

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF010261
Printed On: 04/13/2016

Reporting Period: 07/01/2014 to 06/30/2015
Report Type: Progress Report
Report Status: Approved

Assignment: TF010261

Mexico: FCPF Readiness Grant

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000242803 - Carole Megevand
Approving Manager: 00000483596 - Raul Ivan Alfaro Pelico

Summary Information	
TF Status	ACTV
Recipient Country	Mexico
Executed By	Recipient
Managing Unit	9061 - GENDR
Grant Start Date / End Date	03/19/2014 to 04/30/2017
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	664,759.61 as of 06/30/2015
Disbursed 07/01/2014 to 06/30/2015	664,759.61
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

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OVERVIEW

Overall Assessments

Grant Objectives:

The immediate objective of the FCPF Readiness Grant is: for Mexico to become ready for future REDD implementation by preparing the key elements, systems and/or policies needed, generally referred to as the #REDD Readiness Package#, in a socially and environmentally sound manner.

Overall progress from 07/01/2014 to 06/30/2015 with regard to Achieving Grant Objectives:

Comment:

Background: An Assessment note for a REDD+ Readiness project in Mexico had already been prepared in 2011. However, the operation never materialized: at that time, the nature and scope of REDD+ were not clearly defined and the CSO community was highly critical that REDD+, if not well designed, could adversely impacts vulnerable populations, including Indigenous peoples. Considering the risk associated to the FCPF operation too high, the Government of Mexico decided at some point not to sign the grant agreement. Over the last three years, the understanding of the REDD+ mechanism improved at the international level as well as in Mexico and the criticism from the CSO community drastically reduced. The dialogue on FCPF was re-initiated in May 2013, when CONAFOR renewed interest in the FCPF Readiness Grant.

Starting July 2013, the WB and CONAFOR teams have worked together to prepare a new Assessment note, acknowledging the advanced stage of its REDD+ Readiness process: the FCPF grant accordingly focuses on a subset of components as per the R-PP that were selected jointly with CONAFOR, taking into account the following criteria: (i) comparative advantage of the World Bank, (ii) financing of full set of activities (with no co-financing required that could jeopardize the achievement of the project objective), and (iii) complementarity with activities financed by other donors and government. As a result, the Grant Agreement for the FCPF operation on REDD+ Readiness was signed on March 19, 2014 by the World Bank and counter-signed on March 27, 2014 by the Government of Mexico. The Grant was then declared effective on July 7, 2014. On April 2015, the FCPF Participants Committee approved an additional funding of US\$5M for Mexico to continue working on REDD+ Readiness. The preparation of the R-Package is on track and is planned to be presented at PC21 in May 2016.

Overall progress from 07/01/2014 to 06/30/2015 with regard to Implementation of Grant Financed Activities:

Comment:

Since the Grant Agreement was declared effective on July 7, 2014, major progress has been made (see section on Implementation)

Grant follow-up and structure

Description and context of Grant:

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

Comment on follow up:

Mexico is preparing an Emission Reduction Program (under the FCPF Carbon Fund): the ER Program that could generate carbon credits that the Carbon Fund would acquire. Such ER Program would also build on the on-going FIP investments in the Early Actions Areas for REDD+. In addition, interest has been indicated by CONAFOR for a follow up operation on Forest and Climate Change.

End Date of Last Site Visit:

Restructuring of Grant:

A reallocation of proceeds between 2 categories has just been completed, to respond to the higher than anticipated demand under the PROFOS program.

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OUTCOME

Comments on outcome achieved from 07/01/2014 to 06/30/2015

Grant outcome indicators are listed below.

1.#A final version of ENAREDD+ reflects the comments and feedback from the various sectors and stakeholders.

Baseline Value: ##Final draft ENAREDD+ available

Date: ###03/31/2014

Progress to Date: #Final draft produced, available online and ready for full consultation (and Consultation Plan agreed with representative group of stakeholders)

Date: ###06/30/2015

Target Value: ##All comments collected will be reflected in the final version of the ENAREDD+

Date: ###04/30/2016

2.#A technically strong ESMF has been finalized and validated by a broad range of stakeholders.

Baseline Value: ##No ESMF

Date: ###03/31/2014

Progress to Date: #The systematization of the analytical and participatory process in Mexico has been completed. The SESA report is under finalization: it will include a systematic review of the comments received so far from the various stakeholders, the final version of the Consultation Plan as well as the outcomes of the risk assessment of the strategic options conducted in December 2014. The Terms of Reference for the preparation of the ESMF has been prepared and the selection process is on-going.

Date: ###06/30/2015

Target Value: ##ESMF finalized

Date: ###04/30/2016

3.#A state-level comprehensive feedback and grievance mechanism for REDD+ is piloted in one Early Action Area.

Baseline Value: ##FGM only at national level

Date: ###03/31/2014

Progress to Date: #Firm has been selected and the work is on-going

Date: ###06/30/2015

Target Value: ##state-level FGM piloted in one of the Early Action Areas

Date: ###12/30/2016

Grant Outcome Indicators

Grant outcome indicators are listed below.

1.#A final version of ENAREDD+ reflects the comments and feedback from the various sectors and stakeholders.

Baseline Value: No ENAREDD+ available

Date: 03/31/2014

Progress to Date: Final draft produced, amply consulted with many stakeholders at the national level (Consultation process considered as best practice)

Date: 03/15/2016

Target Value: ENAREDD+ Strategy approved and publically disclosed

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Date: 04/30/2016

2.#A technically strong ESMF has been finalized and validated by a broad range of stakeholders

Baseline No ESMF

Value:

Date: 03/31/2014

Progress to Date: The systematization of the analytical and participatory process in Mexico has been completed. The SESA report is under finalization: it will include a systematic review of the comments received so far from the various stakeholders. The ESMF is under preparation

Date: 03/15/2016

Target Value: ESMF finalized

Date: 11/30/2016

3.#A state-level comprehensive feedback and grievance mechanism (FGM) for REDD+ is piloted in one Early Action Area

Baseline FGM only at national level

Value:

Date: 03/31/2014

Progress to Date: Firm has been selected and work is on-going

Date: 03/15/2016

Target Value: State-level FGM piloted in one of the Early Action Areas

Date: 12/31/2016

COMPONENTS

Output and Implementation by Component

Component 1: Organization and Consultation

Status: Under Implementation

Planned Output: National consultation has been conducted on the ENAREDD+

Actual Output: National consultation on-going

Development of the REDD+ Strategy

Status: Under Implementation

Planned Output: ENAREDD+ approved

Actual Output: ENAREDD+ under national Consultation

Comment on planned and actual Output

Organization and Consultation (FCPF amount: US\$2,558,000).

Implementation Rating: ##Highly Satisfactory (considered as #best practice#)

Status: ####Under Implementation

Planned Output: #The FCPF grant would support the continuing dialogue and participative process with stakeholder groups, within and outside government

Actual Output: #First phase of the Consultation process has been finalized (incl. through dissemination campaign on REDD+ under the PROFOS program)

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Development of the REDD Strategy. (FCPF amount: US\$1,242,000)

Implementation Rating: ##Satisfactory

Status: #####On going

Planned Output: #The FCPF grant builds on the many studies on the drivers of deforestation and goes the extra-step in identifying how to set up proper incentives to effectively tackle them: for instance, the forum on #Productive Landscapes in Mexico# was a platform for public entities (and particularly CONAFOR and SAGARPA) to strategically discuss the modalities of coordination at the territorial level: a roadmap has been established between CONAFOR and SAGARPA to join forces to promote a landscape approach, that can tackle the drivers of deforestation

Actual Output: #National REDD+ Strategy adopted, including an in-depth analysis of drivers of deforestation.

Comment on component implementation progress

Since effectiveness, major progress has been made on Grant Implementation:

Component 1: Organization and Consultation

1a. National Readiness Management Arrangements

CONAFOR has demonstrated a high capacity to coordinate all efforts in terms of REDD+ at the national level. While the Unit of International Affairs (UIAFF) leads the grant implementation, other units within CONAFOR as well as other public entities are highly involved in the process. In addition, CONAFOR has shown strong commitment for a participatory approach that will culminate with the national consultation on the REDD+ Strategy (during the first half 2016). One consultant has been hired to increase UIAFF's capacity to implement grant activities, while more consultants are planning to be hired in 2016 both at the federal as well as State level.

1b. Stakeholders Consultation and Participation

The consultation process on the National REDD+ Strategy is conducted in three phases: (i) Information & Dissemination, (ii) Consultation and (iii) Consolidation. CONAFOR has finalized the first phase on Information & Dissemination, using many different media (virtual, physical, including in indigenous languages) to ensure wide dissemination of basic information on REDD+ and allow for informed discussions during the Consultation phase. Through its national Program PROFOS (Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal), CONAFOR supported 76 local NGOs to facilitate the diffusion on REDD+, with 461 workshops carried out and 26,089 people informed (for a total of more than \$1 million). Selected NGOs received training through five introductory REDD+ courses for social organizations participating in the program, with 129 attendees who were trained in forests, climate change, REDD+, consultation on the Strategy, and in order to ensure consistent information, they all received an information package for dissemination. This program has been very well received by the organizations and its members.

In December 2014, CONAFOR convened an expert panel to finalize the plan for the second phase (consultation), which aims at a highly participatory and inclusive consultation process to reach an agreement on the National REDD+ strategy, its objectives, lines of action and implementation, including a differentiated focus for indigenous peoples and communities.

The World Bank team considers the implementation of the informative phase as a best practice, particularly its inclusive and culturally-adapted approach. It encourages the FCPF team to disseminate this experience through the stakeholder platform.

Component 2: Development of the REDD+ Strategy:

2a. Assessment of Land Use, Forest Policy, and Governance

Mexico has made significant progress in assessing the main causes of deforestation and forest degradation and possible options to promote REDD+ in the broader context of sustainable rural development. In this sense, dialogue with various departments pushed to carry out joint actions for integrated land management. One such example is the Forum on Sustainable Production Landscapes, organized by the CONAFOR, SAGARPA and the World Bank urged dialogue on reducing emissions from deforestation and degradation (REDD+) and integrated territorial management among decision makers units of different sectors.

2b. REDD+ Strategy Options

Mexico has produced a fourth draft of the ENAREDD+, Mexico's National REDD Strategy, which received a favorable assessment

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by key stakeholders through CONAF in February 2015. The final version of the REDD+ Strategy that will be submitted to public consultation during the first half of 2016 can be found at <http://www.enaredd.gob.mx/>. This second phase of the Consultation (outreach and dialogue with key stakeholders at national, state and local level) will be launched during the summer of 2015. The proposed timeline is to have an approved National REDD+ Strategy by the end of the calendar year 2016.

2c. Feedback and Grievance Redress Mechanism

CONAFOR is piloting Feedback and Grievance mechanisms at the local level in the Yucatan Peninsula: particular attention is given to identifying and analyzing the existing gaps at the state level. The pilot focuses on indigenous peoples, women and other vulnerable groups and lessons learnt from the pilot would inform the methodology to be then replicated in other states.

2d. SESA and ESMF

The SESA report is under finalization and will be disseminated in early 2016: it will include a systematic review of the comments received so far from the various stakeholders, the final version of the Consultation Plan as well as the outcomes of the risk assessment of the strategic options conducted in December 2014. The ESMF will be developed through a consultancy aimed at identifying and assessing the potential risks and impacts associates with the implementation of activities within the framework of the National REDD+ Strategy, and identify principles, guidelines and procedures to mitigate them. The ToRs for the development of the ESMF have been finalized and the procurement process has initiated. It is expected to be finalized in the fourth quarter of 2016.

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

Implementing agency and contact details

Agency:	CONAFOR		
Contact:	Ana Karla Perea		
Address:	Periférico Poniente #5360 Col. San Juan de Ocotán, Zapopan, Jalisco, C.P. 45019		
Phone:	+52-33-3777-7000 ext	Email:	aperea@conafor.gob.mx
Website:			

PROGRAM

Program Specific Questions

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

There is a very strong articulation of the FCPF activities with the other REDD+ related activities financed through other sources (FIP and IBRD) as well as other donors (UNDP, FAO, LAIF, USAID). CONAFOR has a very strong capacity to coordinate all the REDD+ related activities and seek synergies.

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

No change has been made: reallocation of proceeds between two disbursement categories has just been completed to respond to the higher than expected demand under the PROFOS program; this does not affect the implementation of all the activities planned under the grant agreement and enhance the participatory process for the consultation of the National Strategy.

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

No capacity gap was identified during preparation/implementation of the grant.

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?

Mexico has developed a sound SESA work plan that is currently under implementation.

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

Yes

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

Consultation with key stakeholders has been on going on REDD+ for the last 4 years. The Consultation process now focuses on the latest version of the National REDD+ Strategy and is conducted through three phases (information & dissemination, Consultation and Consolidation). The approach developed by CONAFOR is considered #best practice#.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2014	06/30/2014	0.00	0.00	0.00	0.00
07/01/2014	12/31/2014	0.00	0.00	0.00	0.00
01/01/2015	06/30/2015	0.00	0.00	664,759.61	664,759.61
07/01/2015	12/31/2015	0.00	0.00	1,093,522.64	428,763.03
01/01/2016	06/30/2016	0.00	0.00	1,093,522.64	0.00
07/01/2016	12/31/2016	0.00	0.00	0.00	0.00
01/01/2017	06/30/2017	0.00	0.00	0.00	0.00