

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF019030
Printed On: 03/02/2017

Reporting Period: 07/01/2015 to 06/30/2016
Report Type: Progress Report
Report Status: Approved

Assignment: TF019030

Bhutan: FCPF Readiness Grant

FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000290015 - Dora Nsuwa Cudjoe
Approving Manager: 00000082671 - Kseniya Lvovsky

Summary Information	
TF Status	ACTV
Recipient Country	Bhutan
Executed By	Recipient
Managing Unit	9246 - GFA12
Grant Start Date / End Date	03/19/2015 to 06/30/2019
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,008,916.25 as of 06/30/2016
Disbursed 07/01/2015 to 06/30/2016	371,872.13
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 development objective of the Grant is to build national capacity of Bhutan to engage in REDD+ efforts at the national as well as international levels, through strengthened policies, increased knowledge on REDD+, and enhanced data on forests and forest management.

Overall progress from 07/01/2015 to 06/30/2016 with regard to Achieving Grant Objectives:

Comment:

Bhutan has made significant progress in implementing the FCPF-financed REDD+ Readiness activities. A draft of the underlying study - Drivers of Deforestation is complete; and consultancies have been commissioned or in the process for the Forest Reference Level; Monitoring, Reporting and Verification and the National Forest Management System; the REDD+ National Strategy and Action Plan; the Grievance redress mechanism; Benefit sharing & Fund mobilization; and the SESA/ESMF/SIS. Procurement of Goods (vehicles, Carbon Hydrogen Nitrogen and Sulfur Analyser, satellite image analysis software, work stations, laptops, equipment, furniture) got completed. National Forest inventory in remaining districts completing the nation-wide exercise covering 20 districts have been finished and data analysis is far advanced.

Targeted trainings and workshops per the communication and awareness plan have been organized and /or attended both in country and in the sub-region to strengthen operational and technical capacity and to raise awareness among key stakeholders on REDD+ and different aspects of forest management. The government has initiated interest to carry out institutional visits/study tours to target FCPF participant countries that are globally noted as best practice to

The Readiness program hinges on a robust institutional structure. REDD Secretariat established in the Watershed Department has maintained core staffing and even further increased technical expertise of the team to include dedicated procurement and FM staff. Suffice to say that the Secretariat has strongly engaged the multisectoral Technical Working Groups involving them in developing the TORs and various action plans right from inception of the project. The Secretariat duly recognizes the multisectoral and multifaceted approach to addressing REDD+ and continues to seek collaboration with various key sectors including NGOs/CSOs that have strong stake in deforestation and forest degradation in the country.

One exemplary approach of the Secretariat is to focus on developing a robust in-house operational and technical capacity for developing, implementing and supervising the readiness and eventually the REDD+ operations. Where external expertise are contracted, the team has ensured to work very closely/ hand in hand and have always included staff training in new/innovative knowledge. So in spite of apparent slow start, implementation pace has advanced significantly coupled with increasing staff expertise on the REDD+ agenda.

As of December 2016, the project has cumulatively disbursed and committed 57% of project funds as compared to the cumulative disbursement of 27% as of June 2016.

Overall progress from 07/01/2015 to 06/30/2016 with regard to Implementation of Grant Financed Activities:

Comment:

The Government of Bhutan has continued to hone the technical and operational skills of the efficient REDD Secretariat, Watershed Management Department manifest in the robust day to day oversight and timely delivery of readiness program activities. The multi-sectoral Technical Working Groups has maintained a hands-on inputs into preparing and reviewing all TORs and studies generated from the project Forest Reference Level; Monitoring, Reporting and Verification and the National Forest Management System; REDD+ National Strategy and Action Plan; Grievance redress mechanism; Benefit sharing & Fund mobilization; and the SESA/ESMF/SIS. The Secretariat has ensured to support collaboration with other key players/donors in the REDD+ field in Bhutan.

Grant follow-up and structure

Description and context of Grant:

Not applicable

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

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Comment on follow up:

The REDD Readiness program is leveraging and helping to converge multistakeholder support for forest sector contribution to improved climate mitigation and resilience; sustained growth and development. The Royal Government of Bhutan is therefore keen on receiving the FCPF additional financing to supplement the ongoing readiness activities aimed at further strengthening the robust institutional capacity, the enabling policy space and effective stakeholder engagement for REDD+ interventions. The government has interest in developing an Emission Reductions Program for the FCPF going forward.

End Date of Last Site Visit:

Restructuring of Grant:

Not applicable

OUTCOME

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

The capacity of the government of Bhutan in participating global REDD+ mechanism has been significantly enhanced. Most basic prerequisites for REDD+ have been successfully initiated and or near completion enabling the country to be well positioned to avail of future REDD+ financing. Level of understanding of REDD+ and related concepts has increased significantly among relevant stakeholders through frequently organized advocacy, awareness and consultation events. Consultative and participatory processes adopted and technical analyses conducted during the grant could lead into improved forest governance overall. Civil Society Organizations are represented in REDD+ Technical Working Group. Local community representatives are involved when consultations are held at local level. Knowledge and skills of technical staff increased through trainings on Forest and Nature Conservation Acts, Rules and Regulations & silviculture management/operations.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

REDD+ Leadership Development

Status:	Under Implementation
Planned Output:	Knowledge activities generated; NS-AP prepared; and Payment for Environmental services for REDD+ learning (Valuation of ecosystem services study)
Actual Output:	Knowledge activities generated; consultancies for Valuation of Ecosystem services and NSAP and consultancies launched

Information Infrastructure for Forest Management and REDD+

Status:	Under Implementation
Planned Output:	Training on development of forest baseline data; multipurpose NFI and data management system developed; satellite land monitoring system developed
Actual Output:	Same as above

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REDD+ Management

Status:	Under Implementation
Planned Output:	established and functioning REDD Taskforce; Capacity building of project procurement and accounts officer on World Bank procedures done; M and E framework developed
Actual Output:	Same as above.

Comment on planned and actual Output

Comment on component implementation progress

Below is a quick overview on the progress and plan of activities as of date on Component 1: REDD+ Leadership Development

1. REDD+ Knowledge generation

- Workshop at National Level (Strategy options, Drivers of forest degradation, Risks& Benefits, Safeguards & Grievances)
- Comprehensive Consultation workshop at the District and geog level including information sharing and dialogue on the drivers of Deforestation and degradation study
- Preparation is underway for Institutional visit to REDD+ Pilot Countries for Task Force, TWG, REDD+ Secretariat, Field Offices. In addition to in-country Training on REDD+ structure including REDD+ safeguard information system, MRV and REDD+ governance, the institutional visits will provide further exposure and training to key stakeholders
- Attending international meetings and seminars including the COPs; and targeted training to improve operational performance in the sub-region
- Training on forest management, forest law enforcement & governance to field offices (Dzongkhag Forestry Sectors, National parks and Wildlife Sanctuaries, Territorial Forest Divisions, other stakeholders like armed forces, police personnel, the judiciary , etc.)

2. REDD+ Strategy Preparation

- Robust TORs have been completed and procurement process to recruit seasoned international consultancy to carry out strategy work is near complete
- TORs for the analysis of land policy is in preparation, study on drivers of forest degradation is complete, economic analysis of strategy options is in process
- Procurement of seasoned international consultants to carry out the Strategic Environmental and Social assessment of REDD+ activities and develop environment & social management framework, safeguard information, system is near complete

3. Piloting a REDD+ PES scheme

- Selection of Pilot site (Consultation meeting with communities and other stakeholders, Site situation analysis) has been completed
- Highly acclaimed international consultants has been commissioned to carry out valuation of environmental services and to help design the scheme (setting up institutions to manage the scheme, Identification of commonly agreed activities by both beneficiaries and providers of ES, pricing, agreement, benefit sharing mechanism, PES awards etc). The consultancy will include training (water accounting, carbon inventory, models to calculate discharge from the watershed (pilot site), book & record keeping, pasture/fodder development, use of alternate (green)energy technology, ES valuation, cost benefit analysis of conservation of ES, etc.)
- Ongoing program of activities to strengthen Information Management System in field divisions (Parks and Territorial Forest Divisions)

Component 2: REDD+ Information Infrastructure for Forest Management and REDD+.

The consultancy has been launched with the FAO and would involve

- Capacity building on development for (reference level), operational forest monitoring, and GHG accounting
- Establishing a harmonized classification system for land representation
- Approaches to reference level design, including consideration of national circumstances
- Training on GHG accounting for land use and land use change
- Development of a Satellite Land Monitoring System is advanced
- The Internet connection has been established for downloading and archiving satellite imageries

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- Satellite image analysis software (eCognition) has been successfully procured
- The GIS and Remote sensing office is equipped with high specification computers
- Capacity has been built on remote sensing and GIS personnel from various agencies on remote sensing (eCognition) availing of both local and international training programs
- The land use and land cover mapping has been successfully carried out using Landsat at National level
- Development of geo-portal initiated with the technical support from UNREDD, and is being further supported from the R-PP
- Significant progress made in the Multipurpose NFI and forest data management
- Support for NFI implementation (5 of 20 dzongkhags) has been completed
- Training of field crews and data analysts has been carried out
- Implementation of data management and QA/QC protocols
- Development of participatory tools for community participation is advanced
- Development of an integrated web-based forest information system
- Support of research related to NFMS and information dissemination

Component 3: REDD+ Management

- Robust REDD+ Task Force and TWG meetings established and functioning
- Capacity building of dedicated project procurement and accounts officers on World Bank procedures carried out
- Development of M&E framework in process

EXECUTION

Bank project related to the grant

Project ID / Name:	P150177 - Bhutan REDD Readiness
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency:	The REDD+ Secretariat, Royal Govt of Bhutan, Dept of Forests and Park Services		
Contact:	The Director General,		
Address:	Department of Forests & Park Services		
Phone:	+975 2 323055	Email:	cndofps@gmail.com
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

FCPF/World Bank is the only major partner supporting Bhutan on REDD+. UNREDD Programs provide some specific targeted support as requested by the government, but they are very well coordinated and integrated into the Bank supported Readiness program. The Bank has coordinated with the UNREDD in organizing capacity development training and has worked with the government in ensuring that outputs from the UNREDD supported activities such as the corruption risk assessment, stakeholder engagement guidelines and safeguards guidance note are duly incorporated in overall program. The grant activities have helped sustain coordination with the UNFAO on the national forest inventory activities.

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

It has been clarified that this funding will not be used for piloting or implementing any activities on the ground, which had initially caused misunderstanding among task team and the client.

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

The REDD Secretariat is well established with dedicated staff and have been maintained since project inception infact with no changes. Rather where needed staff have been beefed up including technical, financial and procurement staff. Also, the government staff now have substantial knowledge and experience on procuring consultant and non- consultant services, and handling technical and financial matters. As a result, progress has been significant to date .In line with the project objectives and the project components, the REDD Secretariat has organized targeted awareness and information sharing activities for stakeholders, the team has availed of sub-regional capacity development and training workshops, international meetings related to the REDD+ agenda and other targeted knowledge improvement activities. Fiduciary and procurement management staff have also attended training to improve the performance manifest in the on time project reporting and delivery.

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 robust set of SESA/ESMF/SIS TORs have been prepared in accordance with the Common Approach involving a multisectoral technical working group.

Study tours and Institutional visits to other best performing FCPF countries (Mexico and Costa Rica) are being planned to further improve understanding and application of safeguards to the REDD+ program. The reports from the above study will be duly integrated into the National REDD+ Strategy and Action Plan.

The REDD+ Social and Environmental Information System (SIS) will articulate information that could be be shared under UNFCCC requirements, and to national and international stakeholders on non-carbon benefit, benefit sharing and governance.

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

Yes, it is. Please see above.

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

Bhutan's R-PP receives recognition for the extensive consultation and broad participation of various stakeholders carried out as part of the preparation process. This consultative approach has been sustained and continued during the grant implementation as well. The Safeguards technical working group includes representatives from NGOs and CSOs. REDD+ readiness studies were carried out following the FCPF/UN-REDD Guidelines on Stakeholder Engagement in REDD+ Readiness and the UNREDD supported stakeholder guideline. The REDD Secretariat has continued to strengthen its partnership with the REDD+ CSOs.

A robust feedback and grievance redress mechanism (FGRM) has been developed to be carried out under the readiness fund support.

To underlie the design of the REDD Readiness activities for Bhutan, the Drivers of Deforestation consultancy is near completion. The consultancy has been very consultative involving a comprehensive consultation plan. The consultants have shared findings with the government and the Bank. A third party review of the draft report from the consultancy (prior to the validation workshop) is ongoing.

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DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2015	06/30/2015	0.00	0.00	637,044.12	637,044.12
07/01/2015	12/31/2015	0.00	0.00	637,044.12	0.00
01/01/2016	06/30/2016	0.00	0.00	1,008,916.25	371,872.13
07/01/2016	12/31/2016	0.00	0.00	1,252,758.76	243,842.51
01/01/2017	06/30/2017	0.00	0.00	1,535,017.12	282,258.36
07/01/2017	12/31/2017	0.00	0.00	0.00	0.00
01/01/2018	06/30/2018	0.00	0.00	0.00	0.00
07/01/2018	12/31/2018	0.00	0.00	0.00	0.00
01/01/2019	06/30/2019	0.00	0.00	0.00	0.00