

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TFOA4169
Printed On: 03/15/2018

Reporting Period: 07/01/2016 to 06/30/2017
Report Type: Progress Report
Report Status: Approved

Assignment: TFOA4169

Forest Carbon Partnership Facility (FCPF) Readiness Fund - Third Nepal REDD Plus Readiness Preparation Support

FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000239109 - Andrea Kutter
Approving Manager: 00000082671 - Kseniya Lvovsky

Summary Information	
TF Status	ACTV
Recipient Country	Nepal
Executed By	Recipient
Managing Unit	9274 - GEN06
Grant Start Date / End Date	01/20/2017 to 06/30/2020
Original Grant Amount	5,200,000.00
Grant Amount	5,200,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	400,000.00 as of 06/30/2017
Disbursed 07/01/2016 to 06/30/2017	400,000.00
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 objective of the Nepal Readiness Preparation Program is to prepare Nepal to engage in and benefit from the potentially emerging performance-based system from Reducing Emissions from Deforestation and Forest Degradation (REDD plus) within the context of the international climate negotiations of the UN Framework Convention on Climate Change.

Overall progress from 07/01/2016 to 06/30/2017 with regard to Achieving Grant Objectives:

Comment:

Nepal submitted its Readiness Package to the Forest Carbon Partnership Facility (FCPF) for endorsement by the Participants Committee in September 2016. This approval paved the way for Nepal to advance the preparation of its Emission Reduction Program Document (ER-PD) under the Carbon Fund. Nepal intends to implement the Emission Reduction Program in the 12 districts of Terai Arc Landscape. The ERPD was submitted to FCPF for technical assessment. REDD Implementation Center (REDD IC) organized the first meeting of the REDD Apex Body # a high level multi-sectoral, multi-stakeholder coordination and monitoring committee on REDD+. Several capacity building and awareness raising activities were also conducted. REDD IC submitted National Forest Reference Level (FRL) to the UNFCCC in January 2017 for its technical assessment. Preparation of Investment Plan under Forest Investment Program is almost completed.

Overall progress from 07/01/2016 to 06/30/2017 with regard to Implementation of Grant Financed Activities:

Comment:

The REDD IC made good progress on preparing the ERPD, National Forest Reference Level and Capacity building, but will need to pick up the pace on the other planned activities and hire additional supporting staff. Overall disbursement has been rather slow. In the current pace, it is unlikely to use all the allocated grant within the project period.

Grant follow-up and structure

Description and context of Grant:

This additional grant in the amount of US\$5,200,000 complements Nepal's REDD+ Readiness Preparation Support Program (P125198). Activities under the original Readiness Preparation Grant of US\$3.4 million were satisfactorily completed. However, additional gaps were identified in stakeholders' understanding and capacity to effectively participate in the REDD+ process; capacity of the Government to carry out measurement, reporting, and verification of carbon sequestration in Nepal's forests. The Additional funding will also help the Client build capacity to undertake a subnational-level emission reduction (ER) program.

Expected follow up (if any): Expanded capacity

Comment on follow up:

The Task Team will closely monitor the implementation of the grant and provide the necessary implementation support that the client may need. The Task Team committed to more frequent missions and technical support. The Task Team will follow up on the repeated requests to enhance the capacity of the REDD IC and to speed up project implementation. The project will be closely coordinated with the implementation of the Forest Investment and Emission Reduction (ER) Program activities.

End Date of Last Site Visit:

Restructuring of Grant:

Not applicable.

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OUTCOME

Comments on outcome achieved from 07/01/2016 to 06/30/2017

Submission of National Forest Reference Level to UNFCCC
Preparation and submission of Emission Reduction Program Document to FCPF.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Readiness Coordination and Consultation

Status: Under Implementation
Planned Output: REDD Working Group, Consultation workshops, Training, Feedback Grievance and Redress Mechanism
Actual Output: Greater participation in the REDD working Group, Training manual developed and training delivered, but the FGRM is still being developed

National REDD+ Strategy Preparation

Status: Under Implementation
Planned Output: Land Use Assessment, REDD Strategy options, Implementation Framework, SESA & ESMF
Actual Output: These activities are all underway but yet to be completed

Reference Scenario Formulation and National Forest Monitoring

Status: Under Implementation
Planned Output: National Forest Reference Level, Forest Monitoring System
Actual Output: FRL was submitted to UNFCCC for technical Assessment and the monitoring plan is being planned

Project Management

Status: Under Implementation
Planned Output: Fiduciary and Safeguard monitoring
Actual Output: Both Financial and Procurement specialists are in place and providing necessary monitoring. No Safeguard specialist is in place yet

Comment on planned and actual Output

Comment on component implementation progress

Component 1. Readiness Coordination and Consultation

Subcomponent 1a: National REDD+ Management Arrangements: REDD Working Group has been made more inclusively by adding representatives from related civil society organizations (i.e Association of Collaborative Forest Users Nepal (ACOFUN), Himalayan Grassroots Women's Natural Resource Management Association HIMWANTI, Federation Of Forest Based Industry and Trade (FenFIT), and Rastriya Dalit Network (RDN). There are now 16 members in the REDD Working Group representing wide range of stakeholders. Initially, there were 12 members.

Subcomponent 1b: Stakeholder Consultation and Participation: REDD IC organized a series of grass root level consultations, focus group discussions and national level consultations on the ERPD, which is currently being reviewed by FCPF. REDD IC also conducted six Training # of #Trainers (ToT) of five days long, involving mid level REDD+ facilitators of 12 ER Program districts from June to July 2017. A total of 114 participated in the trainings (65% from civil society organizations, 35% from government agencies; 32% female). REDD IC also updated REDD+ ToT manual developed in 2014, by incorporating recent information and

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knowledge associated with REDD+ and Climate Change.

Component 2. National REDD+ Strategy Preparation

Subcomponent 2a: Assessment of Land-Use, Land-Use Change Drivers, Forest Law, Policy and Governance. No progress has been made during this reporting period. REDD Implementation Center will prepare TORs to undertake studies under component 2a.

Subcomponent 2b: REDD+ Strategy Options: Draft National REDD+ Strategy is in the process of endorsement by the government.

Subcomponent 2c: Implementation Framework Development : Nepal's new Constitution (2015), Forest Policy (2015), Forestry Sector Strategy (2016) and 2016 amendment to Forest Act (1993) all have incorporated forest carbon as one of the provisions. These reforms have been very important milestones for REDD+ readiness and its implementation in the country.

Subcomponent 2d: Strategic Environmental and Social Assessment: REDD IC has started examining likely social and environmental safeguards issues of the proposed ER-Programs, and preparing SESA and ESMF for the ER Program.

Component 3. Reference Scenario Formulation and National Forest Monitoring

Subcomponent 3a: Reference Emissions Level/Reference Levels: REDD IC submitted National Forest Reference Level (FRL) to the UNFCCC in January 2017 for its technical assessment . The submitted FRL was built on the draft FRL developed during first phase of REDD+ Readiness Grant. The FRL is under technical assessment of the UNFCCC.

Subcomponent 3b: National Forest Monitoring System is being planned

Component 4: Project Management: Two government officers at the level of under secretary have been added to the existing team. REDD IC has hired procurement management and financial management consultants and have procured necessary goods (printers, papers and other supplies).

EXECUTION

Bank project related to the grant

Project ID / Name:	P125198 - NP: FCPF Nepal Grant - Supervision
Project Status:	Lending
Global Focal Area:	Multi-focal area
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency:	REDD Implementation Centre, Ministry of Forests and Soil Conservation		
Contact:	Dr. Sindhu Dhungana		
Address:	Babar Mahal, Kathmandu, Nepal		
Phone:	977 1 4239126	Email:	info@mofsc-redd.gov.np
Website:	www.mofsc-redd.gov.np		

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

Currently, three donors are supporting REDD IC on REDD+ - The World Bank, United Nations through UN-REDD Program, and Government of Germany through REDD+ Himalaya project in collaboration with ICIMOD. All these donors are closely coordinating building on each other's strength and supporting the needs of REDD IC. As an example, WB supported National Forest Reference Level is further strengthened by UN-REDD Program and REDD IC submitted it to UNFCCC.

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

Not applicable.

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

Two government officers at the level of under secretary have been added to the existing team. REDD IC has hired procurement management and financial management consultants.

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?

Nepal prepared a Strategic Environmental and Social Assessment (SESA) to address emerging REDD+ social and environmental issues in accordance with the common approach.

The SESA and ESMF preparation took place prior to having REDD+ strategy in place. The outcomes of the study are integrated into the Nepal REDD+ Strategy. Both SESA and ESMF will need to be updated to take into account the specificities of the ER program (namely the interventions that will take place in the 12 districts of the Terai Arc landscape)

Nepal also developed the REDD+ Social and Environmental Standards (SES), viewing it as complementary to SESA/ESMF. The SES articulates country-specific needs for safeguard information systems in addition to World Bank safeguards requirements, developing a foundation for what could be shared under UNFCCC requirements, and for providing information to national and international stakeholders on non-carbon benefit, benefit sharing and governance. The English and Nepali versions of Nepal specific REDD+ SES are available at www.redd-standards.org and www.mofsc-redd.gov.np.

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

Yes, the Environmental Social Management Framework (ESMF) was prepared in accordance with the Common Approach.

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

Stakeholder Consultation and Participation: REDD IC organized a series of grass root level consultations, focus group discussions and national level consultations on the ERPD, which is currently being reviewed by FCPF. REDD IC also conducted six Training # of # Trainers (ToT) sessions (five days long), involving mid level REDD+ facilitators of 12 ER Program districts from June to July 2017. A total of 114 participated in the trainings (65% from civil society organizations, 35% from government agencies; 32% female). REDD IC also updated REDD+ ToT manual developed in 2014, by incorporating recent information and knowledge associated with REDD+ and Climate Change.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2017	06/30/2017	0.00	0.00	400,000.00	400,000.00
07/01/2017	12/31/2017	0.00	0.00	400,000.00	0.00
01/01/2018	06/30/2018	0.00	0.00	400,000.00	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
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00
01/01/2020	06/30/2020	0.00	0.00	0.00	0.00