

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

Report to Donor

Ref.	TF0A6108	Reporting Period:	07/01/2020 to 06/30/2021
Printed On:	10/05//2021	Report Type:	Progress Report
		Report Status:	Final

Assignment: TF0A6108

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

Task Team Leader: 00000239109 - Andrea Kutter  
Approving Manager: 00000175113 - Christophe Crepin

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	4,695,983.95 as of 06/30/2021
Disbursed 07/01/20 to 06/30/2021	1,104,695.71
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 is 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 07/01/2020 to 06/30/2021 with regard to Achieving Grant Objectives:

##### Comment:

During the reporting period, the RGoB made very good progress with achieving the objective of the grant. All project components are progressing well. There is no concern on the timely disbursement of the remaining resources. COVID-19 has impacted the start of some consultancies and has led to delays with delivering the outputs. The WB task team is monitoring these delays and is in close contact with the client. In that context, the Grant Closing Date (GCD) was extended to June 30, 2022.

#### Overall progress from 07/01/2020 to 06/30/2021 with regard to Implementation of Grant Financed Activities:

##### Comment:

During an implementation support mission in January 2021, the task team rated the implementation progress for the grant as satisfactory. The REDD+ Secretariat housed in the Watershed Management Division (WMD) of the Ministry of Agriculture and Forests (MoAF) and relevant partners in other government entities have good capacity to implement the grant and has made, overall, very good progress with implementing the planned activities. COVID-19 impacts will need to be continuously monitored and assessed closely.

### Grant follow-up and structure

#### Description and context 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. The undisbursed amount beyond this date will have to be returned to FCPF. Based on the findings from the implementation support mission (January 2021), it is anticipated that by grant closing date all resources will be disbursed for eligible activities and the project objective be achieved. Despite the impacts of COVID-19 have slowed down consultancies that require travel to and within Bhutan, disbursement has progressed significantly.

**Expected follow up (if any):** The task team will stay in close contact with WMD to follow up on the implementation of the remaining activities.

#### Comment on follow up:

During the reporting period, the Task Team had the last in-person implementation support mission in October 2019 and two virtual missions in August 2020 and February 2021. The team urged WMD to continue the implementation of the project despite COVID-19, including the outstanding consultancies and procuring the consultancy services. The lack of in-person visits due to COVID-19 makes the follow up challenging, however, the task team is in close contact with WMD on an almost weekly basis.

#### End Date of Last Site Visit:

February 11 - 16, 2021 (virtual)

#### Restructuring of Grant:

See above.

## OUTCOME

### Comments on outcome achieved from 07/01/2020 to 06/30/2021

The implementation of the project is progressing well and the last mission assessed implementation progress as "substantial"

## Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

## COMPONENTS

There are no outcome indicators defined for this trust fund / grant.

## Comment on planned and actual Output

Outputs are produced as per agreed schedule with some delays materializing due to COVID-19. It is expected that all outputs will be produced by the GCD for the project.

## 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 the reporting period several component 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
- 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 already finalized include the cost benefit analysis, the benefit sharing mechanism (BSM) and a fund mobilization strategy.

During the reporting period several component activities were implemented:

- Wetland inventory framework finalized (inventory will start soon),
- Strategies and action plans for community forestry (CF), NWFP (draft) and plantations prepared,
- More than 35 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 (currently being printed); and
- Development of a fund mobilization investment proposal for the implementation of the REDD+ Strategy started.

As part of assessing the potential social and environmental impacts of the implementation of the REDD+ Strategy, WMD is now finalizing the Strategic Environmental and Social Assessment (SESA), the Environmental and Social Management Framework (ESMF), and a Safeguard Information System (SIS) based on the guidance from the Bank. The WB team reiterated the need to strengthen the social dimensions of the safeguards assessment and the identification of appropriate mitigation measures. In addition, WMD was advised to ensure consistency across the three documents and with the National REDD+ Strategy.

The Feedback and Grievance Redress Mechanism (FGRM) is about to be finalized. A second draft was submitted by a consultant to the WMD and still needs to be consulted on with and validated by local stakeholders. These consultations will be initiated soon as travel restrictions to most rural areas (except for the southern border areas) has been lifted.

The development of fund mobilization investment proposal for the implementation of the REDD+ Strategy has started. The WMD has hired a team of experienced consultants who will analyse 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). Due to the impacts of COVID-19, the work, especially consultations on the ground have been delayed by at least 4 months. Consultations have taken place between May and June 2021. The gender action plan and capacity needs assessments of potential actors is being completed as well. A first robust draft of the fund mobilization investment proposal is expected by end of December 2021. The WB will receive advanced drafts of the proposal with the opportunity to comment. The WB team advised that the ESMF might have to be updated subject to the proposed interventions.

The following activities under Component 2 are delayed due to COVID-19 and will still need to be completed:

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- Development of the Investment Proposal for the Implementation of the REDD+ Strategy and Action Plan consisting of the (i) action plan for the implementation of the REDD+ Strategy and Action Plan, (ii) a gender and vulnerability assessment, and (iii) a capacity needs assessment;
- Finalization of FRGM;
- Development of the Readiness Package (R-Package);
- National wetland inventory; and
- Finalization and training of the Glulam1 pilot initiative.

Component 2 is on track for delivery of all outputs in a timely and high-quality manner.

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 website<sup>2</sup>. The biomass equation development has also been finalized.

The following activities under Component 3 are delayed due to COVID-19 and will still need to be completed:

- Dendrochronology<sup>3</sup>; and
- Finalization of the technical and policy brief for the FREL/FRL.

Component 4 - Design Systems for National Forest Monitoring and Information on Safeguards: 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 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 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. The WMD also informed the WB team that the preparation of the forest type map for Bhutan is ongoing. The WB team recommended to closely coordinate the development of the forest type map with the NFI development to avoid inefficiencies.

The following activities under Component 3 are delayed due to COVID-19 and will still need to be completed:

- NFI;
- Development of the Monitoring, Reporting and Verification System (MRV);
- Development of the forest type map of Bhutan;
- Strengthening of the Forest Information Reporting and Monitoring System (FIRMS); and
- Implementation of the Spatial Decision Support System (SDSS).

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<sup>1</sup> Glulam - Glued laminated timber is a stress-rated engineered wood beam composed of wood laminations, or "lams", that are bonded together with durable, moisture-resistant adhesives.

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

<sup>3</sup> Dendrochronology (or tree-ring dating) is the scientific method of dating tree rings (also called growth rings) to the exact year they were formed.

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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  
Contact: Jigme TENZIN, PhD  
Address: Watershed Management Division/REDD+ Secretariat, MoAF  
Phone: +975-2-338897/323568 Email: Jigme Tenzin <jtenzin@moaf.gov.bt>  
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.

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### 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 are 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 are no technical and implementation-related capacity issues.

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

The management of procurement-related matters is 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 drafted shared with the Bank. WMD is now finalizing the document. All these documents have been prepared through rigorous consultations at national, regional, district and village level to include wide range of stakeholders in the process.

Safeguards performance is 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 is 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. The WMD has hired of consultants to undertake this assignment, however, due to COVID-19, on-the ground consultations are delayed.

## 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
07/01/2020	06/30/2021	0.00	0.00	4,695,983.95	1,104,695.71