

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF0A1121

Reporting Period: 07/01/2019 to 06/30/2020

Printed On:

Report Type: Progress Report

Report Status: Approved

Assignment: TF0A1121

Dominican 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 12/15/2021
Original Grant Amount	3,800,000.00
Grant Amount	6,000,000.00
Outstanding Commitments	306,681
Cumulative Disbursements	3,961,903 as of 06/30/2020
Disbursed 07/01/2019 to 06/30/2020	1,172,272
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 assist the Dominican Republic to design and carry out the Readiness Preparation Activities by supporting the preparation of the Recipient's REDD+ Strategy through a participatory and inclusive process.

Overall progress from 07/01/2019 to 06/30/2020 with regard to Achieving Grant Objectives:

Comment:

During FY20, the Dominican Republic made important strides in the implementation of grant activities and achievement of REDD+ Readiness milestones. The country has made significant progress executing the REDD+ Readiness Grant while simultaneously preparing its Emissions Reduction Program. Since the reinstated Grant Agreement for Additional Financing was signed and declared effective on May 24, 2019, the additional USD 2.2 million (M) has helped solidify achievements under the original grant (USD 3.8 M) and strengthen the Dominican Republic's capacity to transition from REDD+ preparation to REDD+ implementation. This is of particular importance given the Dominican Republic is expected to sign an Emission Reductions Payment Agreement (ERPA) for results based-payments for REDD+ from the Forest Carbon Partnership Facility Carbon Fund in March 2021 and report on Emission Reductions (ERs) for the first time by the end of 2021.

Overall progress from 07/01/2019 to 06/30/2020 with regard to Implementation of Grant Financed Activities:

Comment:

As of June 30, 2020, in FY20, the Dominican Republic disbursed a total of USD 3,961,903 (66 percent) and committed USD 306,681 (5 percent) of the USD 6 M package.

The project demonstrated appropriate progress towards implementation prior to the coronavirus disease of 2019 (COVID-19) pandemic. The World Bank conducted a mid-term review mission to discuss progress across all relevant aspects of the project in September 2020. This mission concluded that considerable progress had been made in six out of the ten total subcomponents and that positive advances have been made, with room for improvement in the remaining four. Nonetheless COVID-19 pandemic heavily affected the timelines of planned activities after the country began lockdown measures in March 2020 to contain the spread of the virus. The country's elections on July 5, 2020 and subsequent change in administration further exacerbated the delay of project implementation, slowing decision-making and contract approvals for several months, thus the rating will be re-evaluated again during the next supervision mission by March 2021.

The Executing Entity, the Ministry of Economy, Planning and Development, requested a twelve-month extension of the project's closing date from December 15, 2020 to December 15, 2021. The four subcomponents that require further action have been prioritized in an Action Plan developed by MARN based on a new Annual Operating Plan (AOP) agreed with the task team for the purpose of the extension.

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. Organization and Consultation for REDD+ Readiness

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

Component 2. REDD+ National Strategy Preparation

- a. Assessment of land use, drivers of land-use change, forest law, policy and governance
- b. REDD+ strategy options
- 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 is expected to take place in March 2021

Comment on follow up:

The World Bank will continue to conduct regular missions throughout the time remaining to the closing, to follow up the technical and financial performance of the Grant.

End Date of Last Site Visit: September 21-25, 2020 (virtual)

Restructuring of Grant:

COVID-19 and recent delays in contracting have hindered the ability of the Ministry of Environment and Natural Resources (MARN) to carry out the activities that are key for achieving the PDO. The Executing Entity, the Ministry of Economy, Planning and Development, requested a twelve-month extension of the project's closing date from December 15, 2020 to December 15, 2021 through a Level 2 restructuring that implied no changes to the PDO or results framework indicators. In order to overcome recent delays and to achieve the PDO, the four subcomponents that require further action have been prioritized in an Action Plan developed by MARN based on a new Annual Operating Plan (AOP) agreed with the task team for the purpose of the extension. As the country moves closer to signing the ERPA in March 2021, it is important that the remaining funds for the REDD+ Readiness Project are used effectively to support the strengthening of institutions at the central level as well as Executing Entities on the ground that will generate emissions reduction. The new AOP indicates that of available funds USD 1,3M need to be yet committed while USD 550 thousand are already committed. The strengthening of Executing Entities of the ER Program relies on capacity building and training in the field on topics such as safeguards, natural resource management and climate change, and MRV. Also consultations with different stakeholders about the BSP and coordination meetings for instance with the Technical Advisory Committee and training for staff at the Ministry of Environment, all of which will likely not be done in person as initially planned but virtually, mean that substantial savings will be achieved that with the current capacity and work load of the PIU, will not be possible to be reallocated. The estimate is that around USD300k will potentially not be disbursed by the end of 2021. The remediation plan discussed with the Ministry is to reinforce the team with an additional procurement consultant, and operations assistant that can help the PIU in monitoring, evaluation and reporting processes, and a Coordinator of operations.

OUTCOME

Comments on outcome achieved from 07/01/2019 to 06/30/2020

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

C1. Organization and Consultation for REDD+ Readiness

During FY20, the REDD+ Readiness process continued to make progress integrating key government institutions and relevant public and private stakeholders. The inter-sectoral coordination mechanism for REDD+ (Steering Committee), multi-stakeholder participation platform (Technical Advisory Committee), and Thematic Working Groups met as necessary.

According to analysis prepared by the Project Implementation Unit (PIU), since 2015 the REDD+ Readiness process has involved 282 national, regional and local events, workshops and consultations. A total of 4,227 people have participated, 16 percent of which were women and 84 percent men.

A final version of the Environmental and Social Management Framework (ESMF) incorporating the inputs and feedback provided by national actors during the May 2019 (FY19) workshop was prepared in the second half of the year. The government worked on revisions to the advanced draft of the Benefit Sharing Plan (BSP), based on a broad consultation process, which was carried out between 2019 and 2020. A study is underway to conduct a gender analysis and prepare a Gender Action Plan, with recommendations on how National REDD+ Strategy can ensure gender mainstreaming and provide equal benefits to women, girls, men and boys to be finalized in February 2021.

C2. REDD+ National Strategy Preparation

The advanced draft of the National REDD+ Strategy, with an expected time horizon to 2050, is in its final phase for government approval and has been built on a broad, legitimate and inclusive participatory and consultation process. Four consultation workshops with key actors were held, 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.

The assessment of land use, land use change factors, forest law, policy and governance are considerably advanced. Terra Pulse methodology and Visual Point Assessment continues to improve the accuracy of land use and land use change data, and the analysis were run by technicians at DIARENA (Direction of Environmental and Natural Resources Information).

The Emissions Reduction Program Document (ERPD) outlines the strategic options the country has identified to address the causes of deforestation and forest degradation between 2020-2025. Several of these strategic options will also be a part of the National REDD+ Strategy.

Inter-institutional agreements have been established to provide clarity for the implementation framework for the National REDD+ Strategy, as well as for the Emissions Reduction Program. A Joint Declaration was signed between the Ministry of Finance, MARN, MEPyD and the Ministry of Agriculture. The document reaffirms the legal powers of each ministry regarding implementation.

C3. Reference Emission Levels/Forest Reference Levels

The Reference Level presented in the Emissions Reduction Program Document was approved at the Carbon Fund Twentieth Meeting (CF20) and the preliminary draft was submitted to the United Nations Framework Convention on Climate Change (UNFCCC). Following CF20, a Monitoring, Reporting and Verification (MRV) Work Package was submitted to the World Bank to address required improvements in soil carbon data and its emission factor, as well as emission factors for mature and secondary forests. A competitive selection process is underway to hire the firm that will conduct the analysis. The PIU also contributed on the ASA done by the World Bank for the updated of the NDC on AFOLU together with the National Climate Change Council.

C4. National Forest and Safeguards Monitoring System

The final report for the National Forest Inventory has been completed and contains data on the volume, biomass and carbon of the main forest types in the country. Protocols for measuring carbon and strengthening the greenhouse gas (GHG) inventory system and the MRV platform have been completed. The co-benefits information system that consolidates information on safeguards; the Feedback, Grievance and Redress Mechanism (FGRM); and non-carbon benefits has progressed slightly and expect to be finalized by end of 2021.

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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 (from project start date) : National REDD+ communications strategy, gender mainstreaming strategy.

Actual Output: A communications and dissemination strategy was developed and is currently being updated to incorporate new elements. The gender analysis and gender action plan will be finalized in February, 2021 and will be incorporated into the implementation framework of the Emissions Reduction Program.

Component 2: National REDD+ Strategy and Safeguards

Status: Under Implementation

Planned Output: Q1 (from project start date): National REDD+ Strategy designed and operational, citizen feedback mechanism and institutional protocol established. Q11: SESA carried out, ESMF prepared.

Actual Output: The advanced draft of the National REDD+ Strategy will be reviewed by the new authorities and socialized at the national level. The World Bank has approved the completed SESA, ESMF and the design of the FGRM. The development of the FGRM system, web platform and corresponding operations protocol is in progress.

Component 3: Reference Emissions Level/Reference Levels

Status: Under Implementation

Planned Output: End of Project (EOP): National Reference Emission Levels/Forest Reference Levels improved.

Actual Output: Included in the ERPD and submitted to the UNFCCC. MRV Package prepared to address required improvements in soil carbon data and mature and secondary forest emission factors.

Component 4: National Forest Monitoring System

Status: Under Implementation

Planned Output: EOP: National Forest Monitoring System developed for MRV of GHG emissions reductions from REDD+ activities. Q1 (from project start date): National Forest Inventory completed. Q2: Research program on forest monitoring. Q3 (from project start date): MRV framework and institutional arrangements established, remote sensing capacity and GHG inventory units strengthened. Q4: Monitoring protocols to assess environmental and social impacts of the National REDD+ Strategy.

Actual Output: The National Forest Inventory is complete. There is an operational manual for forest inventories and the process for establishing permanent forest plots for monitoring has begun. Letters of intent have been signed with Executing Entities and specific aspects for MRV will be incorporated. DIARENA (Department of Environmental and Natural Resources Information) has been strengthened and has the necessary technological equipment for the implementation of the remote sensing methodology. Training is continuous. The ESMF, SESA, and Safeguards Implementation and Monitoring Guide for REDD+ Activities have been prepared. The BETF contract under the MRV Package pursuing the Collection of information required for the technical corrections of the Forest Reference Level of Dominican Republic, 2006-2015, was signed.

Comment on component implementation progress

Component 1:

Significant progress has been made on national management arrangements. However, MARN has emphasized the need to expand and establish more specific roles for a wider range of national government institutions to respond to the challenges of implementing the REDD+ Readiness Project, the Emissions Reduction Program, and the National REDD+ Strategy. Ministries and affiliated institutions should be permanent active parties with roles and responsibilities that can be contemplated during the final phase of the REDD+ Strategy document, where many of these roles and responsibilities can be reaffirmed.

Despite the high number of consultations, stakeholder participation, and outreach activities carried out thus far, the COVID-19 pandemic and its social distancing measures have required adaptations for planned meetings, workshops, and face-to-face engagements. During 2021 the government will work to: i) formalize the existing REDD+ governance bodies through regulations, ii) continue strengthening collaboration mechanisms with sectoral programs for implementation of the National REDD+ Strategy, iii) continue the implementation of the communications strategy and iv) operationalize the FGRM.

During 2021 the government will pursue the preparation and ratification of formal regulations for REDD+ governance bodies (Steering Committee, Technical Advisory Committee, Specialized Working Groups and Executing Entities of the Emissions Reduction Program). The PIU plans to continue operating the multi-sectoral and inter-sectoral collaboration mechanisms to guarantee the coherence and synergies of the National REDD+ Strategy with sectoral programs. In the second half of FY21, the PIU plans to continue the development of the FGRM, and add new features to the REDD+ website. It will also strengthen the implementation of the communications strategy through specific action plans for the dissemination of information about REDD+ and consensus among stakeholders about the activities to be implemented with the REDD+ Strategy. Based on the gender study the PIU plans to begin the implementation of the Gender Action Plan for the Emissions Reduction Program.

Component 2:

Although the National REDD+ Strategy is in an advanced stage, it still needs to be finalized. The government plans to finalize the REDD+ National Strategy during the second half of FY21 and conduct a final round of high-level consultations, receive final comments from the Task Team and officially launch the REDD+ Strategy and craft the next steps needed for implementation.

The extension of project closure provides for the advancement of key analyses to mainstream the National REDD+ Strategy in government priorities and programs, such as: i) finalizing the analysis of the contribution of green jobs in the ER Program, ii) a capacity building plan for stakeholders to effectively implement the Strategy and iii) the development of legal documentation for institutionalizing the National REDD+ Strategy. A series of technical guidelines for producers will also be prepared during 2021, on the establishment and management of forest nurseries, sustainable forest management, use of pesticides, and natural regeneration in degraded areas, among others.

There are still opportunities to clarify and improve institutional arrangements, and the new government is in favor of strengthening institutional efforts to coordinate and close gaps. The PIU will prepare a formal regulation for the operation of the Steering Committee and the Technical Advisory Committee to establish clear procedures and criteria for participation, and for the decision-making process for the BSP. The implementation of the Emissions Reduction Program will be based on coordination between Executing Entities and the REDD+ Coordination Office of the MARN. Although letters of intent have been signed, contracts between the Executing Entities and the MARN are still needed. Inter-institutional agreements will be signed with each Executing Entity and include specific inclusion requirements for producer Federations/Organizations in the decision-making processes of the Emissions Reduction Program.

Component 3:

Additional technical corrections (included as a Condition of Effectiveness for the ERPA) are needed to refine the Reference Level methodology to better estimate uncertainty and the loss of soil carbon and biomass content due to deforestation and degradation. Emission factors for soil organic carbon, as well as primary and secondary forests, also need to be determined. This work will be done with the BETF MRV Package resources. During 2021 the project will work toward building capacity at the national level for the determination of activity data and emission factors, emissions reduction calculations and emissions reporting processes required by the FCPF.

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Component 4:

Land use and land cover change maps will be validated for deforestation, forest degradation and emissions increase for 2001 - 2006 - 2015 - 2018 in the first half of FY21. Training for MARN's DIARENA on the use of specialized software for deforestation analysis will continue on a regular basis. Among the activities to be prepared during the second half of FY21 is also the development of the methodological document for updating the forest reference level and trainings and workshops for government agencies on preparing the forest reference level, monitoring reports, standard operating procedures, generating land use change maps and calculating emission factors.

Key gaps still remain in the MRV system as well as the co-benefits information system. During 2021 the PIU will work towards the finalization and effective operationalization of these systems, including building the capacity of local and national institutions to monitor carbon in non-forest systems such as agroforestry and silvopastoral systems. In addition, web platforms will be developed for: i) the REDD+ Project registry, ii) Safeguards Information Systems (SIS), iii) and the FGRM.

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:	Ministry of Environment and Natural Resources
Contact:	Milagros De Camps, Viceminister of International Cooperation
Address:	Av. Cayetano Germosén Esq. Ave Luperón, El Pedregal, Santo Domingo, República Dominicana 02487
Phone:	+1 (809) 567-4300 Ext. 7241
Email:	milagros.decamps@ambiente.gob.do
Website:	http://ambiente.gob.do

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PROGRAM

Program Specific Questions

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

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 USD 432,000 from the government and USD 845,000 from the German Society for International Cooperation (GIZ). During FY21 GIZ in particular supported the elaboration of the 2019 forest coverage map with 5m resolution Planet images. In addition, non-FCPF investments received for implementation of activities relevant to Emissions Reduction Programs include the USAID Climate Change Regional Program (USD 48,160) used for the establishment of the Safeguards Committee through CARE and UN-REDD (USD 85,000). More recently, the country received a USD 4.06 M grant from the Global Environment Facility (GEF) for Integrated Landscape Management in Dominican Republic Watersheds. The project offers valuable synergies with REDD+ by improving territorial planning, strengthening capacities for integrated landscape management and financing inputs for ecosystem restoration and the establishment of agroforestry systems. The World Bank also supported the government with the update of the NDC AFOLU chapter.

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

No significant changes have been made to the technical design or approach to grant activities aside from the aforementioned 12-month extension of the closing date.

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 FY20 to further support the technical aspects of implementation. In addition, video-conferences have also taken place on a regular schedule.

The PIU and other relevant actors working on the National REDD+ Strategy and Emissions Reduction Program, including the National Office of Meteorology (ONAMET), the Greenhouse Gas Monitoring Department of the MARN, MARN technicians, among others, have participated in several training sessions related to REDD+, MRV, Reference Levels, and gender for the ER Program. The World Bank also facilitated with the European Space Agency and an international firm, the development of an MRV for Cacao work that will be finalized in March 2021, with the objective of fostering the introduction of a new Earth Observation (EO) application concept and EO-based tool supporting sustainable management and decision making in cocoa agroforestry systems benefit both the government and private sector through the training provided.

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 Dominican Republic 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. It was approved by the Environmental and Social System Assessment (ESSA) of the World Bank.

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

The ESMF was completed in line with safeguard policies and approved by the ESSA of the World Bank.

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.

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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).

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The country has identified the necessary measures to establish mechanisms and develop adequate tools for efficient monitoring and reporting of REDD+ safeguards during the implementation and payment for results stages. For this purpose, several safeguard instruments were elaborated, consulted and validated by the actors involved in each of the 5 priority areas through five participatory workshops. The Technical Advisory Committee and key stakeholders, including representatives from the public and private sector, academia, NGOs, forestry producer organizations and the agroforestry and livestock industries, have discussed and validated the SIS, ESMF and FGRM. A firm will develop the web systems and platforms for the REDD+ action registries, FGRM, and safeguards compliance. Based on the results of the consultations, these systems will be key for the transparency and flow of information to ensure safeguards are met and respond to feedback and grievances. The systems will be able to record, manage, and follow up on the FGRM, user reports and actions to be carried out at the national level.

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
01/01/2018	06/30/2018	0.00	0.00	1,678,489.76	891,282.70
01/01/2018	06/30/2018	0.00	0.00	1,678,489.76	891,282.70
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	3,469,759.00	393,180.52
01/01/2020	06/30/2020	0.00	0.00	3,961,903.00	492,144.00