

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF094724
Printed On: 08/24/2016

Reporting Period: 08/26/2009 to 12/31/2015
Report Type: Completion
Report Status: Approved

Assignment: TF094724

NEPAL: FCPF READINESS GRANT

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000240969 - Abdelaziz Lagnaoui
Approving Manager: 00000082671 - Kseniya Lvovsky

Summary Information	
TF Status	LCLS
Recipient Country	Nepal
Executed By	Recipient
Managing Unit	9274 - GEN06
Grant Start Date / End Date	08/26/2009 to 12/31/2015
Original Grant Amount	200,000.00
Grant Amount	3,232,472.23
Outstanding Commitments	0.00
Cumulative Disbursements	3,232,472.23 as of 12/31/2015
Disbursed 08/26/2009 to 12/31/2015	3,232,472.23
Donor	TF602001 - MULTIPLE DONORS

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

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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 08/26/2009 to 12/31/2015 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. Terms of Reference for preparing the ERPD have finalized and advertised. In November 2015, Nepal presented its mid-term progress reports (MTR) on their national REDD+ readiness progress and request for additional funding at the FCPF Participant Assembly held in Costa Rica. The Participants Committee adopted a resolution allocating an additional USD \$5 million to further support the readiness process in Nepal.

Overall progress from 08/26/2009 to 12/31/2015 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.

Work under the grant was completed by the closing date of August 31, 2015.

Grant follow-up and structure

Description and context 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.

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

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project.

Nepal submitted a proposal for additional \$5 million to FCPF to continue REDD+ readiness work in the country. The Participants Committee approved Nepal's request, the Bank is assisting Nepal to process the Additional Funding to continue Readiness activities.

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.

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

Readiness activities require a high degree of consultation with several stakeholders, including civil society and indigenous peoples# organizations.

Readiness requires a sustained capacity building effort for the country to participate in the global REDD+ mechanism.

Setting up participatory mechanisms, to ensure that all stakeholders are meaningfully consulted during the formulation and implementation of the country's Readiness Plan and REDD+ Strategy, is key to the success of the overall program.

The readiness activities require a great deal of technical and financial resources.

Building on the achievements will require fine-tuning some of the studies developed under the first phase (National Reference Level, Database system of forest attributes)

Overall outcome (and its Sustainability):

Comment:

The capacity of the government in participating global REDD+ mechanism has significantly enhanced. Most basic prerequisites for REDD+ have 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.

Bank Performance:

Comment:

Nepal made tremendous progress in implementing REDD+ Readiness activities, thanks to a close and efficient collaboration between the client and the Bank teams.

The Bank team worked with the client to build the necessary participatory mechanisms to meaningfully consult the key stakeholders during formulation and implementation of the Readiness plan.

The Bank team organized several capacity building activities for client staff and key stakeholders

Additional Assessment

Development / strengthening of institutions:

Comment:

REDD Cell has been upgraded to REDD Implementations Center with own regular staff. This is a significant improvement from the initial arrangements when 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 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.

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Mobilization of other resources:

Comment:

In November 2015, Nepal presented its mid-term progress reports (MTR) on their national REDD+ readiness progress and request for additional funding at the FCPF Participant Assembly held in Costa Rica. The Participants Committee adopted a resolution allocating an additional USD \$5 million to further support the readiness process in Nepal.

Various donor agencies (USAID, DFID/SDC, Finland, and Japan) pledged to support Nepal's REDD readiness activities. But Donor coordination has been a challenge for the client.

Knowledge exchange:

Comment:

The REDD IC participated in several knowledge exchange activities financed through this Grant and through the FCPF FMT. Greater south-south exchange would be mutually beneficial to Nepal and partner countries

Client's policy / program implementation:

Comment:

Integration of the REDD+ strategy into the national low carbon development strategy (Forestry as one of the six leading sectors for low carbon growth)
Development of a local level REDD+ institutional structure

Efficiency:

Comment:

Readiness activities requires a high degree of consultation with several stakeholders, including civil society and indigenous peoples' organizations. Working with such organizations has been challenging as it coincided with the development of a new constitution and a devastating earthquake. However, the team managed to build capacity and trust to set up the necessary participatory mechanisms to adequately consult with all key stakeholders.

Replicability:

Comment:

This has been replicated in several countries, thanks to the efficient knowledge sharing and exchange developed and implemented by the FCPF Facility Management Team.

Main recommendations to stakeholders:

Continued engagement through the mechanisms of participation
Active participation in the Capacity Building Program

Main recommendations to Bank Management:

Reduce the transaction costs of processing REDD+ operations.

Better integrate these activities into Bank operations

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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	3,232,472.23	326,812.57

PROCUREMENT PLAN

None

PROCUREMENT ACTUAL

None