

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094724
Printed On: 10/01/2015

Reporting Period: 07/01/2014 to 06/30/2015
Report Type: Progress Report
Report Status: Approved

Assignment: TF094724

NEPAL: FCPF READINESS GRANT

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000011824 - William B. Magrath
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Nepal
Executed By	Recipient
Managing Unit	9061 - GENDR
Grant Start Date / End Date	08/26/2009 to 12/31/2015
Original Grant Amount	200,000.00
Grant Amount	3,600,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	2,905,659.66 as of 06/30/2015
Disbursed 07/01/2014 to 06/30/2015	1,414,361.12
Donor	TF602001 - MULTIPLE DONORS

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

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the Grant is to support the Government of Nepal, as a REDD Participant Country in the FCPF, to develop its Readiness Plan (R-Plan), which will lay out a detailed framework for specific implementation activities. Later stages of the grant may also assist with further development of R-Plan components, thus helping the country to move toward 'REDD Readiness'.

Overall progress from 07/01/2014 to 06/30/2015 with regard to Achieving Grant Objectives:

Comment:

Implementation accelerated rapidly over the last 12 months, and almost all the activities as per the revised work plan presented in the Mid Term Review have been completed. In particular, the REDD Implementation Center has organized completion of development of national REDD+ strategy, REDD+ Implementation Framework, feedback and grievance redress mechanism (FGRM), REDD+ benefit sharing mechanism, and national database system for all forest management regimes of the Western Development Region. The Center also finalized preparation of a satisfactory proposal for a national Monitoring Verification and Reporting System, national Reference Emissions Level report, a Strategic Environmental and Social Assessment, and Environmental and Social Management Framework. The full suite of studies completed to date is publicly available on the Internet (www.mofsc-redd.gov.np). Parallel to grant implementation per se, important developments in piloting emission reduction, including the FCPF selection of Nepal's Emission Reduction Program Idea Note (ER-PIN) for a Terai Arc Landscape project are indicators of Nepal's approach to Readiness. Following up on the ER-PIN, a Letter of Intent has been signed between the Ministry of Finance and the Bank. This paves the way for Bank to provide technical and financial support to Emission Reduction Program Document (ERPD) for entry into the FCPF Carbon Fund program.

Overall progress from 07/01/2014 to 06/30/2015 with regard to Implementation of Grant Financed Activities:

Comment:

In addition to key studies (SESA, ESMF, MRV, and REL), REDD Implementation Centre has finalized the following REDD+ preparatory work (analytical studies): National REDD+ strategy, REDD+ Implementation Framework, feedback and grievance redress mechanism (FGRM), REDD+ cost-benefit sharing mechanism, and national database system for all forest management regimes of the Western Development Region.

Work under the grant was expected to be complete by June 30, 2015, the revised closing date. However, in view of the consequences of the April 25 and May 12 earthquake the RIC proposed a further extension of the Closing Date to December, 31, 2015, a proposal endorsed by the Task Team, but the final closing date was agreed to be August 31, 2015.

Grant follow-up and structure

Description and context of Grant:

Expected follow up (if any): Follow up project or grant (non-Bank funded)

Comment on follow up:

Participants in the Forest Carbon Partnership Facility have accepted Nepal's Emission Reduction Project Idea Note (ER-PIN) for the Terai Arc Landscape Emissions Reduction Project. This would be a performance-based financed scheme covering at least 12 Terai districts, involving activities in forestry, land use, energy and livestock. FCPF offers support for Bank-execution of studies and preparatory work, subject to Government endorsement of a Letter of Intent to offer emission reduction rights to the Facility. Plans are being prepared to link the proposed ERPA with preparation of a proposed IDA agriculture and livestock project.

Similarly, as advised by Ms. Kseniya Lvovsky (Practice Manager) during her visit on June 25 # 26, 2015, Nepal has submitted a proposal for additional \$5 million to FCPF to continue REDD+ readiness work in the country. If the Participants Committee approve Nepal's proposal, the FCPF is anticipated to request the Bank to enter into the new agreement.

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End Date of Last Site Visit:

Restructuring of Grant:

The grant closing date was extended from June 30, 2015 to August 31, 2015 for the reason specified in the risk section above. No other restructuring took place.

OUTCOME

Comments on outcome achieved from 07/01/2014 to 06/30/2015

The capacity of the government in participating global REDD+ mechanism has significantly enhanced. Most basic prerequisites for REDD+ has been completed enabling the country to move into piloting forest based emission reduction program. Level of understanding of REDD of other stakeholders has also increased. Consultative and participatory processes adopted and technical analyses conducted during the grant could lead into improved forest governance overall.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

There are no components defined for this trust fund / grant.

Comment on planned and actual Output

The grant has produced a set of studies providing policy and investment recommendations that are needed for Nepal's effective marketing of forest-based emissions reductions including national REDD+ strategy, national reference level, MRV, SESA/ESMF, REDD+ Implementation Framework, feedback and grievance redress mechanism (FGRM), REDD+ cost-benefit sharing mechanism, national forest database system, among others.

Comment on component implementation progress

Component 1. REDD Analysis and Policy Development: Under this component following reports prepared through consultation and participation process: Study on drivers of deforestation and forest degradation, REDD+ strategy, REDD+ Implementation framework, feedback and grievance redress mechanism (FGRM), SESA, and ESMF.

Component 2. Reference Scenario Formulation: A report on national reference level has been prepared.

Component 3. Monitoring, Reporting and Verification Systems Development: A system of MRV and full cost proposal for doing MRV going forward have been finalized.

Component 4. Program M&E and National Readiness Management: A REDD+ monitoring and evaluation framework has been developed, and national readiness management set up has been strengthened with increased capacity.

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

Besides World Bank FCPF, Government of Nepal was supported on REDD+ by USAID, UK, JICA, Switzerland, and Finland. The development partners were conducting REDD+ related work directly by themselves, as a result some coordination issues were observed at the beginning of the project. But during the current reporting period, the REDD Implementation Center remained very active in implementing the grant, which included improved coordination with other donors. For example Finnish supported Forest Resource Assessment project provided necessary data requirement for REL and MRV; UK, Swiss and Finnish supported Multi Stakeholder Forestry Program provided co-financing to prepare national REDD+ strategy, and USAID supported Hariyo Ban program financially contributed to develop the concept note to FCPF Carbon Fund.

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

Technical design and approach to REDD+ remain unchanged, except that the government is seeking an entry to FCPF Carbon Fund, and Nepal's initial concept note (ERPIN) in that direction has been selected by the Carbon Fund Participants. There was no direct grant support to develop the ER-PIN.

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

REDD Cell has been upgraded to REDD Implementations Center. When REDD Forestry Climate Change Cell (REDD Cell) was established it didn't have its own regular staff. Government officials were deputed from other departments and they were transferred very frequently, which was one of the major causes of substantial delays in implementing the REDD+ readiness. REDD Cell is now upgraded to REDD Implementation Centre. REDD IC now has its own budget and more staff than before, which include 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. Because of this reason, significant progresses occurred toward the end of the project.

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 has completed following two level of work to address emerging REDD+ social and environmental issues. First, under the FCPF Readiness Fund, Nepal conducted a study on Strategic Environmental and Social Assessment (SESA) and prepared an Environmental and Social Management Framework (ESMF). The outcomes of the study are integrated into the Nepal REDD+ Strategy.

Second, Nepal 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 indicators 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, it is. The SESA/ESMF documents are available at www.mofsc-redd.gov.np.

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

Nepal's R-PP was lauded for extensive consultation and broad participation of various stakeholder. This trend continued during the grant implementation as well. The REDD Working Group, multi-sectoral decision making body for REDD+, includes representation from CSO and IPs. REDD+ readiness studies were carried out following FCPF/UN-REDD #Guidelines on Stakeholder Engagement in REDD+ Readiness#. The REDD IC strengthened its partnership with the REDD+ CSO and IPO Alliance to conduct targeted consultations on FCPF supported activities.

Disclosure of information has been done primarily through website: <http://mofsc-redd.gov.np>. Among the things available in the website include TORs, study reports, consultation events, meeting minutes, procurement notices and so on. Also, any plans and programs are first approved by REDD+ Working Group before Proceeding.

A feedback and grievance redress mechanism (FGRM) has been prepared under the readiness fund support.

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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	91,028.22	91,028.22
07/01/2010	12/31/2010	0.00	0.00	152,194.80	61,166.58
01/01/2011	06/30/2011	0.00	0.00	200,000.00	47,805.20
07/01/2011	12/31/2011	0.00	0.00	200,000.00	0.00
01/01/2012	06/30/2012	0.00	0.00	700,000.00	500,000.00
07/01/2012	12/31/2012	0.00	0.00	700,000.00	0.00
01/01/2013	06/30/2013	0.00	0.00	700,000.00	0.00
07/01/2013	12/31/2013	0.00	0.00	1,079,783.90	379,783.90
01/01/2014	06/30/2014	0.00	0.00	1,491,298.54	411,514.64
07/01/2014	12/31/2014	0.00	0.00	2,287,205.29	795,906.75
01/01/2015	06/30/2015	0.00	0.00	2,905,659.66	618,454.37
07/01/2015	12/31/2015	0.00	0.00	0.00	0.00