

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF019203
Printed On: 11/09/2017

Reporting Period: 07/01/2016 to 06/30/2017
Report Type: Progress Report
Report Status: Approved

Assignment: TF019203

Vanuatu - IInd Grant Agreement for FCPF Readiness Preparation Proposal FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000188675 - Ms. Anisi
Approving Manager: 00000066054 - Iain G. Shuker

Summary Information	
TF Status	ACTV
Recipient Country	Vanuatu
Executed By	Recipient
Managing Unit	9269 - GEN2A
Grant Start Date / End Date	04/20/2015 to 12/31/2019
Original Grant Amount	3,600,000.00
Grant Amount	3,600,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	829,264.86 as of 06/30/2017
Disbursed 07/01/2016 to 06/30/2017	466,724.75
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 development objective of Grant is to assist Vanuatu to carry out the Readiness Preparation Activities by supporting the preparation of its REDD+ strategy through a participatory and inclusive process and by producing technical and policy advice to help strengthen sustainable land and forest management practices.

Overall progress from 07/01/2016 to 06/30/2017 with regard to Achieving Grant Objectives:

Comment:

The Government of Vanuatu has maintained strong commitment and support to the Project and significant progress has been made in advancing Vanuatu's REDD+ readiness and meeting the project development objectives. Despite some delay most planned activities have been advanced as per the agreed work program. The REDD+ Unit is working effectively as a team and the Project Management Unit housed under the Vanuatu Meteorology and Geohazards Department is providing effective fiduciary support to the Project. With improved coordination in the past year, the Department of Forest, REDD Unit, PMU, and CSO platform have worked closely together to advance policy dialogue, project management and coordination, stakeholder engagement, awareness building and knowledge dissemination. Furthermore, the REDD+ Unit is implementing its communication strategy and has developed and disseminated extension and outreach materials as well as carried out training workshops at national, provincial and regional level. The Working Group of the REDD+ Technical Advisory Committee has been providing technical advice on project activities. To support preparation of the REDD+ strategy and provide technical and policy advice to help strengthen sustainable land and forest management practices a number of major consultancies have been completed, including studies on the Feedback and Grievance Redress Mechanism (FGRM), drivers of deforestation and forest degradation, REDD+ strategy options, land tenure and carbon rights, and benefit sharing mechanism. Furthermore, the Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) consultancy was launched in May 2017 and a situational analysis report is expected to be submitted by end of November 2017.

The REDD+ CSO platform has been engaged in project implementation at both national as well as provincial level working in three provinces with the support of the Vanuatu Association of Non-Government Organizations (VANGO). 28 CSO networks have been established on the five islands and engaged in targeted and thematic consultations and awareness building activities. The Provincial Technical Committees continued to be involved in project activities on the ground on the five islands of Santo, Malekula, Efate, Erromango and Tanna, representing broad range of stakeholders in the provinces such as forestry, agriculture extension, livestock extension, fishery, tourism, environment, women groups, CSO/NGOs, youth organizations, representative of provincial administrations, churches, farmer associations etc.

The activities mentioned above and the progress made have all contributed to the achievement of the PDO, including preparation of the REDD+ strategy options through a participatory and inclusive process, and producing technical and policy advice to help strengthen sustainable land and forest management practices.

Overall progress from 07/01/2016 to 06/30/2017 with regard to Implementation of Grant Financed Activities:

Comment:

The project has made significant progress in implementation. The following describes overall progress beyond the usual annual reporting period and extends reporting until October 2017 to align with the MTR submission to the FCPF Participants Committee.

Institutional Arrangement and capacity building: The project is supporting the institutional strengthening for REDD+ management arrangements at the national and decentralized level. The REDD+ Unit continues to work as a team with strong support from the DoF and as per staff's individual TORs to advance the activities towards the Project's objectives. The PMU has been providing fiduciary support to the Project in close coordination with MOF. The PMU and REDD+ unit are fully staffed and functioning properly with improved coordination between the REDD+ Unit, PMU and CSO platform. The REDD+ Unit coordinated various consultancies to ensure their reports were delivered on time and is providing guidance to ongoing consultancies. In the past few months the REDD+ Unit worked closely with the DoF, PMU, MOF, CSO and GIZ to prepare and finalize the restructuring package (submitted in September 2017) and the MTR report with an additional financing request (submitted in October, 2017). Construction of new offices for the REDD+ Unit was completed in April 2017 with labor financed by DoF. At decentralized level,

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the structural and architectural drawings and estimates for renovation of four buildings of the DoF in Santo, Malekula, Tanna, and Erromango have been completed and contracts for renovation for two out of four will be awarded shortly. The Working Group of the REDD+ Technical Committee has been meeting regularly to provide technical advice on project activities. Provincial REDD+ Technical Committees (PTC) have been established in Santo, Malekula, Efate, Tanna and Erromango are actively involved in project implementation.

Strengthening Stakeholder Engagement Process at Decentralized Levels: The REDD+ CSO platforms have been established and fully engaged in project implementation at both national and provincial levels in collaboration with the Vanuatu Association of Non-Government Organizations (VANGO). The broader role of the REDD+ CSO Platform in the REDD+ readiness process was further formalized in a cooperation agreement (MoU) signed between the REDD+ Unit and the CSO Platform, and the DoF and VANGO, respectively. The national CSO Platform and decentralized CSO networks for REDD+ carried out consultation and awareness building workshops to engage and update CSO members representing a wide variety of stakeholders on the REDD+ islands.

Development of a REDD+ Strategy: Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) contract was signed in March 2017, and the consultancy has presented the inception report and work plan and completed consultation on three REDD+ islands. The situational analysis report is expected to be submitted by end of November 2017. The studies on Drivers of Deforestation and Forest Degradation; REDD+ strategy options; Legal harmonization of land tenure and carbon rights; commercial land use activities and benefits sharing mechanism and on feedback, grievance and redress mechanism (FGRM) have been completed in May 2017 after several coordinated field visits and consultations.

Outreach and Communications: The REDD+ Unit is implementing the communication, consultation and participation activities to raise awareness within various stakeholder groups engaged in REDD+. A multi-faceted broadcasting program using radio, TV and print-media has been prepared with the first series of radio broadcasts being produced. The REDD+ Unit has also developed and is maintaining its REDD+ website.

The overall disbursement has advanced significantly, which now stands at USD 1, 339,000 million, accounting for 34% (versus 19.26% at the previous mission) of the total grant amount, and commitments account for 51% (versus 35% at the previous mission).

Grant follow-up and structure

Description and context of Grant:

In March 2013 the FCPF Participants Committee authorized grant funding of US\$ 3.6 million to support the Vanuatu's REDD+ readiness. This Readiness Preparation Grant, which makes up almost 50 percent of the estimated budget for REDD+ Readiness, will fund key elements of the R-PP. In particular, it will support the development of the REDD+ strategy through a 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 will also strengthen existing institutions and stakeholder engagement processes at the national and decentralized level, including the Vanuatu National REDD+ Unit, REDD+ Technical Committee, Provincial REDD+ Committees, as well as a feedback, and grievance redress mechanism (FGRM) for REDD+. Vanuatu was expected to leverage other resources to finance the remaining components of the R-PP, including most importantly the development of the MRV system and the REL. However, despite GoV's fund raising efforts, limited support has been obtained except for GIZ's agreement to support forest inventory on two islands as part of the MRV and REL component. Therefore the GoV has identified the gaps to implement some key remaining activities under the RPP and applied for additional financing from FCPF to support these activities.

Expected follow up (if any): Expanded capacity

Comment on follow up:

The GoV has requested USD 2.5 million of additional funding to finance the remaining activities under the RPP but are not financed under the current FCPF Readiness Grant. The proposed additional activities are critical to further advance Vanuatu's readiness and contribute to the project development objective, including strengthening of the REDD+ institutional arrangement, consultation and outreach activities, REDD+ strategy development, and establishment of the national forest

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reference level, national forest monitoring system and safeguards information system.

End Date of Last Site Visit:

Restructuring of Grant:

Restructuring of the Readiness Grant to accommodate additional activities on Forest Reference Levels and MRV: The Ministry of Finance submitted an official letter to the Bank (received on September 21, 2017) requesting to reallocate funds from savings of some components to support a new component for carrying out a forest assessment (the last one was done 20 years ago), establishing Forest Reference Levels (FREL) and a National Forest Monitoring System. The GoV emphasized that the new component is very important because it will help Vanuatu to advance its REDD+ readiness and significantly improve its capacity to monitor and manage its forests and natural resources in the long term. It was not included in the original project design because it was envisaged to be funded by other donors. The Bank's task team is supportive of the restructuring request and has started the review process within the Bank. An outstanding audit report, which is delaying finalization of the restructuring process, is expected to be submitted in early November 2017. Once submitted, the restructuring process will be finalized.

OUTCOME

Comments on outcome achieved from 07/01/2016 to 06/30/2017

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Component 1. Institutional Strengthening for REDD+ Management Arrangements at the national and decentralized level.

Status:	Under Implementation
Planned Output:	NA
Actual Output:	NA

Component 2. Strengthening of the stakeholder engagement process at decentralized levels

Status:	Under Implementation
Planned Output:	NA
Actual Output:	NA

Component 3. Development of a REDD+ strategy for Vanuatu

Status:	Under Implementation
Planned Output:	NA
Actual Output:	NA

Comment on planned and actual Output

Comment on component implementation progress

Component 1: Institutional Strengthening for REDD+ Management Arrangements at the national and decentralized level.

REDD+ Unit: The project is supporting the institutional strengthening for REDD+ management arrangements at the national and

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decentralized level. The REDD+ Unit continues to work as a team with strong support from the DoF and as per staff's individual TORs to advance the activities towards the Project's objectives. The coordination between the REDD+ Unit, PMU and CSO platform have continued to improve. The REDD+ Unit also supervised various consultancies to ensure that reports were delivered on time and continues to provide guidance and inputs to the ongoing consultancies. The REDD+ Unit worked closely with the DoF, PMU, MOF, CSO and GIZ to finalize and submit the grant restructuring package and the MTR report with an additional financing request. Structural and architectural drawings and estimates for renovation of four buildings of the DoF at decentralized level in Santo, Malekula, Tanna, and Erromango have been completed and contracts for renovation for two out of four will be awarded shortly (the other two are proposed to be financed under the Additional Funding). These buildings serve as the offices of Regional Forest Officers (RFOs) which hold an important role in REDD+ project implementation at local levels.

Technical Committee (TC): While the Working Groups of the REDD+ Technical Committee have been meeting regularly to provide technical advice and to support project implementation at both national and provincial level, regular meetings of the entire REDD+ Technical Committee should be increased to further improve multi-sectoral participation and coordination at this critical stage or REDD+ readiness when key analytical outputs have been completed and findings are feeding into the finalization of REDD+ Strategy development and informing cross-sectoral policy dialogue. Multi-sectoral participation should be encouraged at the higher political level (i.e. Minister and DG-level) to ensure results from analytical studies and REDD+ Strategy options were discussed and endorsed by policy makers from agriculture, climate change, and infrastructure, in particular.

While good progress has been made on briefing the political level within the Ministry of Agriculture about the objectives and continued progress of REDD+ readiness as well as policy notes developed on drivers of deforestation and resulting REDD+ strategy options, it will be important to ensure more active engagement in this policy dialogue also from other sectors that are key contributors to deforestation and forest degradation, specifically infrastructure. Aside from strengthening upstream cross-sectoral policy dialogue and engagement, the downstream cross-sectoral coordination can be further strengthened as well. In this regard, close coordination and alignment of messaging to communities related to rural land use between the Department of Forestry and the Department of Agriculture will be imperative.

At provincial level, the Provincial REDD+ Technical Committees have been established in Santo, Malekula, Efate and Tanna and are actively involved in project implementation. The PTC Members represent different stakeholders in the provinces such as forestry, agriculture extension, livestock extension, fishery, tourism, environment, women groups, CSO/NGOs, youth organizations, representative of provincial administrations, churches, farmer associations etc.

Project Management Unit (PMU): The PMU housed in VMGD continues to provide effective fiduciary support to the FCPF REDD+ Readiness Project, including support on procurement and financial management activities and coordination with the MOF and VMGD. Delays experienced earlier related to timely processing of payments have been resolved to a large extent with the additional full-time financial management staff that was brought on board following the last mission. The PMU staff furthermore participated actively in the mission and provided inputs. However, there are still delays with approval of withdrawal applications and the PMU and REDD+ were requested to follow up with MOF and clarify whether it would be possible to adjust the signatory arrangements to accelerate approval and disbursement. The audit report for 2017 is outstanding. PMU is closely following up with the auditors and the Office of the Auditor General and the final audit report is expected to be submitted to the Bank by October 31st, 2017.

Component 2: Strengthening of the stakeholder engagement process at decentralized levels

REDD+ CSO Platform: The Platform continues to make great strides in enhancing the capacity and awareness raising of decentralized platforms created in all five islands on REDD+ and FCPF readiness. The coordinator who is officially integrated into the REDD+ unit and has an office there, has been quite committed in the planning and delivery of the awareness trainings at decentralized levels. The platform highlighted the partnership and important role the REDD+ unit is playing by providing timely resources for sensitization and awareness raising. During this mission, there was consensus on the need for the platform to finalize the clear roles and responsibilities of VANGO Secretariat, furthermore the mission discussed the need for the Platform to develop a detailed 2 year work plan of activities to be conducted, with the aim of integrating this plan to the overall REDD unit plan for consideration of additional financing for future work. Since REDD+ readiness has advanced, the

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mission advised the need for the platform to move beyond awareness raising on REDD+ to focus their activities more on substantive and thematic activities in line with analytical studies being carried out. The Feedback and Grievance Redress Mechanism (FGRM) study has been completed in April 2017 and provides an assessment of the current capacity of institutions and customary mechanisms to handle grievances, and further offers recommendations for strengthening FGRM in Vanuatu specifically for REDD+.

Component 3. Development of a REDD+ strategy for Vanuatu

SESA Progress: The Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) contract was signed in March, 2017 with the Institute of Applied Science (IAS) of the University of South Pacific (USP). The consulting team has carried out participatory stakeholder and community consultations in Efate, Erromango and Santo. Delivery D3 (SESA Vol 1 Situational Analysis and Vol 2 Case Studies) is due by end of November 2017. During the last World Bank mission it was observed that the SESA process/approach and methodology presented by IAS needed to be revised to meet the requirement of the ToRs. The mission further advised IAS to focus their: i) : spatial datasets to clearly present baseline data and analyze where the key issues, pressures or hotspots are by layering data; ii) situational analysis to better describe the baseline social and environmental context in Vanuatu, as well as identify key environmental and social issues that will be the focus of the impact assessment. It was agreed that the IAS team would not use the Situational Analysis Framework presented earlier, but would follow the strategic assessment methodology as described in the TOR: Baseline (Situational Analysis) # Intervention (Strategy Options) # Assessment of Impacts of the Intervention on the Baseline (SESA) # Avoidance and Mitigation of Impacts (ESMF, RPF, PF). A revised SESA approach was submitted to the Bank on Oct. 20th and was found improved and on the right track. Further comments were provided and the REDD+ Unit is awaiting finalization of the approach to ensure that the next deliverables will meet the ToRs and better serve the needs of REDD+ in Vanuatu.

Analytical studies: Significant progress has been made on analytical work feeding into REDD+ Strategy development and other building blocks of REDD+. A series of analytical studies have been completed and analyzed the drivers of deforestation and forest degradation, developed REDD+ strategy options, provided recommendations for a benefit sharing mechanism, and analyzed the implications of land tenure for REDD+ . The reports and two policy briefs on drivers of deforestation and REDD+ strategy options, respectively, were validated by the REDD+ Steering Committee. The REDD+ Unit had made effortsto coordinate field visits and consultations for the studies that were carried out by different consultants in parallel in order to reduce consultation fatigue of communities and to create synergies between findings. Consultations were also coordinated well with local networks of the CSO platform at island level.

Outreach and Communications: The communication, consultation and participation activities are being implemented to raise awareness of the various stakeholder groups engaged in REDD+. An ambitious broadcasting program using radio, TV and print-media has been prepared and a series of radio broadcasts as well as expert interview continues to be produced. Further, a website on REDD+ has been developed and is being actively managed by the REDD+ Unit.

The rating for component 3 is MS due to the delay and challenges facing the SESA and ESMF consultancy as described above.

EXECUTION

Bank project related to the grant

Project ID / Name:	P124806 - Vanuatu- FCPF Readiness Plan Preparation
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

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Implementing agency and contact details

Agency:	Department of Forestry, Ministry of Agriculture, Livestock, Forestry & Fisheries		
Contact:	Director Tate Hannington		
Address:	Airport Road, Port Vila, Vanuatu		
Phone:	+678 23171	Email:	htate@vanuatu.gov.vu
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

Several development partners have engaged in REDD+ and climate change related activities in Vanuatu. For example GIZ has funded preparatory work on MRV and REL and tested these approaches on Santo Island, as well as the Commission and AusAID. Vanuatu has also joined the UN-REDD program and has been receiving training. The main CSO that has been actively engaged in the REDD+ activities and working closely with the REDD+ unit is Live and Learn Vanuatu, an environmental education NGO, which has supported the development of the Consultation and Participation Plan and is an active member of the working group of the technical advisory committee. The Department of Forestry (DOF) has been looking for other sources of funding and has had discussions with GIZ, UNREDD etc. GIZ has agreed to provide funding to support forest inventory of two REDD+ islands to help establish forest reference level for Vanuatu. DoF has been working with GIZ to identify the suitable activities and has held technical discussions accordingly. In general the overall scale of funding in other REDD+ related initiatives has been limited and DOF will continue to make more fund raising efforts to finance the remaining activities under RPP that are not funded by the existing FCPF Readiness Grant.

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

NA

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

Capacity building activities have been implemented at both the national level and decentralized level, providing support to the REDD+ Unit, PMU, Technical Advisory Committees, Provincial Technical Committees, CSOs and Farmer Association Networks. Training workshops, awareness building activities, and study tours have been carried out for various levels. Project management has improved significantly with all staff in REDD+Unit on board, trained and working effectively as a team. The staff in the REDD+ Unit, including REDD+ coordinator, technical advisor, communication and extension officer, and CSO coordinator have advanced in their professional capacity significantly through extensive working experience, on-the-job training and exposure, and learning opportunities, including improved capacity in project planning, monitoring and management, technical skills, and coordination with other government agencies, CSO platforms, and donors. The PMU has received FM and procurement training and its local staff's capacity has been increasing significantly with less support from international advisors. The PMU has also provided training to DoF and REDD+ Unit on financial management and procurement. Three training workshops have been held for the Provincial REDD+ Technical Committee members, including government representatives, women and youth groups, church, forest and agricultural extensions officers, farmers associations to help create awareness and learn about REDD+ program. A total number of 28 CSO networks have been set up on the 5 REDD+ islands and several rounds of CSO REDD+ consultation workshops and capacity building activities have been held on the REDD+ islands, targeting Farmers Associations, CSO networks at provincial level, Women's and Youth Groups, and Churches with over 200 participants.

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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?

A firm contract for the SESA consultancy was signed in March 2017 with the Institute of Applied Science, University of South Pacific based in Fiji. The SESA consultancy has started work, which will be conducted in accordance with the Common Approach. The inception workshop was conducted in May 2017 and the Consultancy has presented the Inception Report and the Work Plan. During the months of July and August 2017, the SESA consultancy carried out consultations (Case Studies) on three REDD+ islands as part of the SESA work. The findings from the 8 community field sites and other stakeholders within the Islands of Efate, Santo and Erromango were summarized and will feed into the next deliverable - Situational Analysis Report is expected to be submitted by end of Nov. and the final SESA deliverable is expected to be completed by April 2018.

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

The SESA consultancy will develop 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. It will be prepared in accordance with the Common Approach and expected to be submitted by March 2018.

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

Under the Consultation and Participation component the following activities have been implemented, namely (a) consultation workshops for development of REDD+ key messages; (b) design of awareness building materials; (c) development of communication strategy (draft) ;(d) development and active updating of a REDD+ website. The communication, consultation and participatory activities have been and continue to be implemented to raise awareness of the various stakeholder groups engaged in REDD+. An ambitious broadcasting program using radio, TV and print-media has been prepared and a series of radio broadcasts as well as expert interviews continue to be produced.

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	185,632.08	185,632.08
07/01/2015	12/31/2015	0.00	0.00	185,632.08	0.00
01/01/2016	06/30/2016	0.00	0.00	362,540.11	176,908.03
07/01/2016	12/31/2016	0.00	0.00	634,327.68	271,787.57
01/01/2017	06/30/2017	0.00	0.00	829,264.86	194,937.18
07/01/2017	12/31/2017	0.00	0.00	0.00	0.00
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	0.00	0.00
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00