Assignment: TF016024

Forest Carbon Partnership Facility - Chile Readiness Preparation Grant

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000157997 - Peter Jipp
Approving Manager: 00000483596 - Raul Ivan Alfaro Pelico

<table>
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<th>Summary Information</th>
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This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program (FCPFR), Disbursements.
OVERVIEW

Overall Assessments

Grant Objectives:
The Project Development Objective is to assist the Recipient in carrying out the Readiness Preparation Activities.

Overall progress from 07/01/2015 to 06/30/2016 with regard to Achieving Grant Objectives:
Comment:
CONAF has made significant progress in achieving the Grant Objectives so far with Grant Activities supporting all major aspects of REDD+ Readiness, including strategy development, safeguards, forest emissions reference level, and national forest monitoring system. Details are included in the Components section.

Overall progress from 07/01/2015 to 06/30/2016 with regard to Implementation of Grant Financed Activities:
Comment:
Since Grant effectiveness significant progress has been made in the implementation of Readiness Activities (total disbursement 42%; 1.613 M). The remaining funds (58%) are fully committed and expected to be disbursed by December 2017 Outputs and disbursements are expected to increase substantially through the end of this calendar year (2016).

Grant follow-up and structure

Description and context of Grant:
The Readiness Preparation Proposal (R-PP) prepared by the Government of Chile identifies a broad set of activities to support the country in strengthening its technical and institutional capacities to participate in a future REDD+ mechanism. This set of activities is supported by different sources, which include multilateral and bilateral financing arrangements in addition to the Chilean government's own contribution. The FCPF Participants Committee (PC) authorized grant funding of $3.8 million in March 2013 (PC14) based on Chile’s submission of its R-PP in October 2012. The FCPF grant finances specific activities included in components 1, 2, 3 and 4 of the R-PP, specified in the Grant Assessment Note. These activities have been selected after technical discussions with the National Forestry Corporation (CONAF), taking into account the technical and financial needs of Chile’s REDD+ Readiness process, the comparative advantage of the World Bank in supporting them, as well as the complementarity with support made available by other partners as well as the ongoing GEF financed Sustainable Land Management Project (P085621).

Expected follow up (if any): Follow up project or grant (non-Bank funded)

Comment on follow up:
Follow up will be through the Emissions Reductions Program. Chile's request to participate in the Emissions Reductions Program has been endorsed. A Bank Executed Trust Fund to support preparation of Chile's Emissions Reduction Program Document (ERPD) has been approved and that Grant is now in an advanced stage of implementation. Chile has prepared a draft R-Package and plans to present to the FCPF Participants Committee (PC22) meeting for consideration.

End Date of Last Site Visit:

Restructuring of Grant:
N/A
OUTCOME

Comments on outcome achieved from 07/01/2015 to 06/30/2016

Grant Outcome Indicators
No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Readiness Organization and Consultation (FCPF amount: US$ 1,087,797)
Status: Under Implementation
Planned Output: University training course to strengthen REDD+ implementation capacity
Actual Output: See detailed comments on implementation progress below

REDD+ Strategy preparation (FCPF amount: US$ 2,412,203)
Status: Under Implementation
Planned Output: REDD+ Strategy Preparation Studies (various)
Actual Output: See detailed comments on implementation progress below

Development of a National Forest Reference Emission Level and Monitoring Systems for REDD+ (FCPF amount: US$ 300,000)
Status: Under Implementation
Planned Output: Technical Assistance for Development of the National Forest Reference Level and MRV system (with a focus on forest degradation)
Actual Output: See detailed comments on implementation progress below

Comment on planned and actual Output
Chile requested and was granted an extension of the closing date for the 3.8 M phase of FCPF Readiness to allow for development and full implementation of the training course described under component 1 above. The closing date was extended by 22 months, from March 15, 2016 to December 29, 2017. Technical Advisory Panel has assessed both the Readiness Package and the ERPD submitted by Chile. The ERPD TAP Assessment Report in available internally (attached) and will shortly will be posted online at http://www.forestcarbonpartnership.org/chile.

Comment on component implementation progress
Component 1: Readiness Organization and Consultation (FCPF amount: US$ 1,087,797)
Progress under this Component includes: 1) the ongoing public consultation on the National Strategy for Climate Change and Vegetation Resources (ENCCRV) that is expected to conclude on August 20, 2016 (https://www.forestcarbonpartnership.org/citizen-consultation-climate-change-and-vegetal-resources-national-strategy-enccrv) and 2) the signing and launch of a large contract to develop a university-based course aimed at strengthening CONAF#s staff capacity in the regional offices across the country on issues related to forests and climate change related to the national REDD+ Strategy.

Component 2: REDD+ Strategy preparation (FCPF amount: US$ 2,412,203)
Major progress has been achieved under this component, including: i) the implementation of a consortium contract led by a local university on the drivers of deforestation and forest degradation, and barriers to the enhancement of forest carbon stocks
Component 3: Development of a National Forest Reference Emission Level and Monitoring Systems for REDD+ (FCPF amount: US$ 300,000)

Major progress has been achieved under this component, which is implemented in synergy with the resources from the Carbon Fund of the FCPF in preparation of the Emissions Reduction Program Document (ERP). A consortium led by Winrock International, and including the National Forestry Institute (INFOR) and a major national University located in the temperate zone of the country has been tasked with providing technical assistance for the development of the National Reference Emission Level and MRV system. Chile submitted a preliminary “Forest Reference Emission Level / Forest Reference Level of Native Forests in Chile” to the UNFCCC in January 2016 (http://redd.unfccc.int/files/2016_submission_frel_chile_english.pdf). In addition, a contract to strengthen the timber traceability system with a focus on firewood has been developed. Forest carbon MRV efforts are coordinated with those supported by the Program for Market Readiness (PMR) led by the Ministry of Energy in Chile.

EXECUTION

Bank project related to the grant

- **Project ID / Name:** P124908 - CL FCPF REDD READINESS
- **Project Status:** Lending
- **Global Focal Area:** Climate change
- **Product Line:** CN - Carbon Offset

Implementing agency and contact details

- **Agency:** CONAF
- **Contact:** Angelo Sartori;
- **Address:** Paseo Bulnes N° 285, oficina 803, Santiago-Chile
- **Phone:** 5626630324
- **Email:**
1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by FCPF. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by FCPF financed activities are very well coordinated with REDD+ related activities supported by other donors working in Chile (UNREDD and Swiss Cooperation Agency). Joint FCPF-UNREDD missions have been organized to coordinate the structure of the National Program under the UNREDD with the Additional Funding under the FCPF. CONAF has an excellent capacity to coordinate all the REDD+ related activities and identify synergies.

2. Describe any important changes in the technical design or approach related to the Grant activities. No major changes have been made in the technical design of the Grant activities. A certain amount of resources from component 1 have been reassigned to component two to support the Participation and Consultation Plan in line with the SESA process, which initially was under budgeted.

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant. No significant capacity gaps were identified during preparation or thus far during 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? A team of professionals has been hired to support CONAF in implementing the SESA and FGRM and developing the ESMF in accordance with the Common Approach. The R-Package including the ESMF have been submitted in draft form and are expected to be reviewed in the upcoming PC22.

5. Is the ESMF prepared in accordance with the Common Approach? Yes, as the World Bank is the Delivery Partner.

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant. Chile has developed a sound SESA and has implemented the agreed consultation plan. A series of participatory workshops were carried out in each region of the country as part of the SESA process to provide inputs to the development of the REDD+ strategy.

### DISBURSEMENTS

**Disbursements Summary in USD**

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