

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TFOA6108
Printed On: 11/30/2022

Reporting Period: 02/09/2018 to 06/30/2022
Report Type: Completion Report
Report Status: FINAL

Assignment: TFOA6108

Bhutan REDD+ Readiness Preparation Support Program AF FCPFR - Forest Carbon Partnership Facility

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Summary Information	
TF Status	ACTV
Recipient Country	Bhutan
Executed By	Recipient
Managing Unit	9274 - SSAE1
Grant Start Date / End Date	02/09/2018 to 06/30/2022
Original Grant Amount	4,800,000.00
Grant Amount	4,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	4,799,382.84
Disbursed 02/09/2018 to 06/30/2022	4,799,382.84
Donor	TF602001 - MULTIPLE DONORS

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

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the AF for Bhutan's REDD+ Readiness was to build national capacity of Bhutan to engage in REDD+ efforts at the national as well as international levels, through strengthened policies, increased knowledge on REDD+, and enhanced data on forests and forest management

Overall progress from 02/09/2018 to 06/30/2022 regarding Achieving Grant Objectives:

Comment:

The grant development objective was achieved in a satisfactory manner.

Bhutan is a High-Forest Cover - Low Deforestation (HFLD) country and has committed to pursue REDD+ as part of its agenda for protecting Bhutan's forests and sustainable forest management. Conserving Bhutan's forest, which covers more than 70 percent of the land area, is an utmost priority for the government to protect one of a few global biodiversity hotspots and to preserve forest ecosystem services.

With the support of the REDD+ Readiness Grant Bhutan has made excellent progress towards achieving REDD+ Readiness and utilizing proven approaches to protect its forests, contributing to its achievement of sustaining forest cover and reducing carbon emissions with the targets set out in the Nationally Determined Contributions (NDC) under the UNFCCC. Bhutan is also committed to conserving forest biodiversity and enhancing the livelihoods of forest dependent communities. As such, the National Forest Policy 2011 has an overarching goal of sustainable management of forest resources and biodiversity conservation for meeting the long-term needs of people. The Forest and Nature Conservation Act 1995 (FNCA) provides the legal framework for appropriate forest use and enabling community and social forestry. The Forest and Nature Conservation Rules and Regulations of Bhutan 2017 (FNCRR) cover general aspects of managing State Reserved Forest Land (SRFL), as well as management requirements for all forest uses. The GoB is also committed to enhance the productivity of the forest sector without jeopardizing the integrity of its forest ecosystems.

Bhutan's National REDD+ Strategy, prepared in a highly participatory manner, has been informed by a rigorous analysis of the drivers of deforestation and forest degradation and different land use options to address them comprehensively. It was formally approved by the Ministry of Agriculture and Forests (MoAF) in July 2020. Activities in the subsequent period have focused on an investment plan for the implementation of the policies and measures identified in the REDD+ Strategy, a Plantation Impact Assessment, a Non-Wood Forest Product Interim Framework, the Forest Reference Emission Levels (FREL)/Forest Reference Levels (FRL), the Feedback and Grievance Redress Mechanism (FGRM), the Environment and Social Management Framework (ESMF), the Strategic Environment and Social Assessment (SESA), a Forest Type Map and the second National Forest Inventory.

Similar to other HFLD countries, Bhutan has not been able to join programs benefiting from compliance-based carbon payments, including the FCPF Carbon Fund. However, Bhutan has initiated the discussion on opportunities to engage in the voluntary carbon market.

Bhutan presented its self-assessment of progress towards REDD+ Readiness and its R-Package to the FCPF Participants Committee in October 2022. The R-Package was endorsed on October 19, 2022, during the Participants Committee meeting.

Overall progress from 02/09/2018 to 06/30/2022 regarding Implementation of Grant Financed Activities:

Comment:

As part of key project objectives achieved during the period, the National REDD+ Strategy was developed with policy options and measures for addressing the drivers of deforestation and forest degradation in key sectors validated by stakeholders and approved by the MoAF.

All planned activities and deliverables of the grant were completed. The grant supported the development of the first ever comprehensive national forest inventory (NFI) in Bhutan (the second NFI is ongoing). Results from the national forest inventory

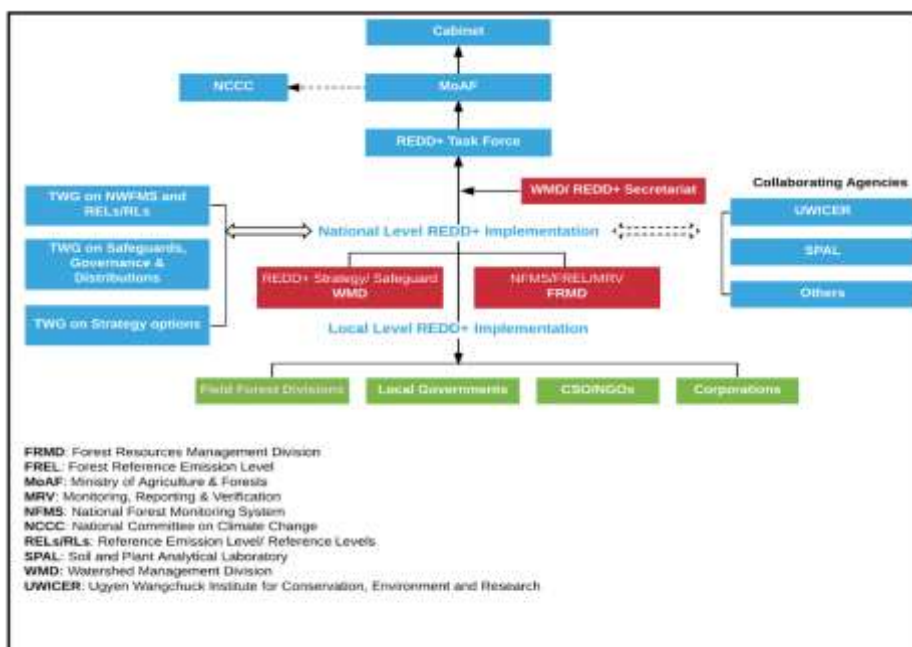
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informed the study on drivers of deforestation and forest degradation, and the FREL/FRL and data were integrated into the National Forest Monitoring System (NFMS).

Based on the NFI, Bhutan prepared a national FREL and submitted it to the UNFCCC in December 2020. The NFMS includes specific provisions for Monitoring, Reporting & Verifications (MRV). The MRV institutional framework was completed and validated.

A Safeguards Information System (SIS) was developed and successfully rolled out and is available as an open-access online resource. The Feedback and Grievance Redress Mechanism for national REDD+ was developed and validated; its description was also shared with FCPF FMT and posted on the FCPF website.

The Department of Forests and Parks Service (DoFPS) is the overall coordinator for REDD+ and NFMS implementation in Bhutan. For the smooth operation of the NFMS, a well-defined institutional system has already been established. The institutional framework involves several stakeholders:



DoFPS is responsible for the forestry sector's Satellite Land Monitoring System (SLMS), NFI, and GHG inventory.

Throughout the project implementation, there were extensive stakeholders' consultations and participation in the development of the REDD+ Strategy and other core REDD+ documents and systems throughout the grant implementation.

Grant follow-up and structure

Description and context of Grant:

The grant had four components, all of which were implemented in a satisfactory manner:

Component 1 - Readiness Organization and Consultation: The institutional arrangement for REDD+ in Bhutan is in place with well-defined roles and responsibilities. The Watershed Management Division (WMD) in DoFPS had the overall coordination role and was responsible for the implementation of components 1 and 2. The Forest Resources Management Division (FRMD) implemented the technical part of the project (reference level and national forest monitoring system); and National Land Commission (NLC) was responsible for land use planning and zoning. Similarly, Functional Divisions or field offices (DoFPS), the Royal Academy Construction Project, the Royal Education Council, the National Soil Service Center (SPAL), and the Tarayana Foundation were also involved in implementing some of the activities.

Component 2 - REDD+ Strategy Preparation: The RGoB formally launched the National REDD+ Strategy on World Ranger Day (July 31, 2020). Other strategically important REDD+ readiness documents included the cost benefit analysis, the benefit sharing

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mechanism (BSM) and an investment plan and fund mobilization strategy. In addition, a wetland inventory framework was finalized, strategies and action plans for community forestry (CF) prepared, more than 50 local SFM plans, community forest management, non-wood forest products (NWFP) and watershed plans were finalized, annual SFM plans within all Forest Management Units (FMU) developed; a plantation impact assessment completed; and the Forest Management Code of Bhutan completed (currently being printed).

As part of assessing the potential social and environmental impacts of the implementation of the REDD+ Strategy, WMD finalized the Strategic Environmental and Social Assessment (SESA), the Environmental and Social Management Framework (ESMF), and the Safeguard Information System (SIS). The Feedback and Grievance Redress Mechanism (FGRM) was finalized as well.

The fund mobilization investment proposal for the implementation of the REDD+ Strategy identifies concrete and tangible interventions, including those related to a paradigm shift towards enhancing sustainable forest management; costs associated with the implementation of these interventions; and identifies appropriate financing modalities and funding sources (including from the private sector).

Component 3 - National Forest Reference Emission Level and/or a Forest Reference Level: The FREL/FRL was submitted to the UNFCCC in January 2020. The UNFCCC Secretariat positively assessed the submission and the FREL/FRL are now published on the UNFCCC website¹. The biomass equation development was also finalized.

Component 4 - Design Systems for National Forest Monitoring: FRMD has developed the Forest Information Reporting and Monitoring System (FIRMS), which is an online database repository of all information and data captured by the Department. A geo-portal system was also developed.

The project has also strengthened the National Forest Inventory (NFI) data collection by integrating the NFI and remote sensing data in the National Forest Monitoring System geo portal. The development of a spatial decision support system for forest clearance has been completed. Furthermore, the Satellite and Land Monitoring System (SLMS) is now ready for use, and the development of the National Forest Monitoring System (NFMS) has started.

The MoAF has started its next NFI which will be published in June 2023, consistent with the end of the implementation period of the 12th Five-Year Plan. Based on the results from the NFI, MoAF intends to publish a State of Bhutan's Forests in early 2024. MoAF also prepared a forest type map for Bhutan.

Expected follow up (if any):

The World Bank has recently completed the Country Environment Analysis which has a section on the need for following up on the REDD+ Readiness processes and investing in sustainable forest management with a view to increase the productivity of the sector without jeopardizing the integrity of Bhutan's forest ecosystems. Bhutan is proactively engaging with global funds like the GEF and the GCF to secure grant resources for the implementation of the REDD+ Strategy.

End Date of Last Site Visit:

January 11 - 16, 2022 (virtual)

Restructuring of Grant:

The Grant was restructured in June 2021 and the GA was amended. The Grant was restructured as follows:
Extension of grant closing date from December 31, 2021, to June 30, 2022. MoAF was informed that any undisbursed amount beyond this date would have to be returned to FCPF. Only USD617 is left undisbursed and in the process of being returned.

OUTCOME

Comments on outcome achieved and Grant Outcome Indicators from 02/09/2018 to 06/30/2022

1. National REDD+ strategy to reduce emissions from deforestation and forest degradation (REDD+) is prepared and validated by national stakeholders

Baseline Value: No

Date: 02/09/2018

Progress to Date: Yes (National REDD+ Strategy prepared and endorsed by the MoAF in July 2020; it formed part of Bhutan's R-Package endorsed in October 2022. The strategy preparation was carried out in participatory, inclusive, and consultative manner and builds on existing forest protection and management policies and strategies.

Date: 06/30/2022

Target Value: Yes

Date: 07/15/2020

¹ <https://unfccc.int/documents/267254>

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2. Environment and Social Management Framework (ESMF) is finalized and validated by relevant stakeholders

Baseline Value: No

Date: 02/09/2018

Progress to Date: Yes (The ESMF was prepared as a result of the SESA process, consulted upon and validated; it formed part of Bhutan's R-Package endorsed in October 2022. The ESMF is now fully operational and informed the setup of other safeguards systems for REDD+ and forests in Bhutan such as the FGRM, SIS, etc.)

Date: 06/30/2022

Target Value: Yes

Date: 05/15/2022

3. Quantitative analysis of drivers of deforestation and forest degradation prepared and validated by national stakeholders

Baseline Value: No

Date: 02/09/2018

Progress to Date: Yes (as part of the National REDD+ Strategy, see above)

Date: 06/30/2022

Target Value: Yes

Date: 06/30/2022

4. Consultations on REDD+ Strategy and other REDD+ documents and systems conducted (at county level)

Baseline Value: 0

Date: 02/09/2018

Progress to Date: 178 (More than 15 consultations specifically on REDD+ Strategy were conducted; other consultations were conducted as part of the SESA process and on other elements of REDD+ Readiness)

Date: 06/30/2022

Target Value: 10

Date: 01/15/2020

5. Consultations on drivers of deforestation and forest degradation with RGoB and stakeholders (at county level)

Baseline Value: 0

Date: 02/09/2018

Progress to Date: 38 were held at county level. Additional consultations were initiated by the National Land Commission on land use zoning options.

Date: 06/30/2022

Target Value: 10

Date: 01/15/2020

6. Quantified Reference Emissions Level (REL) prepared and validated by the REDD+ Technical Working Group

Baseline Value: No

Date: 02/09/2018

Progress to Date: Yes (FREL prepared, validated and submitted to the UNFCCC in December 2020. The preparation of the FREL was informed by the first NFI)

Date: 06/30/2022

Target Value: Yes

Date: 12/01/2020

8. National Forest Monitoring System (NFMS) and MRV developed

Baseline Value: No

Date: 02/09/2018

Progress to Date: Yes (The NFMS is divided into two categories (i) monitoring and (ii) measurement, reporting and verification (MRV). The NFMS is based on a combination of ground measurement through the National Forest Inventory (NFI) and remote sensing to generate a report on the state of national forests.)

Date: 06/30/2022

Target Value: Yes

Date: 01/31/2020

9. Information system for co-benefit / safeguards established;

Baseline Value: No

Date: 02/09/2018

Progress to Date: Yes (Bhutan's Safeguards Information System completed and operational. The National REDD+ Benefit Sharing Framework document was completed in 2020.)

Date: 06/30/2022

Target Value: Yes

Date: 06/30/2021

10. Readiness package prepared and finalized

Baseline Value: No

Date: 02/09/2018

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Progress to Date: Yes (Bhutan's R-Package was endorsed by the FCPF PC in October 2022)

Date: 06/30/2022

Target Value: Yes

Date: 10/19/2022

11. Government institutions provided with capacity building support to improve the protection and management of forest resources

Baseline Value: 0

Date: 02/09/2018

Progress to Date: 30 (topics included: geographic information systems (GIS), silviculture management, Forest and Nature Conservation Acts; rules and regulations for foresters and rangers; data analysis; PES etc.)

Date: 06/30/2022

Target Value: 25

Date: 06/30/2022

COMPONENTS

Output Status by Component

1. Support the coordination of the REDD+ Readiness process and consultations

Status: Completed

Planned Output: Capacity-building and training for Taskforce, Secretariat, TWGs and government agencies REDD+ Safeguard information systems, MRV and REDD+ Governance; Capacity building and training for local level on forest management, forest law enforcement, GIS, GPS, and REDD+ implementation

Actual Output: see below

2. Contribute to the design of the national REDD+ Strategy

Status: Completed

Planned Output: National REDD+ Strategy approved; FGRM design completed.

Actual Output: see below

3. Support development of a reference emission level, MRV system, and indicators for information system on safeguards and co-benefits

Status: Completed

Planned Output: NFI, FREL and MRV design completed; SIS design completed; National Map on Forest Types finalized.

Actual Output: see below

4. Project management

Status: Completed

Planned Output: REDD+ implementation unit (RIU) operational

Actual Output: see below

Comment on component implementation progress

Component 1 - Readiness Organization and Consultation: The institutional arrangement for REDD+ in Bhutan is in place with well-defined roles and responsibilities. The WMD has the overall coordination role and implements components 1 and 2; the Forest Resources Management Division (FRMD) implements technical part of the project (reference level and national forest monitoring system); and National Land Commission (NLC) is responsible for land use planning and zoning. Similarly, Functional Divisions or field offices (DoFPS), the Royal Academy Construction Project, the Royal Education Council, the National Soil Service Center (SPAL), and the Tarayana Foundation are also involved in implementing some of the activities.

During project implementation, the following activities were implemented:

- Technical coordination meetings;
- Capacity building and awareness programs such as training on soil and watershed management (e.g. National Soil Services Centre, Field Offices, Functional Divisions);
- Awareness raising on forest fire, waste management, policies, and legislations by implementing partners (Functional and Field Divisions); and

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- Capacity building and training for local level staff on sustainable forest management (SFM), forest law enforcement, geographic information systems, global positioning systems and REDD+ implementation, community forest management, Non-Wood Forest products (NWFP), SMART patrolling implementation and valuation of ecosystem services.

Component 2 - REDD+ Strategy Preparation: The RGoB formally launched the National REDD+ Strategy on World Ranger Day (July 31, 2020). Other strategically important REDD+ readiness documents were finalized, including the cost benefit analysis, the benefit sharing mechanism (BSM) and a fund mobilization strategy.

During project implementation the following activities were implemented:

- National REDD+ Strategy completed and approved;
- Wetland inventory framework finalized;
- Strategies and action plans for community forestry (CF), NWFP (draft) and plantations prepared;
- Local SFM plans, community forest management, NWFP and watershed plans finalized;
- Annual SFM plans within Forest Management Units (FMU) finalized
- Plantation impact assessment completed;
- Forest Management Code of Bhutan completed; and
- Development of a fund mobilization investment proposal for the implementation of the REDD+ Strategy finalized.

As part of assessing the potential social and environmental impacts of the implementation of the REDD+ Strategy, WMD finalized the Strategic Environmental and Social Assessment (SESA), the Environmental and Social Management Framework (ESMF), and a Safeguard Information System (SIS).

The Feedback and Grievance Redress Mechanism (FGRM) was finalized and consulted on with and validated by local stakeholders.

The development of fund mobilization investment proposal for the implementation of the REDD+ Strategy was finalized. The proposal analyses the REDD+ Strategy and drivers of deforestation and forest degradation with a view to identify concrete and tangible interventions, including related to a paradigm shift towards enhancing sustainable forest management; costs associated with the implementation of these interventions; and identify appropriate financing modalities and funding sources (including from the private sector). The gender action plan and capacity needs assessments of potential actors was completed as well. The ESMF was updated to reflect the proposed interventions.

Component 3 - National Forest Reference Emission Level and/or a Forest Reference Level: The FREL/FRL was submitted to the UNFCCC in January 2020. The UNFCCC Secretariat positively assessed the submission and the FREL/FRL are now published on the UNFCCC website². The biomass equation development has also been finalized.

Component 4 - Design Systems for National Forest Monitoring: FRMD has developed the Forest Information Reporting and Monitoring System (FIRMS), which is an online database repository of all information and data captured by the Department. A geo-portal system is also being developed.

The project has strengthened the National Forest Inventory (NFI) data collection by integrating the NFI and remote sensing data in the National Forest Monitoring System geo portal. The development of spatial decision support system for forest clearance has been completed. Furthermore, the Satellite and Land Monitoring System (SLMS) is now ready for use and the development of the National Forest Monitoring System (NFMS) has started.

The MoAF has started its next NFI which is supported through the REDD+ Readiness project and with resources from the RGoB. It is expected that the NFI will be published in June 2023, consistent with the end of the implementation period of the 12th Five-Year Plan. Based on the results from the NFI, MoAF intends to publish a State of Bhutan's Forests in early 2024.

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EXECUTION

Bank project related to the grant

Project ID / Name:	P150177 - Bhutan REDD Readiness
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency: Watershed Management Division/Ministry of Agriculture and Forests

² <https://unfccc.int/documents/267254>

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Contact: Mr. Ngawang Dorji
Address: Watershed Management Division/REDD+ Secretariat, MoAF
Phone: +975-2-17966641/77483208 **Email:** ngawangdorji@moaf.gov.bt/ngpelyandor@gmail.com
Website: www. http://www.moaf.gov.bt/

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives.

The project activities are closely coordinated with other forest-relevant activities in the country financed by the RGoB and Development Partners. This includes the Bhutan For Life initiative supported by WWF and the Bhutan Trust Fund for Environmental Conservation (BT FEC) supported through the GCF.

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

Apart from the restructuring of the project to extend the GCD, there were no changes to the technical design and approach.

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

There were no technical and implementation-related capacity issues.

The financial management risk was rated as “moderate” and the performance by WMD was rated as “Satisfactory”.

The management of procurement-related matters was rated “Satisfactory”.

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?

WMD has finalized preparation of SESA, ESMF, and SIS and has shared them with the Bank for feedback. FGRM has been finalized and cleared by the World Bank. All documents were prepared through rigorous consultations at national, regional, district and village level to include wide range of stakeholders in the process. The SESA was conducted in accordance with the Common Approach. The development of the SESA was informed by an analysis of Bhutan’s existing safeguard policies and regulations along with relevant World Bank safeguards policies, in a manner that confirms the execution of REDD+ activities are in accordance with UNFCCC guidelines. Bhutan has completed a Strategic Environmental and Social Assessment to identify potential adverse impacts and risks of NRS implementation and ensure coherence with the relevant World Bank safeguards operational policies.

Safeguards performance was rated as “Satisfactory”.

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

Yes.

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

The RGOB has developing a Feedback and Grievance Redress Mechanism (FGRM) for REDD+, as a means to address any feedback and grievances that various stakeholders may have in the course of REDD+ Readiness, and ultimately as a result of REDD+ Strategy implementation, including the implementation of the investment proposal.

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

Bhutan, as a HFLD country, would need more attention from the international community in terms of supporting the implementation of the REDD+ Strategy. Bhutan has no access to pilot funds and programs focusing on the compliance carbon market as market opportunities are almost non-existent for HFLD countries. There is need for a funding mechanism to incentivize HFLD countries to sustain forest cover and sustainably manage and protect forest ecosystems.

Conserving Bhutan’s forest, which covers more than 70 percent of the land area, is an utmost priority for the government to protect one of a few global biodiversity hotspots and to preserve forest ecosystem services. Still, spatial assessments suggest that an increase in sustainable forest utilization is feasible, providing much needed rural employment during periods of seasonal

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underemployment and an opportunity to diversify the economy without jeopardizing natural resources assets. Yet the current forest governance system primarily supports forest conservation, and opportunities for sustainable forest management supporting the country's development aspirations are not fully explored.

It has become increasingly clear that implementing a REDD+ pilot on SFM for learning lessons as soon as possible is crucial to sustain the investments from the REDD+ Readiness process.

There is a need for continuous World Bank engagement with policy/decision makers for the success of REDD+ implementation nationally and support MoAF with raising funds for the implementation of the REDD+ Strategy.

Overall outcome (and its Sustainability):

Comment:

The REDD+ Readiness project supported various forest-relevant institutions to build the capacity and coordinate on REDD+ and enhance the dialogue on the role of Bhutan's forests and forest-dependent sectors in sustainably managing and protecting forest ecosystems for socio-economic benefits while sustaining global environmental contributions such as climate change mitigation, resilience, and biodiversity. Important capacities were built on safeguard instruments, Feedback and Grievance Redress Mechanism, National Forest Information System, FREL and a Benefit-sharing Mechanism. However, the REDD+ Registry was not developed during the REDD+ Readiness project implementation, as it was deemed premature by MoAF.

The implementation of the grant financed activities achieved the outputs and outcomes in a satisfactory manner and the project objective was achieved. The REDD+ dialogue enhanced attention to the drivers of deforestation and forest degradation and increased cooperation between the forestry sector and other sectors that are at the root of deforestation and forest degradation (urban development, energy).

So far, no investment resources have been leveraged for the implementation of the REDD+ Strategy. The RGoB prefers the use of instruments like DPLs and P-for-R, which provide limited opportunity to engage with the client compared to an IPF.

Bank Performance:

Comment:

The overall Bank Performance was Satisfactory, based on quality at entry, project implementation support and dialogue with the RGoB on a transformational change how forests are currently managed. Regular implementation support missions (during COVID done virtually) were organized and documented (Aide-Memoire), commentaries on draft documents and no-objections were provided to the client within reasonable timeframes, and regular reporting was done to the Bank and donors. The Bank team provided close support and technical advice throughout implementation of the project.

Additional Assessment

Development / strengthening of institutions:

Comment:

With the achievement of the project development objective, the capacity of the institutions (government and non-government) increased: MoAF as the lead on forests, forestry and REDD+, its Forest Resources Management Division (FRMD) and Watershed Management Division (WMD - PMU); the National Land Commission (NLC) Functional Divisions or field offices (DoFPS), the Royal Academy Construction Project, the Royal Education Council, the National Soil Service Center (SPAL), and the Tarayana Foundation all benefited from the project.

Mobilization of other resources:

Comment:

So far, no investment resources have been leveraged for the implementation of the REDD+ Strategy. In terms of an engagement with the World Bank, the RGoB prefers the use of instruments like DPLs and P-for-R, which provide limited opportunity to engage with the client compared to an IPF. The RGoB prefers the use of grant resources for forest protection and SFM - hence, it targets access to the GEF and/or the GEF.

Knowledge exchange:

Comment:

The Bhutan REDD+ team has been a part of various learning events on REDD+ supported by the FCPF and other sources. The project team visited Costa Rica to learn about PES as a mechanism for incentivizing forest protection and SFM.

Client's policy / program implementation:

Comment:

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The REDD+ Strategy implementation will directly contribute to the implementation of Bhutan's NDC. It is also consistent with the people-centered development philosophy of Gross National Happiness (GNH), which transcends every aspect of the economy and has been the driving force behind socioeconomic development over the past 55 years.

Efficiency:

Comment:

All outcomes and outputs were achieved, in a timely and high-quality manner, thus efficiency is rated satisfactory.

Replicability:

Comment:

At the national level, the institutional arrangements for REDD+ allowed for an informed dialogue not only on deforestation and forest degradation but also on the role of the forest sector for sustainable socio-economic development without jeopardizing Bhutan's strive to sustain forest cover and GNH.

At international level, Bhutan could play an important role for a dialogue among other HFLD countries in terms of challenges and opportunities, as well as lobbying for increased international finance support to HFLD countries.

Main recommendations to stakeholders:

REDD+ has been communicated globally as a mechanism which seeks to incentivize activities targeting reducing emissions from deforestation and forest degradation, supporting SFM and enhancing forest carbon stocks. REDD+ implementation finance mechanisms are focusing on countries with high deforestation and forest degradation rates. Bhutan as a HFLD country has not been able to access dedicated resources for sustaining activities. There is need for developing funding mechanisms focusing on HFLD countries like Bhutan.

Complementary to the REDD+ Readiness Project, a [Forest Engagement Note for Bhutan](#) was developed in collaboration between the RGoB and the World Bank assessing the status of Bhutan's forests and the forest sector and recommending short, medium and long-term recommendations to develop the sector without jeopardizing Bhutan's environmental goals related to forests. The Forest Engagement Note further elaborates the challenges and opportunities for Bhutan's forests and forest-dependent sectors which were initially discussed in the REDD+ Readiness Strategy and then further described in the Investment Plan for the implementation of the REDD+ Strategy. This note provides a good basis for future dialogue with the RGoB.

Based on the achievements and lessons learned from implementation of this project, the following are recommended to stakeholders:

1. The dialogue in HFLD countries needs to focus on supporting SFM with a view to forest resources use in a sustainable manner without jeopardizing forest cover and forest ecosystems. That means that a concerted dialogue is necessary to assess the socio-economic opportunities for SFM and support these countries with appropriate investments and technical assistance.
2. The RGoB would need to sustain the dialogue on REDD+ and SFM to address the imminent and emerging drivers of deforestation and forest degradation, especially threats emerging from rapid urban development and energy-related investments (i.e. hydro power)

Main recommendations to Bank Management:

The World Bank should consider broadening the availability of grant resources in existing climate and forest funds to support HFLD countries like Bhutan.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2018	06/30/2018	0.00	0.00	2,428,761.85	2,428,761.85
07/01/2018	12/31/2018	0.00	0.00	2,428,761.85	0.00
01/01/2019	06/30/2019	0.00	0.00	2,428,761.85	0.00
07/01/2019	12/31/2019	0.00	0.00	3,004,144.44	575,382.59
01/01/2020	06/30/2020	0.00	0.00	3,591,288.24	587,143.80

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07/01/2020	06/30/2021	0.00	0.00	4,695,983.95	1,104,695.71
07/01/2021	06/30/2022	0.00	0.00	4,799,382.84	103,398.89