

Comment:

The grant contributed to raising the recipient's project implementation capability through the experience of managing the activity, and in particular, helped increase awareness of REDD+.

Efficiency:

Comment:

The main difficulty was that because of low capacity, it took a long time to find a Coordinator for the grant. When one was found, he soon left the GoV for other opportunities, thus the search began again. In the meantime, the grant closing date had to be extended. Similarly, the client was unable to complete the required audit before the end of the R-PP grant thus delaying the next phase of funding.

Replicability:

Comment:

The results of this grant are definitely replicable. From the experience of this grant, other countries could build on the approaches and formulate a Readiness Preparation Proposal and participate in the associated activities such as stakeholder consultations, preparation of TORs, etc. Moreover, the stakeholder participation and consultation approaches developed under this activity will be replicated during the next phase of Readiness Preparation.

Main recommendations to stakeholders:

Stakeholders should be actively engaged in the preparation towards Readiness so that final Proposals reflects their interests as much as possible especially given that benefit-sharing is an important outcome.

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Main recommendations to Bank Management:

Recognize that implementation in low capacity environments requires significant amounts of hand-holding by the Bank, longer implementation time and therefore becomes more expensive. Also, take advantage of partnerships such as the one this project had with the Secretariat of the Pacific Community/ German Agency for International Cooperation#s (SPC/GIZ) regional REDD program.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2010	06/30/2010	0.00	0.00	0.00	0.00
07/01/2010	12/31/2010	0.00	0.00	0.00	0.00
01/01/2011	06/30/2011	0.00	0.00	0.00	0.00
07/01/2011	12/31/2011	0.00	0.00	0.00	0.00
01/01/2012	06/30/2012	0.00	0.00	21,436.23	21,436.23
07/01/2012	12/31/2012	0.00	0.00	63,563.28	42,127.05
01/01/2013	06/30/2013	0.00	0.00	127,501.76	63,938.48
07/01/2013	12/31/2013	0.00	0.00	127,501.76	0.00

PROCUREMENT PLAN

None

PROCUREMENT ACTUAL

None