

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

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

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Assignment: TF019204

FIJI: FCPF IMPLEMENTATION SUPPORT

FCPFR - Forest Carbon Partnership Facility

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Summary Information	
TF Status	ACTV
Recipient Country	Fiji
Executed By	Recipient
Managing Unit	9269 - SEAE1
Grant Start Date / End Date	05/13/2015 to 12/31/2021
Program Manager	Siet Meijer
Original Grant Amount	3,800,000.00
Grant Amount	5,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	3,656,308 as of 06/30/2021
Disbursed 07/01/2020 to 06/30/2021	411,449
Donor	TF602001 - MULTIPLE DONORS

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

OVERVIEW

Overall Assessments

Grant Objectives:

The development objective of Grant is to assist Fiji to carry out the Readiness Preparation Activities by supporting the preparation of its REDD+ strategy through a participatory and inclusive process, the establishment of a national Monitoring, Reporting and Verification (MRV) system, and by producing technical work and policy advice to help strengthen sustainable land and forest management practices.

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

Comment:

Despite substantial challenges to implementation of the Grant in earlier phases, the Project has made significant progress in achieving the PDO. Under the Project, Fiji has achieved several important results including establishment of the National Forest Reference Level, determination of the deforestation and forest degradation rate, establishment of the National Forest Monitoring System, and some District Level Integrated Land Use Plans.

However, there are significant cumulative delays due to lengthy procurement processes, institutional capacity, and the impact of natural disasters and COVID-19. Given the delays, the government has requested to extend the closing date of the REDD+ Readiness Grant for another 12 months, from December 31, 2021 to December 31, 2022. The proposed extension is needed to enable the implementing agency to complete the remaining activities, including the National Forest Inventory work to collect data needed to assess and manage forest resources of Fiji, allometric work, ER-Program awareness raising, CSO Platform activities, and additional district level integrated land use plans. With the proposed extension of the closing date, the PDO remains achievable.

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 July 2021, the task team found implementation to be progressing well but hampered by lengthy domestic procurement processes and delays caused by natural disasters and COVID-19. Over the last 6 months, Fiji Government has endured many setbacks and had to refocus its efforts to address the devastation caused by the two tropical cyclones that made landfall in mid-December 2020 and early January 2021. Since March 2021, the country recorded its second wave of the COVID-19 pandemic, which had the highest per capita infection rate worldwide in July 2021 and consumes a substantial level of resource and efforts. The National Forest Inventory, allometric work, ER-Program awareness raising, CSO Platform activities, additional district level integrated land use plans are significantly behind schedule and are now on hold or are significantly changed due to COVID-19 social distancing and lockdown restrictions. However, now that COVID is under control in Fiji to a large extent all of the activities are expected to be completed by the revised closing date of December 31, 2022. As of July 1, 2021, US\$ 3.66 million has been disbursed, equivalent to 63% of the total grant proceeds. During the reporting period from July 1, 2020 to June 30, 2021, only US\$ 411,449 has been disbursed. This is partially because the government used its own funding for some activities and is now seeking reimbursement for the relevant expenditures.

A detailed summary of implementation can be found under the [Components](#) section below.

Grant follow-up and structure

Description and context of Grant:

The REDD+ process in Fiji began in 2009 with the first multi-stakeholder national REDD+ consultations funded by the SPC/Gesellschaft für technische Zusammenarbeit (GTZ) Pacific-German Regional Program on Adaptation to Climate change in the Pacific Island Region (ACCP-IR). The National REDD+ policy was subsequently developed through a comprehensive multi-stakeholder consultation process considered by many as exemplary in the region. It helped build trust and consensus between the various stakeholders from different Government agencies, resource owners, national and international NGOs, the private sector and Council of Regional Organizations in the Pacific (CROP) agencies. Following the endorsement of the REDD+ policy by the cabinet in 2010, the consultation process for the development of the REDD+ strategy has begun. The latter has involved focused workshop sessions on forest carbon rights, benefit

sharing and drivers of deforestation and forest degradation.

In 2012 Fiji requested to join the FCPF as an observer and subsequently developed the required documentation for becoming a FCPF REDD+ Country Participant. Led by the Forestry Department, Fiji began developing its Readiness Preparation Proposal (R-PP) in December 2012 and validated the draft through a series of steering committee meetings and national stakeholder consultations, including different Government agencies, national and international NGOs, resource owners, the private sector, regional organizations, academia and development partners like United Nations Development Programme (UNDP) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The R-PP outlines the activities and work plan for the ongoing REDD+ Readiness process.

In December 2013, the FCPF PC authorized grant funding of US\$ 3.8 million to support Fiji's REDD+ readiness process. This Readiness Preparation Grant is funding key elements of the R-PP. In particular, the development of the REDD+ strategy through highly consultative and participatory process, which will carefully assess the environmental, social and economic impacts associated with different land use options and will be informed by a range of technical and policy studies. The Readiness Preparation Activities are also strengthening the existing implementation arrangement for REDD+ in Fiji and are strengthening existing feedback, and grievance redress mechanisms (FGRMs) for REDD+. Lastly, the Readiness Preparation Grant is financing the set-up of an effective monitoring system for REDD+, including the development of Reference Emission Level/Reference (REL/RL), the design and set up of a Measurement, Reporting and Verification (MRV) as well as a safeguards information system. GoF and GIZ resources are complementing these activities by funding broader capacity building and awareness raising activities.

A few analyses for REDD+ pilots or projects had been carried out, but no systematic assessment of the drivers of land use change and their underlying causes exists at the national level. The consultations conducted during the development of the R-PP identified agricultural expansion (both subsistence and commercial) and forest conversion for pasture lands and grazing as primary drivers of deforestation and forest degradation, followed by infrastructure development (for tourism and logging roads), energy production (mainly hydropower), urban expansion and forest fires. Given the country's development objectives, however, pressures on forests are likely to increase further driven by a range of sectors, including agriculture, logging, mining, tourism, energy, transport and urban development.

The Government of Fiji is committed to mitigating the impacts of climate change and natural hazards. Fiji's 5-year and 20-year Development Plan (2017) has identified development goals that are potentially threatened by climate change and natural risks. Since 2013 the government's spending on investments to strengthen resilience has grown fourfold, from F\$ 89 million to F\$ 359 million in FY 2016-17. Fiji has also demonstrated international commitment. It is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and has been playing an active role in the negotiations, chairing the AOSIS, G-77 groups and the UNFCCC SBI. It has also actively participated in REDD+ negotiations, as a member of the Coalition of Rainforest Nations. In November 2017 Fiji chaired COP 23, becoming the first Small Island Developing State to preside over the conference of parties # the annual round of the ongoing United Nations climate negotiations, held in Bonn, Germany.

In May 2018, additional financing (AF) of US\$ 2 million was approved, with a view to scale up the financing to strengthen and finalize the work underway to further advance Fiji's REDD+ Readiness, which made the total grant amount to US\$5.8 million.

Expected follow up (if any): Follow up project or grant (non-Bank funded)

Comment on follow up:

The Bank's task team also manages the Fiji FCPF Emission Reductions Program (ER Program) (P163484) under the FCPF Carbon Fund. The Project Development Objective of the ER Program is to make payments to the Program Entity for measured, reported and verified Emissions Reductions from reduced deforestation and forest degradation, and enhancement of forest carbon stocks (REDD+) at the national level in Fiji and to ensure that paid amounts are distributed according to an agreed Benefit Sharing Plan.

The Emission Reductions Payment Agreements (ERPAs) for Fiji were signed by the World Bank as a trustee on behalf of the FCPF Carbon Fund and shared with Ministry of Economy for countersigning in July 2020. After a series of internal processes, the EPRA signing was approved by the Cabinet in January 2021. On January 28, 2021 the Honorable Minister of Economy and Attorney General signed the ERPAs on behalf of the GoF. Fiji was the first country in the Pacific and first Small Island Developing States to sign an ERPA. The ERPAs are expected to unlock up to US\$ 12.5 million of results-based payments for reducing emissions from deforestation and forest degradation (REDD+). It is the culmination of Fiji's careful planning and political commitment to managing its forests and land sustainably as part

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of national efforts to combat climate change, build resilience, and ensure inclusive green growth.

Through highly participatory and inclusive processes, a Benefit Sharing Plan has been finalized in July 2021 to provide financial incentives for key project stakeholders and communities. Fiji's Climate Change Bill was passed into law on September 23, 2021, which is a historic milestone with specific provisions for REDD+ and the FCPF Emission Reduction Program. Based on these achievements, conditions of effectiveness of the ERPA have been fulfilled and the ERPA were declared effective as of October 8, 2021.

End Date of Last Site Visit: n/a

Restructuring of Grant: The grant was restructured in May 2020 to extend the project closing date by 18 months from June 30, 2020 to December 31, 2021. The Project Development Objectives (PDO), project scope or in the safeguard category remain unchanged and no new safeguards policy was triggered. As noted above, another extension of the closing date from December 31, 2021 to December 31, 2022 is being processed as per government request.

OUTCOME

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

See comments on achievements by component.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

There are no components defined for this trust fund / grant.

Comment on planned and actual Output

n/a.

Comment on component implementation progress

Component 1 - Institutional Strengthening for Reducing Emission from Deforestation and Forest Degradation, and enhancement of forest carbon stocks (REDD+), including establishing and operationalizing the national REDD+ Steering Committee and management arrangements at national and subnational level.

REDD+ Steering Committee: The REDD+ Steering Committee (SC) is an institutional mechanism to ensure the participation of key stakeholders in the REDD+ readiness process. It continues to function well and provides strong leadership and guidance to the REDD+ Coordination Unit.

REDD+ Coordination Unit: The REDD+ Coordination Unit is fully staffed and continues to coordinate well with the Steering Committee, CSO Platform and other ministries. The Unit continues to make efforts to accelerate implementation with a number of contracts issued/completed across all seven core areas related to the ER Program Framework. However, there continued to be significant delays, stemming primarily from lengthy domestic procurement processes and delays caused by COVID.

Component 2 - Development of a REDD+ strategy, building on the ongoing processes in-country to help identify the best balance of land use options to promote sustainable and inclusive economic growth. This includes developing a deep understanding of the multi-sectorial drivers of deforestation and forest degradation, integrating social and environmental concerns into the REDD+ strategy, building broad-based support across all ethnic groups and relevant stakeholders, and including strengthening of the existing Feedback and Grievance Redress Mechanism for REDD.

The first draft of the REDD+ Strategy was presented at the December 11th, 2020 REDD+ Steering Committee (RSC) Meeting. A technical working group made of RSC members have been meeting (virtually) to finalize the report. As noted above, Fiji's Climate Change Bill was passed into law on September 23, 2021.

National Forest Inventory (NFI). The REDD+ Unit, with the support of the Ministry of Forestry has committed adequate resources to this important national initiative to collect data needed to assess and manage forest resources of Fiji. The field data collection has been delayed due to COVID-19. Whilst all the equipment was procured and the teams started

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work, community outbreaks of COVID-19 disrupted the field work in June 2021. The NFI is a large and complex data collection program with its success highly reliant on favorable weather, transport and communications to access field sample plots identified for measurement. In compliance of the Ministry of Health Guidelines on COVID-19, the REDD+ Unit is identifying ways to progress the work while ensuring safety of staff and field crew associated with the NFI. Due to uncertainty associated with the current lockdown in Fiji, it is increasingly unlikely that the NFI could be completed by the current end date for the Project in December 2021. During the implementation support mission in July 2021, it has been agreed to request an extension of the project by one year to the end of December 2022 to facilitate successful completion of the NFI.

Strategic Environmental and Social Assessment (SESA) process and Environment and Social Management Framework (ESMF) Development: The SESA and ESMF have been completed together with the accompanying instruments, Indigenous Peoples Project Framework (IPPF), Resettlement Policy Framework (RPF), and Process Framework (PF). The Safeguards Information System work has been substantially completed by the consultants and the final deliverable report 'Safeguards Information System' is being drafted.

Consultation and stakeholder engagements. Consultations and stakeholder engagements continue with various Government, non-government and community-based people and organizations. The level of activity has been reduced due to the COVID-19-related restrictions on travel and gatherings. The REDD+ Unit has been using a Consultation and Participation Plan (CPP) and the mission was informed this will need to be updated to be more relevant to the ERP and the REDD+ Strategy work that is planned. Generic REDD+ educational materials have been developed before and are being further developed. There is an opportunity for consultations, engagement and public communications to be more consistent and cohesive under the ERP and with shared resources and tools such as the REDD+ educational materials. This will help the CSO platform, their members and the communities and organizations they work with. Generic resources can be tailored to the needs of each CSO. The World Bank team will support REDD+ Unit to review and update the Plan for relevance to the ERP and REDD+ Strategy work plan and the needs of the CSO Platform.

Component 3 - Establishment of a monitoring system for REDD+, including developing National Reference Emission Level (NREL), designing a MRV system, and setting up a safeguards information system.

Activity Data: The Management Services Division (MSD) of the Ministry of Forestry has completed wall-to-wall classification of remote sensing data to produce an annual time series of forest /nonforest from 2006 - 2019. This national dataset provides deforestation and reforestation information across all forests in Fiji. This is a great achievement. A contract is underway to investigate a direct detection method for degradation across Fiji with the aim to replace the current proxy method of estimating degradation within forestry concessions. If this method works in Fiji it will have positive impact on the uncertainty surrounding the estimates for degradation. Analysis of 2017-2019 activity data has been completed and remote sensing data of 2020 commenced in February. An accuracy assessment will be completed when all data is available to generate the final set of activity data for the ERP monitoring report and the National Forest Reference Level to be submitted to the UNFCCC. The classification work is being conducted in-house for which the Ministry of Forestry should be congratulated.

Design and implementation of functional database system. A Database Specialist has supported collation of the activity data so that all the data are housed in a central repository and regularly backed up. Data from the NFI program will be collected using tablets and stored in the database and links to the integration system are being made to assist with efficient data collection and data processing. NFMS/NFI integration Framework, processes and protocols provide recommendations for its maintenance and development.

Allometric Equations. Three teams have been selected and will be managed by the Director of Silviculture Research and Development of the Ministry of Forestry. The fieldwork has been designed based on previous initial work in developing allometric models. Work is expected to be completed by June 2022.

Direct monitoring of Forest Degradation. The investigation into an improved method using the algorithm CODED to estimate forest degradation has been completed and a draft report submitted. This study showed the CODED can detect forest degradation in the forests of Fiji and shows promise as a method to estimate the magnitude of forest degradation and associated GHG emissions in Fiji. Further testing and refinements to estimates of deforestation is proposed to be completed prior to its deployment for estimation of the national Forest Reference Level (FRL). Testing and refinement is ongoing and expected to be completed by December 2021. This work forms part of Fiji's NFMS continuous improvement processes.

EXECUTION

Bank project related to the grant

Project ID / Name:	P151209 - Fiji REDD+ Readiness Preparation Project
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	RE - Recipient Executed Activities

Implementing agency and contact details

Agency:	Ministry of Forestry		
Contact:	Permanent Secretary Fisheries and Forests, Pene Baleinabuli		
Address:	PO Box 2218, Government Building, Suva, Fiji		
Phone:	+679 3301 611	Email:	pene.baleinabuli@govnet.gov.fj

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by others.

There are two national REDD+ pilot sites, located on the two major islands of Fiji - Viti Levu and Vanua Levu with the main objective of trialing out readiness approaches and methodologies in preparation for the national scale implementation. In addition, one project site - DRAWA is acknowledged to demonstrate community-based reforestation approach on the island of Viti Levu. Lessons and experiences for implementation of REDD+ derived from the two REDD+ pilot sites and the Drawa Project site are being shared with the ERPL, including the study on carbon measurements and monitoring in different landuse types; approaches to inform FPIC and SESA and community-based management and monitoring; climate smart agriculture, land use planning and reforestation methodologies (main strategies for implementation of REDD+).

The ERP has also been coordinating with the following development partners:

- GIZ has been a longtime partner in supporting Fiji's REDD+ Readiness preparation process. Together with the SPC, the GIZ, through the project 'Coping with Climate Change in the Pacific Island Region', supported the development of a National REDD+ Policy. The project served as a flagship and training area for the Pacific region. GIZ continues to support Fiji in capacity building at the local level for REDD+ implementation.
- Conservation International (CI) collaborates with communities to improve natural resource management and livelihoods, from the mountains to the coasts to the sea, using an approach called 'ridge to reef to ocean'. Furthermore, CI has been a key partner in supporting Fiji in its REDD+ Readiness preparation phase. Specifically, CI has supported some of the key studies, such as the identification of drivers of deforestation and forest degradation, REDD+ Strategy Options, and the study on benefit sharing mechanism (BSM). It is currently developing Fiji's Safeguards Information System commissioned by the GoF.
- The GEF provides US\$2.1 million financing to facilitate the implementation of the ER Program. This funding will support investments in restoration of degraded forests and enhanced carbon stocks.
- GCF. Still under preparation, it is expected that CI will work with the World Wildlife Fund to submit a proposal to GCF called 'The Greater Sea Reef', where the forestry component is some US\$8-US\$10 million focusing on Macuata, Ra, and Ba Provinces—basically the northwest parts of Vanua Levu and Viti Levu encapsulating the Greater Sea Reef off Macuata.

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- US Department of Agriculture Forest Service has assigned a MRV specialist stationed at the Fiji Ministry of Forestry, working closely with the MRV team to provide technical support to the Readiness Project and ERP with a duration of two years.
- USAID has been supporting a study - GENDER-BASED VIOLENCE AND REDD+ IN FIJI. This is linked to the FGRM study and mechanism developed under the Readiness Project.

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

There are no major changes in 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.

Procurement and disbursement continue to be hampered by challenges with lengthy domestic processes and inability of key consultants to travel and deliver training and capacity building workshops. Regular teleconferences held (weekly or biweekly) between the World Bank, REDD+ Unit, MSD and international consultants has helped with progress of the ongoing tasks. A request to increase the ceiling of the designated account and reduce the threshold for direct payment was discussed, which is expected to help accelerate disbursements.

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?

SESA and ESMF report have been developed in accordance with the Common Approach. SESA study identified seven potential noncarbon benefits and their monitoring system in the context of Fiji. Fiji is now working to develop a Safeguard Information System and monitoring system for non-carbon benefits. SESA is uploaded on the Fiji's REDD+ website.

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

Yes. The SESA consultancy developed an ESMF that outlines the procedures for managing potential environmental and social impacts resulting from REDD+ implementation, including guidance for the preparation of future environmental and social safeguard instruments. ESMF is uploaded on the Fiji's REDD+ website.

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

Consultations have been carried out throughout the REDD+ process with indigenous communities, non-indigenous commercial investors, private sector, government, NGOs/civil society organizations (CSOs), academic and research institutions, international agencies, faith-based organizations, urban-based indigenous decision-makers, National iTaukei Resource Owners Council, provincial and district representatives from the 11 provinces, community groups, and statutory bodies. The REDD Steering Committee composed of representatives from the above-mentioned stakeholders have been meeting regularly to discuss the key issues and provide guidance and advice to the REDD+ Readiness Project and ERP.

Consultations and stakeholder engagement continue with various Government, non-government and community-based people and organizations. Yet the level of activity has been reduced due to the COVID-19-related restrictions on travel and gatherings. The REDD+ Unit has been using a Consultation and Participation Plan (CPP), which will be updated to be more relevant to the ERP and the REDD+ Strategy work that is planned. Generic REDD+ educational materials have been developed before and are being further developed.

The CSO Platform continues to engage well with the REDD+ Unit and other members of the Steering Committee. The national REDD+ Steering Committee (SC) has been established as an institutional mechanism to ensure the participation of key stakeholders in the REDD+ readiness process. Recent examples of this engagement include CSO Sogosogo Vaka Marama working to establish nurseries and develop other alternative Non Timber Forest Products livelihood opportunities; and Live and Learn starting the Ecosystems-Based Climate Adaptation Project (ECAP), an EU-funded project working with 75 villages in Vanua Levu to develop carbon and honey-based income opportunities.

CSO members have also been funded to join workshops, training sessions and other REDD+ activities, which have greatly helped in improving the REDD+ capacity and outputs of the CSO Platform. Awareness programs continue to be conducted through the radio program, talkback program, consultation workshops, train the trainer programs, and regular meetings.

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The FGRM+ report was delivered in 2018 and takes into consideration both formal and customary networks for grievance redress and includes strategic pathways based on its intent and required functionality. So far no complaints have been received according to the REDD Unit. The FGRM is being enhanced with the support of USAID. The enhanced FGRM is the second iteration of Fiji's REDD Readiness' conflict resolution mechanism. It builds on previous FGRM research and analysis (2017-2018) and incorporates findings and conclusions from more recent research and consultations conducted under the USAID's Resilient, Inclusive, and Sustainable Environments (RISE) Challenge (2020) Project. It complements the existing structures that serve to reduce land and resource-based conflicts, while promoting constructive and trusting relationships. Moreover, it also places greater emphasis on gender mainstreaming and provides processes and procedures to tackle gender-based risks, including detection of possible cases of gender-based violence.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2015	06/30/2015	0.00	0.00	0.00	0.00
07/01/2015	12/31/2015	0.00	0.00	235,100.00	235,100.00
01/01/2016	06/30/2016	0.00	0.00	286,677.40	51,577.40
07/01/2016	12/31/2016	0.00	0.00	464,213.56	177,536.16
01/01/2017	06/30/2017	0.00	0.00	739,834.34	275,620.78
07/01/2017	12/31/2017	0.00	0.00	926,711.40	186,877.06
01/01/2018	06/30/2018	0.00	0.00	1,158,836.08	232,124.68
07/01/2018	12/31/2018	0.00	0.00	1,839,669.11	680,833.03
01/01/2019	06/30/2019	0.00	0.00	2,621,039.32	781,370.21
07/01/2019	12/31/2019	0.00	0.00	2,843,187.22	222,147.90
01/01/2020	06/30/2020	0.00	0.00	3,244,858.85	401,671.63
07/01/2020	12/31/2020	0.00	0.00	3,451,519.46	206,660.61
01/01/2021	06/30/2021	0.00	0.00	3,656,307.99	204,788.53