

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094541
Printed On: 11/05/2013

Reporting Period: 09/02/2009 to 03/31/2011
Report Type: Completion
Report Status: Approved

Assignment: TF094541

ETHIOPIA: FCPF READINESS GRANT

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000191824 - Edward Felix Dwumfour
Approving Manager: 00000096218 - Idah Z. Pswarayi-Riddihough

Summary Information	
TF Status	ACTV
Recipient Country	Ethiopia
Executed By	Recipient
Managing Unit	8107 - AFTN1
Grant Start Date / Closing Date	09/02/2009 to 06/30/2011
Program Manager	
Original Grant Amount	200,000.00
Grant Amount	200,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	189,065.92 as of 03/31/2011
Disbursed 09/02/2009 to 03/31/2011	189,065.92
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Completion, Disbursements, Procurement Plan, Procurement Actuals.

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094541
Printed On: 11/05/2013

Reporting Period: 09/02/2009 to 03/31/2011
Report Type: Completion
Report Status: Approved

OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the Grant is to assist Ethiopia, a REDD Country Participant in the FCPF, to develop its Readiness Plan (R-Plan).

Overall progress from 09/02/2009 to 03/31/2011 with regard to Achieving Grant Objectives:

Comment:

The Forest Carbon Partnership Facility (FCPF) assists selected countries in their efforts to reduce emissions from deforestation and land degradation. It has the dual objectives of building capacity for Reducing Emissions from Degradation and Deforestation (REDD) (the "readiness mechanism"), and testing a program of performance-based incentive payments in some pilot countries (the "carbon fund mechanism"). Assistance under the readiness mechanism includes support for: (i) developing a national reference scenario for REDD; (ii) adopting a national REDD strategy that would seek to reduce emissions and at the same time conserve biodiversity, enhance the livelihoods of forest dependent peoples and other forest dwellers. The REDD strategy should reflect the country's priorities and be mindful of its constraints; and (iii) designing and, if possible, implementing accurate measurements, monitoring and verification systems to enable countries to report on emissions from deforestation and forest degradation.

Ethiopia was selected as a REDD country participant following the Readiness Plan Idea Note (R-PIN) developed and submitted to the FCPF on July 30, 2008. The document included a brief situational analysis of the forestry sector in Ethiopia with a preliminary discussion on the drivers of deforestation and forest degradation as well as the overall policy and governance situation for the forestry sector in Ethiopia. On August 24, 2009, the World Bank, as Trustee of the FCPF provided a grant of \$200,000 to the Government of Ethiopia to help in the preparation of the Readiness Plan Proposal (R-PP) on the basis of the approved R-PIN. The Grant Agreement between the IBRD and the Government was countersigned on September 2, 2009. In addition to the FCPF Grant Funds, there have been contributions from Agence Francaise de Developpement (\$78,180) and Austrian Development Cooperation (\$38,047), making a grand total of about \$316, 238. A big portion of the World Bank grant was used to procure consultancy services to prepare the R-PP for a total of \$160,000.

Two main categories of actors led and implemented activities under the R-PP formulation process.

Local institutions carried out the following activities:

- (a) Preparation of a brief assessment of land use and forest policies and governance in the forest sector, including identifying the key drivers of land degradation and deforestation;
- (b) Establishment of a multi-stakeholder national REDD Steering (Oversight) Committee (REDD/SC) and a REDD Technical Committee (REDD/TC) or Working Group (WG) responsible for oversight and following up the REDD readiness activities in the country; and
- (c) Preparation of a consultation and outreach plan (to be implemented during the execution phase of the R-Plan) and conduct consultations among key entities.

The FEDA led the incorporation and submission of comments that were received from the Participants' Committee (PC) and Technical Advisory Panel (TAP). Primary and secondary data needed for completion of the R-PP was supplied by various domestic institutions including the Federal Environmental protection Authority (FEDA), Ethiopian Agricultural Research Institute (EARI), Ministry of Agriculture, Oromia Forestry and Wildlife Enterprise (OFWI), civil society organizations, etc.

Ecofys, a German consultancy firm based in Germany, developed the full-fledged draft R-PP for Ethiopia. Key activities undertaken include:

- (d) Development of the national REDD strategy;
- (e) Design of a national REDD implementation framework;
- (f) Preparation of a summary of proposed social and environmental impact analysis methodology and the ToR for carrying out the analysis;
- (g) Assessment of the investment and capacity building needs for the implementation of the national REDD strategy;
- (h) Development of the reference scenario for emissions from deforestation and forest degradation; and
- (i) Establishment of the monitoring, reporting and verification systems for changes in forest cover and changes in carbon stocks at the national level.

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF094541	Reporting Period:	09/02/2009 to 03/31/2011
Printed On:	11/05/2013	Report Type:	Completion
		Report Status:	Approved

The lead implementing agency has been FEDA, supported by the REDD Steering and Technical Committees (REDD/SC & REDD/TC), which as the names imply provide oversight and technical support to the REDD+ process, respectively. The Ethiopia REDD+ process has been broad-based, inclusive, consultative, collaborative, participatory and educative. All Interim financial reports and auditors' reports submitted to date have been unqualified and showed that grant funds have been exhaustively and exclusively utilized for eligible expenditures.

Ethiopia's Readiness Plan Proposal (R-PP) was endorsed on March 25, 2011 at the eighth Participants' Committee Meeting in Vietnam from March 23-28, 2011. This was after successful submissions of drafts in August 2010 and October 2010. The final R-PP has been submitted to the Forest Carbon Partnership Facility Secretariat on May 25, 2011 and is awaiting clearance and approval. Ethiopia's R-PP will be revised frequently, as and when needed.

From June 13-14, 2010 a joint Government of Ethiopia-World Bank end-of-project mission was mounted to: (i) assess level of outputs and outcomes during the first stage (R-PP formulation); and (ii) discuss with the Government of Ethiopia (GoE) about initiating the second stage of the REDD+ process, i.e., Formulation of the Assessment Note, which is equivalent to the preparation of a project appraisal document. A draft Aide Memoire (AM) covering this mission has been drafted and discussed with the GoE and once it is cleared and approved by Bank Management it will be formerly transmitted to the Government. A second mission to undertake the actual formulation of the Assessment Note is planned to take place during early August 2011.

Overall progress from 09/02/2009 to 03/31/2011 with regard to Implementation of Grant Financed Activities: Comment:

Grant facility has been exhaustively utilized and exclusively for eligible expenditures.

Grant follow-up and structure

Description and context of Grant:

The objective of the Grant is to assist the Recipient to develop a Readiness Preparation Proposal (R-PP). The Project consists of the following parts:

- (a)#Preparation of a brief assessment of land use and forest policies and governance in the forest sector;
- (b)#Establishment of a multi-stakeholder national REDD Working Group (WG) responsible for following up the REDD readiness activities in the country;
- (c)#Preparation of a consultation and outreach plan (to be implemented during the execution phase of the R-Plan) and conduct consultations among key entities;
- (d)#Preparation of Terms of Reference (ToR) for the development of the national REDD strategy;
- (e)#Preparation of ToR for the design of a national REDD implementation framework;
- (f)#Preparation of a summary of proposed social and environmental impact analysis methodology and the ToR for carrying out the analysis;
- (g)#Assessment of the investment and capacity building needs for the implementation of the national REDD strategy;
- (h)#Preparation of ToR for the development of the reference scenario for emissions from deforestation and forest degradation; and
- (i)#Preparation of ToR for establishing the monitoring, reporting and verification systems for changes in forest cover and changes in carbon stocks at the national level.

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

Comment on follow up:

For now Ethiopia has completed the first stage of FCPF/ REDD plus processed and received the endorsement of the Readiness Preparation Proposal (R-PP) during the March 23-28, 2011 Participants' Committee Meeting. Ethiopia was given the green light to go into the second stage, whereby Ethiopia could receive a grant facility from the FCPF in the amount of USD3.4 million to implement is REDD plus strategy. To be able to access this amount, the Bank and the Recipient will develop an Assessment Note, equivalent to a Project Appraisal Document (PAD), and submit to the Bank for approval. The Bank and the Recipient will sign a Grant Agreement for USD3.4 million.

End Date of Last Site Visit:

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094541
Printed On: 11/05/2013

Reporting Period: 09/02/2009 to 03/31/2011
Report Type: Completion
Report Status: Approved

Restructuring of Grant:
No restructuring was done.

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

- 1)- The Recipient through the Environmental Protection Authority and the two major institutional establishments namely, the REDD Steering Committee and the Technical Committees owned the process. Broad-based Technical Working Groups were established within these Committees to work on issues, seek and collate inputs for incorporation into the R-PP drafts.
- 2)- The consultation programs were very helpful in getting to the bottom of the main drivers of deforestation and degradation.
- 3)- Building partnerships beyond the state apparatus and stretching hands to other stakeholders including development partners helped mobilize additional resources to expand the scope of and enrich the R-PP beyond what Grant resource would have been able to achieve.

Overall outcome (and its Sustainability):

Comment:

Achievements include:

- Consultations: Extensive consultations have been held throughout the country, which have fed into the R-PP formulation process and contributed to awareness-raising on REDD issues. In addition, there has been outreach through the mass media. While aimed primarily at awareness-raising, the workshops and media outreach activities have also yielded information on the causes and drivers of deforestation and degradation, and provided opportunities for stakeholder analysis.
- Endorsed R-PP: At the 8th Participants' Committee Meeting in Vietnam, Ethiopia's R-PP received formal endorsement, paving the way for Ethiopia to move to the next stage of the R-PP process, i.e., Preparation of the R-PP Assessment Note that would guarantee the Recipient's access of USD3.4 million.
- Financial Resource Mobilization: In addition to the USD200,000 from the FCPF, Ethiopia was able to mobilize contributions from Agence Francaise de Developpement (\$78,180) and Austrian Development Cooperation (\$38,047), making a grand total of \$316, 238 for the R-PP formulation.

Bank Performance:

Comment:

Beside providing financial resource to the Grant Recipient, the Bank supported the R-PIN and R-PP formulation with technical assistance from Africa Region Technical Unit for Environment and Natural Resources Management (AFTEN) and the Environment and Carbon Finance Department of the World Bank (ENVCF). We reviewed draft reports and provided valuable comments to enrich the content of documents. The Bank team was present at all the Participants' Committee Meetings where Ethiopia's R-PP was presented.

Additional Assessment

Development / strengthening of institutions:

Comment:

The Federal Environmental Protection Authority's capacity to lead on discussions as they relate to REDD plus has been significantly enhanced. A Paper has emerged from the R-PP development that has been submitted to the country's Prime Minister to consider establishing a dedicated forestry institution that would be mandated to manage forestry and REDD plus agenda in Ethiopia. The level of consultations and collaborations, cooperation and partnerships created as a result of the REDD plus process should help to ensure institutional sustainability across the country. The country is anticipating establishing regional level steering and technical committees that could be either stand-alone REDD and forestry related institutions or will be fused into existing sectoral committees. This would reduce proliferation of committees at the regional level.

Mobilization of other resources:

Comment:

The World Bank, through the FCPF Grant Facility, provided a total of \$200,000 for readiness activities in Ethiopia. In addition however, there have been contributions from Agence Francaise de Developpement (\$78,180) and Austrian Development

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF094541	Reporting Period:	09/02/2009 to 03/31/2011
Printed On:	11/05/2013	Report Type:	Completion
		Report Status:	Approved

Cooperation (\$38,047), making a grand total of \$316, 238. There has been substantial counterpart contributions both in cash and in-kind.

Knowledge exchange:

Comment:

Knowledge exchange has occurred between line agencies such as the EPA and the Ministry of Agriculture at both federal and regional levels, forest and wildlife enterprises, research and academia, civil society organizations, Non-governmental organizations (NGOs), communities, etc. Also, it can be concluded that knowledge exchange occurred between Ethiopia and other countries, particularly those that have been participating in the REDD plus process.

Client's policy / program implementation:

Comment:

It is expected that the REDD plus process will influence a great deal discussions on what level Ethiopia would like to push forestry frontiers to. Ethiopia is a wood deficient country that spends close to one-third of its coffee receipts on the importation of wood and wood products from other destinations. It has the potential to grow trees on large scale basis for timber for both local consumption and export. With a population of over 80 million people the local demand current outstrip supply many times. It also has neighbors whose ecological set-up would hardly support large-scale commercial plantation development. Ethiopia would also stand to gain from reducing deforestation and degradation since massive forest cover would ameliorate deteriorating climate, capture and increase carbon stocks, provide other ecological/environmental services such as watershed management. The REDD plus initiative therefore would be integrated into sectoral policies in agriculture, forestry and the Carbon Resilient and Green Economy (CRGE) strategy currently being developed under the leadership of the FEPA.

Efficiency:

Comment:

The REDD plus initiative in Ethiopia has been carried out in an efficient way by mobilizing local support and buy-in. Being transparent and creating platforms for participation and involvement has helped a great deal to ensure efficiency gains were maximized.

Replicability:

Comment:

Although conducted at national level, the initiative is downscalable at local levels. It should be possible to look at subsidiarity at the stage of implementation of the national REDD plus agenda because institutions will be created at the regional level to oversee, facilitate and coordinate implementation of REDD plus activities.

Main recommendations to stakeholders:

- Embrace broad-based consultations
- Create space for broad-based participation and involvement
- Keep momentum and motivate
- Ensure ownership and create and strengthen institutions at all levels
- Relentlessly mobilize resources since the FCPF resources will never be adequate to move such a gigantic agenda
- Share knowledge horizontally and vertically

Main recommendations to Bank Management:

We should stay on board this agenda and provide additional financial and technical support by ensuring that sector operations create links to/with the REDD agenda. In Ethiopia, linkages should be doable with Bank-financed operations such as the Productive Safety Net Project (PSNP), Sustainable Land Administration Project (SLMP), Tana/Beles Integrated Water Resources Development Project (TBIWRDP) and Agricultural Growth Project (AGP).

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094541
Printed On: 11/05/2013

Reporting Period: 09/02/2009 to 03/31/2011
Report Type: Completion
Report Status: Approved

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2009	12/31/2009	0.00	0.00	0.00	0.00
01/01/2010	06/30/2010	0.00	0.00	100,000.00	100,000.00
07/01/2010	12/31/2010	0.00	0.00	189,065.92	89,065.92
01/01/2011	06/30/2011	0.00	0.00	200,000.00	10,934.08

PROCUREMENT PLAN

None

PROCUREMENT ACTUAL

None