

## Forest Carbon Partnership Facility (FCPF)

### Readiness Fund

#### Process for Submitting and Reviewing Mid-Term Progress Reports and Requests for Additional Funding by Participating REDD+ Countries

January 19, 2016 (revised from August 27, 2012 version)

*In accordance with Resolution PC/12/2012/2, this Note outlines the process for REDD Country Participants to submit, and the Participants Committee (PC) to review, mid-term progress reports and requests for additional funding of up to US\$5 million. In accordance with the PC's subsequent agreement at PC20 in November 2015 in San Jose, Costa Rica, the Note is being modified so that REDD Country Participants are not limited to presenting their mid-term progress reports and requests for additional funding during PC meetings only. Rather, mid-term progress reports and requests for additional funding will by default be considered virtually, including a virtual review and exchange process, plus subsequent decision if relevant and appropriate via the 'Action without Meeting' process outlined in the Rules of Procedure; nevertheless, REDD Country Participants who wish to present their mid-term progress report and/or request for additional funding in person will continue to be able to do so.*

*Expected PC action: As per the agreement at PC20, the FMT is circulating this modified note together with a resolution to be adopted on a no-objection basis.*

#### Submission of a Mid-Term Progress Report

##### *Background*

1. As per Section 6.3(b) of the FCPF Charter and Resolution PC/7/2010/3, during implementation of a Readiness Preparation Grant Agreement, a REDD Country Participant must submit a mid-term progress report to the PC. Resolution PC/7/2010/3 also states that the Facility Management Team (FMT), where appropriate, will develop a format for the reporting. As such, the FMT developed the reporting format in Annex 1 to this Note, and the following process for submitting and reviewing these reports.

##### *Proposed process*

2. The objective of the mid-term progress report is to report on the progress made in activities funded by the FCPF Readiness Preparation Grant, while also providing an overview of the overall progress in the implementation of the R-PP. The REDD Country Participant and Delivery Partner<sup>1</sup> agree on a timetable for the REDD Country Participant's delivery of a mid-term progress report to the Delivery Partner, which will later be shared with the FMT and PC. This timetable is generally specified in the grant agreement or equivalent document for each Delivery Partner (see the Common Approach adopted in June 2012).

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<sup>1</sup> Throughout this Note, "Delivery Partner" refers to the World Bank or another institution approved by the PC pursuant to the relevant PC Resolutions (currently, the approved Delivery Partners are the Food and Agriculture Organization, the Inter-American Development Bank and the United Nations Development Programme).

3. In accordance with the agreed timetable and in coordination with the Delivery Partner, the REDD Country Participant prepares a mid-term progress report in the format outlined in this Note (Annex 1). Specifically, the mid-term progress report will include:

- i. an overview of the progress made in the implementation of the R-PP;
- ii. an analysis of progress achieved in those activities funded by the FCPF Readiness Preparation Grant, including identification of any delays in the implementation of the activities financed by the Grant and proposed actions to address the causes of the delays;
- iii. an updated financing plan for the overall Readiness preparation activities, including funds pledged by, and a brief description of activities supported by, other development partners; and
- iv. a review of the REDD Country Participant's compliance with the Common Approach.

4. The mid-term progress report is based on the country's self-assessment of the REDD+ Readiness process, draws on the information generated through the countries' monitoring and evaluation system of the national Readiness program (per component 6 in the R-PP), and should be developed in line with the stakeholder engagement process outlined in the R-PP. In addition, the mid-term progress report may be complemented by other sources of information, such as the Delivery Partner's visits to the country and/or external assessments if available.

5. For consistency and continuity, the format of the mid-term progress report and the Readiness Package mirror the four main components in the R-PP, notably (1) Readiness Organization and Consultation, (2) REDD+ strategy option, (3) reference emissions level, (4) monitoring system for forests, and safeguards. Countries are expected to report on the overall national REDD+ Readiness process highlighting the Readiness components that were supported with FCPF financing. The mid-term progress report is then an important step leading to the Readiness Package (see FMT Note 2012-6).

6. Mid-term progress reports will by default be considered virtually. However, REDD Country Participants who wish to present their mid-term progress report in person at a PC meeting will continue to be able to do so.

7. The REDD Country Participant formally submits the mid-term progress report to the FMT eight weeks prior to the intended final review by the PC (i.e., eight weeks prior to the deadline for feedback from the PC if the REDD Country Participant intends to submit it for virtual review, or eight weeks prior to the relevant PC meeting if the REDD Country Participant intends to present it in person).

8. The FMT verifies that the mid-term progress report has been completed according to the format laid out in Annex 1 below. When complete, the FMT will post the mid-term progress report on the FCPF website and forward it to the PC at least six weeks prior to the intended final review by the PC. If the mid-term progress report is not complete at least six weeks prior to the intended final review by the PC, it will not be considered at that time and will be rescheduled to a later meeting or virtual review cycle. If the mid-term progress report is submitted to the FMT in a language other than English, the FMT will arrange for translation of the document to English in a timely manner and will make the English version available on the website and to the PC.

9. In parallel, the Delivery Partner submits to the FMT its mid-term grant monitoring report (or the equivalent document for each Delivery Partner), which provides a qualitative report on the progress of FCPF-financed activities and progress towards Readiness in general from the Delivery Partner's perspective and in which the Delivery Partner:

- i. assesses progress made in the FCPF-financed activities specified in the Grant Agreement (or the equivalent document for the respective Delivery Partner), in accordance with its respective policies and procedures;
- ii. assesses whether significant progress has been achieved in the FCPF-financed activities; and
- iii. provides an explanation for this assessment.

This mid-term grant monitoring report is also posted on the FCPF website and forwarded to the PC. Together, the REDD Country Participant's mid-term progress report and the Delivery Partner's mid-term grant monitoring report form the basis of the PC's review of progress. The PC is also encouraged to take into consideration additional information and comments from Participants, Observers and others.

10. In the case of a virtual review, the PC provides feedback in writing on the REDD Country Participant's mid-term progress report by the deadline set by the FMT. In the case of an in-person review, the REDD Country Participant presents the mid-term progress report at the PC meeting, and the PC provides feedback at the PC meeting. Feedback may include clarifications, strengths, and/or areas for improvement. The PC is not expected to make any decision on the mid-term progress report. However, the PC or FMT may choose to document any recommendations as appropriate, for example in the Co-chairs' summary of the meeting, a Resolution, or an FMT summary.

### **Request for Additional Funding of up to US \$5 million**

#### *Background*

11. At PC10 in October 2011, the PC adopted Resolution PC/10/2011/1.rev, which enables the PC to provide additional funding of up to US\$5 million to an eligible REDD Country Participant:

"5. Noting that some REDD Country Participants have made significant progress towards REDD+ readiness, and recognizing the need to provide additional funding to encourage further progress on readiness preparation, decides to provide up to US\$5 million in addition to the currently allocated maximum amount of US\$3.8 million grant per country to support REDD+ readiness activities for the REDD Country Participants that meet the following criteria:

- i. The PC's consideration of the mid-term progress report provided by the REDD Country Participant to the PC recognizes significant achievement of progress;
- ii. The REDD Country Participant's commitment of at least 50% of the Formulation/Readiness Preparation Grant(s) of up to US\$ 3.8 million that has already been allocated at the time of the request for additional funding;

- iii. Additional funding shall be used to support activities consistent with the endorsed R-PP, to be agreed with the relevant Delivery Partner, taking into account countries' needs;
- iv. The REDD Country Participant will submit a proposal for this additional funding in accordance with a process to be agreed by the PC by PC 13; and
- v. Allocation of additional funding to a REDD Country Participant that meets the conditions set forth in criteria (i) through (iv) above shall be approved, subject to availability of resources in the Readiness Fund.”

12. As such, the FMT developed the following process for the submission and consideration of requests for this additional funding.

*Proposed process*

13. If the REDD Country Participant requests additional funding of up to US\$5 million, the REDD Country Participant submits a mid-term progress report as per the above procedures, and also outlines in its mid-term progress report the additional funding requested of the FCPF to implement outstanding activities relevant to each sub-component (see the proposed format in Annex 1).<sup>2</sup>

14. The mid-term progress report follows the same review process as described above in paragraphs 2-10. In addition to clarifications, strengths and areas for improvement, the PC's feedback may also include key issues to be addressed by the REDD Country Participant before entering into a grant agreement for the additional funding, if deemed appropriate. Based on the mid-term progress report and other criteria listed above,

- a) If a virtual review: The FMT compiles a list of key issues, if relevant. The FMT organizes a virtual exchange (e.g., teleconference, Webex, email) if needed. Once it is agreed whether there are any key issues and what they are, and if the FMT deems it appropriate, the FMT sends a draft resolution allocating the requested additional funding to the PC for virtual adoption via the 'Action without Meeting' process outlined in the Rules of Procedure.
- b) If an in-person review: The PC decides at the PC meeting whether or not to allocate the requested additional funding to the REDD Country Participant, with any key issues as relevant and appropriate.

15. Regarding criterion (i) above, the determination as to whether significant progress has been achieved will be based on the Delivery Partner's mid-term grant monitoring report (or the equivalent document for the respective Delivery Partner). The decision whether or not to allocate additional funding, nevertheless, will be made by the PC based on the five criteria, including the review of the REDD Country Participant's mid-term progress report itself. Any decision to allocate additional funds to the REDD Country Participant is documented in a PC Resolution.

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<sup>2</sup> If a REDD Country Participant has already presented its mid-term progress report and later wishes to request additional funding, the Country submits an updated mid-term progress report at the time of its request.

16. If the PC decides to allocate additional funds to the REDD Country Participant, the Delivery Partner undertakes the due diligence required to enter into a new grant agreement or amend the existing grant agreement, in accordance with the Delivery Partner's standard policies and procedures.

## **Annex 1: Format for Mid-Term Progress Reporting**

### **1. An overview of the progress made in the implementation of the R-PP**

*The Country provides an overview of progress to date in achieving the four main components of the R-PP and their respective sub-components presented below, against the original proposal. The Country presents in each sub-component: (i) what has been achieved to date (outputs and outcomes); (ii) some analysis of these results including major constraints and gaps that need to be addressed; (iii) other significant readiness work in progress; and (iv) if applicable, request for additional funding to the FCPF, to implement outstanding activities relevant to that sub-component. The proposed format mirrors the structure of the Readiness Package (FMT Note 2012-6). Specifically,*

#### *1 - Readiness Organization and Consultation*

##### *1a. National REDD Management Arrangements*

##### *1b. Consultation, Participation, and Outreach*

#### *2 - REDD+ Strategy Preparation*

##### *2a. Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance*

##### *2b. REDD+ Strategy Options*

##### *2c. Implementation Framework*

##### *2c. Social and Environmental Impacts*

#### *3 - Reference Emissions Level/Reference Level*

#### *4 - Monitoring Systems for Forests and Safeguards*

##### *4a. National Forest Monitoring System*

##### *4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards*

### **2. An analysis of progress achieved in those activities funded by the FCPF Readiness Preparation Grant**

*The Country outlines progress made as well as identifies any delays in the implementation of the activities financed by the Grant and proposed actions to address the causes of the delays.*

### **3. A review of the REDD Country Participant's compliance with the Common Approach**

*The Country reports on actions taken to comply with the various aspects of the Common Approach:*

- the Delivery Partner's environmental and social safeguards, including the SESA/ESMF*
- stakeholder engagement*
- disclosure of information, and*
- grievance and accountability.*

**4. An updated financing plan for the overall Readiness preparation activities, including funds pledged by, and a brief description of activities supported by, other development partners**

*The Country provides an updated financial plan for the overall Readiness preparation activities, including reporting on the uses and sources of funds allocated for the R-PP implementation (both by the FCPF and other development partners), by R-PP component, using the table below (the model contains a hypothetical numeric example). This table could also be used if the country is requesting additional funding from the FCPF (see right-most column).*

| Uses of Funds (in US\$ thousands)   |                               |                                |                         |                 |  |                                      |                                       |
|---|-------------------------------|--------------------------------|-------------------------|-----------------|--|--------------------------------------|---------------------------------------|
| R-PP Component  | Total needed (A) <sup>3</sup> | Funds pledged (B) <sup>4</sup> | Funds used <sup>5</sup> |                 | Funds available (= B – C) <sup>6</sup> | Financing gap (= A – B) <sup>7</sup> | Request to FCPF <sup>8</sup> (if any) |
|   |                               |                                | Funds Committed (C)     | Funds Disbursed |  |                                      |                                       |
| [Add lines as needed, to provide sufficient detail]                                   | 4,000                         | 2,000                          | 1,000                   | 500             | 1,000                                  | 2,000                                | 2,000                                 |
|   | 2,000                         | 500                            | 500                     | 500             | 0                                      | 1,500                                | 1,500                                 |
|   | 3,000                         | 1,500                          | 1,000                   | 0               | 500                                    | 1,500                                | 1,500                                 |
|   | 1,000                         | 1,000                          | 0                       | 0               | 1,000                                  | 0                                    | 0                                     |
| <b>TOTAL</b>  | 10,000                        | 5,000                          | 2,500                   | 1,000           | 2,500                                  | 5,000                                | 5,000                                 |
| Sources of Funds (in US\$ thousands)  |                               |                                |                         |                 |  |                                      |                                       |
| FCPF [specify activities being supported by the FCPF]                                 |                               | 3,800                          | 2,000                   | 500             | 1,800                                  |                                      |                                       |
| Government [specify activities being supported by the Government]                     |                               | 200                            | 200                     | 200             | 0                                      |                                      |                                       |
| UN-REDD Programme (if applicable) [specify activities being supported by the UN-REDD] |                               | 0                              | 0                       | 0               | 0                                      |                                      |                                       |

<sup>3</sup> Total needed is the amount of resources necessary to complete a given component. All numbers in this table should be the latest numbers, which may not necessarily match the numbers in the original R-PP that was presented to the PC.

<sup>4</sup> Funds pledged encompass the amount of funds promised by different donors and / or the national government to fund a specific component and available to the country.

<sup>5</sup> Funds used refer to the amount of funds committed in signed contracts, and the portion of the funds committed that has already been disbursed.

<sup>6</sup> Available funds equal pledges minus commitments.

<sup>7</sup> Financing gap equals total needed minus pledged funds.

<sup>8</sup> Request for additional funding from the FCPF (up to US\$ 5 million, subject to conditions set by Resolution PC/10/2011/1.rev being met).

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Other Development Partner 1 (name)<br>[specify activities being supported by<br>the Development Partner] | 1,000 | 300   | 300   | 700   |
| Other Development Partner 2 (name)<br>[specify activities being supported by<br>the Development Partner] | 0     | 0     | 0     | 0     |
| <b>TOTAL</b>   | 5,000 | 2,500 | 1,000 | 2,500 |

**5. Grant Reporting and Monitoring report (GRM)<sup>9</sup> (or equivalent Delivery Partner report, as per Delivery Partner’s standard operational policies and procedures)**

*The Delivery Partner prepares a mid-term GRM or equivalent grant monitoring report, which provides a qualitative report on the progress and results of FCPF-financed activities from the Delivery Partner’s perspective, and the Delivery Partner’s assessment of overall Readiness progress, and should be annexed to the mid-term progress report.*

**6. Summary statement of request for additional funding to the FCPF**

*If the Country is requesting additional funding, it presents a summary statement of total additional funding requested from the FCPF to justify the numbers presented in the table on uses and sources of funds, including an explanation of the proposed activities to be financed by the additional funding.*

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<sup>9</sup> *Grant Reporting and Monitoring* is the format and system that is used for reporting on FCPF activities where the World Bank is the Delivery Partner.