

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF0A7032

Reporting Period: 07/01/2020 to 06/30/2021

Printed On:

Report Type: Progress Report

Report Status: Approved

Assignment: TF0A7032

Third Grant for Colombia Readiness Preparation Proposal (Readiness Fund of Forest Carbon Partnership Facility)

FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000242041 - Julian Lee
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Colombia
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	06/13/2018 to 12/31/2021
Original Grant Amount	4,930,000.00
Grant Amount	4,930,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,561,574.15 as of 06/30/2021
Disbursed 07/01/2020 to 06/30/2021	627,884.28
Donor	TF602001 - MULTIPLE DONORS

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

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF0A7032

Reporting Period: 07/01/2020 to 06/30/2021

Printed On:

Report Type: Progress Report

Report Status: Approved

OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the grant is to strengthen enabling conditions for implementation of National REDD+ Strategy.

Overall progress from 07/01/2020 to 06/30/2021 with regard to Achieving Grant Objectives:

Comment:

The project became effective on June 13, 2018. Following initial delays in project start-up resulting primarily from a transition in government, and which led to a first restructuring, the continued effects of the COVID-19 pandemic have caused financial execution and contracting challenges. The Government of Colombia declared a national State of Economic, Social and Ecological Emergency in March 2020, lasting for more than a year (expected until November 30, 2021), and imposing restrictions on the mobility of people, which caused significantly delays in time and financial execution. In addition, a change of minister in October 2020 at the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*, MADS) generated substantial turnover of key ministry decisionmakers and counterparts, in turn causing delays in the approval of the Annual Work Plan and the technical definition of procurement priorities. In addition, the project coordinator first appointed in January 2020 was changed in November 2020 and again in May 2021, compounding implementation delays.

As a result, project performance is rated moderately satisfactory.

In addition, exchange rate losses in the Colombian peso since project start have resulted in a surplus of approximately COP 4 billion (US\$ 1.2 million), increasing the available budget in local currency by some 28 percent from COP 14.05 billion to COP 18.6 billion and depressing execution rates.

In the second part of the reporting period (Q3-Q4), the PIU validated and approved an Annual Operations Plan, and managed to speed up the cadence of disbursement in Q3/Q4 compared to the previous 20 months of implementation. The Annual Operations Plan was adjusted, and activities prioritized to focus on those essential to the achievement of the project's results framework and PDO, given the time left for implementation. The Recipient has officially requested an extension of the closing date for additional 5 months, which is being processed at the time of writing. To ensure the implementation of activities is expedited the World Bank continues to provide close implementation support, including biweekly meetings with the Fondo Acción team and MADS.

The project still has significant outstanding work ahead of it to achieve its objectives. By August 31, 2021, the estimated progress toward achievement had reached 64 percent, however, only one of the 14 indicators had been fully achieved, with most registering partial progress.

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

Comment:

The progress of each Component so far is as follows:

Component 1: Organization, consultation and participation

- Despite COVID-19 mobility restrictions, and since effectiveness, 16 workshops with 766 participants were held with Afro-Colombian, indigenous and rural communities to develop a collective vision of forests and strengthen tools for territorial governance and their involvement in forest governance in their local economies.
- MADS and the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM) have strengthened their teams, with 52 professionals hired to ensure that the enabling conditions for the implementation of the National REDD+ Strategy are in place. Consultants have contributed to the formulation of the National Deforestation Control Policy (CONPES 4021), the

World Bank - Grant Reporting and Monitoring (GRM) Report

implementation of actions to follow up on the Supreme Court Sentences on the Atrato and Amazon River basins, the definition of technical and legislative drafts related to forest sustainable use for mining policies, among others.

Component 2: REDD + Strategy Implementation

- Three trainings took place for community representatives located in areas with the highest deforestation rates on Community Forest Management, sustainable wood trading, and furniture making.
- A mapping of local initiatives in deforestation hotspots has been completed that will be used to inform a coordinated strategy to tackle deforestation with support of local governments.
- A virtual training on Methods and Tools for Community Forest Management and Landscape Restoration has been conducted for 179 people among community leaders, technicians, and public servants. Due to high demand, a second course will be delivered by the end of 2021.
- Three deforestation control models are being designed based on community strengthening capacities for their implementation in the Sierra Nevada de Santa Marta (Caribbean region) and in the Southern Pacific coast region.

Component 3. National Monitoring Systems for Forests and Safeguards

- Consultant support provided to the IDEAM to strengthen the data for the forest reference emissions level of the Agriculture, Forestry and Land Use sector.
- For the Community Monitoring System, the annual National Seminar on Forest Cover Monitoring was organized with the participation of community monitoring roundtables, aiming at promoting dialogue among community organizations and partners grouped in the Institutional Roundtable for Participatory Community Monitoring.

Component 4: Program Monitoring and Evaluation Framework

- The PIU is in place and working on implementation activities and is further staffing up to support an increased pace of activities. The Operations Manual was updated and received No Objection.
- Financial audit for 2020 have been carried out. No concerns were raised.

Grant follow-up and structure

Description and context of the Grant:

The Readiness Preparation Proposal (R-PP) prepared by the Government of Colombia identified the necessary interventions to strengthen Colombia's technical and institutional capacities to participate in a future REDD+ mechanism. The overall financial envelope needed for achieving REDD+ Readiness in Colombia was estimated at US\$ 27.5 million. The FCPF Participants Committee approved Colombia's R-PP in November 2013 and granted the Republic of Colombia a US\$3.6 million readiness preparation grant. However, the grant agreement was only signed on April 29, 2015, resulting from a need to hold initial consultation workshops before formally allocating the grant, and subsequently a need to clarify the legal and fiduciary arrangements between the World Bank, MADS and Fondo Acción, the executing entity. A second Readiness Grant for US\$ 3.6 million was completed on January 30, 2019. Colombia's request for FCPF Additional Funding of US\$ 4.93 million in the form of a third grant was approved on March 29, 2017 during the 23rd Meeting of the FCPF Participant Committee.

The third grant is helping the government of Colombia to strengthen the enabling conditions for REDD+ Strategy (EICDGB) implementation. The grant is financing costs associated with scaling up and expanding Component 1 (Organization, Consultation and Participation) and Component 2 (REDD + Strategy Implementation) of the existing Project, and added a new Component 3 (National Monitoring Systems for Forests and Safeguards). This supports MADS in (i) strengthening ongoing participatory processes, by building the capacity of the indigenous and Afro-Colombian population, civil society and forestry sector organizations, thus increasing their engagement in the REDD+ process; (ii) creating appropriate conditions at an institutional, technical and operative levels to enable the implementation of the REDD+ Strategy to halt deforestation in active deforestation hotspots, (iii) continuing the establishment of a robust national forest monitoring system by implementing a protocol for community monitoring that strengthens tracking the drivers and agents of deforestation; (iv) and establishing a Safeguards Information System. With the current grant, the Project Development Objective (PDO) was modified, given the expanded scope of REDD+ readiness interventions.

Expected follow up (if any): Processing a restructuring request presented by FA in Q1 FY 22, and to continue supporting FA and MADS in the implementation of the project. The World Bank will continue to conduct regular virtual missions throughout the time remaining to the closing, to follow up the technical and financial performance of the Grant.

Comment on follow up: N/A

World Bank - Grant Reporting and Monitoring (GRM) Report

End Date of Last Site Visit: A virtual implementation support mission was carried out on February 9, 2021.

Grant Restructuring: Due to a series of delays that continued to affect the implementation of the Project, the development objectives and key milestones, FA has formally expressed its interest in extending the project closing date for an additional 5.5 months to allow for spending down the exchange rate gain and maximize achievement of the project's intended results. The WB is assessing the request.

OUTCOME

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

Grant Outcome Indicators

1. REDD+ and regional REDD+ implementation plans have been developed and finalized in consultation with various sectors and stakeholders in four Zonas Futuro (Catatumbo, Bajo Cauca, Chiribiquete and Pacifico Narinense)

Baseline Value: 1 National REDD+ strategy

Date: 07/01/2018

Progress to Date: 1 National Strategy. Inputs to the regional strategies

Date: 06/30/2021

Target Value: 1 national and 4 regional implementation plans formulated

Date: 12/31/2021

2. National and regional stakeholder participation platforms operational

Baseline Value: 1 National and 4 regional stakeholder participation platforms operational

Date: 07/01/2018

Progress to Date: 2 national and 4 regional platforms operational

Date: 06/30/2021

Target Value: 2 National and 9 regional platforms operational

Date: 12/31/2021

3. The Strategic Environmental and Social Assessment (SESA) completed country-wide and a National Environmental and Social Management Framework (ESMF) prepared

Baseline Value: National SESA completed. ESMF under finalization.

Date: 07/01/2018

Progress to Date: National SESA and ESMF under update. The Pest Management Plan, the Indigenous Peoples Framework and the Process Framework are under construction.

Date: 06/30/2021

Target Value: National SESA and ESMF completed

Date: 12/31/2021

4. An action plan on deforestation and forest management, including a baseline of the territorial, social and environmental conflicts, is agreed between the Ministry of Environment and Sustainable Development, indigenous organizations, and local communities

Baseline Value: No action plan including a baseline of territorial, social and environmental conflicts.

Date: 07/01/2018

Progress to Date: Inputs for action plan, including diagnostic documents and consultation events among the parties

Date: 06/30/2021

Target Value: Action plan including baseline for territorial conflicts, developed and agreed between MADS, indigenous organizations and local communities.

Date: 12/31/2021



5. Incorporation of the REDD+ Safeguard Information System within the National Environmental Information System (SIAC).

Baseline Value: No integration REDD+ SIS and SIAC.

Date: 07/01/2018

Progress to Date: No integration REDD+ SIS and SIAC

Date: 06/30/2021

Target Value: Integration of REDD+ SIS and SIAC

Date: 12/31/2021

COMPONENTS

Output and Implementation by Component

Organization, Consultation and Participation

Status: Under Implementation

Planned Output: FGRM, Capacity Building Plan and Communications strategy fully implemented Nationwide; National, regional and intersectoral deforestation control coordination mechanisms and platforms strengthened. Generation of inputs to inform Deforestation control, forest management and biodiversity conservation Public Policies.

Actual Output: Some activities of the Capacity Building Plan have been implemented such as the virtual course on “Community Forest Management and restoration of forest landscapes” in which 179 people participated. The Communications strategy is being updated and it is to be implemented in the final months of 2021. Coordination Platforms - the Amazon Regional Board, the Community Councils of the Pacific Coast and of the ethnic groups of Sierra Nevada of Santa Marta have been activated and are under operation. The National Indigenous Environmental Commission (CNAI) was created. Public Policies - A team of 52 professionals was hired to ensure that the enabling conditions for the implementation of the National REDD+ Strategy are in place and have contributed to the formulation of the National Deforestation Control Policy (CONPES 4021); the Protected Areas System Policy (CONPES SINAP); the implementation of actions to follow up on the Supreme Court Sentences on the Atrato and Amazon River basins, among other policy and regulatory instruments.

REDD+ Strategy Implementation

Status: Under Implementation

Planned Output: REDD+ proposed intervention models for deforestation hotspots/ agricultural frontier areas.

Actual Output: SESA process concluded. ESMF includes the Institutional Safeguards Framework. Both documents are under update. The Pest Management Plan, the Indigenous Peoples Framework and the Process Framework are expected to be finished by December 31 2021. GRM under improvement to ensure a comprehensive approach and the full inclusion of the civil society, including vulnerable communities, women, non-Spanish speakers (indigenous languages), and disable people. 3 Deforestation hotspot intervention models under implementation.

National Monitoring Systems for Forests and Safeguards

Status: Under Implementation

Planned Output: Community Forest Monitoring System implemented; National Safeguards Information System Operational.

Actual Output: Information System for Multiple Benefits and Safeguards (drafted), Community Forest Monitoring System strengthened: Six community organizations were hired to implement a participatory community monitoring program with IDEAM, in Andina centro, Andina Oriental, Andes Sur, Piedemonte Amazonico, Amazonía, Pacífico.

Program Monitoring and Evaluation Framework

Status: Under Implementation



Output: External Audits

Actual Output: There are no pending Audits. The 2020 audit was conducted with no significant findings.

Comment on planned and actual Output

To successfully execute the grant and the outstanding technical activities proposed in the original Operations Plan, an extension of the closing date will be required.

Delays in the implementation of planned activities, due to travel and mobilization restrictions imposed by the COVID-19 pandemic in 2020 and beginning of 2021, have slowly started to improve as there are now fewer travel restrictions.

Comment on component implementation progress

With a possible new extension of the closing date, it is expected that the project can implement the majority of expected activities, keeping the commitments of the original Grant Agreement and the subsequent restructuring.

EXECUTION

Bank project related to the grant

Project ID / Name: P120899 - Colombia FCPF REDD Readiness
Project Status: Lending
Global Focal Area: Climate change
Product Line: CN - Carbon Offset

Implementing agency and contact details

Agency: Fondo Acción
Contact: Natalia Arango
Address: Carrera 7 No 32-33, Piso 27 Bogota, Colombia
Phone: +57 1 2853862 **Email:** narango@fondoaccion.org
Website: www.fondoaccion.org

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+ related initiatives, including those funded by delivery partners and other development agencies.

There has been a strong coordination of the FCPF activities since the beginning of the project (2015) with other REDD+ related activities financed through other sources (UN-REDD, FAO, GIZ, USAID).

The interventions of Component 2, which include strengthening territorial and forest governance, rural producer capacity building, and regional/local planning for deforestation control, are complemented by funding sources that contribute to the implementation of activities nationwide (BioCF-ISFL / GEF 6 Orinoquia Project, the GEF Heart of the Amazon Project, and the National REDD + Early Movers program). They also directly contribute to Colombia’s climate mitigation objectives under its Nationally Determined Contribution, which relies to some 75 percent on emission reductions from the agriculture, forests, and land use sector, and whose planning and implementation the World Bank is supporting through the NDC Deep Dive. Sub-component 3a, the National Forest Monitoring System, was supported by additional funding from UN-REDD+, Colombia’s Joint Declaration of Intent (Norway, UK, and Germany) and is currently working with FAO in the generation of TA for the consolidation of a community-driven forest monitoring system.



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

During the past FY no changes were made to the technical design or approach related to the Grant activities.

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

Under Component 1a. National Readiness Management Arrangements, more than 52 consultants have been hired and integrated into the Ministry of Environment and the IDEAM's teams to strengthen the implementation of activities related to the implementation of the National REDD+ Strategy - *Estrategia Integral de Control a la Deforestación y Gestión de Bosques - EICDGB*. These teams have been strengthening the government's capacity with respect to: i) technical inputs and advice for policy instruments targeting deforestation, such as the Deforestation Control Policy (CONPES 4021 of 2020), the Protected Areas System Policy: 2020-2030 (pending for approval), the implementation of actions to follow up on the Supreme Court Sentences on the Atrato and Amazon River basins, among others; ii) the functioning of the FGRM and the National Safeguards System; iii) the formulation of payments for environmental services schemes; iv) community-driven forest monitoring processes and systems.

During a virtual supervision mission in February 2021, it was identified that several indicators had minimal progress. This generated the need to focus on speeding up procurement processes to boost low performance indicators. Fondo Acción and MADS adjusted the POA to prioritize contracts that contribute to those indicators to improve implementation performance. The World Bank also proposed the hiring of additional technical and procurement professionals in the project implementation unit, however, at the close of the reporting period, these professionals had not yet been hired. Separately, the World Bank held several trainings on procurement and financial management for the project implementation unit.

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?

The National SESA that included the Pacific, Amazon and Orinoquia regions was finalized with the second grant and was conducted in accordance with the Common Approach. Currently this document is being updated. The Orinoquia Chapter is being linked to the BioCF/ISFL Program. Colombia is developing a National Safeguards System. The Grant is supporting the government in the linking of the national safeguards system with the National Environment Information System through the hiring of a set of IT consultants.

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

The ESMF is under finalization and is in line with the World Bank's safeguards policies. The formulation of the Pest Management Plan, the Process Framework, and the Indigenous Peoples Framework in line with the Bank's safeguards' policies is underway and expected to be finished by December 31, 2021.

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

During this period, two platforms have been strengthened: 1) Amazon Regional Board for dialogue between the indigenous peoples of the Amazon and the National Government for the construction of the Intergenerational Pact for the life of the Colombian Amazon (PIVAC). This Pact was ordered by Supreme Court of Justice (STC 4360/2018) that declared the Colombian Amazon as a subject of rights. The project supported the establishment and organization of the dialogue round tables. 2) The dialogue process with the Embera and Wounaan indigenous communities that are in the Atrato River basin was supported through workshops to manage socio-environmental conflicts. This process responds to the recognition of the Atrato River as a subject of rights from Sentence T 622/2016 of the Constitutional Court of Colombia. The project, through four consultants, set up dialogue round tables and supported the design of communications material into Spanish, Embera and Wounnan. And finally, the National Indigenous Environmental Commission (CNAI) was created. The project through a consultancy with the *Organización Nacional de Pueblos Indígenas de la Amazonia Colombiana* worked on setting up the permanent conservation dialogue roundtable in which the CNAI was created, and its action plan formulated. The round table also contributed inputs for the formulation of a series of indigenous environmental policies. The government is also taking a participatory approach to design REDD+ intervention models for deforestation hotspots. As part of the approach, under the project, it has signed contracts with the indigenous, Afro-Colombian, and women's associations to conduct the formulation. Finally, the government's FGRM is being strengthened, and the project is planning to hire consultants to ensure a comprehensive approach and the full inclusion of civil society, including vulnerable communities, women, non-Spanish speakers (indigenous languages), and disabled people.

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	0.00	0.00
07/01/2018	12/31/2018	0.00	0.00	0.00	0.00
01/01/2019	06/30/2019	0.00	0.00	100,000.00	100,000.00
07/01/2019	12/31/2019	0.00	0.00	561,937.00	461,937.00
01/01/2020	06/30/2020	0.00	0.00	933,689.87	375,752.87
07/01/2020	12/31/2020	0.00	0.00	1,282,572.74	348,882.87
01/01/2021	06/30/2021	0.00	0.00	1,561,574.15	279,001.41