

World Bank - Grant Reporting and Monitoring (GRM) Report

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Ref. TF17284 and TF A2005

Reporting Period: 7/1/2016 to 06/30/2017

Printed On: XXXX

Report Type: Interim Progress Report

Report Status: Draft

Assignment: TF17284 and TF0A2005

**Ethiopia: FCPF Readiness Grant
FCPFR - FOREST CARBON PARTNERSHIP FACILITY**

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Approving Manager: 00000086248 - Magdolna Lovei

Summary Information	
TF Status	ACTV
Recipient Country	Ethiopia
Executed By	Recipient
Managing Unit	9270 - GEN01
Grant Start Date / End Date	07/17/2014 to 06/30/2018
Program Manager	Simon J. Whitehouse
Original Grant Amount	10,000,000.00
Grant Amount	10,000,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	7,482,867.43 as of 6/30/2017
Disbursed 7/1/2016 to 2/20/2017	7,482,867.43
Donor	TF602001 - MULTIPLE DONORS

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

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OVERVIEW

Overall Assessments and Ratings

Grant Objectives:

The grant will support a specific technical assistance (TA) program (the Readiness Mechanism) to help build country capacity for reducing emissions from deforestation and forest degradation (REDD+).

Overall progress from 7/1/2016 to 6/30/2017 with regard to Achieving Grant Objectives:

The grant objective has been partially achieved by the Ministry of Environment, Forest and Climate Change (MEFCC). The key results intended from the Additional Fund \$10M grant were:

- i) Support to the National Readiness Management Arrangements: This was achieved and support will continue up to June 30, 2018.
- ii) Establishment of Monitoring, Reporting, and Verification (MRV) System and a Reference Emission Level (REL) for REDD+: MEFCC has defined the MRV institutional arrangement at national and regional levels; the National Forest Inventory (NFI) is completed; a land use land cover change map was developed; the national REL prepared and submitted to UNFCCC; and several capacity building and training events on MRV/REL provided to national and regional experts. However, MRV units both at national and regional levels are yet to be fully staffed, MRV labs at both levels to be completed, MRV web portal and regional REL are yet to be finalized.
- iii) Preparation of REDD+ Pilot Projects: the development of pilot projects are expected to be finalized by June 2018.

Overall progress from 7/1/2016 to 6/30/2017 with regard to Implementation of Grant Financed Activities:

Objective 1- Support to the National Readiness Management Arrangements

1.1 The National REDD+ Secretariat is composed of: one National REDD+ Coordinator; two Financial Management Specialists; one Procurement Specialist; one Environmental Safeguards Specialist; one REDD+ Pilots Coordinator; one Social Development Specialist and one Monitoring and Evaluation Specialist. Recruitment of MRV Specialist and IT Specialist are going on. The technical and fiduciary team of the REDD+ Coordination Units in Amhara, SNNPRS and Tigray are also hired under this grant. MRV specialist recruitments for the last three regions is also going on to be financed by this grant.

1.2 A National Steering Committee, and 3 task forces (Safeguard, MRV and REDD+ Strategy) were established and are functional. Similar structures also exist and are functional in four regional states (Oromia, Amhara, Tigray and SNNP) with similar mandates. These committees and task forces have undertaken 29 meetings with attendance level of 80 percent on average. REDD+ Steering Committee

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(RSC), REDD+ Technical Working Group (RTWG) and Taskforces (TF) meetings minutes are available on the new REDD+ website: <http://www.ethiopiared.org/>

1.3 No overseas south-south knowledge exchanges were held in the FY17, except in-country visit to Humbo and Bale Ecoregion REDD+ Project by the NRS and Regional Coordination Units (RCU).

1.4 A key outcome of the REDD+ readiness process in Ethiopia is the preparation, grant signing (US\$ 18 million), and project launch of the of the Oromia Forested Landscape Program (OFLP).

Objective 2- Establishment of Monitoring, Reporting, and Verification (MRV) System and a Reference Emission Level (REL) for REDD+

2.1 MEFCC/NRS has finalized the MRV institutional arrangement, where this unit respond to two Directorates (i.e. the Forest Inventory and Demarcation, and the GHG Monitoring Directorates) within the Ministry. The MRV Unit's national level tasks are to be cascaded to regional MRV units. The Additional Grant finances staff and operational expenses for three REDD+ Pilot regions until June 2018; the government will take over operations in the units thereafter. In addition, the MRV Project Implementation Team (PIT) has been established and is operational within MEFCC/NRS where FAO technical team are part; the PIT had conducted 5 technical meeting from July 2016 to June 2017.

2.2 Through the FAO Technical Assistance, a National Forest Inventory has been completed; including the establishment of permanent sampling plots (PSP) for forest monitoring; Land Use Land Cover and change detection map prepared; and vegetation characterization by biomes and national level REL developed. The National REL had been submitted to UNFCCC, feedback received, and the final revised REL resubmitted to UNFCCC.

2.3 FAO together with National MRV Unit is currently establishing the MRV lab at national level; regional MRV lab establishments will be finalized before March 2018. MRV web portal development is also on-going, its finalization being schedule before end of March 2018.

2.4 FAO team has been providing intensive on the job training for national and regional MRV experts among others on GIS/remote sensing, forest inventory protocols, mapping, activity data calculations and REL development, data management, etc.

2.5 The MRV TA would also compile and make available all required technical guidelines/manuals on national forest monitoring systems (NFMS) and monitoring protocols by the end of March 2018.

Objective 3- Preparation of REDD+ Pilot Projects

3.1 The Oromia Forest Landscape Program (OFLP) has been prepared, a US\$ 18M investment grant agreement was signed, and the project was launched in May 2017. Several consultations took place at the regional, zonal, woreda and community levels. A summary, can be found at <https://ethiopiared.org/redd-readiness/redd-safeguards/consultation-participation/summary-report-of-consultation-and-participation/> and <https://reddplusethiopia.wordpress.com/consultation-and-participation/>

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3.2 REDD+ Pilots in Amhara, Tigray and SNPPRS are being prepared, each having a nucleus technical staff and with corresponding REDD+ management arrangement. Several regional and local (regional, woreda and community) levels awareness raising and consultations were conducted and are available at: [\(https://ethiopiared.org/redd-readiness/redd-safeguards/consultation-participation/summary-report-of-consultation-and-participation/\)](https://ethiopiared.org/redd-readiness/redd-safeguards/consultation-participation/summary-report-of-consultation-and-participation/)

3.3 NRS together with RCUs are to launch soon regional analytical studies (a) Drivers of Deforestation and Degradation and Strategic Options to address them; and b) Institutional and Legal Analysis for the implementation of REDD+ Projects) as an input for designing forest investment programs documents for the three pilots. The program design will follow the approach employed for designing OFLP.

4. Financial and procurement Management

4.1 The US\$ 10 million additional grant status is as follows: (a) total disbursement to date is close to US\$7.5 million (75%), (b) undisbursed amount to date is US\$2.5 million (25%), (c) firm commitment including for FAO TA is about US\$1.3 million (13%), and (d) soft commitments is close to US\$ 1.2 million (12%, i.e. grant amount planned in FY 2017/18 Annual Work Plan Budget, but procurement process yet to be started).

4. Disbursement has been a challenge. Both for the FCPF US\$3.6 million and the BioCF's US\$10 million additional grants, the closing dates were extended due to client's slow disbursement rate. There is still a concern that the remaining undisbursed US\$ 2.5 million fund could not be fully consumed by June 30, 2018 (final grant closing date); but the task team is following closely the implementation of this project.

Grant follow-up and structure

Description and context of Grant:

N/A

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

Comment on follow up:

The Additional Grant will continue financing remaining of REDD+ readiness activities through end of June 2018 (grant closing date), and OFLP to continue implementation of the US\$18M grant through end of Dec 2022. MEFCC has also secured US\$80M REDD+ investment financing (grant) from the Government of Norway. This funding is expected to finance REDD+ and related forest landscape activities identified by the National REDD+ Strategy.

End Date of Last Site Visit: last mission took place in May 2017

Restructuring of Grant:

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The grant was extended for one year to June 30, 2018 to ensure full disbursement.

OUTCOME

Comments on outcome achieved from 7/1/2016 to 6/30/2017

The grant objective has been partially achieved, but is on track to achieve them by the end of the grant period. The key results intended from the Additional Fund \$10M grant were:

- i) Support to the National Readiness Management Arrangements: This was achieved and support will continue up to June 30, 2018.
- ii) Establishment of Monitoring, Reporting, and Verification (MRV) System and a Reference Emission Level (REL) for REDD+: MEFCC has defined the MRV institutional arrangement at national and regional levels; the National Forest Inventory (NFI) is completed,; a land use land cover change map was developed; the national REL prepared and submitted to UNFCCC; and several capacity building and training events on MRV/REL provided to national and regional experts. However, MRV units both at national and regional levels are yet to be fully staffed, MRV labs at both levels to be completed, MRV web portal and regional REL are yet to be finalized.
- iii) Preparation of REDD+ Pilot Projects: the development of pilot projects are expected to be finalized by June 2018.

Grant Outcome Indicators

Grant outcome indicators are listed below.

OUTCOMES

Governance for REDD+ readiness process fully deployed

Baseline Value: No

Date: 11/24/2014

Progress to Date: Yes

Date: 06/30/2017

Target Value: Yes, complete

Date: 06/30/2018

Relevant stakeholders at national, regional and local level capable and willing to engage in REDD+ implementation

Baseline Value: No

Date: 11/24/2014

Progress to Date: Yes

Date: 06/30/2017

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Target Value: Yes, complete

Date: 06/30/2018

Methodologically sound Reference levels and REL(s) are endorsed and linked to the national GHG inventory process & policy framework

Baseline Value: No

Date: 07/17/2014

Progress to Date: REL is developed and submitted to UNFCCC, linkage to the national GHG inventory and policy framework to be realized through full establishment of the national MRV Unit

Date: 06/30/2017

Target Value: Yes

Date: 06/30/2018

Reliable and verifiable data on carbon emissions and removal, REDD+ co-benefits, governance and safeguards available

Baseline Value: No

Date: 07/17/2014

Progress to Date: Yes, data on carbon emissions and removals has been set. Further, data on REDD+ co-benefits, governance and safeguards (SIS) is under preparation

Date: 06/30/2017

Target Value: Yes

Date: 06/30/2018

Four Forest Landscape Pilot Programs designed

Baseline Value: No

Date: 07/24/2014

Progress to Date: Yes

Date: 06/30/2017

Target Value: design of OFLP has been finalized, and grant implementation started; additional three REDD+ pilot programs are under preparation in Amhara, Tigray and SNNPRS

Date: 06/30/2018

COMPONENTS

Output and Implementation by Component

1. Support to the National Readiness Management Arrangements

Status: under implementation

Planned Output: Support REDD+ structures in regional states (regional steering committees, REDD+ technical committees and regional REDD+ coordination units); Promote capacity

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building and institutional strengthening related to REDD+ at woreda and kebele levels within the pilot regions; and Support to REDD+ readiness activities of National REDD+ Secretariat.

Actual Output: See details on actual outputs in the overview box above

2. Establishment of Monitoring, Reporting, and Verification (MRV) System and a Reference Emission Level (REL) for REDD+

Status: under implementation

Planned Output: Establish the national MRV system for REDD+ including institutional arrangement and data management system, support the national MRV institutions to assess historical cover change and monitor activity data, conduct national forest inventory, and provide capacity building and training to government, research and CSOs; and establish the national REL and GHG inventory process

Actual Output: See details on actual outputs in the overview box above

3. Preparation of REDD+ Pilot Projects

Status: under implementation

Planned Output: engaging and informing local communities about the projects, identifying and consulting on institutional and legal arrangements for future projects' implementation, preparing baseline GHG and locally suitable MRV system and estimate potential ER reduction, estimate cost of implementation, identifying environment and social risks and devising mitigation measures following safeguards instruments developed at national level, and preparing and consulting locally appropriate BSM.

Actual Output: See details on actual outputs in the overview box above

Comment on planned and actual Output

See details on planned and actual outputs in the overview box above

Comment on component implementation progress

See details in the overview box above

EXECUTION

Bank project related to the grant

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Project ID / Name: P124074 –Ethiopia-FCPF REDD+ Readiness

Project Status: lending

Global Focal Area: Climate change

Product Line: CN - Carbon Offset

Implementing agency and contact details

Agency: Ministry of Environment, Forest and Climate Change (MEFCC)

Contact: Yitebitu Moges

Phone: 00251912865584

Email: yitebitumoges@yahoo.com

Website: <http://www.ethiopiared.org/>

PROGRAM

Program Specific Questions

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

The Bank has coordinating and working closely with all other implementing development partners on REDD+, like Farm Africa, JICA, UNDP, GIZ, CIFOR, IDH and FAO among others. The Bank also works closely with Donors such as Norway who are providing funding through Bank-managed multi-donor trust funds (FCPF and the BioCarbon Fund). The OFLP, which emerged as a result of the REDD+ Program in Ethiopia, is currently under implementation with funding from Norway and US Government through the BioCF ISFL (US\$18M). The OFLP is paving the way for a broader and better coordinated platform, involving several sectors, including forest, energy, livestock and agriculture.

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

N/A

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

The task team has been providing technical assistance on safeguards, procurement, and financial issues to the NRS and ORCU team on a weekly basis. The WB team has day-to-day interaction with the Government team through their staff based in Addis, and virtually through the staff based in DC.

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?

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SESA and ESMF were finalized, cleared by the Bank, and disclosed. Both instruments were developed following the WB procedures and is in line with the common approach.

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

ESMF was developed following the WB procedures and is in line with the common approach

6. Describe progress in stakeholder consultation, participation and disclosure related to this Grant.

See details on stakeholder consultation, participation and disclosure in the overview box above

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/17/2014	12/31/2014	0.00	0.00	1,200,000.00	1,200,000.00
01/01/2015	06/30/2015	0.00	0.00	2,828,919.70	1,628,919.70
07/01/2015	12/31/2015	0.00	0.00	3,226,991.90	398,072.20
01/01/2016	06/30/2016	0.00	0.00	4,524,290.49	1,297,298.59
07/01/2016	12/31/2016	0.00	0.00	5,441,675.42	917,384.93
01/01/2017	06/30/2017	0.00	0.00	7,482,867.43	2,041,192.01

Approved by:

Abdelaziz Lagnaoui, Acting Practice Manager, GENDR, 9/12/2017