

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

FOR OFFICIAL USE ONLY

Ref. TF0A4501  
Printed On: 06/25/2020

Reporting Period: 09/07/2017 to 06/30/2020  
Report Type: Completion  
Report Status: Draft

Assignment: TF0A4501

## United Mexican States Forest Carbon Partnership Facility REDD+ Readiness Preparation Support - Second Readiness Grant

### FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000098693 - Angela G. Armstrong  
Approving Manager: 00000074535 - Karin Erika Kemper

Summary Information	
TF Status	ACTV
Recipient Country	Mexico
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	09/07/2017 to 06/30/2020
Program Manager	Siet Meijer
Original Grant Amount	3,500,000.00
Grant Amount	3,500,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	3,500,000.00 as of 06/30/2020
Disbursed 09/07/2017 to 06/30/2020	3,500,000.00
Donor	TF602001 - MULTIPLE DONORS

*This GRM report includes the following sections: Overview, Outcome, Components/Outputs, Execution, Program(FCPFR), Completion, Processing, Attached Documents, Disbursements, Procurement Plan, Procurement Actuals, Internal Comments.*

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## OVERVIEW

### Overall Assessments and Ratings

#### Grant Objectives:

The objective of the Readiness Preparation Activities is to strengthen the REDD+ readiness process in Mexico.

#### Overall progress from 09/07/2017 to 06/30/2020 with regard to Achieving Grant Objectives:

**Rating:** Satisfactory( Previously Rated Satisfactory on 06/30/2019 )

#### Comment:

Grant funding has successfully supported Mexico's transition process from REDD+ readiness to implementation while creating enabling conditions to consolidate the intervention model proposed in the National REDD+ Strategy, ENAREDD+ (an integrated landscape approach), as country efforts move towards piloting result-based payments. In particular, funding has helped strengthen the participatory process required for ENAREDD+ implementation and for consolidating the ENAREDD+ intervention model by building the capacities of relevant stakeholders. Training courses and workshops have supporting forest communities and associations in participating more fully and benefitting from REDD+ related activities. In particular, training (over 180 training offerings between 2017 and 2019) has been provided to communities, producers, and technical specialists to build their managerial and technical capacities. In addition, technical assistance was also provided to 12 Forest Sector Social Organizations (OSSF) in FY19 to build their capacity and strengthen their role in engaging and increasing the participation of beneficiary groups (communities, community associations, including women and youth, as well as community enterprises) in REDD+ activities and more fully exploit economic, social, and environmental benefits. In addition, support has helped strengthen CONAFOR's National Monitoring, Reporting and Verification (MRV) System, through the provision of technical assistance to CONAFOR's MRV Department, as well as helped strengthen CONAFOR's National Forest Monitoring Department in data collection for the National Forest and Soils Inventory.

#### Overall progress from 09/07/2017 to 06/30/2020 with regard to Implementation of Grant Financed Activities:

**Rating:** Satisfactory( Previously Rated Satisfactory on 06/30/2019 )

#### Comment:

As detailed above, the project was implemented in a satisfactory manner. Under the grant's Additional Financing, components supporting National Readiness Management Arrangements and Stakeholder Consultation and Participation, Development of the National REDD+ Strategy, and the National Forest Monitoring System were supported and successfully implemented. The project was successfully completed by the closing date of December 31, 2019.

### Grant follow-up and structure

#### Description and context of Grant:

Mexico's request for FCPF Additional Funding (AF) was approved in May 2015 during the 19th Meeting of the FCPF Participants Committee, the governing body of the FCPF. At the Participants Committee meeting, significant progress was noted in the areas of stakeholder consultations, REDD+ strategy options, and development of reference emission levels. It was also noted that further development was needed in the areas of national Readiness management arrangements and the REDD+ implementation framework, including the monitoring, reporting and verification system.

AF was approved to strengthen the National Forestry Commission's (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 aims to strengthen Readiness management arrangements and the implementation framework, by scaling up Component 1 (National Readiness Management Arrangements and Stakeholder Consultation and Participation) and Component 2 (Development of National REDD+ Strategy) of the existing project, as well as introducing a new Component 3 (National Forest Monitoring System). These changes aimed to support CONAFOR in (i) strengthening ongoing participatory processes, by building the capacity of ejidos, communities, community and ejido associations, and forestry sector organizations (OSSF), including women and youth, to increase their engagement in the REDD+ process; (ii) aligning the REDD+ Strategy with the sustainable forest management agenda, by supporting the newly created Sustainable Forest Management Technical Unit; and (iii) enhancing the national forest monitoring system, by supporting the newly created Measurement, Reporting and Verification Technical Unit, including providing support for data collection through the national forest and soils inventory.

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

**Comment on follow up:**

Grant funding is supporting the implementation of Mexico REDD+ strategy, and in particular supporting the enabling framework for the implementation of future ER Programs through targeted support provided in the areas of institutional strengthening, monitoring, reporting and verification, and data collection, as well as ensuring adequate stakeholder consultation and participation mechanisms.

**End Date of Last Site Visit:**

**Restructuring of Grant:**

An 8-month extension of the closing date, to December 31, 2019, was processed in February 2019 to address initial implementation delays.

## Activity Risk

**Rating:** Modest Risk ( Original Risk Rating is Modest Risk )

**Comment:**

The overall risk is considered modest. While project activities built on a long-standing engagement between the Government of Mexico and the Bank, and incorporated these lessons in project design, the sustainability of these achievements is at modest risk due to agency budget cuts and current restrictions imposed by the COVID-19 pandemic. The Bank team continues to work to mitigate this risk via continued dialogue and support to the implementing agency under its current portfolio, including via meetings, technical assistance and guidance, as the agency works within a resource-constrained environment.

## Critical Issues and Pending Actions for Management Attention

There are currently no issues and actions for Management attention.

## OUTCOME

### Comments on outcome achieved from 09/07/2017 to 06/30/2020

The project achieved planned outcomes. With respect to the first indicator, measuring technical and administrative support provided to ejidos, communities, and forestry sector organizations (OSSF), CONAFOR provided 186 training sessions and workshops to ejidos and communities. In addition, with support provided to CONAFOR's MRV Unit, it has been able to generate information and documents to comply with both national and international commitments in terms of mitigation and adaptation to climate change. Although targets have been surpassed, as shown, the submission of one planned report has been delayed (the technical annex to the Biennial Update Report to the UNFCCC), which will be completed by December 2020.

## Grant Outcome Indicators

Grant outcome indicators are listed below.

**Ejidos, communities, ejido and community associations, forestry sector organizations (OSSF), including women and youth, participating in REDD+ activities**

Baseline 0

Value:

Date:

Progress to 207

Date:

Date:

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Target Value: 138 OSSF and communities supported

Date:

## CONAFOR's Forest Monitoring Department strengthened, with 4 MRV reports prepared

Baseline 0

Value:

Date:

Progress to 5 reports prepared

Date:

Date:

Target Value: 4 reports prepared to comply with climate change commitments

Date:

## COMPONENTS/OUTPUTS

### Output and Implementation by Component

#### National Readiness Management Arrangements and Stakeholder Consultation and Participation

Implementation Satisfactory

Rating:

Status: Completed

Planned Output: TA provided to build capacities and increase participation of beneficiary groups (ejidos, communities, producers)

Actual Output: TA (including training and workshops) to build technical and managerial capacities has been completed

#### National Forest Monitoring System

Implementation Satisfactory

Rating:

Status: Completed

Planned Output: Strengthen institutional capacity of National Forest Monitoring System Management Unit, and also support data collection through the National Forest and Soils Inventory (INFyS)

Actual Output: Institutional strengthening of Forest Monitoring Management Unit and INFyS data collection has been completed

### Comment on planned and actual Output

### Comment on component implementation progress

The Additional Funding of US\$3.5 million, under TF-0A4501, which was implemented by CONAFOR, provided support to Components 1 and 3 (specifically Subcomponents 1b, 3a and 3b), as outlined above. Additional Funding of US\$1.5 million, under TF-0A4502 (see separate GRM), which was implemented by UNDP, provided support to Component 2 (specifically Subcomponent 2b). All other grant activities (Subcomponents 1a, 2a, 2c, and 2d) were carried out and completed under the original FCPF REDD+ Readiness Grant (TF-010261).

Under Component 1, over 180 training courses were carried out under the AF that helped build technical capacities in areas such as agroforestry, sustainable forest management, community organization, reforestation, and soil restoration. In total, 4,385 people were trained, 28.3% of which were women. CONAFOR has continued to provide this training support with its own funding. Under Component 3, the AF has helped strengthen CONAFOR's MRV Unit, as demonstrated by the unit's GHG reporting

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to the UNFCCC and updating the forest emission reference level, which is currently being evaluated by the UNFCCC. In addition, AF support has enabled CONAFOR's Forest Monitoring Unit to collect data for its forest and soils inventory.

## 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

### Implementing agency and contact details

Agency:	National Forestry Commission (CONAFOR)		
Contact:	Jorge Castaños		
Address:	Periférico Poniente 5360, San Juan de Ocotán, Jalisco. C.P. 45019		
Phone:	+52 (33) 3777 7000	Email:	
Website:			

### Implementation performance ratings from 09/07/2017 to 06/30/2020 with regard to:

**Project Management:** Satisfactory (Previously Rated Satisfactory on 06/30/2019)

**Brief Comment:**  
None

**Financial Management:** Satisfactory (Previously Rated Satisfactory on 06/30/2019)

**Brief Comment:**  
None

**Counterpart Funding:** Satisfactory (Previously Rated Satisfactory on 06/30/2019)

**Brief Comment:**  
None

**Procurement:** Satisfactory (Previously Rated Satisfactory on 06/30/2019)

**Brief Comment:**  
None

**Monitoring and Evaluation:** Satisfactory (Previously Rated Satisfactory on 06/30/2019)

**Brief Comment:**  
None

### Additional Comments on Implementation Performance:

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## PROGRAM

### Program Specific Questions

#### 1 .Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by others.

Given that grant funding is supporting the implementation of the country's REDD+ strategy, it is expected to directly support the enabling framework for future ER Programs. As such, the grant activities that were implemented are fully coordinated with the preparation needs of future ER Programs (e.g., ISFL, FCPF, among others). For example, targeted technical support in the areas of monitoring, reporting, and verification, and data collection have helped improve the National MRV Unit's activity data calculations, as well as define the volume of ERs that the country can receive payment against under this future program.

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

There were no changes in technical design or approach during implementation.

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

The implementing agency, CONAFOR, has significant experience in the implementation of World Bank projects, including World Bank fiduciary requirements. While the project did not experienced technical capacity issues during implementation, the project did face slight implementation delays at the start of CY19, due to administration changes. In addition, CONAFOR experienced budget cuts during 2019 that placed some resource constraints on implementation. To mitigate these challenges, the team provided close follow-up and technical support to the implementing agency as needed.

#### 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 the REDD+ Readiness have been managed in a satisfactory manner. CONAFOR undertook a systematic Strategic Environmental and Social Assessment (SESA) to integrate key environmental and social considerations into the REDD+ Strategy, and with the outcomes from the SESA, an Environmental and Social Management Framework (ESMF) was also developed. The SESA process is fully integrated within the ENAREDD+ and has included workshops, conferences, study groups, and meetings with various community groups and stakeholders. The SESA process formally began with a national SESA workshop in May 2011, which resulted in a formal SESA charter that prioritizes responsibilities and actions to enhance the program's environmental and social benefits while mitigating risks. Follow-up SESA workshops were held in Yucatan and Jalisco in 2011 to gather recommendations to improve and strengthen social and environmental programs. Analytical and participation processes were concluded in 2015 and the results were published in the study "Structuring possible risks and benefits derived from implementing greenhouse gas reduction investments and the National REDD+ Strategy." The SESA report was finalized and published in December 2016.

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

Yes. The SESA and ESMF were prepared under the original grant, which has closed. These documents provide a framework for guiding implementation of the REDD+ Strategy. The ESMF establishes the procedures for addressing potential environmental and social impacts from the implementation of REDD+ activities, including associated mitigation measures.

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

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). CONAFOR had 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.

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## COMPLETION

### Overall Assessments and Lessons Learned

#### Main lessons learned:

1. Client commitment is key to success. The project confirmed that Government commitment is critical to the overall success of project activities, particularly when there are innovative elements which depend on technical and political level support to succeed.
2. Fostering transformation requires significant technical support. The client and relevant stakeholders required close technical assistance in preparing required REDD+ enabling conditions to ensure they received the full benefits of project support. The client benefited greatly from the range of technical expertise provided under the project, which provided the support needed to successfully develop a National REDD+ Strategy as well as achieve wider stakeholder buy-in.

#### Overall outcome (and its Sustainability): Rated Likely

##### Comment:

The project was successful in achieving planned outcomes, including in the areas of stakeholder consultation and participation, consolidating MRV processes and institutionalizing the National Forest Monitoring System, as well as supporting data collection through the National Forest and Soils Inventory. A stakeholder participation and capacity building program has been developed and institutionalized with project support that CONAFOR is now carrying forward with its own financial resources. In addition, with project support a National MRV Unit has been created and institutionalized that is generating information, results and documents to comply with both national and international commitments in terms of mitigation and adaptation to climate change. This Department is currently completing the technical annex to the Biennial Update Report and ensuring the continuity of MRV processes within CONAFOR.

#### Bank Performance: Rated Satisfactory

##### Comment:

The Bank's interactions both during preparation and implementation showed dedicated support to the client. At entry, there was dedicated support to help the Government prepare a comprehensive project that would be sustainable beyond project completion. During implementation, the Bank was an effective and responsive partner to the Government, supporting project adjustments as needed and helping achieve significant development outcomes.

### Additional Assessment

#### Development / strengthening of institutions: Rated Substantial

##### Comment:

The project has played an important role in providing needed technical support to CONAFOR as well as creating an enabling framework to support the agency in both developing and implementing its REDD+ agenda, including preparing future ER programs. It also helped strengthen national participatory platforms on REDD+ and consultative platforms, in which stakeholder training programs continue to build capacity. Further, the project supported the creation of two new units within CONAFOR, a National MRV Unit, supporting national and international reporting requirements and MRV processes, as well as a National Forest Monitoring Unit supporting data collection through the national forest and soils inventory.

#### Mobilization of other resources: Rated Substantial

##### Comment:

Other donors have also played an important role in supporting REDD+ preparation activities. For example, 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, the US Agency for International Development (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.



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## Knowledge exchange : Rated Substantial

### Comment:

The project had a Communications Strategy with the objective of disseminating, informing, and consulting with target audiences about the project and National REDD+ Strategy. As part of this thorough and extensive strategy, in 2014 CONAFOR signed agreements with 76 organizations (Forestry Sector Social Organizations, OSSF) to support outreach and knowledge exchange and held 461 workshops. Additionally, CONAFOR developed diverse dissemination materials and knowledge tools on the REDD+ process, including in indigenous languages (Nahuatl and Mayan). In 2015, this information, after being approved by the National Forestry Council, was made public on CONAFOR's website. In 2015, CONAFOR also formally initiated the public consultation process on the National REDD+ Strategy, with the participation of 26,360 individuals in various modalities: virtually, State events, thematic fora, and events with indigenous communities. These consultations concluded in 2016 and the feedback was utilized to complete the REDD+ Strategy in 2017. However, financing from the additional funding continues to support Government participatory processes, by building the capacity of ejidos, communities, and OSSF, including women and youth, to increase their engagement in the REDD+ process. Although grant-financed activities have concluded, CONAFOR has institutionalized these processes and continues to provide training, capacity building and outreach to REDD+ stakeholders.

## Client's policy / program implementation : Rated Substantial

### Comment:

The Government of Mexico has adopted REDD+ as part of a package of strategic lines of action that support the country's mitigation and adaptation efforts. Mexico's Vision for REDD+ was presented at the 16th Conference of the Parties (CoP) to the UNFCCC in Cancun and includes goals for zero net emissions from land use change and important reductions in forest degradation rates by 2020. CONAFOR led the preparation of the National Strategy on REDD+ through a highly participatory process that is recognized as a best practice in the REDD+ community. The REDD+ Strategy emphasizes the importance of a cross-sectoral approach linking forests with agriculture and other public policies, and is essential for reaching Mexico's climate targets as forestry and land-use change are the country's third-highest source of GHG emissions, and rank second in their potential to reduce emissions. In its Nationally Determined Contribution (NDC), Mexico reaffirmed the important role of forestry and land use for its mitigation and adaptation targets, committing to reach a rate of 0% net deforestation by 2030.

Mexico is now identifying ER Programs (e.g., and ISFL program) aligned with the country's national development priorities that will build on the country's community-driven sustainable forest management initiatives. In 2014, the GoM approved an ambitious Plan (PRONAFOR 2014-2018) with a vision to transform the forest sector into a competitive and socially-inclusive sector that would boost Mexico's rural economy. Mexico's REDD+ actions directly align with PRONAFOR. To achieve its objectives, PRONAFOR is based on a transversal approach, envisioning collaboration and coordination with a number of other government entities, including the Ministry of Agriculture (SADER). The program is also aligned with CONAFOR's increased articulation of REDD+ with the Sustainable Forest Management agenda. Hence, Mexico's approach to REDD+ goes beyond forest conservation and

strategically tackles the forest-agriculture nexus by actively engaging agriculture activities, and by explicitly mainstreaming a sustainable production focus that manages to link forest conservation with community income generation.

## Efficiency : Rated Satisfactory

### Comment:

Assessment of the project's implementation efficiency can be characterized overall as Satisfactory given that: (i) implementation of project activities was achieved in accordance with the planned budget; (ii) overall performance in achieving project outputs and outcomes was strong, with all results and indicator targets met; (iii) there was only slight delay in activity implementation; and (iv) there was staff and client continuity during the project's implementation.

## Replicability: Rated Likely

### Comment:

Replicability is considered likely, as REDD+ Readiness support has developed an enabling framework to support a future large-scale system of positive incentives for REDD+ that includes an ISFL BioCarbon Fund ER Program, among others. With Readiness grant support for the development of reference emission levels, monitoring, reporting and verification systems, and REDD+ national management arrangements, including safeguards, CONAFOR has a solid institutional framework to support both the preparation and implementation of these programs.



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Not applicable.

Not applicable.

## None

[illegible]

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Changed	Angela G. Armstrong	Draft	06/25/2020
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## DOCUMENTS

None

## DISBURSEMENTS

### Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
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	1,002,710.91	1,002,710.91
01/01/2019	06/30/2019	0.00	0.00	2,695,034.90	1,692,323.99
07/01/2019	12/31/2019	0.00	0.00	2,695,034.90	0.00
01/01/2020	06/30/2020	0.00	0.00	3,500,000.00	804,965.10

## PROCUREMENT PLAN

None

## PROCUREMENT ACTUAL

None

## INTERNAL COMMENTS

None