

World Bank - Grant Reporting and Monitoring (GRM) Report

FOR OFFICIAL USE ONLY

Ref. TF0A4502
Printed On: 07/13/2020

Reporting Period: 08/28/2017 to 06/30/2020
Report Type: Completion
Report Status: Draft

Assignment: TF0A4502

United Mexican States: Grant for Forest Carbon Partnership Facility REDD+ Readiness Preparation Support Project

FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000098693 - Angela G. Armstrong
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Mexico
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	08/28/2017 to 06/30/2020
Program Manager	Siet Meijer
Original Grant Amount	1,500,000.00
Grant Amount	1,500,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,493,921.48 as of 06/30/2020
Disbursed 08/28/2017 to 06/30/2020	1,493,921.48
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Outcome, Components/Outputs, Execution, Program(FCPFR), Completion, Processing, Attached Documents, Disbursements, Procurement Plan, Procurement Actuals, Internal Comments.

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OVERVIEW

Overall Assessments and Ratings

Grant Objectives:

The objective of the Readiness Preparation Activities is to strengthen the REDD+ readiness process in Mexico.

Overall progress from 08/28/2017 to 06/30/2020 with regard to Achieving Grant Objectives:

Rating: (Previously Rated Satisfactory on 06/30/2019)

Comment:

Grant funding has successfully supported Mexico's transition process from REDD+ readiness to implementation while creating enabling conditions to consolidate the intervention model proposed in the National REDD+ Strategy, ENAREDD+ (an integrated landscape approach), as country efforts move towards piloting result-based payments. Grant funding has helped align the ENAREDD+ with CONAFOR's Sustainable Forest Management agenda and in particular, with the National Strategy for increasing sustainable production (ENAIROS). In particular, sub-component activities have helped consolidate sustainable forest management as a key instrument for successful REDD+ implementation and strike a balance between the production and conservation dimensions of forest management. This has been achieved by establishing and training a network of regional extension promoters, piloting a landscape approach that supports Community Forest Enterprises and forest producers in implementing sustainable forest management practices, and integrating a gender approach, by training and empowering women promoters as well as supporting women's community projects.

Overall progress from 08/28/2017 to 06/30/2020 with regard to Implementation of Grant Financed Activities:

Rating: (Previously Rated Satisfactory on 06/30/2019)

Comment:

Project implementation has progressed well. Grant activities have provided technical support to CONAFOR's Department of Sustainable Forestry Production, to mainstream high production-low impact forest management approaches in CONAFOR's operations, as well as foster inter-institutional coordination (for example, with the Ministry of Agriculture, SADER). The technical assistance has supported: (i) promoting sustainable forest management with an integrated landscape management approach (e.g., through enhanced land management technologies and more efficient and low impact production techniques); (ii) strengthening community forest enterprises; and (iii) fostering competitiveness of the forest sector (e.g., through strategic analysis on the forest sector including analysis of business opportunities). In particular, under the project land area with good forest management practices has increased to approximately 1.5 million hectares cumulatively, the number of Community Forest Promoter networks has increased to 24, the number of trained producers and technicians has increased to 3,800, approximately 28% of whom have been women, and the percentage of additional women working in forest enterprises has increased by 48%.

Grant follow-up and structure

Description and context of Grant:

Mexico's request for FCPF Additional Funding (AF) was approved in May 2015 during the 19th Meeting of the FCPF Participants Committee, the governing body of the FCPF. At the Participants Committee meeting, significant progress was noted in the areas of stakeholder consultations, REDD+ strategy options, and development of reference emission levels. It was also noted that further development was needed in the areas of national Readiness management arrangements and the REDD+ implementation framework, including the monitoring, reporting and verification system.

AF was approved to strengthen the National Forestry Commission's (CONAFOR's) capacity to transition from REDD+ readiness to REDD+ implementation, by filling the gaps identified at the Participants Committee meeting as well as in CONAFOR's own self-assessment exercise. In particular, the additional grant aims to strengthen Readiness management arrangements and the implementation framework, by scaling up Component 1 (National Readiness Management Arrangements and Stakeholder Consultation and Participation) and Component 2 (Development of National REDD+ Strategy) of the existing project, as well as introducing a new Component 3 (National Forest Monitoring System). These changes aimed to support CONAFOR in (i) strengthening ongoing participatory processes, by building the capacity of ejidos, communities, community and ejido associations, and forestry sector organizations (OSSF), including women and youth, to increase their engagement in the REDD+

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process; (ii) aligning the REDD+ Strategy with the sustainable forest management agenda, by supporting the newly created Sustainable Forest Management Technical Unit; and (iii) enhancing the national forest monitoring system, by supporting the newly created Measurement, Reporting and Verification Technical Unit, including providing support for data collection through the national forest and soils inventory.

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

Comment on follow up:

Grant funding is supporting the implementation of the Mexico REDD+ strategy, and in particular supporting the enabling framework for the implementation of future ER Programs through targeted support provided in the areas of institutional strengthening, monitoring, reporting and verification, and data collection, as well as ensuring adequate stakeholder consultation and participation mechanisms.

End Date of Last Site Visit:

Restructuring of Grant:

An 8-month extension of the closing date, to December 31, 2019, was processed in February 2019 to address initial implementation delays.

Activity Risk

Rating: (Original Risk Rating is Modest Risk)

Comment:

The overall risk is considered modest. While project activities built on a long-standing engagement between the Government of Mexico and the Bank, and incorporated these lessons in project design, the sustainability of these achievements is at modest risk due to agency budget cuts and current restrictions imposed by the COVID-19 pandemic. The Bank team continues to work to mitigate this risk via continued dialogue and support to the implementing agency under its current portfolio, including via meetings, technical assistance and guidance, as the agency works within a resource-constrained environment.

Critical Issues and Pending Actions for Management Attention

There are currently no issues and actions for Management attention.

OUTCOME

Comments on outcome achieved from 08/28/2017 to 06/30/2020

The project is made excellent progress in achieving planned outcomes. The project has supported the Sustainable Forestry Management Department in its establishment and operation. In particular, grant activities have supported the Department in providing assistance to Community Forest Enterprises and producers in implementing sustainable forest practices. Twenty-five (25) regional agreements were signed by project completion, in which forest producers defined and committed to following sustainable forest management and good practice criteria. Grant activities have also supported the Department in developing forest certification schemes, and almost 1.5 million ha were certified cumulatively between 7/1/18 and 6/30/20. With project support, 24 networks of Community Forest Promoters were formalized in total. These networks provided support to communities in forest management, in the areas of certification, biodiversity conservation, business development, among others. A total of 3,800 producers and technicians have been trained between 7/1/18 and 6/30/20, of which 28% are women. In addition, 268 Community Forest Enterprises (CFEs) have been trained and applied project-supported techniques and tools during the project duration.

Grant Outcome Indicators

Grant outcome indicators are listed below.

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Technical Specialized Unit on Sustainable Forestry Management established and operating in accordance with agreed work plan

Baseline 0
Value:
Date:
Progress to Yes
Date:
Date:
Target Value: Yes
Date:

COMPONENTS/OUTPUTS

Output and Implementation by Component

Develop REDD Strategy Options

Implementation Satisfactory
Rating:
Status: Completed
Planned Output: TA provided to CONAFOR's Sustainable Forestry Management Department to strengthen its capacity to mainstream high production-low impact forest management approaches
Actual Output: TA has been provided, building the capacity of CONAFOR's Sustainable Forestry Management Department to promote forest management at the regional level with an integrated landscape management approach

Comment on planned and actual Output

Comment on component implementation progress

The Additional Funding of US\$1.5 million, under TF-0A4502, which has been implemented by UNDP, provided support to Component 2 (specifically Subcomponent 2b), supporting the establishment and operation of CONAFOR's specialized technical unit for Sustainable Forest Management as outlined above.

EXECUTION

Bank project related to the grant

Project ID / Name: P120417 - MX FCPF REDD Readiness
Project Status: Lending
Global Focal Area: Climate change
Product Line: CN - Carbon Offset

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Implementing agency and contact details

Agency: National Forestry Commission (CONAFOR)
Contact: Jorge Castaños
Address: Periférico Poniente 5360, San Juan de Ocotán, Jalisco. C.P. 45019
Phone: +52 (33) 3777 7000 **Email:**
Website:

Implementation performance ratings from 08/28/2017 to 06/30/2020 with regard to:

Project Management: Satisfactory (Previously Rated Satisfactory on 06/30/2019)

Brief Comment:
None

Financial Management: Satisfactory (Previously Rated Satisfactory on 06/30/2019)

Brief Comment:
None

Counterpart Funding: Satisfactory (Previously Rated Satisfactory on 06/30/2019)

Brief Comment:
None

Procurement: Satisfactory (Previously Rated Satisfactory on 06/30/2019)

Brief Comment:
None

Monitoring and Evaluation: Satisfactory (Previously Rated Satisfactory on 06/30/2019)

Brief Comment:
None

Additional Comments on Implementation Performance:

PROGRAM

Program Specific Questions

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

Given that grant funding supported the implementation of the country's REDD+ strategy, it is expected to directly support the enabling framework for future ER Programs. As such, the grant activities that were implemented are fully coordinated with the preparation needs of future ER Programs (e.g., ISFL, FCPF, among others). For example, targeted technical support provided, as well as lessons learned, in supporting producer networks and CFEs in implementing sustainable forest practices will be utilized to define underlying investments and activities for future programs.

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

There were no changes in technical design or approach during implementation.

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

The implementing agency, UNDP, had significant experience in the implementation of forestry projects in Mexico, as well as World Bank fiduciary requirements. As such, the project did not experience capacity issues during implementation.

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?

Social and environmental dimensions of the REDD+ Readiness have been managed in a satisfactory manner. CONAFOR undertook a systematic Strategic Environmental and Social Assessment (SESA) to integrate key environmental and social considerations into the REDD+ Strategy, and with the outcomes from the SESA, an Environmental and Social Management Framework (ESMF) was also developed. The SESA process is fully integrated within the ENAREDD+ and has included workshops, conferences, study groups, and meetings with various community groups and stakeholders. The SESA process formally began with a national SESA workshop in May 2011, which resulted in a formal SESA charter that prioritizes responsibilities and actions to enhance the program's environmental and social benefits while mitigating risks. Follow-up SESA workshops were held in Yucatan and Jalisco in 2011 to gather recommendations to improve and strengthen social and environmental programs. Analytical and participation processes were concluded in 2015 and the results were published in the study "Structuring possible risks and benefits derived from implementing greenhouse gas reduction investments and the National REDD+ Strategy." The SESA report was finalized and published in December 2016.

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

Yes. The SESA and ESMF were prepared under the original grant, which has closed. These documents provide a framework for guiding implementation of the REDD+ Strategy. The ESMF establishes the procedures for addressing potential environmental and social impacts from the implementation of REDD+ activities, including associated mitigation measures.

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

The extensive consultation process that has been conducted among a wide group of diverse stakeholders during the preparation of the REDD+ Strategy is considered best practice (in particular, in terms of the representativeness of people consulted). CONAFOR had widely disseminated the National REDD+ Strategy, supporting 76 local forestry sector organizations (Organizaciones Sociales del Sector Forestal, OSSF) in facilitating awareness raising on REDD+ and reaching 26,089 people via 461 workshops.

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

1. Client commitment is key to success. The project confirmed that Government commitment is critical to the overall success of project activities, particularly when there are innovative elements which depend on technical and political level support to succeed.
2. Fostering transformation requires significant technical support. The client and relevant stakeholders required close technical assistance in preparing required REDD+ enabling conditions to ensure they received the full benefits of project support. The client benefited greatly from the range of technical expertise provided under the project, which provided the support needed to successfully develop a National REDD+ Strategy as well as achieve wider stakeholder buy-in.

Overall outcome (and its Sustainability): Rated Likely

Comment:

The project was successful in achieving planned outcomes, in particular in the area of strengthening REDD Strategy Options. The project helped enhance the alignment of the National REDD+ Strategy with CONAFOR's Sustainable Forest Management agenda and in particular, with the National Strategy for increasing sustainable production (ENAIROS). Project activities

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helped consolidate sustainable forest management as a key instrument for successful REDD+ implementation and strike a balance between the production and conservation dimensions of forest management (such high production-low impact forest management techniques). In particular, sustainable forest management was promoted under an integrated landscape management approach, community forest enterprises were strengthened, and the competitiveness of the forest sector was fostered.

Bank Performance: Rated Satisfactory

Comment:

The Bank's interactions both during preparation and implementation showed dedicated support to the client. At entry, there was dedicated support to help the Government prepare a comprehensive project that would be sustainable beyond project completion. During implementation, the Bank was an effective and responsive partner to the Government, supporting project adjustments as needed and helping achieve significant development outcomes.

Additional Assessment

Development / strengthening of institutions: Rated Substantial

Comment:

The project has played an important role in providing needed technical support to CONAFOR, and in creating an enabling framework to support the agency in both developing and implementing its REDD+ agenda. In particular, the project has supported the establishment and operation of CONAFOR's Sustainable Forest Management Department, providing technical assistance to the specialized technical unit in mainstreaming high production-low impact forest management approaches in CONAFOR's operations, as well as fostering inter-institutional coordination (for example, with the Ministry of Agriculture, SADER). Under this support, sustainable forest management has been promoted under an integrated landscape management approach (e.g., through enhanced land management technologies and more efficient and low impact production techniques as well as establishment of silvopastoral systems). In addition, community forest enterprises have been strengthened and the competitiveness of the forest sector has been fostered (e.g., through strategic analysis on the forest sector including analysis of business opportunities).

Mobilization of other resources: Rated Substantial

Comment:

Other donors have also played an important role in supporting REDD+ preparation activities. For example, other development partners such as the Government of Norway and French Development Agency have provided approximately funding to support the national measuring, reporting, and verification system required for REDD+ implementation as well as inter-municipal governance mechanisms for territorial development. In addition, the US Agency for International Development (USAID) has provided support to REDD+ Readiness, by strengthening policies and laws necessary for the implementation of the National REDD+ Strategy, strengthening institutional and technical capacity with respect to REDD+, creating financial architecture necessary for reducing emissions from deforestation and forest degradation.

Knowledge exchange : Rated Substantial

Comment:

The project had a Communications Strategy with the objective of disseminating, informing, and consulting with target audiences about the project and National REDD+ Strategy. As part of this thorough and extensive strategy, in 2014 CONAFOR signed agreements with 76 organizations (Forestry Sector Social Organizations, OSSF) to support outreach and knowledge exchange and held 461 workshops. Additionally, CONAFOR developed diverse dissemination materials and knowledge tools on the REDD+ process, including in indigenous languages (Nahuatl and Mayan). In 2015, this information, after being approved by the National Forestry Council, was made public on CONAFOR's website. In 2015, CONAFOR also formally initiated the public consultation process on the National REDD+ Strategy, with the participation of 26,360 individuals in various modalities: virtually, State events, thematic fora, and events with indigenous communities. These consultations concluded in 2016 and the feedback was utilized to complete the REDD+ Strategy in 2017. However, financing from the additional funding continues to support Government participatory processes, by building the capacity of ejidos, communities, and OSSF, including women and youth, to increase their engagement in the REDD+ process. Although grant-financed activities have concluded, CONAFOR has institutionalized these processes and continues to provide training, capacity building and outreach to REDD+ stakeholders.

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Client's policy / program implementation : Rated Substantial

Comment:

The Government of Mexico has adopted REDD+ as part of a package of strategic lines of action that support the country's mitigation and adaptation efforts. Mexico's Vision for REDD+ was presented at the 16th Conference of the Parties (CoP) to the UNFCCC in Cancun and includes goals for zero net emissions from land use change and important reductions in forest degradation rates by 2020. CONAFOR led the preparation of the National Strategy on REDD+ through a highly participatory process that is recognized as a best practice in the REDD+ community. The REDD+ Strategy emphasizes the importance of a cross-sectoral approach linking forests with agriculture and other public policies, and is essential for reaching Mexico's climate targets as forestry and land-use change are the country's third-highest source of GHG emissions, and rank second in their potential to reduce emissions. In its Nationally Determined Contribution (NDC), Mexico reaffirmed the important role of forestry and land use for its mitigation and adaptation targets, committing to reach a rate of 0% net deforestation by 2030. Mexico is now identifying ER Programs (e.g., an ISFL program) aligned with the country's national development priorities that will build on the country's community-driven sustainable forest management initiatives. In 2014, the GoM approved an ambitious Plan (PRONAFOR 2014-2018) with a vision to transform the forest sector into a competitive and socially-inclusive sector that would boost Mexico's rural economy. Mexico's REDD+ actions directly align with PRONAFOR. To achieve its objectives, PRONAFOR is based on a transversal approach, envisioning collaboration and coordination with a number of other government entities, including the Ministry of Agriculture (SADER). The program is also aligned with CONAFOR's increased articulation of REDD+ with the Sustainable Forest Management agenda. Hence, Mexico's approach to REDD+ goes beyond forest conservation and strategically tackles the forest-agriculture nexus by actively engaging agriculture activities, and by explicitly mainstreaming a sustainable production focus that manages to link forest conservation with community income generation.

Efficiency : Rated Satisfactory

Comment:

Assessment of the project's implementation efficiency can be characterized overall as Satisfactory given that: (i) implementation of project activities was achieved in accordance with the planned budget; (ii) overall performance in achieving project outputs and outcomes was strong, with all results and indicator targets met; (iii) activities were implemented as planned; and (iv) there was staff and client continuity during the project's implementation.

Replicability: Rated Likely

Comment:

Replicability is considered likely, as REDD+ Readiness support has developed an enabling framework to support a future large-scale system of positive incentives for REDD+ that includes an ISFL BioCarbon Fund ER Program, among others. With Readiness grant support for the development of REDD strategy options, as well as reference emission levels, monitoring, reporting and verification systems, and REDD+ national management arrangements, including safeguards, CONAFOR has a solid institutional framework to support both the preparation and implementation of these programs.

Main recommendations to stakeholders:

Not applicable.

Main recommendations to Bank Management:

Not applicable.

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PROCESSING

Manager's comments on this GRM report:

None

GRM report history - Requested on 06/08/2020,due on 09/30/2020

Action	Name	Status	Date
Created	Angela G. Armstrong	Draft	06/25/2020
Changed	Angela G. Armstrong	Draft	07/12/2020
Changed	Angela G. Armstrong	Draft	07/12/2020
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Changed	Angela G. Armstrong	Draft	07/12/2020

DOCUMENTS

List of documents attached to this GRM

1) AYUDA MEMORIA MISION CIERRE 20-02-2020 FIRMADA.PDF

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2017	12/31/2017	0.00	0.00	1,000,000.00	1,000,000.00
01/01/2018	06/30/2018	0.00	0.00	1,000,000.00	0.00
07/01/2018	12/31/2018	0.00	0.00	1,000,000.00	0.00
01/01/2019	06/30/2019	0.00	0.00	1,500,000.00	500,000.00
07/01/2019	12/31/2019	0.00	0.00	1,500,000.00	0.00
01/01/2020	06/30/2020	0.00	0.00	1,493,921.48	6,078.52-

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PROCUREMENT PLAN

None

PROCUREMENT ACTUAL

None

INTERNAL COMMENTS

None