

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF0A1121
Printed On: 10/09/2019

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

Assignment: TF0A1121

Domincan Republic: FCPF REDD Readiness Preparation

FCPFR - Forest Carbon Partnership Facility

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

Summary Information	
TF Status	ACTV
Recipient Country	Dominican Rep.
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	10/06/2015 to 12/30/2019
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	3,076,578.48 as of 06/30/2019
Disbursed 07/01/2018 to 06/30/2019	1,398,088.72
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 Project Development Objective (PDO) is to support key efforts by the Dominican Republic to prepare a national REDD+ readiness strategy.

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

Comment:

During FY19, the Dominican Republic made important strides in the implementation of Grant activities and achievement of REDD+ milestones. The project has allowed the country to make significant progress towards the preparation of the National REDD+ Strategy (EN-REDD)

Main achievements for this past FY include the:

- #Formulation of the Reference Level.
- #Presentation and approval of the R-Package before the PC-27 Meeting.
- #Preparation and delivery of the final version of the Emissions Reduction Program Document (ERPD).
- #Finalization of the document, Environmental and Social Characterization of the 5 REDD+ Priority Geographic Areas.
- #Completion of the safeguards instruments: Social and Environmental Management Framework (ESMF), Environment and Social Management Plans (ESMP), Safeguards Information System (SIS), Feedback Grievance and Redress Mechanism (FGRM). Submitted for review by the World Bank Regional Safeguards Team.
- #Consultations for the elaboration of the National REDD+ Strategy draft, which will be finalized in October 2019.
- #Preliminary draft of the Benefit Sharing Plan (BSP).

To consolidate these achievements and strengthen its institutional capacity, the Government of the Dominican Republic (GoDR) has requested an Additional Financing grant to the FCPF for US\$2.20 million. The AF will meet and enhance the objectives of the original Grant by: strengthening REDD+ governance and management mechanisms; strengthening communication, participation and outreach; enhancing the country's capacity to apply safeguards instruments; defining carbon rights; strengthening forest and non-forest MRV systems; and accelerating the development of the SIS and FGRM.

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 in FY19, US\$1,398,089 (36.79% of the total) were disbursed. The Dominican Republic has disbursed a total of US\$3,235,156 (53.92%) from a US\$6 million package. Their commitments to date are US\$2,764,844.

The PIU has been simultaneously executing REDD+ Readiness Grant and preparing the Emission Reduction Program (ER-P). The National REDD+ Strategy is in stakeholder consultations at the moment. The AF of USD 2.2M has been helping solidify achievements under the original Grant and strengthen the Dominican Republic's capacity to transition from REDD+ preparation to REDD+ implementation, thus assuring that the country is fully ready to implement REDD+ and receiving results-based payments from the Carbon Fund for which the government expects to sign an ERPA at the latest in December.

The PIU has followed the project's Annual Operations Plan (AOP), and the World Bank worked with the MARN to define the AOP of the Additional Financing of the REDD+ Preparation project. A mission took place in July 2019 (FY 2020) and on September 2019 aimed at providing technical support for safeguards instruments, and review of the AOP with Additional Financing for compliance with the project's work plan. The last mission also worked on helping the government developing the Advanced Draft of the Benefit Sharing Plan.

Grant follow-up and structure

Description and context of Grant:

The project entails activities to design and implement policies and programs to reduce emissions from deforestation and forest degradation, anticipating full and meaningful engagement with potentially impacted stakeholders. The main results expected at project closure are listed below.

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Component 1. Readiness Organization and Consultation

- a. #National REDD+ Management Arrangements
- b. #Consultation, Participation and Outreach

Component 2. REDD+ National Strategy Preparation

- a. #REDD+ Strategy Options
- b. #Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance
- c. #Implementation Framework
- d. #Social and Environmental Impacts

Component 3. Reference Emission Levels/Forest Reference Levels

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

Component 4. Forests 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:

Expected follow up (if any):

A follow up mission on implementation will take place during November 2019.

Comment on follow up:

During the FY20 July mission, the task team worked closely with the PIU on revising the planning and implementation of activities for the coming months. To reduce FREL uncertainty of the ER-Program and ensure compliance with the work plan, recommendations were made by the World Bank team for the adjustment of the AOP and MRV Work Package submitted by the GoDR and supported by technical mission for MRV, safeguards and Benefit Sharing Plan. In order to overcome a lack of institutional harmonization, a diagnosis of IE capacities was also conducted

End Date of Last Site Visit:

Restructuring of Grant:

The request for Additional Funding implied an Amended and Reinstated Grant Agreement with a new end project date of December 2020. Dates have been adjusted based on the updated original Grant's implementation schedule (until June 30, 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. Readiness Organization and Consultation

During FY19, the participation and consultation platforms made in the previous fiscal year to improve coordination between the MARN and other public and private sector entities remained active. Meetings have been held by the Steering Committee (CD), the Technical Advisory Committee (TAC), and the Special Working Groups on Safeguards, Land and Forest Use, and Legal Issues.

Based on the SESA, the country has finalized versions of the ESMF, FGRM, and SIS. In April 2019 preliminary versions were presented to the TAC and key stakeholders for their discussion and validation in two regional workshops. The final version is in progress, and will address relevant recommendations and observations put forth by the participants.

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Significant progress was made in the implementation of the Communication Strategy, including a serial publication of success stories about activities and actors in the Program, information sheets on REDD+ activities, and publications in the national press.

As part of the REDD+ participation and consultation process, 29 consultation activities were carried out with different public and private actors at the regional and national level to validate the SESA, REDD+ Strategic Options and corresponding actions, R-Package, the Benefit Sharing Plan (BSP) draft, the National REDD+ Strategy, and safeguards instruments (FGRM, ESMF, SIS, ESMPs). 30 coordination and collaboration meetings were held with institutions and agencies involved in the Program to socialize the initial Benefit Sharing Plan (BSP), and coordinate training and joint actions prior to the inter-institutional agreements for REDD+ implementation.

C2. REDD+ National Strategy Preparation

The strategic options decided in the ERPD are being analyzed and expanded to also serve the National REDD+ Strategy (EN-REDD+). The EN-REDD+ draft and the identified strategic options are being validated through a participatory process and the final document and publication is scheduled for November 2019.

All the key strategic studies needed for the design of the National REDD+ Strategy have been completed, including the drivers of deforestation and forest degradation, the #Evaluation of Costs and Benefits and Preparation of a Financing Plan for the Emissions Reduction Program# and the #Determination of the Forest Carbon Rights and Transfer of Emission Reduction Titles.# Additional studies to compare the results of historical data with higher resolution images are underway as well. A pixel-to-pixel Visual Point Evaluation is being carried out to detect changes in land use more accurately. An agreement for the regulations for the application of the Forestry Law and the Payment for Environmental Services Law is being sought in a participatory manner.

Advancements have been made in the implementation framework, defining actors at the decision-level and those that are executing-level that will participate in the program. Inter-institutional agreements have also progressed, and a Letter of Intent has been drafted to solidify the commitments of Implementing Entities and programs for the execution of REDD+ activities.

Currently all safeguards instruments are in an advanced stage and have been submitted for review. Based on the SESA, the country has prepared the ESMF, including the impacts and risks identified and linked to the implementation of REDD+ types of actions (reforestation, silvopastoral systems, agroforestry systems, forest conservation, sustainable forest use and natural regeneration in degraded areas). Mitigation measures in each were determined through the Environmental and Social Management Plans. An FGM of how the SIS will work has been prepared, but implementation is still pending.

C3. Forest Emissions/ Forest Reference Levels

The Dominican Republic has established its National Forest Emissions/Forest Emissions Reference Levels. The preliminary Reference Level includes the average emissions and removals produced in the conversion of forest to non-forest lands (deforestation), the conversion to forestlands (increase of stocks), and the flow of carbon in lands that remain as forests (degradation or increase of stocks).

The National Forest and Non-Forest Cover Inventories have been completed. The Reference Levels factor into the design of the REDD+ Strategy and contributes to the compliance of the country's UNFCCC commitments. The Reference Level is currently being refined to better estimate uncertainty and the loss of carbon in the soil due to deforestation. The new Reference Level of Emissions will be presented during a Technical Review in September 15th, 2019

C4. National Forest and Safeguards Monitoring System

The project has also supported local offices of the MARN and National Office of Meteorology (ONAMET) with technological equipment to strengthen their capacities for surveillance. In FY19, 5 trainings for REDD+ actors were also held for national personnel responsible for monitoring and reporting data; calculating the costs of REDD+ activities; reporting GHGs from agriculture, forestry, and other land use sectors (AFOLU) to the UNFCCC; and a workshop on the Reference Level.

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Although important progress has been made, needs related to the estimation of FREL and the MRV still must be addressed to develop the monitoring systems for forests and safeguards. A preliminary final report on the Preparation of the National Forest Inventory of the Dominican Republic has been prepared, but the reference report is currently being improved based on the integration of carbon content data in the soil. A final report of the Biomass and Carbon Content Evaluation Study in Non-Forest Coverage has been completed as well. With regard to safeguards, an advanced draft is available on the (i) determination of indicators related to benefits, (ii) priority co-benefits that will be monitored, (iii) a technical data sheet of the indicators to be monitored, each of which will be incorporated into the improvement of the MRV.

The activities under the AF are being designed to develop and improve the monitoring capacity (training and equipment) of public and private stakeholders to enhance the forest monitoring system (including the protected areas) and the Safeguards Information System, with a stronger involvement of local organizations and other potential beneficiaries. Complementary procurements and the installation of equipment for monitoring, training, and strengthening local capacities are in progress.

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: Q1: national REDD+ communications strategy. Q2: gender mainstreaming strategy. Q3: cross-sectoral REDD+ coordination body and national participation and consultation plan.

Actual Output: Comite Directivo operating. Advanced draft of national communication strategy. ESMF and SESA in final versions and under review. Firm selected for the gender analysis.

Component 2: National REDD+ Strategy and Safeguards

Status: Under Implementation

Planned Output: Q1: ENREDD+ in operation, SESA carried out, ESMF prepared. Q4: citizen feedback mechanism and institutional protocol in place.

Actual Output: Key strategic studies concluded. Draft of ENREDD+ strategic options under consultation. Grievance and redress mechanism has been strengthened.

Component 3: Reference Emissions Level/Reference Levels

Status: Under Implementation

Planned Output: EOP: capacity to establish National FREL/RL improved. Q6: National FREL/RL submitted to the UNFCCC. Q8: potential business-as-usual scenarios developed based on econometric and/or spatial modeling.

Actual Output: Projected scenarios of emission were included in the ERPD and a proposal of RL prior ERPA signature was witten

Component 4: National Forest Monitoring System

Status: Under Implementation

Planned Output: EOP: NFMS for MRV. Q3: MRV framework and arrangements. Q2: remote sensing and GHG Inventory units strengthened. Q4: National Forest Inventory complete.

Actual Output: Land-use and land-use change maps for 2005, 2010, and 2015 finalized. Three Directorates within MARN identified as adequate to set MRV institutional arrangements.

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Comment on planned and actual Output

Comment on component implementation progress

Component 1:

A clear plan is needed on how to coordinate between MARN and the executing entities regarding the implementation and supervision of safeguards. A Safeguards Commitment Plan will be written to clarify the functions and responsibilities of MARN and the implementers, and highlight the need to comply with safeguards measures for payments for results.

Regional workshops and the creation of more capacity are expected to support the preparation of safeguards. Capacity building with the MARN and TAC for safeguards is especially necessary. It will be important to strengthen MARN's capacity to implement the GRM and address complaints, channeled from local to the national level and link them with the #Green Hot-line# as needed. For the TAC, there is a need to clarify the implementation of safeguards, especially the compliance needs of safeguards for Payments for Results.

Additional activities financed by the AF under Component 1 include: Implementation of the REDD+ communication strategy; implementation of enabling activities for setting up and operationalizing the ESMF developed during the original grant phase (these include trainings to institutional structures such as regional directorates and technical personnel of provincial and municipal units); continuation of meetings of the REDD+ Steering Committees and the special committees and working groups established during the original grant phase; and training of high level government officials and staff of the MARN (e.g. Vice-ministry of Protected Areas and Biodiversity MAG (e.g. Livestock General Directorate and the Department of Training and Extension) on REDD+.

Component 2:

There is good progress with regard to the framework for implementation and inter-institutional agreements, but it is necessary to continue the development of capacities and involvement of the Implementing Entities. Much of the Additional Funds will be allocated for this.

Four consultation workshops with key actors are still required, including the (i) livestock sector, (ii) agriculture (agroforestry systems with coffee and shade cocoa), (iii) sustainable forest development, and (iv) organizations linked to public policies and land use on their direct involvement in actions of the National Redd+ Strategy. These were held in August and to be held in October 2019.

Activities financed by the AF under Component 2 include: Support the creation of legal structures for the transferring of carbon rights of the activities encompassed by the REDD+ National Strategy and the ER-Program developed during the original grant phase; development of institutional agreements and agreements with local organizations engaged in the implementation of REDD+; and technical legal training to identified stakeholders and foster their participation and engagement with the program.

Components 3 and 4:

The ERPD presented at the CF20 meeting was based on an ER level developed under high standards. But following the CF 20 meeting, improvements are required in terms of i) estimation of uncertainty following the 2006 IPCC Guide, ii) estimation of loss of carbon in the soil do to deforestation. A proposal for a Technical Review of the ERPD about the reference level of emissions will be presented.

In order to reduce uncertainty, an analysis of the forest cover prior to the reference period is required to differentiate mature secondary forests present at the beginning of the reference period and apply the corresponding FE for deforestation. The analysis can be performed with TerraPulse, but must be validated by sampling points with high resolution images at the beginning and end of the period evaluated. Potentially high costs have led to the recommendation that some reduction of uncertainty activities be included in a Work Package submitted to the World Bank rather than be included in the AOP.

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Activities to be financed by the AF under Component 4 include: Development of instruments for the MRV System including and IT platform for the monitoring of forest carbon, co-benefits, and the Safeguards Information System (SIS); training of organizations and potential local beneficiaries and implementation of monitoring REDD+ protocols and instruments developed during the original grant phase; procurement of additional equipment for improved forest monitoring; strengthening of local capacities for the protection of forests; and capacity development for the monitoring of the carbon component in non-forest systems for programs participating in REDD+.

EXECUTION

Bank project related to the grant

Project ID / Name:	P151752 - DR FCPF REDD Readiness Preparation
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency:	Ministro del Ministerio de Medio Ambiente y Recursos Naturales		
Contact:	Minister Francisco Domínguez and Mr. Pedro García. Head of Climate Change Unit		
Address:	Av. Cayetano Germosen, Santo Domingo República Dominicana		
Phone:	+ 1 (809) 567-4300	Email:	Garcia@ambiente.gob.do
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

Donor agencies and the Government of the Dominican Republic have contributed to the Readiness phase. Non-FCPF investments received under the R-PP process include funds from GIZ (USD\$845,000.00) and from the Dominican Republic#s Government (USD\$432,000.00). In addition, non-FCPF investments received for implementation of activities relevant to ER Programs include USAID#Climate Change Regional Program (USD\$48,160.84) used for the establishment of the Safeguards Committee through CARE, and UN-REDD (USD\$85,000.00). Recently, the Ministry of Environment and Natural Resources indicated that new activities related to REDD+ are undergoing with other agencies, including GIZ, the Coalition for Rainforest Nations, and GEF.

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

Additional Funding was requested in the amount of \$2.20 million to consolidate achievements under the original Grant. The AF corresponded with an extension of the original project closing date from June 30, 2019 to December 15, 2020. The new project closing date will give the project the necessary timespan to guarantee total 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.

The task team of specialists has collaborated closely with the Project Implementation Unit team throughout the year. Four missions have taken place in FY19 to further support the technical aspects of implementation. In addition, video-conferences have also taken place on a regular schedule.

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The Project Implementation Unit and other relevant actors working on the EN-REDD+ and ER-Program, including the National Office of Meteorology (ONAMET), the Greenhouse Gas Monitoring Department of the Ministry of Environment and Natural Resources, MARN technicians, among others, have participated in several training sessions related to REDD+, MRV, and Reference Levels.

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?

As part of the requirements established under the common approach, the DR has developed the necessary safeguard instruments. The SESA is in accordance with the common approach, and complies with OP.4.01 on Environmental Assessment. A participatory consultation process involved key stakeholders linked to forestry sectors, agroforestry, and livestock to identify and analyze the positive and negative impacts, as well as the likely risks and opportunities of REDD+ strategic options.

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

The ESMF is finalized and submitted to RSA for review and in accordance with the common approach as well. The Additional Funding will finance the implementation of enabling activities for setting up and operationalizing the ESMF.

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

The REDD+ National Strategy is based on a participatory process, which included holding regional and national workshops in different parts of the country, with a variety of actors and representative groups of the different communities that have a direct connection or indirect with forest resources, either because they depend on them, are connected or linked to them. In total, there have been more than five hundred meetings and/or workshops for consultation, validation, technical work and negotiation for a total of 3,325 participants.

The Dominican Republic has defined the institutional arrangements and governance mechanisms that allow for participatory and transparent REDD+ management. The Technical Advisory Committee is an inter-institutional body made up of 24 institutions, and along with the Safeguards Working Group includes representatives from the public sector (central government and municipal offices), private sector (agricultural and forestry producers) and civil society (NGOs and academia).

The SIS in advanced stages of design. The version was presented to the Technical Advisory Committee and to key stakeholders for their discussion and validation in April 2019 through two national workshops together with the ESMF and FGRM. The 239 participants included representatives from the public and private sector, academia, NGOs, forestry producer associations, and the agroforestry and livestock industries.

The FGRM is currently being analyzed and undergoing feedback between units of the MARN and Implementation Entities. Since Implementation Entities do not have a formal Feedback and Grievance Redress Mechanism, the FGRM will be formed on the basis of the existing grievances system of the MARN, the #Green Telephone line.#

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2015	12/31/2015	0.00	0.00	0.00	0.00
01/01/2016	06/30/2016	0.00	0.00	480,000.00	480,000.00
07/01/2016	12/31/2016	0.00	0.00	480,000.00	0.00
01/01/2017	06/30/2017	0.00	0.00	534,272.07	54,272.07
07/01/2017	12/31/2017	0.00	0.00	787,207.06	252,934.99

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07/01/2018	12/31/2018	0.00	0.00	2,333,871.30	655,381.54
01/01/2019	06/30/2019	0.00	0.00	3,076,578.48	742,707.18
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00