



REDD+ Country Participant Completion Report Template for the Readiness Fund of the FCPF

Submission Date: 28/11/2022

Project Name	Bhutan’s Readiness Preparation Proposal, Readiness Fund of the GCF (Grant No: TF019030)
Country	Bhutan
Implementing Agency	Ministry of Agriculture and Forest, Department of Forests and Park Services
Grant Objectives	<ol style="list-style-type: none"> 1. Readiness organization and consultation 2. Preparation of national REDD+ strategy 3. Setting up of National Forest Reference Emission Level 4. Institutionalizing the National Forest Monitoring system and Safeguard Information Systems.
Original Amount (US\$)	3.8 million
Revised Amount (US\$)	8.6 million
Actual Disbursed (US\$)	8.599 million
Effectiveness Date	January, 2015
Original Closing Date	30 th June, 2022
Actual Closing Date	31 st October, 2022

1. Overall Outcome and its Sustainability

Bhutan initiated the implementation of REDD+ activities in early 2015 financed through the Forest Carbon Partnership Facility (FCPF) of the World Bank (WB). It was implemented under the project titled “*Readiness Preparation Proposal (R-PP) for Bhutan*” which initially had the total budget outlay of USD 3.8 million until mid-term review during which an additional funding of US\$ 4,72,008 was requested and approved. Therefore, the total revised amount of the R-PP project was US\$ 8.527 million.

Under this project, Bhutan had four main components whose outcomes are presented hereunder:

i. Component 1: Readiness organization and Consultation: Significant progress have been made with the REDD+ organization and institutional arrangements. The Technical Working Groups (TWGs) and Task Force have been set up and operationalized, and their mandates are integrated and aligned with the existing forest management policies and structure of the country.

At the national level, the Ministry of Agriculture and Forests (MoAF), supported by the Watershed Management Division (WMD) as the National REDD+ Secretariat, has been established to provide technical assistance with support from TWGs and the REDD+ task force to facilitate national coordination for REDD+ implementation. All the stakeholders and REDD+ implementing institutions identified are operating in an accountable and transparent manner under the guidance of the Gross National Happiness Commission Secretariat (GNHCS) and Ministry of Finance (MoF). A REDD+ information center, in the form of a REDD+ website, has been established <https://redd.dofps.gov.bt/>.

- Numerous capacity-building programs distributed across all sectors covering the entire country have been implemented, encompassing a wide range of stakeholders, including policymakers, technocrats, local and regional administrative authorities, local communities, the general public, politicians, academia and other nongovernmental and civil society organizations. A total of 125 meetings, workshops and other stakeholder consultations were carried out as a part of capacity building for REDD+ implementation under the Readiness grant (Annex II of the Readiness package of Bhutan, 2022).

The consultation and outreach programs also involved women and marginalized groups. To strengthen gender mainstreaming, a REDD+ gender action plan has been developed for Bhutan, along with a capacity needs assessment report.

ii. Component 2: Preparation of National REDD+ Strategy: The National REDD+ Strategy (NRS) of Bhutan has been developed. It was developed based on a number of analytical studies and consultations on various aspects of forestry, including land use, drivers of land-use change, forest laws, policies, and governance for REDD+ program implementation in Bhutan. The assessments were carried out as part of the study on the drivers of deforestation and forest degradation, the development of safeguard frameworks, such as the Feed Grievance Redressal Mechanism (FGRM), the development of the National REDD+ Strategy and Action Plan, and national land-use zoning planning.

The purpose of the assessment of land use, drivers of land-use change, forest law, policy, and governance were to identify the key drivers of deforestation and/or forest degradation, as well as activities concerning conservation, sustainable forest management, and the enhancement of forest carbon stocks. The key drivers identified in the Drivers of Deforestation and Forest Degradation (D&D) report include State Reserved Forest (SRF) land allotment, hydropower projects, roads, agriculture, mines and quarries, and roads for deforestation, while timber harvesting, firewood, forest fires, and livestock were identified as the key drivers of forest degradation.

The NRS of Bhutan has proposed four Strategy Options that are highly relevant and respond to the drivers identified and underlying causes of deforestation and forest degradation. These Strategy Options will be implemented via several crosscutting policies and measures (PAMs). There are 10 PAMs identified in the NRS. Under each PAM there is a set of proposed actions, and different organizations will be responsible for implementations.

iii. National Forest Reference Emission Level: Significant progress on the Forest Reference Emission Level (FREL) has been achieved as the FREL/FRL documents have already been endorsed by the government and were submitted to the United Nations Framework Convention on Climate Change (UNFCCC). Bhutan has developed its national FREL/FRL strategy, which serves as a benchmark for assessing the performance of REDD+ activities being implemented in the country.

The national FREL (concerning emissions from deforestation) and FRL (concerning emissions and removal from “+” activities of the REDD+ program) were developed through a series of consultative meetings and training/workshops. In determining the FREL and FRL, all relevant national circumstances were accounted for, and an adjustment of 0.1 percent of biomass carbon stock was made to FREL, while no adjustment was needed for the FRL. Future needs are identified and are reported as a part of the improvement plan.

iv. National Forest Monitoring System and Safeguard Information Systems: Bhutan has accomplished a solid progress with the development of National Forest Monitoring System (NFMS). However, further development is required to make its measurement, reporting and verification (MRV), and monitoring functions fully operational for assessing additional activities and pools, including forest degradation and removals, as well as to provide information on non-carbon benefits (NCB), the impacts of multiple benefits, and governance safeguards.

The Department of Forest and Park Services (DoFPS) of the Ministry of Agriculture and Forests (MoAF) has developed a robust and transparent National Forest Monitoring System (NFMS) with the following objectives:

- (i) monitor the health and state of Bhutan’s forests for enabling long-term conservation and sustainable forest management and uphold the constitutional requirement of maintaining 60 percent forest cover in perpetuity; and
- (ii) generate accurate and holistic data on forest area and carbon stock changes in a transparent and consistent manner using globally accepted methodologies for national and international reporting.

Framework of the Safeguard Information System (SIS) for REDD+ in Bhutan is also developed and endorsed by the Department of Forests and Park Services, MoAF. The safeguard framework identifies the possible social and environmental impacts that might arise during the implementation of REDD+ activities and accordingly proposes the measures to minimize the negative impacts (ESMF) and finally culminating into an information system (SIS) for collection, analysis and provision of information to demonstrate that all safeguard provisions are respected or addressed.

The objective of the SIS with regard to Bhutan, from the perspective of UNFCCC requirements, is to provide information that is accessible by all relevant stakeholders to demonstrate that the

seven UNFCCC safeguards are being addressed and respected throughout the REDD+ implementation. Since the RGoB has multiple reporting commitments linked to relevant agencies/initiatives (e.g., UNFCCC, FCPF carbon fund, GCF, national and other safeguards), the SIS is therefore, being designed to provide information to all of them, thus, ensuring a cost-effective approach to safeguards reporting. As part of the overall safeguard framework, a Feedback and Grievance Redress Mechanism (FGRM) has been developed for implementation of REDD+ program in the country.

The Bhutan FGRM which is the part of safeguard framework, is developed with a rationale to assist the policy makers and relevant stakeholders in building and implementing a long term and effective REDD+ program anchored in good forest governance that leads to sustainable forest management, contribute to poverty alleviation and promote sustainable livelihoods for Bhutanese citizens. The design of the FGRM is aimed at reducing the vulnerability of the local communities and vulnerable groups and strengthening their participation and ensuring the accountability of the program. The FGRM is not intended to be a substitute for legal or administrative systems or other public or civil mechanisms or limits the right of complainants to take people's grievances to other more formal recourse options. Also, feedback and grievance mechanisms are designed along a set of guidelines and standards, designed by organizations that facilitates and supports individual countries in progressing through a REDD+ implementation process.

Sustainability Plan of the Project's Achievement

Overall, the REDD+ readiness project built national capacity in conducting and analyzing forest inventory data, land use and land cover analysis and institutionalized national forest monitoring system into the government's five-year development program. A forest cover report will be produced periodically to monitor the forest cover changes for informed decision making. Amongst various products developed for service delivery, online forest check post management system is a critical one which issue permits for all the trade, transport and domestic use of forest produce. This system will improve transparency and will go a long way in improving the efficiency of forest services.

As a part of the Readiness project implementation, an implementation and Investment Proposal (IIP) was developed using the GCF format for accessing the financial support to ensure the sustainability of the achievements of made during the readiness phase of the REDD+ in Bhutan. The IIP is finalized, submitted and endorsed by the Department for onward submission to GCF for financial support.

This IIP is titled as *"Implementation of Bhutan's National REDD+ Strategy through strengthened sustainable Forest Management"* and it consists of four major components including upscaling of REDD+ enabling environment, strengthened forest management practices, climate-smart forest production and utilization; and rural livelihoods. These four components will be delivered via a number of outputs set under respective components.

The total indicative cost proposed in the IIP is US\$ 55.695 million which will be implemented as per the well-organized logical framework of the project proposal (IIP).

2. Outcome of each Readiness Grant Activity

The outcomes of the readiness activities as per the signed grant agreement are outlined in the table below:

Sl. No.	Activity(ies)	Outcomes
Component 1: Readiness organization and consultation		
1.1.	National REDD+ readiness coordination and mechanism: Provide support by strengthening the capacity of the task force, secretariat to enable effective coordination of REDD+ readiness and implementation	<ul style="list-style-type: none"> • REDD+ Taskforce established consisting the members from Ministry of Finance, Ministry of Agriculture and Forests, National Environment Commission, Gross National Happiness Commission, Tarayana Foundation and Bhutan Trust Fund for Environmental Conservation (https://redd.dofps.gov.bt/?page_id=47). • Three different REDD+ TWGs established (TWG on strategy options, TWG on NFMS and FRELs/FRLs, and TWG on safeguards, Governance and Benefit Distribution (https://redd.dofps.gov.bt/?page_id=56). • Watershed Management Division under the Department of Forests and Park Services, MoAF has been setup as the REDD+ secretariat as well as the PMU for the FCPF and other REDD+ related grants.
1.2.	Stakeholder engagement and communication and dissemination	<ul style="list-style-type: none"> • REDD+ information center in the form of REDD+ website has been established (https://redd.dofps.gov.bt/). • Developed awareness program materials (1 documentary on REDD+ in Bhutan, posters, brochures and presentation slides in soft copies)
1.3.	Capacity building and training for REDD+ implementation	<ul style="list-style-type: none"> • A total of 125 meetings, workshops and other stakeholder consultations were carried out as a part of capacity building for REDD+ implementation under the Readiness grant (Annex II of the Readiness package of Bhutan, 2022). • Capacity building of local communities and training of trainers (ToT) conducted.
Component 2: Preparation of National REDD+ Strategy		
2.1.	Assessment of Land use, Land use change drivers, forest law, policy and governance	<ul style="list-style-type: none"> • Assessment of drivers of deforestation and forest degradation (D&D) completed • Main drivers of D&D prioritized based on the consultations and discussions with all the stakeholders at national and district levels conducted. • Identification of the links between the main drivers/barriers and the strategy options completed. • Activities to address the main drivers of D&D proposed in the IIP.

		<ul style="list-style-type: none"> • Adequate REDD+ provisions are now provided in the Forest Policies and Legislations for natural resource rights, land tenure and governance. • Impact assessment on forest law and policy and REDD+ feasibility completed through D&D study.
2.2.	REDD+ Strategy options	<ul style="list-style-type: none"> • National REDD+ Strategy of Bhutan developed and endorsed. Selection and prioritization of the strategy options was done through in-depth consultation and participatory process in all 20 districts and 205 blocks. • Feasibility & Cost Benefit Analysis for the National REDD+ Strategy options completed. • Non-carbon benefits of forests quantified along with their contribution to rural livelihoods. • Review and revision of existing mechanisms/programs to benefit readiness activities completed. • Report on livelihood alternatives and domestic demand and trade of timber for implementing REDD+ activities published. • Capacity needs assessment report completed • National Plantation strategy revision completed. • Fund Mobilization Strategy for the National REDD+ Strategy & Action Plan of Bhutan completed
2.3.	REDD+ Implementation Framework	<ul style="list-style-type: none"> • Revision of Forest and Nature Conservation Rules and Regulations (FNCRR), 2017 completed with adequate provisions for REDD+. • Revision of Forest and Nature Conservation Code of Best Management Practices of Bhutan and Forest and Nature Conservation Act, 1996 completed. • National REDD+ Benefit Sharing Framework completed in 2020. • Piloted Glulam (Glued laminated timber) project with the Royal Academy, Pangbisa, Paro.
2.4.	Social and Environmental impacts during Readiness preparation and REDD+ implementation	<ul style="list-style-type: none"> • Environmental and Social Management Framework for the National REDD+ Strategy & Action plan of Bhutan (ESMF) and Strategic Environmental and Social Assessment of National REDD+ Strategy and Action Plan of Bhutan (SESA) completed in 2021. • Feedback Grievance and Redressal Mechanism (FGRM) completed and endorsed by the government in 2021. • Framework of the Safeguard Information System (SIS) for REDD+ in Bhutan completed in 2021.

3. Development of a National Forest Reference Emission Level (FREL) and/or a Forest Reference Level (FRL)		
3.1.	FREL/FRL development	<ul style="list-style-type: none"> • FREL/FRL developed, endorsed and submitted to UNFCCC in 2020. • FREL/FRL was developed using the historical activity data. • FREL and FRL was developed as two separate reference levels to enhance the transparency. • Technical Assessment from UNFCCC completed. • Biomass equation for few selected species developed.
4. Design systems for National Forest Monitoring and Information Safeguards		
4.1.	Provision of support to strengthen the recipient's national forest monitoring systems	<ul style="list-style-type: none"> • 2nd Multipurpose National Forest Inventory completed covering 2424 grids spread across the whole country • Capacity building and development of National Forest Monitoring System (NFMS) Action plan completed • Formalization of institutional arrangements for the implementation and management of NFMS completed (http://www.bhutan-nfms.org/). • Measurement, Reporting and Verification (MRV) system instituted • Satellite land monitoring system developed and operationalized • Web-based Spatial Decision Support System (SDSS) instituted and operationalized (https://sdss.dofps.gov.bt/).
4.2.	Provision of support for the design of an information system for multiple benefits	<ul style="list-style-type: none"> • Safeguards Information System (SIS) and co-benefits monitoring system established and operationalized. • Non-carbon aspects of REDD+ activities along with their impacts analyzed. • Transparent information sharing platform called the Forest Information Reporting and Monitoring System (FIRMS) developed and operationalized (https://firms.dofps.gov.bt/). • Online Forestry Clearance System developed and operationalized (https://ofs.dofps.gov.bt/).
4.3.	Provision of support for development of the participatory tools for community participation including development of databases and mapping of forests	<ul style="list-style-type: none"> • Forest types map of Bhutan completed in June 2022. • SDSS instituted (https://sdss.dofps.gov.bt/) • FIRMS established and operationalized (https://firms.dofps.gov.bt/). • Spatial Monitoring and Reporting Tool (SMART) is instituted for recording spatial data on patrolling and forestry activities.

3. Lessons Learned

The main lesson learnt is that engagement and collaboration with relevant stakeholders is key to the success of project implementation and to ensure sustainability.

The project enabled engagement and collaboration with various stakeholders and communities which generated valuable information for various components of the REDD+ program and helped in wider outreach and creating awareness on importance of forest in the context of climate and livelihood.

4. Project Cost by Readiness Grant Activity

Activities	Amount at Approval (US\$)	Actual at Project Closing (US\$)	Percentage of Approval
National Readiness Management Arrangements	600,000	600,000	100
Information sharing and early dialogue with key stakeholder groups	664,000	664,000	100
Capacity building and training for REDD+ implementation	655,008	655,008	100
Assessment of land use, land use change drivers, forest law, policy and governance	880,000	880,000	100
REDD+ strategy options	815,000	815,000	100
REDD+ implementation framework	1,567,269	1,566,651.84	99.96
Social and environmental Impacts during Readiness preparation and REDD+ implementation	395,000	395,000	100
Develop a national forest reference emission level and/or a forest reference level	567,992	567,992	100
National Forest Monitoring System	2,361,731	2,361,731	100
Designing and information system for multiple benefits, other impacts, governance and safeguards	94,000	94,000	100
Total	8,600,000	8,599,382.84	99.99