

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF0A1064
Printed On: 10/09/2019

Reporting Period: 07/01/2018 to 06/30/2019
Report Type: Progress Report
Report Status: Approved

Assignment: TF0A1064

Uruguay: Forest Carbon Partnership Facility Readiness Preparation Proposal FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000467066 - Rodrigo Martinez Fernandez
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Uruguay
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	03/16/2016 to 06/15/2020
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,753,910.24 as of 06/30/2019
Disbursed 07/01/2018 to 06/30/2019	960,374.11
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 Grant is to assist the Recipient in carrying out the Readiness Preparation Activities in order to strengthen the Recipient's capacity to participate in future REDD plus carbon payment transactions

Overall progress from 07/01/2018 to 06/30/2019 with regard to Achieving Grant Objectives:

Comment:

The Oriental Republic of Uruguay has achieved notable progress in FY19 to implement the activities and meet the objectives financed by the Grant. Progress has been achieved on all components through the generation of key information; the advancement of important supporting documents; the formulation of policy documents, i.e. a draft of the National REDD+ Strategy; and the overall execution of the Grant.

In order to build upon these advancements, the Government of Uruguay requested an extension of original project closing date from December 2019 to December 2020. The work plan and timeline have been readjusted to reflect the targets laid out in the Assessment Note. With the approval of the closing date extension request, the Government has proceeded with contracting the National Institute for Agriculture Research (INIA), which will support the country in finalizing its strategy, calculating Forest Reference Emissions/Removal Levels (FREL/FRL), designing the National Forest Monitoring System (NFMS) and the Safeguards Information System (SIS).

Overall progress from 07/01/2018 to 06/30/2019 with regard to Implementation of Grant Financed Activities:

Comment:

Implementation of the grant has been successful. As of June 24, 2019 (FY19), total disbursements were US\$960,374 (36.8% of the funds) were disbursed. Given the extension, the FY18 implementation challenges on the fiduciary aspect have been mitigated and the country is on track to deliver disbursements against the new deadline appropriately.

The World Bank has worked with the PMU to revise the Annual Operations Plan (AOP) under the scenario of a project closure date extension. Additionally, within the framework of a March 2019 mission to support the implementation of the different grant components and activities, the financial management aspects of the REDD+ Project were reviewed. It was concluded that the country's Project Management Unit (PMU) has achieved moderately satisfactory progress, and that the agreed upon actions from the July 2018 mission (FY18) had been adequately addressed for the time being.

Grant follow-up and structure

Description and context of Grant:

The project contemplates activities to design and implement policies and programs to reduce emissions from deforestation/degradation, which anticipates a full and meaningful engagement with potentially impacted stakeholders. The main results expected at project closure are:

Component 1: Organization and Consultation for REDD+ Readiness

- a. #National REDD+ management arrangements
- b. #Consultation, participation, and outreach

Component 2: REDD+ National Strategy Preparation

- a. #Main direct and indirect causes of deforestation and landscape degradation identified and analyzed
- b. #Effective REDD+ strategy options identified
- c. #Implementation Framework for REDD+ designed
- d. #Possible social and environmental impacts associated to the REDD+ strategic options (SESA and ESMF) assessed

Component 3: Reference Emission Level/Forest Reference Level

- a. #National reference emissions level or reference level for the forest sector

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Component 4: Forest and Safeguards Monitoring System

a. #Design and implement a national forest surveillance system

b. #Information system for multiple benefits, other impacts, governance, and safeguards

Expected follow up (if any): Follow up Bank project/loan/credit/grant

Comment on follow up:

The World Bank had a mission in Uruguay in March 2019 (FY19) with the following main objectives: i) to monitor implementation of the donation and to support the development of technical aspects of the project's components, ii) to support the improvement of the annual operating and procurement plans, and iii) to support the supervision of activities associated with formulating the social and environmental safeguards instruments. The Bank will follow up with its observations and recommendations made during the mission in FY20.

A follow up mission on the implementation of the project will take place during late November or December 2019 to benefit also from a SESA workshop taking place.

End Date of Last Site Visit:

Restructuring of Grant:

December 2020 is expected to be the project's new closing date. Dates have been adjusted based on the updated Grant's implementation schedule (until June 2019).

OUTCOME

Comments on outcome achieved from 07/01/2018 to 06/30/2019

Regarding the implementation and outcomes of achieved grant financed activities, key outcomes include:

C1. Organization and Consultation for REDD+ Readiness

FY19 advanced the participation and consultation platforms made in the previous fiscal year. In December 2018, the REDD+ National Roundtable (Mesa REDD+) had its first meeting as an advisory body operating under the National System of Response to Climate Change and Variability (SNRCC). It is made up of civil society, research centers, private sector, and public institutions at the national and subnational level. At least 2 annual meetings of the REDD+ Bureau have been planned for the next year.

A draft of the ENREDD+ was presented to the SNRCC Coordination Group in May 2019. The comments have been incorporated into the draft, along with suggestions for the Strategic Environmental and Social Assessment (SESA) process. A firm has been contracted to implement the SESA and formulate the Environmental and Social Management Framework (ESMF). In parallel, progress has been made in the logistical aspects and definition of criteria to begin the consultation on the first draft of the National REDD+ Strategy.

Consultations to identify key stakeholders and drivers of deforestation and forest degradation have been concluded. The process consisted of 9 inter-institutional meetings, 6 regional coordination meetings, and 3 regional workshops. In order to identify relevant actors for the development of ENREDD+ and meet the Operational Procedures of the World Bank, a series of working groups and consultations were held specifically with representatives from groups that identify themselves as indigenous populations in different parts of the country: Montevideo, Tacuarembó, Salto, Paysandú, Flores and Rocha.

Regarding the Feedback Grievance and Redress Mechanism (FGRM), the REDD+ Technical Team has plans to evaluate the tasks required to develop an appropriate system that meets the FCPF Methodological Framework. The evaluation will determine whether a firm will need to be contracted. The FGRM will be ready before the Project comes to a close.

C2. REDD+ National Strategy Preparation

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In FY19, progress was made regarding the development of key technical studies supporting the design of the REDD+ National Strategy and the safeguards instruments. Studies on the following analyses are in progress or completed: i) drivers of deforestation and forest degradation and barriers to conservation, sustainable management and the increase of native forest carbon stocks; ii) spatial analysis on illegal factors affecting forests; iii) fiscal incentives and forest sector public expenditure; iv) land tenure; and v) invasive species; amongst others.

The REDD+ Technical Team has made important advancements in the formulation of its National REDD+ Strategy, and has developed a first draft of its components and activities. This version has been discussed and agreed upon by the institutions that are a part of the ministerial agreement for the implementation of the REDD+ Project and a Political Technical Committee. The ENREDD+ is the base input for the SESA process that will begin in the second half of 2019.

C3. Component 3: Reference Emission Level/Forest Reference Level

FY19 carried out significant advances in this component. The map of national native forest cover in 2016 with Sentinel 2 was finalized in the second half of 2018 and was incorporated into the National Forest Cartography, which includes native forests and forest plantations. The national maps of native forest cover in 2016 with Sentinel 2 and Landsat 8 were validated and presented to the REDD+ Project Technical Committee on March 12, 2019.

Work has continued on the adjustment of the multi-temporal map methodology to identify changes in native forest cover for the period 2000 # 2009 # 2016, to adapt it to the specificities of Uruguay and the characteristics of forest cover change in native forests. New layers of information were generated by the REDD+ Technical Team via the proposed methodology improvements supported by a technical mission to the country by Global Earth Engine and the University of Boston.

The REDD+ Project Technical Team reviewed and analyzed the results of a Collect Earth survey to inform the Forest Reference Level. The use and change of land use matrix was constructed for each year between 2000-2016 (the reference period for REDD+ Uruguay), considering only native forest plots and the losses and gains of native forest. This information will be used as activity data for the estimation of GHG emissions from deforestation processes for that period.

A carbon map of living biomass of the native forests of Uruguay is being developed. This map will be the basis for the estimation of GHG emissions resulting from deforestation processes in the country.

The estimations of uncertainty of the different cartographic products generated by the REDD+ Technical Team, activity data arising from the survey conducted with Collect Earth, and the deforestation areas identified is ongoing. Progress has also been made in defining the methodology to estimate the uncertainty of the carbon map being prepared.

C4. Forest and Safeguards Monitoring System

In FY19, the Grant supported the strengthening of capacities of the REDD+ Project Technical Team on methodologies for mapping the three REDD+ activities that will be included in the FREL/FRL and included in the Project monitoring system.

Since the second half of 2018, the digitization of the national forest registry has made important progress and completion is expected in the second half of 2019. As a result of the digitization process, there will be a geospatial database with information on the registered forests and their respective management history (clear cut, thinning, street opening, etc.). This will allow the visualization and processing of information from each registry and management at the individual property level as well as different regional scales, thus supporting the design of the National Forest Monitoring System (NFMS). The roadmap for the NFMS was prepared in December and part of the proposed activities have been included in the framework of the National System of Agricultural Information (INIA) contract. Meetings have taken place with INIA technicians and the Forest Management Division of the Ministry of Livestock, Agriculture and Fisheries to ensure that the geospatial database will be dynamic and allow for new registration folders and management plans to be uploaded.

In terms of operationalizing the MRV, Uruguay sent proposals in the form of 5 work packages to the European Space Agency that correspond to the country's identified capacity, training, and data collection needs.

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The REDD+ team is developing conceptual maps for the future SIS, but its creation will naturally co-evolve from the ENREDD+, SESA process, and the ESMF. The results of the current consultancy performing the literature review and comparative analysis shaping Uruguay's SIS will serve as additional inputs for the conceptual design and operation of the SESA.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Component 1: REDD+ Readiness Organization and Consultation

Status:	Under Implementation
Planned Output:	Q2: cross-sectoral coordination body. Q3: national participation and consultation plan designed and implemented.
Actual Output:	Technical committee active. First meeting of the REDD+ Round Table. Participation and consultation plan is being used to implement the consultation and validation of the SESA process and EN-REDD+.

Component 2: National REDD+ Strategy and Safeguards

Status:	Under Implementation
Planned Output:	EOP: EN-REDD+ implemented. Q8: FGRM, SESA, and ESMF prepared. Q12: regulatory and institution framework for activities and benefit sharing updated.
Actual Output:	Strategic studies at or near completion. First draft of EN-REDD+ under consultation. Strategic options identified. Firm selected to prepare SESA (first round complete) and ESMF.

Component 3: Reference Emissions Level/Reference Levels

Status:	Under Implementation
Planned Output:	EOP: National FREL/RL. Q12: necessary information needed to establish the reference level has been gathered. Q16: business as usual reference level scenario developed.
Actual Output:	Sentinel 2 National native forest cover from 2016 finalized and incorporated into the National Forest Cartography. Forest and land-use matrix constructed for each year of the reference period.

Component 4: National Forest Monitoring System

Status:	Under Implementation
Planned Output:	EOP: NFS for MRV improved. Q4: non-carbon benefits indicators validated and measures are in place to gather data in a determined schedule. Q8: NFI data incorporated into national GHG inventory.
Actual Output:	National forest registry is almost digitized. Preliminary geospatial platform developed. Roadmap for the NFMS defined. Co-benefits identified in regional workshops. Consultancy hired to develop SIS.

Comment on planned and actual Output

Comment on component implementation progress

Component 1. Consultation, Participation and Divulcation of Information.

The REDD+ preparation process in Uruguay is carried out within the framework of a bi-ministerial agreement between the Ministry of Livestock, Agriculture and Fisheries (MGAP) and the Ministry of Housing, Land Management and Environment (MVOTMA). This has been conducive for nurturing synergies and coordinating the management of native forest. This background is essential when considering REDD+ national management arrangements for later stages, i.e. implementation and payment for results.

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The first draft of the National REDD+ Strategy is ready for consultation. The first round of regional workshops and one of the national workshops will be completed in the second half of 2019, and completed entirely by the end of FY20. Over the next year, the SESA consultation is expected to have been carried out over 12 regional workshops and 2 national workshops. The SESA report and ESMF will also be completed by the end of FY20.

The implementation of the communications strategy will continue, the central objective being to sensitize citizens in the importance of the native forest, its benefits, and its role in mitigating climate change, as well as promoting citizen participation for the development and proper execution of a National REDD+ Strategy.

Component 2. National REDD + Strategy

Substantial progress has been made in the development of a National REDD+ Strategy since the last reporting period. Advancements have been made in the identification of strategic options, but the activities associated with each are still pending. In order to move to completion, it is necessary to make strong progress in the process of consultations for the strategy outside of the REDD+ Team and the institutions that are a part of the REDD+ Technical Committee. In this sense, the ENREDD+ draft has been shared with the SNRCC and in the second half of 2019 it will be shared with the REDD+ National Roundtable and with various actors in the SESA framework process. The R-Package is expected to be presented to the PC within the next year.

In FY19, significant advances were made to identify and analyze the main direct and indirect causes of deforestation and landscape degradation. Multi-temporal deforestation and degradation maps are not available yet, but Collect Earth data has allowed for the comparison of different drivers and the collection of points of forest loss. It is necessary to have quantitative data and activity data at the national level to weigh the magnitude that different drivers exert on native forest and to support the analyses that have been based on secondary information, consultations, workshops, and interviews. Advancements in Component 3 will provide elements that allow for further progress and better multi-temporal analyses.

Component 3. Reference Emission Level/Forest Reference Level

While significant advancements have been made in this component, some important challenges remain moving forward. It is necessary to enhance efforts to generate emission factors to allow for the estimation of GHG emissions and removals with a greater level of complexity (Tier 2 or 3). Additionally, advances need to be made on the adjustment of the methodology to generate REDD+ activity data related to deforestation, degradation, and the increase of carbon stocks for both the FREL/FRL and the National Forest Monitoring System. Addressing these issues and improving the FREL/FRL have been included in the framework of the research agreement with the INIA as a line of investigation.

Component 4: Forest and Safeguards Monitoring System

This subcomponent is closely linked to the methodological developments that are being defined for the FREL/FRL. The maps and adjustments used to design the framework of the FREL/FRL will be an integral part of the National Forest Monitoring System. However, gaps remain in the conceptual design of the National Forest Monitoring System, the REDD+ Registry, and the integration of multiple databases into a single system that will be the basis for the MRV of the REDD+ Project. However, advancements have been made in training and capacity, which will allow for rapid progress in establishing the National Forest Monitoring System once Component 3 has advanced.

The SIS will be strongly linked to the ESMF and the MRV, and is expected to be designed with information at the national level but also indicators that allow for monitoring project compliance with safeguards at the sub-national level.

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EXECUTION

Bank project related to the grant

Project ID / Name:	P151978 - Uruguay FCPF REDD READINESS
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency:	Ministry of Livestock, Agriculture, and Fisheries (MGAP)		
Contact:	Jorge Marzaroli		
Address:	Avda. E. Garzón 456 - CP 12900		
Phone:	(+598) 2309 4507	Email:	
Website:			

PROGRAM

Program Specific Questions

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

No other REDD+ specific activities have been identified in the country.

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

The REDD+ Technical Team requested an extension of the original project closing date from December 2019 to December 2020. The new project closing date adapts changes to the work plan and appropriates the time necessary to guarantee the disbursement of funds and implementation of project activities.

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

Progress has been made, especially regarding the resolution of aforementioned fiduciary issues now that the project closing date has been extended.

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?

Yes, within the framework of the preparation of the SESA process, communication and consultations, have taken place and are the basis for the process of preparing the SIS.

The first stage of the SESA design consisted of the dissemination of the process of preparation of the REDD+ Strategy, including territorial consultations on co-benefits of the forest and on the causes of degradation and deforestation of the native forest, as well as identification of training needs and strengthening of various key actors identified in the framework of the preparation of the REDD+ Strategy.

A bibliographic review of the safeguards, the Operational Policies of the WB, the Safeguards of Cancun and the IFC of the Green Fund has been conducted to assess whether REDD+ strategic options could generate environmental or social impacts.

The GoU has hired a consulting firm to implement the SESA and prepare the ESMF. Future activities will allow a more detailed analysis of the current legal framework and gaps necessary to comply with the Common Approach and Cancun and GCF Social

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and Environmental Safeguards.

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

Yes, the ESMF is being prepared in accordance with the Common Approach.

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

The REDD + process in Uruguay is carried out jointly by the Ministry of Agriculture and Fisheries (MGAP) and the Ministry of Housing, Territorial Planning and Environment (MVOTMA). Both institutions have worked previously on building participation platforms with national coverage.

The participation and consultation plan for REDD+ has been designed and progress has been made in the implementation of the plan for the preparation of the REDD+ National Strategy draft. The draft is currently in the process of consultation and validation.

As mentioned previously, the FGRM will be analyzed by the REDD+ Technical Team to evaluate the tasks required to develop an appropriate system that meets the FCPF Methodological Framework.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2016	06/30/2016	0.00	0.00	0.00	0.00
07/01/2016	12/31/2016	0.00	0.00	500,000.00	500,000.00
01/01/2017	06/30/2017	0.00	0.00	500,000.00	0.00
07/01/2017	12/31/2017	0.00	0.00	793,536.13	293,536.13
01/01/2018	06/30/2018	0.00	0.00	793,536.13	0.00
07/01/2018	12/31/2018	0.00	0.00	1,227,465.80	433,929.67
01/01/2019	06/30/2019	0.00	0.00	1,753,910.24	526,444.44
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00
01/01/2020	06/30/2020	0.00	0.00	0.00	0.00