

# World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF010261  
Printed On: 02/17/2017

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

Assignment: TF010261

## Mexico: FCPF Readiness Grant

### FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000098693 - Angela G. Armstrong  
Approving Manager: 00000483596 - Raul Ivan Alfaro Pelico

Summary Information	
TF Status	ACTV
Recipient Country	Mexico
Executed By	Recipient
Managing Unit	9272 - GEN04
Grant Start Date / End Date	03/19/2014 to 06/30/2018
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,684,155.78 as of 06/30/2016
Disbursed 07/01/2015 to 06/30/2016	1,019,396.17
Donor	TF602001 - MULTIPLE DONORS

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

# World Bank - Grant Reporting and Monitoring (GRM) Report

## Report to Donor

Ref. TF010261  
Printed On: 02/17/2017

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

## OVERVIEW

### Overall Assessments

#### Grant Objectives:

The immediate objective of the FCPF Readiness Grant is: for Mexico to become ready for future REDD implementation by preparing the key elements, systems and/or policies needed, generally referred to as the #REDD Readiness Package#, in a socially and environmentally sound manner.

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

##### Comment:

The Grant Agreement for FCPF Readiness was signed on March 27, 2014 by the Government of Mexico and became effective on July 7, 2014. During the reporting period, CONAFOR has made significant progress in achieving the grant objectives, with grant activities supporting key aspects of REDD+ Readiness, including strategy development, safeguards and participatory processes. CONAFOR has widely disseminated the National REDD+ Strategy, supporting 76 local forestry sector organizations (Organizaciones Sociales del Sector Forestal, OSSF) in facilitating awareness raising on REDD+ and reaching 26,089 people via 461 workshops. National consultations of the REDD+ Strategy were conducted from July 2015 through February 2016, with wide-ranging participation by civil society and other stakeholder audiences. More than 240,000 comments were received during this process and this feedback will be used to support the final version of the REDD+ Strategy. In addition, a grievance redress mechanism, that takes into consideration both regional and cultural characteristics has been designed and is currently being piloted in the Yucatan Peninsula. CONAFOR has also drafted the Strategic Environmental and Social Assessment (SESA), which lays the foundation for the development of the Environmental and Social Management Framework (ESMF), with both the SESA and ESMF to be finalized by early CY2017.

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

##### Comment:

As highlighted above, significant progress has been made in implementation of the grant. At the FCPF Participants Committee meeting in May 2015, additional grant funding was approved to continue the REDD+ Readiness process based on progress achieved in the original grant's implementation and the commitment of at least 50% of the original Readiness Preparation Grant at the time of the funding request. Additional grant funding will strengthen CONAFOR's capacity to transition from REDD+ readiness to REDD+ implementation, by filling the gaps identified at the Participants Committee meeting as well as in CONAFOR's own self-assessment exercise. In particular, the additional grant would finance costs associated with strengthening Readiness management arrangements and the implementation framework, including the monitoring, reporting and verification system.

### Grant follow-up and structure

#### Description and context of Grant:

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

#### Comment on follow up:

Mexico has prepared an Emission Reduction (ER) Program (under the FCPF Carbon Fund): the ER Program would generate emission reductions to be purchased by the Carbon Fund. The ER Program builds on the on-going FIP investments in the Early Actions Areas for REDD+. In addition, CONAFOR has indicated interest in a follow up operation supporting low carbon development more broadly, in integrated landscapes, and there is a potential for Mexico to become a pilot country under the Initiative for Sustainable Forest Landscapes (ISFL), to support this potential future effort.

#### End Date of Last Site Visit:

#### Restructuring of Grant:

At the Government's request, the grant was restructured in April 2016, to extend the closing date from October 31, 2016 to December 31, 2017 and to reallocate proceeds between categories, to respond to the higher than anticipated demand under the CONAFOR-run PROFOS program (Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal).

# World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF010261  
Printed On: 02/17/2017

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

## OUTCOME

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

#### Grant Outcome Indicators

Grant outcome indicators are listed below.

##### Final version of National REDD+ Strategy (ENAREDD+) reflects the comments and feedback from the various sectors and stakeholders

Baseline No ENAREDD+ Strategy prepared

Value:

Date: 03/27/2014

Progress to National REDD+ Strategy under preparation

Date:

Date: 06/30/2016

Target Value: National REDD+ Strategy finalized, reflecting comments and feedback from various stakeholders

Date: 12/31/2017

##### A technically strong ESMF has been finalized and validated by a broad range of stakeholders

Baseline No ESMF prepared

Value:

Date: 03/27/2014

Progress to ESMF under preparation

Date:

Date: 06/30/2016

Target Value: ESMF finalized

Date: 12/31/2017

##### A state-level comprehensive feedback and grievance mechanism (FGM) for REDD+ is piloted in one Early Action Area

Baseline No FGM being piloted

Value:

Date: 03/27/2014

Progress to FGM, that takes into consideration both regional and cultural characteristics has been designed and is currently being piloted in the Yucatan Peninsula

Date:

Date: 06/30/2016

Target Value: FGM piloted in one REDD+ Early Action Area

Date: 12/31/2017

# World Bank - Grant Reporting and Monitoring (GRM) Report

## Report to Donor

Ref.	TF010261	Reporting Period:	07/01/2015 to 06/30/2016
Printed On:	02/17/2017	Report Type:	Progress Report
		Report Status:	Approved

## COMPONENTS

### Output and Implementation by Component

#### Organization and Consultation

Status:	Under Implementation
Planned Output:	Support the continuing dialogue and participatory process with stakeholder groups
Actual Output:	Dialogue and participatory processes with stakeholder groups are being carried out (see below for more detail)

#### Development of the REDD+ Strategy

Status:	Under Implementation
Planned Output:	Analyze the drivers of deforestation and design policies and programs to tackle them
Actual Output:	Drivers of deforestation assessed and policies and programs to tackle them are being designed (see below for more detail)

### Comment on planned and actual Output

### Comment on component implementation progress

The original project includes two Components: (i) Component 1. Organization and Consultation. (US\$2,558,000), supporting the continuing dialogue and participatory process with stakeholder groups within and outside government as part of the preparation of the National Strategy for REDD+ in Mexico (ENAREDD+); and (ii) Component 2. Development of the REDD+ Strategy (US\$1,242,000), analyzing the drivers of deforestation and designing policies and programs to tackle them, while putting in place the necessary institutional, legal, and socio-environmental management frameworks to make them effective.

CONAFOR has made significant implementation progress by supporting major aspects of REDD+ Readiness, including strategy development, safeguards and participatory processes. CONAFOR's wide dissemination and consultation of the REDD+ Strategy, in particular, is considered best practice. Through its national PROFOS Program (Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal), CONAFOR supported 76 local forestry sector organizations (Organizaciones Sociales del Sector Forestal, OSSF) in facilitating awareness raising on REDD+, reaching 26,089 people via 461 workshops. National consultations of the REDD+ Strategy were conducted from July 2015 through February 2016, with wide-ranging participation by civil society and other stakeholder audiences. More than 240,000 comments were received during this process. CONAFOR is now integrating this feedback into the final version of the REDD+ Strategy. In addition, a grievance redress mechanism, that takes into consideration both regional and cultural characteristics has been designed and is currently being piloted in the Yucatan Peninsula. As part of the FCPF Readiness process, CONAFOR has also drafted the Strategic Environmental and Social Assessment (SESA), which lays the foundation for the development of the Environmental and Social Management Framework (ESMF) to be finalized by early CY2017.

## EXECUTION

### Bank project related to the grant

Project ID / Name:	P120417 - MX FCPF REDD Readiness
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

# World Bank - Grant Reporting and Monitoring (GRM) Report

## Report to Donor

Ref.	TF010261	Reporting Period:	07/01/2015 to 06/30/2016
Printed On:	02/17/2017	Report Type:	Progress Report
		Report Status:	Approved

## Implementing agency and contact details

**Agency:** CONAFOR  
**Contact:** Ana Karla Perea  
**Address:** Periférico Poniente #5360 Col. San Juan de Ocotán, Zapopan, Jalisco, C.P. 45019  
**Phone:** +52-33-3777-7000 ext **Email:** aperea@conafor.gob.mx  
**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

Mexico has established a comprehensive REDD+ Readiness process that benefits from the support of a number of actors and donors to ensure all REDD+ Readiness steps are fully addressed. Over the past months, the Government of Mexico has identified key activities to be implemented to support finalization of the REDD+ Readiness process as well as a smooth transition from Readiness to Implementation. These activities will reinforce ongoing processes initiated under the original FCPF grant, as well activities supported by other development partners, and will ensure a solid foundation for the implementation of the ER Program and the National REDD+ Strategy. In this regard, the approval of Additional Funding for FCPF Readiness was conditioned on the coordination among all donors under CONAFOR's leadership. Other development partners such as the Government of Norway and French Development Agency have provided approximately US\$17.9 million in funding to support the national measuring, reporting, and verification system required for REDD+ Implementation as well as inter-municipal governance mechanisms for territorial development. In addition, USAID has provided support to REDD+ Readiness, by strengthening policies and laws necessary for the implementation of the National REDD+ Strategy, strengthening institutional and technical capacity with respect to REDD+, creating financial architecture necessary for reducing emissions from deforestation and forest degradation, and establishing monitoring, reporting, and verification systems. The Additional Funding will build on and help consolidate these previous activities carried out by development partners. In addition, joint missions and review meetings with donors have regularly taken place to enhance this coordination.

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

In April 2016, the Government of Mexico requested a reallocation of grant proceeds from Disbursement Categories 1 and 2 (supporting establishment of national Readiness management arrangements, the preparation of culturally-relevant, user-friendly REDD+ related communication materials, the compilation and reporting of consultation and workshop results, and the provision of technical assistance to carry out the national consultation on ENAREDD+) to Category 3 (supporting local civil society organizations in promoting dissemination of REDD+-related information). The rationale behind this request was the higher demand than originally estimated from the social organizations to support national consultation on the REDD+ Strategy (ENAREDD+) particularly with communities and ejidos through the CONAFOR-run PROFOS program (Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal). CONAFOR therefore requested the reallocation of proceeds from Categories 1 and 2 to Category 3. This request was justified based on the following: (i) some of the activities initially planned under Category 1 were financed by other sources of financing (CONAFOR's own resources, as well as PROFOR resources); (ii) the Consultation process financed under Category 2 is now completed, and (iii) the priority need to disseminate the ENAREDD+ (Category 3).

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

CONAFOR has implemented activities under the original FCPF grant in a satisfactory manner and these implementation arrangements will continue for activities planned for financing with the Additional Funding. Both financial management and procurement management are considered Satisfactory. CONAFOR has the necessary capacity to implement grant activities and is adequately staffed with appropriate controls and procedures in place. With respect to financial management, arrangements for accounting and reporting, internal control, planning and budgeting, external audits, funds flow, organization and staffing

# World Bank - Grant Reporting and Monitoring (GRM) Report

## Report to Donor

Ref. TF010261  
Printed On: 02/17/2017

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

are assessed as Satisfactory. CONAFOR has also demonstrated capacity in implementing World Bank procurement guidelines.

#### 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?

Social and environmental dimensions of REDD+ Readiness are being managed in a satisfactory manner under the original grant. As part of the ongoing REDD+ Readiness preparation grant, CONAFOR has undertaken a systematic Strategic Environmental and Social Assessment (SESA) to integrate key environmental and social considerations into the REDD+ Strategy. With the outcomes from SESA, an Environmental and Social Management Framework (ESMF) is being developed, which will provide a framework for guiding implementation of the REDD+ Strategy. The draft ESMF establishes the procedures for addressing potential environmental and social impacts from the implementation of REDD+ activities, including associated mitigation measures. In addition, the extensive consultation process that has been conducted among a wide group of diverse stakeholders during the preparation of the REDD+ Strategy is considered best practice (in particular, in terms of the representativeness of people consulted).

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

The ESMF is currently being finalized and adheres to the Common Approach. In addition, Mexico's National Safeguards System adopts the Common Approach.

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

CONAFOR's wide dissemination and consultation of the REDD+ Strategy, in particular, is considered best practice. Through its national PROFOS program (Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal), CONAFOR supported 76 local forestry sector organizations (Organizaciones Sociales del Sector Forestal, OSSF) in facilitating awareness raising on REDD+, reaching 26,089 people via 461 workshops. National consultations of the REDD+ Strategy were conducted from July 2015 through February 2016, with wide-ranging participation by civil society and other stakeholder audiences. More than 240,000 comments were received during this process. CONAFOR is now integrating this feedback into the final version of the REDD+ Strategy.

During the REDD+ Strategy consultations, the need to increase the knowledge of stakeholder groups, such as communities, ejidos, community and ejido associations, and forestry sector organizations (OSSF), on REDD+ was identified, so that these groups can participate more fully in and benefit from REDD+-related activities. Therefore, under the FCPF AF CONAFOR will be supported in building the capacities and strengthening the role of social forestry organizations (OSSF) to engage and increase the participation of beneficiary groups (ejidos, communities, as well as ejido and community associations, including women and youth) in REDD+ activities.

## DISBURSEMENTS

### Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2014	06/30/2014	0.00	0.00	0.00	0.00
07/01/2014	12/31/2014	0.00	0.00	0.00	0.00
01/01/2015	06/30/2015	0.00	0.00	664,759.61	664,759.61
07/01/2015	12/31/2015	0.00	0.00	1,093,522.64	428,763.03
01/01/2016	06/30/2016	0.00	0.00	1,684,155.78	590,633.14
07/01/2016	12/31/2016	0.00	0.00	1,684,155.78	0.00
01/01/2017	06/30/2017	0.00	0.00	1,684,155.78	0.00
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