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Report No:

PROJECT PAPER

FOR

SMALL RECIPIENT EXECUTED TRUST FUND (RETF) GRANT

US\$0.53 MILLION

TO THE

ASIA NETWORK FOR SUSTAINABLE AGRICULTURE AND BIORESOURCES (ANSAB)

FOR A

FCPF CAPACITY BUILDING ON REDD+ FOR SOUTHERN CIVIL SOCIETY
ORGANIZATIONS AND LOCAL COMMUNITIES IN EAST ASIA AND THE PACIFIC REGION
PROJECT

July 10, 2017

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FISCAL YEAR

July 15 – July 14

ABBREVIATIONS AND ACRONYMS

AMC	ANSAB's Management Committee
ANSAB	Asia Network for Sustainable Agriculture and Bioresources
CAS	Country Assistance Strategy
CBP	Capacity Building Program
COP	Conference of Parties
CPF	Country Partnership Framework
CSO	Civil Society Organization
DA	Designated Account
DGM	Dedicated Grant Mechanism
EAP	East Asia and Pacific
FAO	UN Food and Agricultural Organization
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FM	Financial Management
FMT	Facility Management Team
FY	Fiscal Year
GEF	Global Environment Facility
GRM	Grievance Redress Mechanism
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEG	Independent Evaluation Group
IPs	Indigenous Peoples ¹
IPR	Implementation Progress Report
LC	Local Communities
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
OFD	Other Forest Dwellers
OP/BP	World Bank Operational Policy/Bank Procedure

¹ The concept of Indigenous Peoples is used variably in different countries

PA	Participant Assembly
PC	Participant Committee
PDO	Project Development Objective
RAC	Regional Advisory Committee
REDD	Reducing Emissions from Deforestation and Forest Degradation
RETF	Recipient Executed Trust Fund
SDG	Sustainable Development Goal
SOE	Statement of Expenditures
TF	Trust Fund
TOR	Terms of Reference
UN	United Nations
UNCBD	UN Conference on Biodiversity
UNDP	UN Development Program
UNEP	UN Environment Program
UNFCCC	UN Framework Convention on Climate Change

Regional Vice President:	Victoria Kwakwa
Senior Global Practice Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager:	Susan S. Shen
Task Team Leader:	Haddy Jatou Sey

EAST ASIA AND PACIFIC
FCPF Capacity Building on REDD+ for Southern Civil Society Organizations and Local Communities in East Asia and the Pacific Region Project

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DATA SHEET
EAST ASIA AND PACIFIC

FCPF Capacity Building on REDD+ for Southern Civil Society Organizations and
Local Communities in East Asia and the Pacific Region Project

Small RETF Grant Project Paper

EAP Region

Basic Information		
Project ID P153588	EA Category C - Not Required	Team Leader Haddy Jatou Sey
Lending Instrument	Fragile and/or Capacity Constraints []	
Investment Project Financing (IPF)	Financial Intermediaries []	
	Series of Projects []	
Project Implementation Start Date August 1, 2017	Project Implementation End Date December 31, 2019	
Expected Effectiveness Date August 1, 2017	Expected Closing Date December 31, 2019	
Joint IFC No		
Practice Manager Susan S. Shen	Senior Global Practice Director Ede Jorge Ijjasz- Vasquez	Regional Vice President Victoria Kwakwa
Approval Authority		
Approval Authority Regional Vice President		
Recipient: Asia Network for Sustainable Agriculture and Bioresources (ANSAB)		
Responsible Agency: Asia Network for Sustainable Agriculture and Bioresources (ANSAB)		
Contact:	Dr. Bhishma P. Subedi	Title: Executive Director
Telephone No.:	+977 1 4497547	Email: bhishmasubedi@ansab.org
Project Financing Data (in USD Million)		

Total Project Cost:	0.53	Total Bank Financing:	0.53						
Financing Gap:	0.00								
Financing Source		Amount							
Readiness Fund of the Forest Carbon Partnership Facility		0.53							
Total		0.53							
Expected Disbursements (in USD Million)									
Fiscal Year	2018	2019	2020	0000	0000	0000	0000	0000	0000
Annual	0.30	0.20	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative	0.30	0.50	0.53	0.00	0.00	0.00	0.00	0.00	0.00
Institutional Data									
Practice Area (Lead)									
Social, Urban, Rural and Resilience Global Practice									
Contributing Practice Areas									
Cross Cutting Topics									
[X] Climate Change									
[] Fragile, Conflict & Violence									
[X] Gender									
[] Jobs									
[] Public Private Partnership									
Sectors / Climate Change									
Sector (Maximum 5 and total % must equal 100)									
Major Sector	Sector			%	Adaptation Co-benefits %		Mitigation Co-benefits %		
Agriculture, fishing, and forestry	Forestry			100					
Total				100					
[X] I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.									
Themes									
Theme (Maximum 5 and total % must equal 100)									
Major theme			Theme				%		

Social dev/gender/inclusion	Participation and civic engagement	20
Social dev/gender/inclusion	Indigenous peoples	20
Social dev/gender/inclusion	Social Inclusion	60
Total		100
Proposed Development Objective(s)		
The Project Development Objective (PDO) is to strengthen: (i) the knowledge of targeted southern civil society organizations and local communities of REDD+ Readiness at the national level and (ii) knowledge exchange at the regional level.		
Components		
Component Name	Cost (USD Millions)	
Component 1: National Capacity Building and Awareness Raising	0.35	
Component 2: Regional Exchange and Sharing of Lessons Learned	0.11	
Component 3: Management, M&E and Reporting	0.07	
Compliance		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes [☐]	No [X]
Does the project require any waivers of Bank policies?	Yes [☐]	No [X]
Have these been approved by Bank management?	Yes [☐]	No [☐]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No [☐]
Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		X
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X

Projects in Disputed Areas OP/BP 7.60			X	
Legal Covenants				
Name		Recurrent	Due Date	Frequency
Maintenance of a Management Committee		X		
Description of Covenant				
The Recipient shall maintain for the duration of the Project, a Management Committee, having compositions and terms of reference acceptable to the World Bank, responsible for overseeing the performance of the Secretariat.				
Name		Recurrent	Due Date	Frequency
Maintenance of a Regional Advisory Committee			September 29, 2017	
Description of Covenant				
The Recipient shall set up by September 29, 2017 and maintain thereafter, the Regional Advisory Committee, having compositions and terms of reference acceptable to the World Bank, and responsible for, among others, the reviewing eligible proposals for their soundness and their compatibility with the respective national REDD+ priorities.				
Name		Recurrent	Due Date	Frequency
Maintenance of a Secretariat		X		
Description of Covenant				
The Recipient shall maintain for the duration of the Project, a Secretariat comprising of staff with experience and qualification under terms of reference acceptable to the World Bank, and shall be responsible, among others, to oversee the entire Project operation including procurement, finance and project management including monitoring and evaluation.				
Conditions				
Source Of Fund	Name		Type	
FCPF Grant	Withdrawal		Disbursement	
Description of Condition				
Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Haddy Jatou Sey	Team Leader	Senior Social Development Specialist		GCCFL

Susan S. Shen	Program Manager	Practice Manager		GSU02	
Shambhu Prasad Uprety	Procurement Specialist	Senior Procurement Specialist		GGO06	
Yogesh Bom Malla	Financial Management Specialist	Financial Management Specialist		GGO24	
Junko Funahashi	Counsel	Lead Counsel		LEGES	
Brenda Morata	Counsel	Legal Analyst		LEGES	
Vidya Narasimhan	Financial Management	Finance Officer		WFALN	
Peter Leonard	Regional Safeguards Advisor for EAP	Regional Safeguards Adviser		OPSFR	
Anchula Sanjeeth Thomas	Program Assistant	Program Assistant		GCCFM	
Kennan W. Rapp	Window Manager	Senior Social Development Specialist		GCCFL	
Anders Jensen	Monitoring and Evaluation	Senior M&E Specialist		GPSOS	
Ayala Peled Ben Ari	Operations Specialist	Consultant		GENDR	
Extended Team					
Name	Title	Office Phone	Location		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Fiji, Papua New Guinea, Vanuatu, Vietnam			X	X	
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants Required?	No				

I. STRATEGIC CONTEXT

A. Regional Context

1. **Deforestation and forest degradation are the second leading cause of global warming, responsible for about 15 percent of global greenhouse gas emissions, which makes the loss and depletion of forests a major issue for climate change.** The United Nations (UN) Food and Agriculture Organization (FAO) 2010 Global Forest Resources Assessment estimates that the world's forests store 289 gigatonnes (Gt) of carbon in their biomass alone, and during the period 2005–2010, carbon stocks in forest biomass worldwide decreased by an estimated 0.5 Gt annually, mainly because of a reduction in global forest area.² Research has shown that reducing emissions from deforestation and forest degradation (REDD) is a potentially effective way to reduce net emissions through increased carbon sequestration.³
2. **REDD was first considered by the United Nations Framework Convention on Climate Change (UNFCCC) 11th Conference of the Parties (COP11) in Montreal in December 2005.** Five years later in Cancun, COP16 parties agreed that “developing countries could contribute to mitigation actions in the forest sector by reducing emissions from deforestation; reducing emissions from forest degradation; conserving forest carbon stocks; sustaining management of forests; and enhancing forest carbon stocks.” This became known as the REDD+ agenda.
3. **Civil society and local communities’ involvement in REDD+.** Civil society and local communities (LC)⁴ in Asia and the Pacific have been engaged in national REDD+ planning and formulation and played an active role in partnering with governments to implement consultation activities, including representation as part of the national REDD+ technical bodies responsible for REDD+ decision making. Strengthened consultation and participation has also helped to publicize and increase the understanding of civil society and LC’s views and potential contributions to REDD+’s design and implementation. In addition, a number of countries in Asia, such as Fiji, Vietnam and Vanuatu, have civil society representation as part of their national REDD+ technical bodies and/or national institutional arrangements for REDD+.
4. **The Forest Carbon Partnership Facility (FCPF) was launched in 2007 as a result of strong interest of developing countries in REDD, and a clear demand from both industrialized and developing country governments for a mechanism that would help forested countries reduce emissions from deforestation and forest degradation and conduct demonstration activities to show how REDD could be implemented.** Decisions taken that year at COP13 in Bali specifically invited parties to further strengthen and support ongoing REDD efforts, support capacity building, provide technical assistance and address the institutional needs of developing countries. The Facility has since become a global partnership of governments, businesses, civil society and IPs, which comprises 47 partner developing

² FAO (2010). Global Forest Resources Assessment 2010. Forestry Paper 163. Rome, Food and Agriculture Organization of the United Nations.

³ For example, Gullison et al. (2007) estimate that total emissions reductions from reducing deforestation rates by 50 percent by the year 2050, and maintaining those rates for another 50 years, would save the equivalent of worldwide fossil fuel emission for the past six years.

⁴ As defined in the FCPF 2008 Charter. LC are sometimes also referred to as “Other Forest Dwellers” (OFD).

countries (11 in the Asia-Pacific Region⁵, 18 in Africa and 18 in Latin America and the Caribbean) and 17 financial contributors from both the public and private sectors. The main focus of the Facility has been supporting governments in laying the foundation for future REDD+ activities, and piloting performance-based payment systems.

5. The FCPF has two complementary funding mechanisms to achieve its strategic objectives (see Box 1 and Figure 1): the *Readiness Fund*, which assists tropical and sub-tropical developing countries in preparing to participate in a future, large-scale system of positive incentives for REDD+; and the *Carbon Fund* for testing a program of performance-based incentive payments in pilot countries. The World Bank is the Facility's Trustee as well as one of its Delivery Partners. It also houses the FCPF Facility Management Team (FMT) that is responsible for the operation of the Facility. Concrete activities implemented under the Readiness Fund include the development of Reference Levels and a REDD+ strategy, the design of monitoring systems for measuring, reporting and verification, the establishment of REDD+ national management arrangements, and the identification of social and environmental impacts associated with REDD+. Activities under this project complement activities financed by Readiness Fund grants.

Box 1. The Forest Carbon Partnership Facility's objectives

The FCPF pursues four strategic objectives:

- To assist eligible REDD+ Countries in their efforts to achieve Emission Reductions (ER) from deforestation and/or forest degradation by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD+;
- To pilot a performance-based payments system for ER generated from REDD+ activities, with a view to ensuing equitable sharing and promoting future large-scale positive incentives for REDD+;
- Within the approach to REDD+, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity; and
- To disseminate broadly the knowledge gained in the development of the Facility and implementation of Readiness Plans and ER Programs.

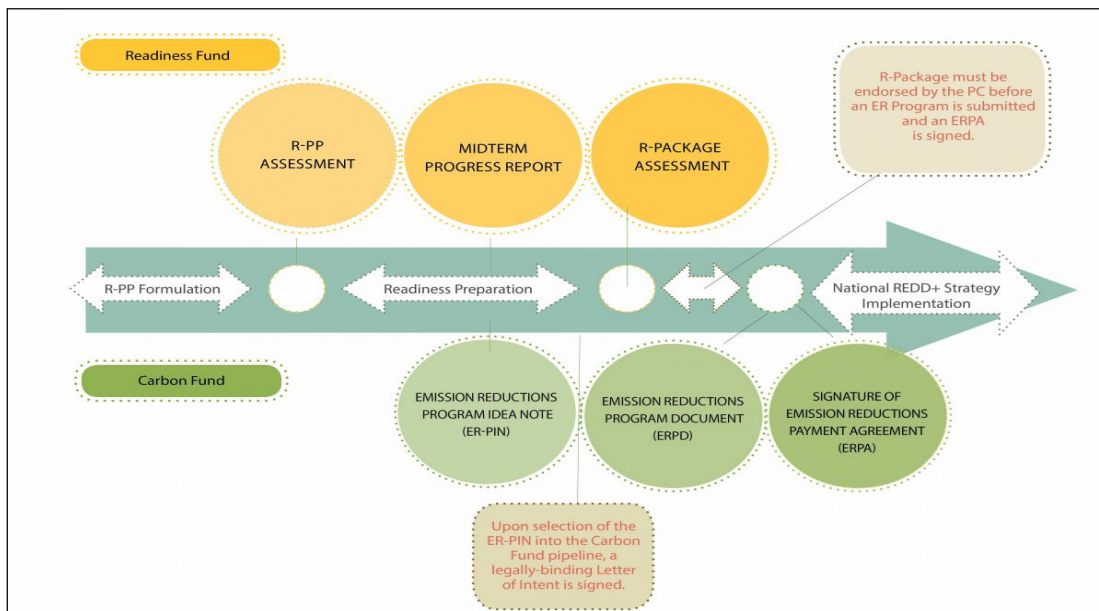
6. **In order to provide coordinated support to partner countries, the FCPF works closely with the Forest Investment Program (FIP) under the Climate Investment Funds (CIF), and shares secretariat responsibilities with the UN-REDD Program under a REDD+ Partnership.**⁶ Coherence and cooperation across the different FIP and FCPF activities have been achieved especially in the DRC, Ghana, Indonesia, and Mexico, as governments ensure that activity planning is closely coordinated between the two initiatives. At the secretariat level, the FCPF is an observer to the FIP governing body, and FIP has equally participated in the FCPF meetings. Coordination between the FCPF and the UN-REDD Program involves joint scheduling of governance body meetings, coordination of analytical and capacity building efforts, and joint delivery of secretariat services to the REDD+ Partnership. Fiscal Year 2014

⁵ Bhutan, Cambodia, Fiji, Indonesia, Lao PDR, Nepal, Pakistan, Papua New Guinea, Thailand, Vanuatu and Vietnam.

⁶ The REDD+ Partnership is an international interim platform for its partner countries to scale up actions and finance for REDD+.

(FY14) marked the first year of regional workshops in Asia and the Pacific, Latin America and Africa, where the process of country needs assessments was furthered, and capacity was enhanced to take key readiness steps and access REDD+ finance. Together, the FCPF, FIP and UN-REDD Program support REDD+ readiness and investment activities in 48 countries across Africa, Asia-Pacific and Latin America.

Figure 1. Milestones of REDD+ Readiness



B. Sectoral and Institutional Context

7. Forest-dependent IPs, southern civil society and LC are key partners in REDD+ design and implementation. REDD+ Readiness activities in particular involve a high degree of consultation amongst various stakeholders, including civil society, IPs, LC and private sector, among others, and the national REDD+ strategy must itself be rooted in a broad-based consultative process. The participation of civil society and LC is, therefore, critical for REDD+, and requires deep understanding of the objectives of REDD+, the related risks and opportunities and their potential role in the process. CSOs' level of participation in national level REDD+ related decision making structures varies across the region. All countries in Asia and Pacific have CSOs represented in national steering committees or national technical bodies responsible for decision making for REDD+. In addition, in some countries like Fiji and Vanuatu, CSOs and LC are already organized into independent platforms to provide continuous and sustained support in achieving REDD+ country objectives.

8. A series of regional dialogues between the FCPF and civil society representatives that have taken place since the beginning of the FCPF resulted in a request to support southern CSOs and LC in building their capacity to strengthen their engagement in REDD+ activities at the national and regional levels. The FCPF has organized regional dialogues in Africa, Latin America and Asia over a three year period, where forest-dependent IPs, southern civil society and LC representatives raised a number of concerns with respect to REDD+ in general and the FCPF in particular, and requested a regional and national capacity building

program to enhance their knowledge on climate change and the technicalities of REDD+. They felt this would enable them to play a more meaningful role in the REDD+ Readiness process in their respective countries. While capacity needs vary between countries and communities, a number of common priority areas have emerged; these include (i) research and publication of knowledge products on REDD+; (ii) awareness raising on REDD+ policies, concepts and processes; (iii) coordination, communication and information sharing systems within and across countries; (iv) collaboration between CSOs, IPs and national REDD+ frameworks; (v) recognition and respect for local knowledge that is critical in climate change adaptation and mitigation; and (vi) understanding of the threats to land tenure and local livelihoods in the context of REDD+. In Asia, the dialogue raised a number of concerns with respect to REDD+ in general and the FCPF in particular, including the need for full and effective participation in REDD+ design at the national level; and the need to address the issues of customary land ownership, carbon rights, benefit sharing and forest governance. Capacity and participation needs of women and youth have been recognized as requiring affirmative action across the board.

9. The dialogues also acknowledged that efforts to enhance IPs, southern civil society and LC's understanding of REDD+ required strategic and systematic plan of actions and funding. Consequently, a Global Action Plan was issued, that provided a roadmap for the engagement of IPs in the FCPF, and the FCPF Global Capacity Building Program (CBP) was established to provide information, knowledge and awareness on REDD+. The program was conceived to be a demand-driven one, in which IPs and CSOs were to make proposals to the FCPF based on their needs. It complements FCPF Readiness Grants by targeting specific capacity building needs, in particular those related to raising the awareness on the technical aspects of REDD+.

10. Phase I of the CBP (2008-2015) funded 29 projects in Asia, Latin America and Africa (including two global projects), with a total allocation of over US\$1.7 million, supporting awareness-raising workshops, publication of training manuals and capacity building activities. Proposals for capacity building activities have been processed through the World Bank's general corporate procurement system where IP organizations and CSOs were selected and contracted as consultants to carry out specific capacity building activities (see Box 2 below for a list of Phase I beneficiary organizations). During this phase, CSOs in Africa, Latin America and the Caribbean and Asia were engaged in national REDD+ planning and formulation and played an active role in partnering with governments to implement consultation activities. Strengthened consultation and participation also helped to publicize and increase the understanding of civil society and LC views and potential contributions to the REDD+ system design and implementation. In addition, during this period, CSOs have played an important role in the decision making process of the FCPF through self-selected observers in the FCPF Participants Assembly (PA) and Participants Committee (PC) meetings⁷, as well as members of

⁷ The Participant Assembly includes all FCPF participants and is responsible to elect members to a Participants Committee (PC); provide general guidance to the PC, review decisions made by the PC with respect to certain items specified in the charter; and serve as a forum for exchanging information and sharing knowledge among participants and observers. The PC is made up of an equal number of REDD+ countries (14) and financial contributors (14), and it also comprises observers representing IPs, civil society, international organizations, the UN-REDD Program, the UNFCCC Secretariat and the private sector. The PC meets twice a year, and is the main decision-making body of the FCPF.

the Ad Hoc Technical Advisory Panel (TAP).⁸

Box 2. CBP Phase 1: Beneficiary Organizations

SOUTHERN CSOs

- African Women's Network for Community Management of Forests (REFACOF)
- Pan African Climate Justice Alliance (PACJA)
- Dalit Alliance for Natural Resource (DANAR)
- Nepal Law Society (NLS)
- Instituto del Bien Común (IBC)
- Instituto para el Desarrollo Sustentable en Mesoamérica A.C (IDESMAC)
- Derecho, Ambiente y Recursos Naturales (DAR)
- Red Mexicana de Organizaciones Campesinas Forestales (MOCAF)

INDIGENOUS PEOPLES' ORGANIZATIONS

- Wildlife Conservation Society (WCS) on behalf of CACO REDD+
- Dynamique des Groupes des Peuples Autochtones (DGPA)
- Réseau des Peuples Autochtones et Locaux pour la Gestion Durable des Ecosystèmes d'Afrique Centrale (REPALEAC)
- Indigenous Peoples of Africa Coordinating Committee (IPACC)
- Rainforest Nations Conservation Alliance
- Children's Development Association (CDA)
- Nepal Federation of Indigenous Nationalities (NEFIN)
- Perkumpulan Telapak
- Organización de Pueblos y Naciones Indígenas en Argentina (ONPIA)
- Coordinadora de las Organizaciones Indígenas de la Cuenca Amazónica (COICA)
- Organización de Pueblos Indígenas de la Amazonia Colombiana (OPIAC)
- Instituto de Investigaciones y Desarrollo de Kuna Yala (IIDKY)
- Mainyoto Pastoralist Integrated Development Organization (MPIDO)
- Association of Indigenous Leaders in Suriname (VIDS)
- Fundación para la Promoción del Conocimiento Indígena (FPCI)
- Asociación Sotz'il
- Red Indígena de Turismo de México (RITA)
- Organizacion de Jóvenes Emberay Wounaan de Panamá (OJEWPP)

11. Phase II of the CBP. In moving forward with the Capacity Building Program, and in line with the Bank's Operational Policy/Bank Procedure (OP/BP) 10.00, Investment Project Financing, projects under Phase II of the CBP are implemented in accordance to the World Bank's Procedure for Small Recipient-Executed Trust Fund Grants. During Phase II, six grants are to be provided to recipient organizations (see Table 1).⁹ Through six individual small

⁸ The TAP is an independent forum of technical experts that provides technical advice and information to the PC and PA on specific issues.

⁹ The choice of organizations is an outcome of a rigorous competitive global selection process undertaken by the FMT of the FCPF in late 2012/early 2013 through an open call for proposals, and subsequent evaluation in collaboration with World Bank regional social development staff (eligibility criteria included the applicants' level of credibility and solid track record, and administrative and fiduciary capacity to manage World Bank funds). The outcome of the assessment process was reviewed by members of the PC and respective IPs and CSOs Observers to

Recipient Executed Trust Funds (RETFs), each organization is expected to be responsible for selecting and supporting small capacity building projects within their regions and targeted communities. *For further information on the selection process, see Annex 4.* At the Program level, objectives continue to be focused on awareness raising and capacity building of people at the grassroots levels; engaging IPs, civil society and LC in all phases of REDD+; and building a knowledge base of IPs, civil society and LC on climate change and REDD+, thus empowering them to translate global knowledge into actionable plans at the national level.

Table 1. Recipient Organizations Selected for Implementation of Grants under the Phase II of the CBP

Region	Indigenous Peoples Organizations	Civil Society Organizations
Africa	Mainyoito Pastoralist Integrated Development Organization (MPIDO)	Pan African Climate Justice Alliance (PACJA)
Asia and Pacific	Indigenous Peoples' International Centre for Policy Research and Education (Tebtebba)	Asia Network for Sustainable Agriculture and Bioresources (ANSAB)
Latin America	Association Sotz'il	Asociación Coordinadora Indígena y Campesina de Agroforestería Comunitaria de Centroamérica (ACICAFOC)

12. The proposed project seeks to finance the CBP Phase II for southern civil society and LC in East Asia and Pacific, titled “FCPF Capacity Building on REDD+ for CSOs and Local Communities in EAP Project” for a total of US\$530,111. The selected Recipient Organization for this project is Asia Network for Sustainable Agriculture and Bioresources (ANSAB), based in Nepal.¹⁰

C. Higher Level Objectives to which the Project Contributes

13. **UNFCCC, COP16 in Cancun (2010).** The call of the UNFCCC COP16 for full and effective participation of IPs and local communities, and the need to respect traditional knowledge and rights, are the guiding principles of the proposed project. While the FCPF is different in origin, life span and funding arrangements from the UNFCCC, it nonetheless endeavors to align with the emerging policy guidance of the Convention, and to inform the UNFCCC negotiations through lessons emerging from country-led implementation of REDD+ programs.

14. **The project is consistent with the Sustainable Development Goals (SDGs), in**

the FCPF, who gave a no-objection report. See Annex 4 for further detail on the selection process.

¹⁰ The decision to process separately two small grants per region instead of a joint CSO/IP grant per region was based on the facts that: (i) the grants address two different constituencies; and (ii) OP/BP 4.10 is triggered by only one of the two projects (P153585).

particular SDG5 of providing women and girls with equal access to education and representation in political and economic decision-making processes, SDG13 of taking urgent action to combat climate change and its impacts, SDG15 of protecting, restoring and promoting sustainable use of terrestrial ecosystems, and sustainably managing forests, and SDG16 of promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels.

15. Forest Carbon Partnership Facility (established in 2007). The project is a key mechanism to fulfilling the FCPF strategic objective of assisting eligible REDD+ Countries in their efforts to achieve Emission Reductions (ER) from deforestation and/or forest degradation by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD+. The project also fulfills another key pillar of the FCPF – ensuring the active participation of IP/CSOs and LC in REDD+ design and implementation.

16. World Bank Group Strategy. Dialogue and engagement with CSOs is at the core of the broader World Bank Group civil society and stakeholder relations strategy, which looks to empower and engage civil society as partners in a shared development agenda. The Bank Group is focused on reinvigorating efforts to establish long-term, innovative partnerships with a diverse cohort of civil society actors, of which the project could be a key tool. The project is further aligned with the World Bank Group Strategy and the twin goals of ending extreme poverty and promoting shared prosperity and sustainability that cannot be achieved without addressing climate change and securing ecosystem integrity.

17. In addition, the project fulfill the strategy's premise of creating an inclusive society, not only in terms of economic welfare but also in terms of the voice and empowerment of all groups, including traditionally marginalized groups, such as ethnic minorities and indigenous populations, in decision-making processes. The project further fulfills the vision of the *Bank's Environment Strategy 2012 – 2022 (2012)* on low-emission development strategies and innovative finance, calling for cross-region and cross-sector work to find innovative carbon finance and climate finance solutions to help countries adopt low-mission paths to development and improve resource efficiency. The FCPF is a key implementation mechanism of the *World Bank Group Forest Action Plan FY16–20 (2016)* and *Climate Change Action Plan (2016)* under the crosscutting theme of Climate Change and Resilience by working on innovative solutions for forest-based mitigation to climate change. The project is also directly associated with the second crosscutting theme of Rights and Participation by establishing strong platforms that foster enhanced participation of various stakeholders.

18. World Bank strategy for East Asia and Pacific. The project is aligned with the East Asia and Pacific (EAP) region's strategic focus on inclusion and empowerment; and on climate change and disaster risk management, which are considered critical to reducing poverty and building shared prosperity across the region. In line with the region's strategy, project-funded activities are expected to strengthen the capacity of civil society and LC to benefit from and participate in REDD+ processes, enhance regional integration and cooperation by disseminating good practices and lessons learned to support the capacity-building needs of southern civil society and LC.

19. **Relationship to CAS/CPS/CPF.** The following describes the alignment of the project with each of the participating countries' assistance/partnership strategies¹¹:

Table 2. Participating Countries' Strategies' Relevant Instructions

Country	Assistance/partnership strategy's relevant instructions
Fiji	Country Engagement Note for the period FY15-FY17 (Report No. 93708), Theme 2: Protecting Vulnerable Populations: support an analysis of the drivers of deforestation, forest governance and REDD+ strategy options, a potential grievance redress mechanism, and benefit monitoring.
Papua New Guinea	Country Partnership Strategy for the period FY13-FY18 (Report No. 71440), Pillar 2: Gender-equitable improvements in lives and livelihoods: support expanded yields and profitability of smallholders growing cash crops, productivity gains for rural households growing food crops, improved sustainability and resilience to price and weather volatility.
Vanuatu	Pacific Regional Partnership Program for the period FY17-FY21 (Report No. R2017-0028), and its focus on strengthening resilience to natural disasters and climate change by helping communities increase their resilience.
Vietnam	The forthcoming Country Partnership Framework for the period FY18-FY22 is expected to reflect, <i>inter alia</i> , priorities expressed in the WBG 2016 Systematic Country Diagnostic (Report No. 108348), among them are the strategic priority of sustainable management of natural assets and environment.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

20. The Project Development Objective (PDO) is to strengthen: (i) the knowledge of targeted southern civil society organizations and local communities of REDD+ Readiness at the national level and (ii) knowledge exchange at the regional level.

21. This PDO is a derivative of the FCPF CBP's objective: to provide forest-dependent IPs on one hand, and southern CSOs and Other Forest Dwellers (OFD) on the other, with information, knowledge and awareness on REDD+ in order to enhance their understanding of REDD+, and to engage more meaningfully in the implementation of REDD+ Readiness activities. The PDO will be achieved by funding activities that enhance civil society and LC's capacity, knowledge and networking capabilities around the REDD+ Readiness process nationally, and strengthening collaboration regionally.

B. Project Beneficiaries

22. The beneficiaries of the project will be civil society, LC and their representative organizations in FCPF eligible countries in East Asia and Pacific¹², namely **Fiji, Papua New Guinea, Vanuatu and Vietnam**, which will participate in national -level activities (under Component 1) and regional learning and exchange activities (under Component 2). These countries have been prioritized for project activities for the following reasons with the

¹¹ See Section II.B. below on participating countries

¹² These are developing countries located in a subtropical or tropical area that have signed a Participation Agreement to participate in the FCPF Readiness Fund, and that have remained active in meetings and related activities of the Fund.

exception of Papua New Guinea where UNDP is the delivery partner:

- i. Their respective governments have signed Readiness Grant Agreements with the FCPF and started with the implementation of readiness (as confirmed by a Bank mission), thereby allowing the project to reinforce their REDD+ Readiness efforts¹³;
- ii. They are not beneficiaries of the Global Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities project of the FIP¹⁴; and
- iii. They are not beneficiaries of FCPF Capacity Building Phase I funds.

23. The national civil society and LC organizations that will participate in project-funded activities will be selected by ANSAB with the support of an external Regional Advisory Committee (RAC-see more below under implementation arrangements) based on eligibility criteria that were agreed on by representatives from the participating countries and the World Bank. These criteria are detailed in a Project Operational Manual, including ongoing and past involvement in REDD+ related activities at the country level. The organizations will be contacted by ANSAB through a call for proposals and by encouraging qualified organizations to submit proposals as relevant.

24. Other potential project beneficiaries are national and regional stakeholders from the REDD+ community that will benefit from project-funded studies and reports on good practices in REDD+ capacity building. This includes FCPF REDD+ Country Participants from Africa and Latin America and the Caribbean (LAC); FCPF Donor Participants and Carbon Fund Participants¹⁵; Readiness Fund Delivery Partners (the UN Development Program–UNDP, the Inter-American Development Bank and FAO), and other multilateral, bilateral and private sector entities and fora. In all four countries, letters of consent will be sought from countries' REDD Focal Points before activities are approved by the Bank for implementation in-country in order to ensure alignment with countries' wider engagement with the World Bank on climate change, REDD+ and forestry.

25. *See Annex 5 for a Project Map.*

C. Results Indicators

26. The following Results Indicators will be used:

- i. Share of target beneficiaries with knowledge score of 3 or more on REDD+ and related issues (Target: 80%)
- ii. National knowledge exchange products disseminated in appropriate languages (Target: 4)
- iii. Regional knowledge exchange products disseminated (Target: 5)

¹³ Informed by FMT Note 2012-5, which states in part that the CBP activities reinforce national REDD+ readiness efforts. Note that all four countries have signed Readiness Grant Agreements.

¹⁴ Informed by PC 19 guidance from May 2015, seeking to ensure coordination between the FIP Dedicated Grant Mechanism and the CBP, and also to ensure that as many eligible organizations and countries can benefit from the DGM and CBP, while avoiding any potential duplications of beneficiary organizations and countries under the two programs.

¹⁵ For the full lists of FCPF participants, see <http://forestcarbonpartnership.org/participants-page>

- iv. Meetings held between civil society and LC representatives and national REDD+ decision making entities (Target: 4)
- v. Direct project beneficiaries, of which female (Core Indicator) (Target: 800, 40%)

27. Information for the above indicators will be aggregated and analyzed by ANSAB from meeting summaries, reports of civil society and LC organizations carrying out capacity building and awareness raising activities under Component 1, and records of organizations' participation in national, bi-lateral and regional activities. For indicator (i) in specific, all defined direct beneficiaries will receive a pre-defined short questionnaire (a half pager) that will record their perceptions of their level of knowledge on a defined list of subjects. The forms will be filled by the beneficiaries after a training workshop/program and collected and analyzed by ANSAB with support from the World Bank. The World Bank team in collaboration with ANSAB will also explore the option of evaluating the change in the number of civil society and LC representatives in national REDD+ Readiness processes during the course of project implementation in the four countries. Since this potential impact will go beyond the objective of the project, any shown results will be considered an added value of the project.

28. *See Annex 1 for the Project Results Framework.*

III. PROJECT DESCRIPTION

A. Project Activities

29. The project will be implemented during a 28-month period (August 2017 to December 2019), financed through a US\$530,111 Recipient-Executed Trust Fund from the FCPF CBP, and implemented by the Asia Network for Sustainable Agriculture and Bioresources (ANSAB), which is located in Nepal. Financed activities will be grouped into the following three components:

Component 1: National Capacity Building and Awareness Raising (US\$350,000)

30. Component 1 will support capacity building and awareness raising activities for civil society and LC organizations in the four participating countries through consultancies with specific focus on women and youth. Activities will enable participants to understand the phenomenon and impacts of climate change on civil society and LC; understand the REDD+ mechanism; realize civil society and LC's respective roles and responsibilities related to climate change mitigation and adaptation through sustainable management of forest and other resources; participate in REDD+ processes, and more. The design and choice of activities will be informed by the key principle of gender balance (actively seeking a balance between female and male beneficiaries), and understanding of infrastructural constraints within beneficiaries' territories, especially those related to means and forms of communication. Activities will also be considered in view of past and present REDD+ capacity building programs in the region and elsewhere, and of existing manuals, training material, and other tools. The government entity/national focal point¹⁶ implementing REDD+ processes will be engaged and consulted

¹⁶ Focal points are officially nominated national liaisons with the UNFCCC secretariat and the relevant bodies under the Convention. In the context of this project a focal point could also mean a liaison between the national

with from time to time in order to enhance coordination at the national level, and letters of consent will be sought from countries' REDD Focal Points before activities are approved by the Bank in order to ensure alignment with countries' wider engagement with the World Bank on climate change, REDD+ and forestry.

31. As part of these consultancies, the project will finance activities that strengthen the capacities of the civil society and LC organizations to participate in the implementation of REDD+ Readiness actions. This would entail joint meetings of organizations selected to carry out capacity building activities in their respective countries with national REDD+ decision makers to present their projects and their achievements and discuss mechanisms for civil society engagement. Furthermore, the project will organize training to national and sub-national level CSOs and LCs on REDD+ issues.

Key Outputs of Component 1:

- i. Capacity building and awareness raising activities through consultancies
- ii. Meetings between selected civil society and LC organizations and the respective national REDD+ decision makers

Component 2: Regional Exchange and Sharing of Lessons Learned (US\$110,000)

32. ANSAB will set up and maintain a REDD+ webpage on its organizational website by compiling relevant information on regional issues of interest, REDD+ manuals, activities carried out by ANSAB and other prominent regional organizations, links to REDD+ projects and websites with useful knowledge products, recent publications, and details on the consultancies funded under Component 1, their performance and lessons learned/good practices. All the information will be publicly available and actively communicated to CSO and LC organizations in the region using ANSAB's distribution lists. ANSAB will also convene two regional learning and exchange workshops which will serve to disseminate available REDD+ knowledge products, share lessons learned, good practices and recommendations from capacity building and awareness raising activities under Component 1, and build capacity of the CSOs on selected topics.

Key Outputs of Component 2:

- i. A REDD+ webpage containing existing REDD+ educational and knowledge products, and lessons learned and good practices from Component 1 capacity building activities
- ii. Regional civil society and LC workshops

Component 3: Management, M&E and Reporting (US\$70,111)

33. This component will finance the incremental overhead costs incurred by ANSAB during the implementation of the project. Project management includes procurement, financial management, monitoring and evaluation (M&E) and reporting, and preparation of annual work plans and budgets acceptable to the World Bank. This component will also finance an annual

government and the FCPF. They are also referred to as National REDD+ Coordinators.

audit of the project account by an external auditor and any costs related to the execution of the grievance redress mechanism (GRM). M&E will take place at the project and national levels in accordance with the project results framework (*see Annex 1*) using information which ANSAB will collect from all Component 1 recipient organizations, and self-generated data under Component 2. ANSAB will synthesize the information into semi-annual progress reports which it will submit to the World Bank.

Key Outputs of Component 3:

- i. Annual work plans and budgets
- ii. Semi-annual progress reports and financial report
- iii. Annual external audits
- iv. Operational GRM

34. *See Annex 2 for a Detailed Project Description.*

B. Project Financing

Instrument

35. The project will be financed by a small RETF grant from the FCPF, to be implemented over a 28-month period (August 2017 - December 2019). The grant will be governed by the World Bank's "Procedures for Small Recipient-Executed Trust Fund Grants", which specify the process for the design and implementation of small grants.

C. Lessons Learned and Reflected in the Project Design

36. The project puts into practice lessons learned by the FCPF and other REDD+ instruments in Asia and elsewhere¹⁷ about the importance of engaging civil society and LC in the REDD+ Readiness process, and the recognition that engagement is more effective when targeted communities are well-informed and have the capacity to participate. Although capacity and willingness to participate are clearly related to local culture and education, it has been shown that they can be enhanced through various training instruments, especially through partnering with local leaders and existing institutions in a culturally sensitive way.

37. While there is a plethora of lessons learned on community engagement in rural development projects, specific recommendations¹⁸ to the REDD+ Readiness process, which the project will incorporate under Component 1, point to the importance of clearly explaining to local stakeholders how REDD+ activities work in ways that are compatible with local cultures;

¹⁷ See: FCPF Working Paper #1 (revised version). Harvesting Knowledge on REDD-plus: Early Lessons from the FCPF Initiative and Beyond (Report No. 61123); FCPF and the Amazonas Sustainable Foundation. REDD+ and Community Forestry: Lessons Learned from an Exchange between Brazil and Africa (Report No. 76565); Salas, Paula Cordero. *Implementation of REDD+ Mechanisms in Tanzania*. World Bank. Washington, DC: Policy Research Working Paper No. 6815, March 2014

¹⁸ Blomley, Tom, and Michael Richards. *Community Engagement Guidance: Good Practice for Forest Carbon Projects*. In Building Forest Carbon Projects, Johannes Ebeling and Jacob Olander (eds.). Washington, DC: Forest Trends, 2011.

managing inordinate expectations about the magnitude and timing of benefits; working with locally trusted organizations which identify with specific ethnic or other culturally distinct groups; and maintaining stakeholder participation over the project lifetime.

38. CBP Phase 1 lessons learned about building the REDD+ capacity of civil society and LC are that capacity building activities should be customized to the socio-cultural context of recipient civil society and LC. This aspect will be assessed as part of the proposal review process, as would recipients' level of representation and affiliation with the communities they plan to engage with. Targeted communities' language and level of literacy will also be taken into consideration when assessing the appropriateness of a capacity building proposal. Training material will be translated to local languages as needed by the entities implementing capacity building and awareness raising activities in the countries.

39. From a broader point of view, the project echoes two of the lessons highlighted by the Independent Evaluation Group (IEG) for the FCPF in 2011¹⁹, the first one being the need to enhance the effectiveness of FCPF management by taking advantage of internal World Bank reforms relating to micro and small grants; and the second one about giving priority to “no regrets” investments and activities which are also useful outside of the REDD+ context and could be synergistic with the World Bank's wider country partnership objectives. The use of the World Bank procedures for small RETFs to prepare and implement this project is in response to the first lesson learned, while the concentration on capacity building, awareness raising and regional and national collaboration is considered a valuable result which goes beyond the forest sector.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

Project institutional arrangements

40. The World Bank is the home of the FCPF FMT (the FCPF Secretariat) that is responsible for the operation of the Facility and relations with the Facility's governing body, the FCPF Participant Committee (PC). ANSAB will be the grant recipient and the implementing agency of this project; as such, it will be responsible for the overall management of the project.²⁰ ANSAB is a Nepal-based civil society organization that has over 20 years of experience in working to promote biodiversity conservation and livelihood improvement through community empowerment, community-based enterprises and value chains, natural resources management and biodiversity conservation, enabling policy environment and multi-stakeholders collaboration. ANSAB has extensive experience working in the region and has developed significant local knowledge, capacity, and links with key stakeholders from which the project

¹⁹ IEG. 2011. The Forest Carbon Partnership Facility: Global Program Review Vol. 6, Issue 3.

²⁰ ANSAB was selected following an FMT/World Bank evaluation of candidate organizations' (i) eligibility criteria as outlined in FMT Note 2012-12 and related documentation; (ii) the organizations' level of credibility and solid track record, evidenced by letters of recommendation received from partner organizations familiar with their work; and (iii) the organizations' administrative and fiduciary capacity to manage World Bank funds, based on the information provided by the organizations in the World Bank Integrated Assessment Framework. See Annex 4 for further detail.

will benefit, allowing for complementarity with ongoing initiatives to maximize impacts on the ground while ensuring required coordination. It is also member in a number of regional CSO platforms.

Project implementation arrangements

41. At the national level, capacity building activities will be funded through consultancies and carried out by selected civil society and LC organizations through contracts with ANSAB.²¹ Regional activities will be implemented by ANSAB.

42. ANSAB will maintain staff in number and with qualifications acceptable to the Bank throughout the duration of the project. A small project Secretariat will be maintained within ANSAB, comprising three part-time personnel in charge of procurement, finance and project management, including M&E. The Secretariat will be supported by a part-time consultant who will provide support for the implementation of Components 1 and 2. The Secretariat will be overseen and receive guidance from ANSAB's Management Committee (AMC). The AMC will review and approve the project's key implementation documents, including work plans, budgets and the Operational Manual before sending to the World Bank for approval. It will also participate in the project's Grievance Redress Mechanism by verifying grievances and developing plans of actions for addressing them.

43. In order to ensure a transparent system of sub-project selection, ANSAB will set up an independent Asia-Pacific Regional Advisory Committee (RAC) during the first 2 months of project implementation. The RAC will review eligible proposals for their technical soundness and their compatibility with the respective national REDD+ priorities. The RAC may be approached by ANSAB for advice on other technical issues as needed, and on any grievances communicated to ANSAB. The RAC will consist of members with strong technical knowledge of the REDD+ Readiness process and experience in evaluating proposals, possibly from non-eligible FPCF participating countries to avoid potential conflicts of interest in the process. RAC membership will be on a voluntary basis and be balanced in terms of gender to the extent possible.

44. *See Annex 3 for Detailed Implementation Arrangements.*

B. Results Monitoring and Evaluation

45. **Project M&E is derived from and aligned with the overall FCPF Program Level Monitoring and Evaluation Framework.**²² The framework is designed to keep track of countries' REDD+-Readiness status, consisting of a structure and system to ensure that all key data is collected, analyzed and used in a way that helps ensure learning and adaptive management at the Facility level. It is informed by country-specific monitoring and evaluation,

²¹ The World Bank has agreed with ANSAB on a contract format which is attached in the Operational Manual.

²² As adopted by the PC in March 2013 at its fourteenth meeting in Washington DC and edited in June 2013. Available at:

https://www.forestcarbonpartnership.org/sites/fcp/files/2013/june2013/Final%20Draft%20ME%20framework_June%202013_FMT%20Note%202012-11%20rev%20_English.pdf

and is linked to key milestones that are monitored and recorded in the FCPF Dashboard.²³ The proposed project is expected to contribute to achieving FCPF Outcome 3 (Engagement of all stakeholders (governments, CSO, IPs, private sector and delivery partners) to sustain or enhance livelihoods of LC and to conserve biodiversity within the approach to REDD+) by helping to increase the engagement of civil society and LC in REDD+ in Asia and the Pacific.

46. **M&E will take place at the project and national levels in accordance with the project results framework** (*see Annex 1*) using information which ANSAB will collect from all Component 1 recipient organizations, and self-generated data under Component 2. For Component 1, ANSAB will develop a reporting format that will specify the type of information and level of detail that is required from entities implementing capacity building activities for communities. ANSAB will synthesize the information into semi-annual progress reports and submit them to the World Bank in form and substance satisfactory to the World Bank, integrating the results of M&E activities and setting out measures to ensure continued efficient and effective execution of the project, and to achieve the project's objective.

C. Sustainability

47. **The project's concept, design and implementation arrangements are based on the principles of social, environmental, institutional and financial sustainability.** The CBP was established to help create a long-lasting enabling environment for social inclusion and empowerment for IPs, CSOs and OFD, which would bring them to the forefront of the REDD+ dialogue at all levels, and the project is the one of principle mechanisms for executing this vision. The project is expected to focus on communities' traditional knowledge that may be critical to climate change adaptation and at the same time help reduce their vulnerability to the impacts of climate change by bringing in new knowledge about sustainable forest management and the financial benefits it could bring to people.

48. Disseminating and utilizing existing knowledge products and platforms, together with building broad capacity, are the cornerstones of the sustainability of this project. Capacity building and awareness raising activities will take place at the community level and through existing civil society and LC organizations that are recognized and trusted by the communities they intend to support; the experience they will gain from participating in the project will allow them to continue their engagement with communities on REDD+ beyond the project. The project will help strengthen the relationships between civil society and LC organizations and national and regional REDD+ entities to ensure that local communities' interests are better represented and reflected in government-based decision making during the timeframe of the project and afterwards, and promote networking and partnerships between civil society and LC organizations at the country level and regionally. Existing communication platforms will be used to reach stakeholders.

49. The project will not establish new implementation structures but instead work through an existing and well-established implementing agency, utilizing its in-house expertise and internal management structures to the extent possible. The financial sustainability of supported activities will depend on the relationships that civil society and LC organizations will be able to establish

²³ https://www.forestcarbonpartnership.org/sites/fcp/files/2015/May/FCPF%20Readiness%20Progress__051515.pdf

with potential REDD+ partners nationally and regionally during the course of the project, especially during the regional workshops under Component 2.

D. Donor Harmonization

50. **The project will tap into and build on national, regional, and global processes, ongoing and pre-existing networks, and capacity building efforts.** By doing so, the project is expected to avoid duplicating existing efforts, promote synergistic capacity building actions and leverage additional resources.

51. ***Coordination with CBP Phase II regional organizations.*** ANSAB will communicate on an ongoing basis with the other five Phase II regional organizations, especially Tebtebba, which is managing forest-dependent IP activities in Asia and the Pacific. By doing so, the staff of all projects will be able to learn from each other's experience, reduce costs by adapting already produced materials and communication platforms, and avoid duplication of efforts. The FMT will facilitate the interaction between the recipient organizations as it will maintain an overall view of the program.

52. ***Collaboration with the UN-REDD Program.*** Collaboration between the FCPF and the UN-REDD Program (led by FAO, UNDP and the UN Environment Program-UNEP) will continue to involve coordination of analytical and capacity building efforts, and, whenever possible, the joint scheduling of governance body meetings. Country reporting to the FCPF and UN-REDD Program will continue to be synchronized and include progress reporting and lessons learned from project-funded activities. Collaboration has begun with the Community Based REDD+ (CBR+), which is a partnership between UN-REDD and the Global Environment Facility (GEF) Small Grants Program that supports community level capacity building and development of experiences in pilot countries²⁴, and will continue during the implementation phase through exchanging of experiences and knowledge products.

53. ***Collaboration with the Forest Investment Program.*** The FIP is currently active in several FCPF REDD+ Participating Countries, including through the Global DGM for Indigenous Peoples and Local Communities project, approved in March 2015. The proposed project will not finance national-level activities in these countries in order to avoid duplication of efforts; however, regional activities will be coordinated with the DGM project through meetings between the governing bodies.

54. ***Collaboration with the GEF and other key multilateral and bilateral agencies that are involved in sustainable forest management*** will be enhanced through the Collaborative Partnership on Forests (CPF), of which the World Bank is member, as are the GEF Secretariat, the Center for International Forestry Research (CIFOR), FAO, the International Tropical Timber Organization (ITTO), the International Union for Conservation of Nature (IUCN), the International Union of Forest Research Organizations (IUFRO), UNEP, United Nations Forum on Forests (UNFF) and others. The CPF provides the agencies with a platform for collaboration and streamlining of work, shared expertise and pooled resources.

²⁴ The countries are Nigeria, Democratic Republic of Congo, Panama, Paraguay, Cambodia and Sri Lanka.

V. KEY RISKS AND MITIGATION MEASURES

A. Systematic Operations Risk-Rating Tool (SORT)

Risk Categories	Rating
(a) Political and governance	M
(b) Macroeconomic	N/A
(c) Sector strategies and policies	M
(d) Technical design of project or program	M
(e) Institutional capacity for implementation and sustainability	S
(f) Fiduciary	M
(g) Environment and social	M
(h) Donor Harmonization / Stakeholders	M
OVERALL	S

B. Overall Risk Rating Explanation

55. **The overall risk rating is Substantial.** The politically sensitive nature of the activities requires high level of coordination, both at intra-regional and in-country levels. ANSAB's current institutional capacity to take on this coordinating role needs to be further strengthened, and monitored with the support of the Bank. In addition, participatory mechanisms will build on the strong support from CSOs who have continuously highlighted the need for building civil society's capacity to engage in REDD+ activities in their respective countries and globally. Finally, the Bank will continue working closely with the recipient to strengthen, where appropriate, the institutional and fiduciary capacity necessary for the project to achieve its objective. The main implementation risks of the project and their mitigation measures are as follows:

Key risks	Risk level	Mitigation measures
<u>Political and Governance:</u> Lack of political commitment of governments to the project, and objection of some governments to capacity building of CSOs	M	- The achievement of the PDO does not depend on the political commitment of the government of Nepal since the project will be implemented by ANSAB, a Nepalese CSO. With regards to countries implementing national level activities, letters of consent will be sought from these countries' REDD Focal Points before national level capacity building projects are approved by the World Bank and implemented. - Ensuring that the capacity building activities are aligned with the respective country's wider engagement with the World Bank on climate change, REDD+ and forestry.
<u>Sector Strategies and Policies:</u> The relevance of capacity building activities in countries where the REDD+ readiness process is either too premature or well advanced.	M	Capacity building activities under Component 1 will be strategically selected by taking into consideration, inter alia, the stage of a country's REDD+ Readiness implementation, and how proposed activities can best complement them and add value.

<u>Technical Design of the Project:</u> Technically inherent risks in the fact that activities under Component 1 will only be identified during implementation.	M	- Technically well-defined and narrow financial scope of Component 1 activities. - Review and approval by a RAC, the World Bank and ANSAB.
Selection of a non-representative set of partners to participate in capacity building and awareness raising activities.		Clear engagement guidelines and selection criteria, and a strategic selection process guided by the RAC and cleared by the World Bank.
Difficulties in affecting real impact using a small project budget.		- ANSAB will aim at selecting activities with the highest expected impact in terms of number of beneficiaries, and suitability with the existing REDD+ readiness stage of a given country. - Implementation through existing structures and maximum use of existing platforms and knowledge products.
<u>Institutional Capacity for Implementation:</u> ANSAB has not implemented a World Bank-funded project. This is compounded by the large number of project stakeholders.	S	- Ensuring that ANSAB has adequate staff in numbers and with qualifications acceptable to the World Bank for the implementation of activities - Establishing robust criteria, mechanisms and procedures for selection of the capacity-building activities and the organizations that will implement them. - Provision of fiduciary and operational support by the World Bank to enhance ANSAB's capacities. - Having the RAC in place to support the proposal evaluation process and other activities as needed.
Inability of ANSAB to ensure coordination among stakeholders.		- ANSAB with support from the Bank has established a list of CSOs (and has a systematic CSO data base) in all four countries which it has begun communicating with through creation of list serve e-mail, and will continue to do so during implementation. - ANSAB is member of several regional CSO platforms and therefore has the networking capabilities to coordinate project activities. - ANSAB has extensive experience working in the region and has developed significant local knowledge, capacity and links with key stakeholders from which the project will benefit, allowing for complementarity with ongoing initiatives to maximize impacts on the ground while ensuring required coordination.
<u>Fiduciary:</u> ANSAB does not have previous experience in managing Bank funds.	M	- The grant's small size, and the limited scope of project activities, requiring only few and relatively simple procurement and financial management actions. - Utilizing existing fiduciary and operational mechanisms already in place to the extent possible, including ANSAB's existing Finance and Administration Manual. - Further strengthening the capacity of ANSAB by training staff on procurement and financial management procedures and processes as needed. - Ensuring that clear and comprehensive procedures are spelled out in the Operational Manual. - Conducting regular conference calls and supervision missions.
<u>Environmental and Social:</u> As the project finances only capacity building and awareness/knowledge	M	- The design of the project ensures continued transparency, stakeholder participation and public information disclosure. - ANSAB will put in place a GRM and describe it in detail in

activities, no adverse social and environmental impacts are anticipated and no safeguard policy is triggered. Stakeholder participation should be ensured, as should an adequate GRM to address complaints or concerns from stakeholders and beneficiaries.		the Operational Manual. All grievances' will be recorded and filed, and the Bank will closely oversee the mechanism's management.
<u>Stakeholder:</u> Conflicting views and unfulfilled expectations on the scope of the capacity building activities or the countries in which they should be implemented.	M	• Consultations and information sharing among stakeholders began during project preparation through workshops, and will continue during implementation. • During the preparation workshop, the eligibility criteria of capacity building activities and terms of reference (ToRs) for the independent advisory panel/RAC were agreed on jointly. • The project GRM will address complaints, and the Bank will closely oversee its management.

H=High; S=Substantial; M=Moderate; L=Low

VI. APPRAISAL SUMMARY

A. Technical

56. The technical principles for partnering with southern civil society and LC under the FCPF is dictated by and detailed in the “Guidelines on Stakeholder Engagement in REDD+ Readiness - with a Focus on the Participation of Indigenous Peoples and Other Forest-Dependent Communities” (August 2012 version). In line with these guidelines, the project will ensure effective stakeholder engagement by:

- (a) **Reaching a broad range of stakeholders at the national and local levels:** Within its budgetary limitations, the project will seek to engage with as broad and diverse an audience as possible in the recipient countries. At the national level, this will be achieved through a call to CSO and LC organizations in the four countries to submit capacity building funding proposals and strategic selection of proposals.
- (b) **Using existing processes and working through existing organizations.** Capacity building and awareness raising activities will be carried out by existing and recognized (by communities and the respective governments) organizations that will submit funding proposals. The engagement methodologies, which may differ from one proposal to the other, will be appraised by the RAC to make sure, *inter alia*, that they are sensitive to a given community's internal political structures, sub-groups and cultures.
- (c) **Ensuring active participation:** The mode of engagement with communities will ensure a two-way discourse that results in feedback and reactions from communities. When a series of meetings is planned, the same participants may need to be available to ensure continuity and effective engagement. The content and results of meetings will be clearly communicated in advance to avoid misinformation and generating unrealistic expectations.
- (d) **Putting special emphasis on the issues of land tenure and livelihoods.** Capacity building activities and regional discussions (components 1 and 2, respectively) will allocate special

attention to the issues of land tenure in the context of REDD+, resource-use rights and property rights because in many forest countries these are unclear, given that LC's customary/ancestral rights may not necessarily be codified in, or consistent with, national laws. Another important issue which will be discussed is the impact of REDD+ on peoples' livelihoods. Other key issues that could be discussed will broadly correspond to the FCPF and UN-REDD Readiness Preparation Proposal (R-PP) components, to include *inter alia*: (i) current status of national forests; (ii) institutional, policy and regulatory frameworks; (iii) main causes and drivers of deforestation and forest degradation; (iv) rights and needs of civil society and local communities; (v) proposed REDD+ strategy; (vi) design of benefit-sharing systems for equitable and effective distribution of REDD+ revenues; (vii) economic, social and environmental impacts and risks of REDD+ and the mitigation and prevention of risks; and (viii) monitoring of forests and forest emissions as well as environmental and social co-benefits.

- (e) **Recording and publishing results.** Records of training sessions and workshops (national and regional) will be prepared and publicly disclosed on ANSAB's REDD+ webpage. The reports will clearly document how views gathered have been taken into account during project implementation and elsewhere in the REDD+ Readiness process.

B. Economic Viability

57. Financial flows from REDD+ programs could reach up to US\$30 billion a year, in order to halve emissions between 2005 and 2030. Besides reducing carbon emissions, the flow of funds could support new, pro-poor development, and help conserve biodiversity and other vital ecosystem services. The costs of REDD+ can be grouped into opportunity costs, implementation costs and transaction costs; the costs of implementing a REDD+ program are those directly associated with actions to reduce deforestation, and hence emissions, including the costs guarding forest, replanting trees, relocating harvesting and other economic activities and relocating infrastructure. Implementation costs also comprise the institution- and capacity building activities that are necessary to make the REDD+ programs happen.²⁵

58. The project takes a number of cost-effective approaches to enhancing capacity at the medium- to long-term, including the building of partnerships and alliances between civil society and LC organizations and their respective national REDD+ decision makers; and transferring relevant skills to communities living in the forest and forest margins. By working through national and local organizations and institutions the project will be able to reach a diverse audience using its limited funding, and establish national and local expertise which is less costly than international support.

C. Financial Management

59. ANSAB has a well-established financial management system with finance and administration manuals and personnel policy. The accounting system is computerized with well-defined Chart of Accounts. Periodic financial reporting and review mechanism has been

²⁵ WBI. 2011. Estimating the Opportunity Costs of REDD+-a Training Manual.

established. Timely external audits are conducted and the audit reports have been received with unqualified opinion. There were no issues raised by the auditors in the audit reports for FY2014. ANSAB has adequate financial management team to manage this project. Disbursements from the Bank will be report-based. The disbursement methods applicable may include Direct Payment, Advance and Reimbursement. The project will submit the Interim Unaudited Financial Report on a semi-annual basis within forty five (45) days of the preceding period end. Audited Project Account will be required to be submitted within six months after the end of the fiscal year. *The details of financial management assessment are provided in Annex 3.*

D. Procurement

60. ANSAB is the implementing agency of the project. The project does not envisage substantial procurement. Major activities under the project include selection of Non-Governmental Organization (NGOs) for making sub-projects through consultancies, individual consultants, training providers and conduction of workshops. Some minor goods for office logistics may also be procured under the project. ANSAB has its own procurement arrangement and staff for their regular procurement works. It also has “Finance and Administration Manual” which covers procurement procedures with threshold for competitive bidding. *The details of procurement assessment of ANSAB and arrangement for project procurement management are provided in Annex 3.*

E. Safeguards Policies Triggered

61. **The project does not trigger any safeguard policies.** Due to the nature of financed activities, no adverse social and environmental impacts are anticipated and therefore no safeguards policy is triggered by the project (the project is *Environmental Assessment Category C–Not required*). However, during project implementation, any social and environmental impacts will be managed by: (i) ensuring that capacity building and awareness raising programs under Component 1 of the project are consistent with the World Bank’s safeguard policies and incorporate appropriate environmental and social objectives; and (ii) promoting transparency, stakeholder participation, and public information disclosure. The World Bank team will ensure staff’s understanding of the World Bank’s environmental and social safeguard policies, and emphasize the importance of stakeholder participation in the design and implementation of capacity building activities.

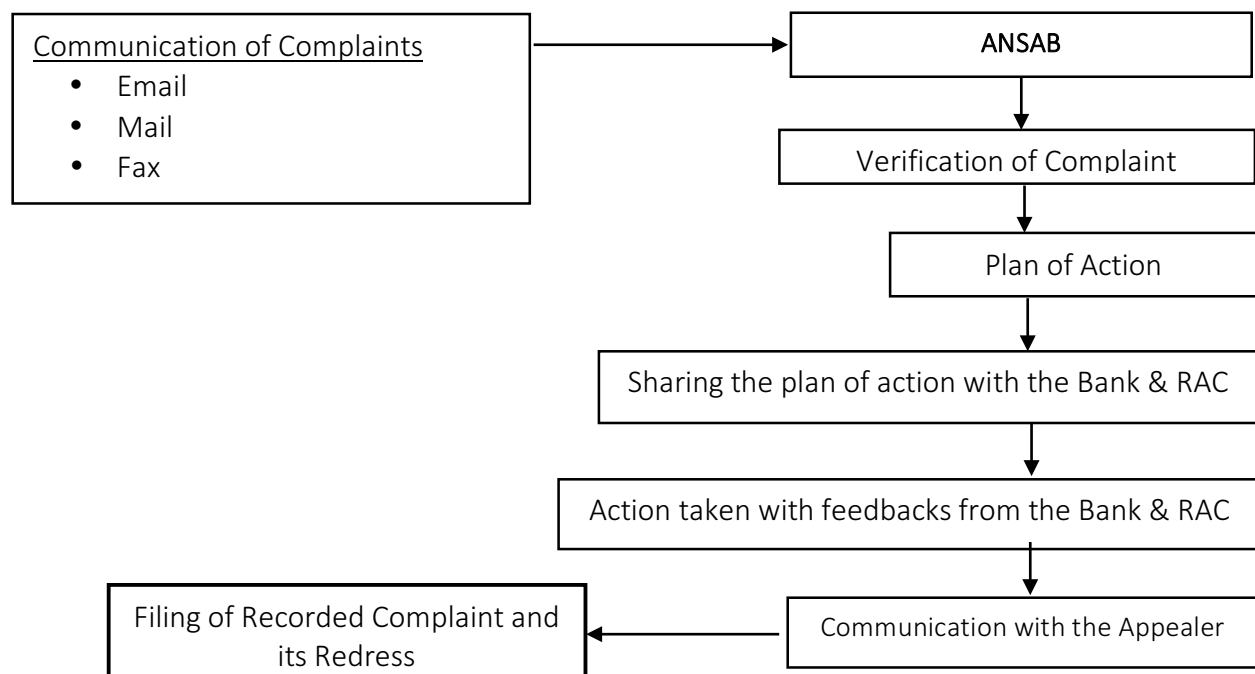
F. World Bank Grievance Redress

62. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit

<http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

63. **Project Grievance Redress.** Grievances arising during implementation will be addressed by ANSAB through developing a proper redress mechanism, as shown in Figure 2 below. ANSAB will collect complaints through email, mail and fax. After receiving the complaints, the AMC will verify them and develop a plan of action. This plan of action will be shared with the Bank's Team and RAC, seeking their advice. Incorporating the feedback from the Bank and RAC, ANSAB will address the complaints and communicate with the appellers accordingly. The process, from the receipt of the complaint to its resolution, will be recorded and filed by the Secretariat's project manager.

Figure 2. Project Grievance Redress Mechanism



ANNEX 1: RESULTS FRAMEWORK AND MONITORING
EAST ASIA AND PACIFIC: FCPF Capacity Building on REDD+ for Southern Civil Society Organizations and
Local Communities in East Asia and the Pacific Region Project

Project Development Objective (PDO): Strengthen: (i) the knowledge of targeted southern civil society organizations and local communities of REDD+ Readiness at the national level; and (ii) knowledge exchange at the regional level.										
Results Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description
				YR1 ²⁶	YR2 ²⁷	YR3 ²⁸				
1. Beneficiary feedback: Share of target beneficiaries with knowledge score of 3 or more on REDD+ and related issues	☐	Percentage	0	80	80	80	Annually	ANSAB and participating civil society and LC organizations implementing capacity building activities WB supervision missions	ANSAB	This indicator's purpose is twofold: (i) to measure impact and (ii) to gather beneficiary feedback. All defined direct beneficiaries, including recipient organizations/institutions and workshop/training participants, will receive a pre-defined short questionnaire (a half pager) that will record their perceptions of their level of knowledge on a defined list of subjects. The forms will be filled by the beneficiaries after a training workshop/program. All the forms will be collected and analyzed by ANSAB with support from the World Bank.
2. National knowledge exchange products disseminated in appropriate languages	☐	Number	0	1	4	4	Annually	ANSAB and participating civil society and LC organizations	ANSAB	Knowledge exchange products are capacity building and/or awareness raising activities under Component 1. Knowledge products will be produced in English and translated to

²⁶ August 2017-December 2017

²⁷ January 2018-December 2018

²⁸ January 2019-December 2019

										local languages as appropriate.
3. Regional knowledge exchange products disseminated	☐	Number	0	1	2	5	Annually	ANSAB	ANSAB	Cumulative target Knowledge exchange products include regional workshops, a REDD+ webpage and a lessons learned and/or best practices report emerging from Component 1 activities
4. Meetings held between civil society and LC representatives and national REDD+ decision making entities	☐	Number	0	1	3	4	Annually	ANSAB and participating civil society and LC organizations	ANSAB	Cumulative target Meeting are held within the four countries between recipient civil society organizations and national REDD+ decision makers.
5. Direct project beneficiaries Of which female	☒	Number Percent	0 0	200 40	600 40	800 40	Annually	Reports of civil society and LC organizations carrying out capacity building and awareness raising activities, and records of participation in regional and bi-lateral activities	ANSAB	Cumulative target Direct project beneficiaries are civil society and LC members participating in capacity building and awareness raising activities under Component 1; members of organizations which participate in meetings and workshops under Components 1 and 2; and recipients of national and regional knowledge products.

ANNEX 2: DETAILED PROJECT DESCRIPTION
EAST ASIA AND PACIFIC: FCPF Capacity Building on REDD+ for Southern Civil Society Organizations and Local Communities in East Asia and the Pacific Region Project

1. The design of the FCPF Capacity Building on REDD+ for Civil Society Organizations (CSOs) and Local Communities in EAP Project is based on discussions between the Forest Carbon Partnership Facility (FCPF) Facility Management Team (FMT) and CSO and Local Community (LC) representatives over the past eight years, including the preparatory workshop in Kathmandu in May 2016 where CSO representatives discussed past and ongoing REDD+ capacity building activities by CSOs in their respective countries, deliberated on the preferred focus of project activities, eligibility for participation, and the composition and role of the Regional Advisory Committee (RAC). The project will provide selected civil society, LC and their representative organizations with tools that would enable them to have a stronger voice in REDD+ Readiness and implementation programs, and participate more effectively in relevant regional and national discussions and debates.

2. The project will ensure that women, as well as youth, are partnered with in all project-funded activities, and that their views are well reflected and voiced in produced reports. This will be achieved, where needed, by partnering with women CSOs or other organizations that have programs that are specific to women and youth. At the same time, the project will be cognizant of avoiding the undermining of traditional decision-making structures and the authority of traditional representatives, and of women's availability to participate in project funded activities.

3. The project will be implemented during a 28-month period in four FCPF countries in East Asia and Pacific, namely Fiji, Papua New Guinea, Vanuatu and Vietnam. The project will be financed through a US\$530,111 Recipient-Executed Trust Fund from the FCPF Global Capacity Building Program (CBP), and implemented by the Asia Network for Sustainable Agriculture and Bioresources (ANSAB), which is located in Nepal. Financed activities will be grouped into the following three components:

Component 1: National Capacity Building and Awareness Raising (US\$350,000)

4. Component 1 will support capacity building and awareness raising activities for civil society and LC organizations in the four participating countries, with specific focus on women and youth. Activities will enable participants to:

- (a) Understand the phenomenon and impacts of climate change on civil society and LC, including the issues of land tenure, land/forest management, non-carbon benefits, carbon accounting/ Monitoring Reporting and Verification (MRV), locally-based sustainable livelihoods, and governance issues in the context of REDD+ Readiness;
- (b) Understand the REDD+ mechanism, including its threats and opportunities for civil society and LC, and allow communities to voice their concerns and objectives;
- (c) Realize civil society and LC's respective roles and responsibilities related to climate change mitigation and adaptation through sustainable management of forest and other resources;

- (d) Participate in REDD+ processes, including national Strategic Environmental and Social Assessments (SESAs), Safeguards Information Systems (SIS), and community-level monitoring and reporting;
- (e) Affirm the need for a rights-based and ecosystem approach to climate change;
- (f) Conduct monitoring of national REDD+ activities; and
- (g) Determine the ways forward vis-à-vis REDD+ and other international processes and measures.

5. Activities may be carried out at the national, sub-regional and/or jurisdiction levels. The design and choice of activities will be informed by the key principle of gender balance (actively seeking a balance between female and male beneficiaries), and understanding of infrastructural constraints within beneficiaries' territories, especially those related to means and forms of communication. Activities will also be considered in view of past and present REDD+ capacity building programs in the region and elsewhere, and of existing manuals, training material, and other tools. The government entity/national focal point²⁹ implementing REDD+ processes will be engaged and consulted with from time to time in order to enhance coordination at the national level. In all four countries, letters of consent will be sought from countries' REDD Focal Points before activities are approved by the Bank for implementation in-country in order to ensure alignment with countries' wider engagement with the World Bank on climate change, REDD+ and forestry.

6. ANSAB will issue a call for proposals to civil society and LC organizations in the four countries to submit capacity building proposals in accordance with procedures as agreed with stakeholders during the preparation phase, and as reflected in the Operational Manual (including the use of a simple call format and full documentation of the process).³⁰ The number of calls for proposals will depend on the level of response and the number of satisfactory proposals submitted to ANSAB.

7. Once submitted, the proposals will be screened by the project team in ANSAB to ensure their eligibility in terms of the proposing entities, and the proposal's proposed activities. Eligible proposals will be forwarded to the RAC, which will assess the technical soundness of proposals, make sure they are aligned with the respective country's national REDD+ priorities, and propose a shortlist of eligible proposals to ANSAB. ANSAB will make the final decision on recipients based on the RAC's advice and after conducting due diligence of the organizations, including receipt of letters from countries' REDD Focal Points, aiming at giving priority to proposals that are inclusive of women and youth beneficiaries to the extent possible.

8. Proposing entities' eligibility will be assessed by ANSAB according to the following agreed criteria:

²⁹ Focal points are officially nominated national liaisons with the UNFCCC secretariat and the relevant bodies under the Convention. In the context of this project a focal point could also mean a liaison between the national government and the FCPF. They are also referred to as National REDD+ Coordinators.

³⁰ During the preparation phase, ANSAB, with support from the World Bank, compiled a list of CSOs in the region working on REDD+ issues in the region, through a survey and referrals. ANSAB will send the call for proposals to civil society and LC organizations from the four countries to ensure a wide as possible reach of the call for proposals. ANSAB may also communicate with national REDD+ platforms (where these exist) to seek proposals.

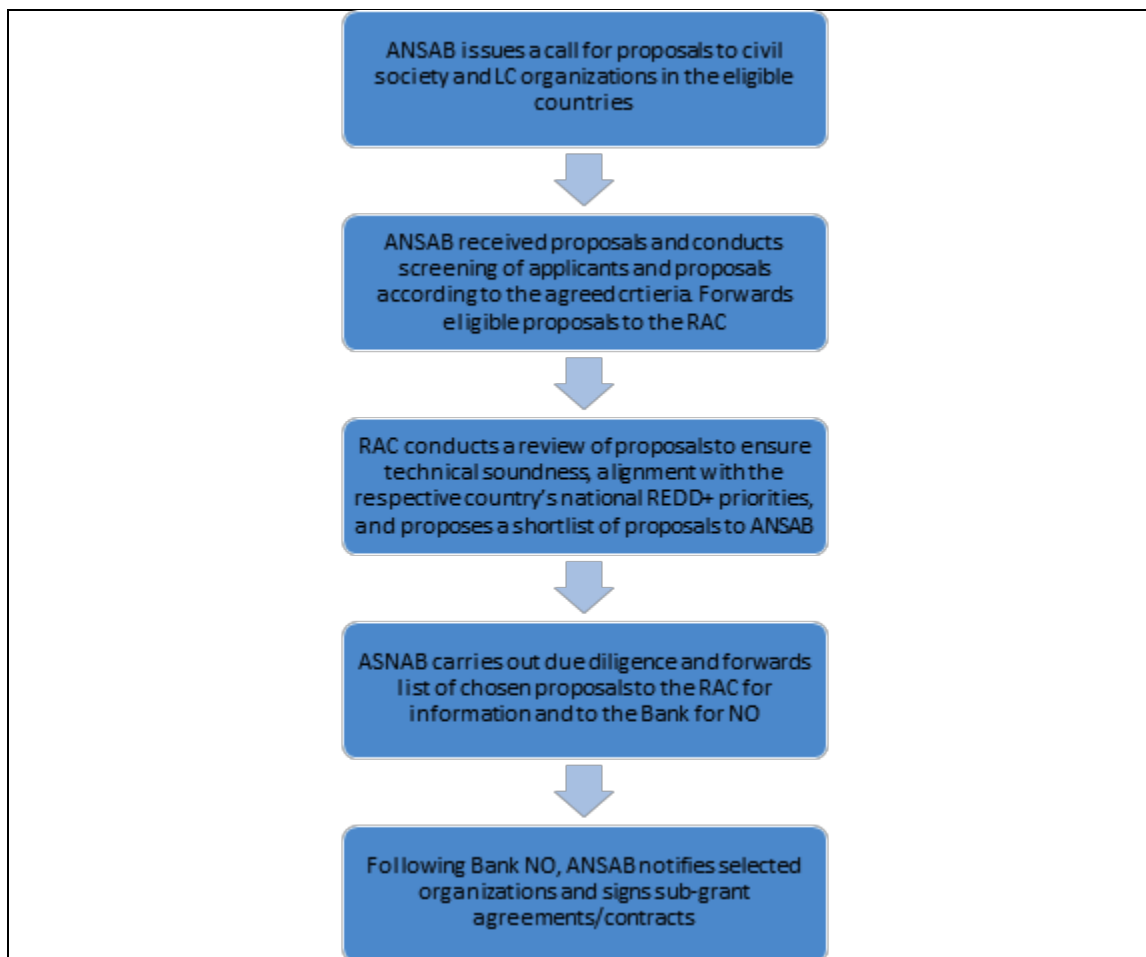
- (a) Legal registration status in the country where activities will be carried out
- (b) Local endorsement, experience, and extent of representation of civil society and LC within a given country
- (c) Minimum three years of experience in working on REDD+ and related strategies, and/or issues related to forestry or climate change
- (d) Experience in community mobilization and outreach at the grassroots level
- (e) Experience in implementing projects of similar size and nature
- (f) Demonstrated capacity for M&E and reporting and grievance redress capacities that would allow timely implementation and reporting in accordance with the Operational Manual.
- (g) Ability to communicate with ANSAB, network with national and regional partners, and communicate with targeted communities in relevant languages

9. Proposals' eligibility will be assessed by ANSAB according to the following agreed criteria:

- (a) Activities are implemented in one of the four countries for the benefit of civil society and LC, with attention to the number of beneficiaries.
- (b) The focus of capacity building activities is aligned with the Project Development Objective (PDO), i.e., strengthening the knowledge of targeted southern civil society and LC of REDD+ Readiness at the national level and strengthen knowledge exchange at the regional level. A description of the methodology for the planned activities is included in the proposal.
- (c) Activities are aligned with and reinforce national REDD+ Readiness efforts and related national and local initiatives on REDD+.
- (d) The proposal ensures active and proportionate participation of women and youth (including scheduling of meetings that take account of restrictions on women's time and travel for cultural and workload reasons), and includes activities that build their capacity and awareness in appropriate methods.
- (e) Proposals are sustainable beyond the lifetime of the project.
- (f) Proposals show how the support will be leveraged to attract additional financial support (cash and/or in-kind).
- (g) Activities are aligned with a recipient country's agreed engagement strategies with the World Bank, including with respect to climate change, REDD+ and the forestry sector.

10. Once proposals have been selected by ANSAB, they will be communicated to the RAC and submitted for World Bank no-objection. Once the World Bank has cleared the list, ANSAB will supervise the implementation of activities following the signing of a contract and in accordance with the processes and procedures specified in the Operational Manual. See Figure 1 below for a description of the selection process.

Figure 1. Proposal Review and Approval Process



11. Parallel to these activities, the project will finance activities that strengthen the capacities of the civil society and LC organizations to participate in the implementation of REDD+ Readiness actions. This would entail joint meetings of the selected organizations with national REDD+ decision makers to present their projects and their achievements and discuss mechanisms for civil society engagement. Furthermore, the project will organize training to national and sub-national level CSOs and LCs on REDD+ issues.

Key Outputs of Component 1:

- i. Capacity building and awareness raising activities
- ii. Meetings between selected civil society and LC organizations and the respective national REDD+ decision makers

Component 2: Regional Exchange and Sharing of Lessons Learned (US\$110,000)

12. In response to civil society representatives' calls for knowledge sharing and dissemination at the regional level, and based on a prioritization exercise carried out with representatives for region, the focus of Component 2 funding will be the setting up and maintenance of a webpage

for regional knowledge sharing and learning in particular, and regional exchange workshops for the four FCPF member countries, using existing platforms and knowledge products.

13. ANSAB will set up and maintain a REDD+ webpage on its organizational website by compiling relevant information on regional issues of interest, REDD+ manuals, activities carried out by ANSAB and other prominent regional organizations, links to REDD+ projects and websites with useful knowledge products, recent publications, and details on capacity building activities funded under Component 1, their performance and lessons learned/good practices. All the information will be publicly available and actively communicated to CSO and LC organizations in the region using ANSAB's distribution lists.

14. ANSAB will also convene two regional learning and exchange workshops which will serve to: (i) disseminate available REDD+ knowledge products, including deliverables of Phase I and Phase II of the CBP; (ii) share lessons learned, good practices and recommendations from capacity building and awareness raising activities under Component 1; and (iii) provide training of trainers on selected topics (e.g., safeguards and land tenure issues, free and prior informed consent, Forest Action Plan, Emission Reduction Program Document (ERPD), Intended Nationally Determined Contribution (INDCs), community facilitation and project management).³¹ The workshops will bring together representatives of civil society and LC organizations, REDD+ Focal Points of the Asia and Pacific FCPF countries and civil society observers from the FCPF and related initiatives (such as the UN-REDD Program). Invitations will also be extended to representatives of donors who fund relevant programs, members of the academia, government representatives, Indigenous Peoples (IP) organizations, representatives of relevant regional institutions such as UN-REDD, Green Climate Fund, the UN Convention on Biodiversity (UNCBD) and global process such as the UNFCCC. The workshops will include side events that will discuss challenges and good practices related to women and youth participation and representation in the REDD+ Readiness process.

Key Outputs of Component 2:

- i. A REDD+ webpage containing existing REDD+ educational and knowledge products, and lessons learned and good practices from Component 1 capacity building activities
- ii. Regional civil society and LC knowledge sharing and capacity building workshops

Component 3: Management, M&E and Reporting (US\$70,111)

15. This component will finance the incremental overhead costs incurred by ANSAB during the implementation of the project. Project management includes procurement, financial management, monitoring and evaluation (M&E) and reporting, and preparation of annual work plans and budgets acceptable to the World Bank. This component will also finance an annual audit of the project account by an external auditor and any costs related to the execution of the grievance redress mechanism (GRM).

16. ANSAB will coordinate and harmonize national and regional project activities with other relevant projects and partners, especially with Tebtebba, which is coordinating capacity

³¹ As identified by stakeholders during the May 2016 preparatory workshop.

building activities for IPs under CBP Phase II. ANSAB has prepared an Operational Manual, acceptable to the World Bank, with detailed technical and fiduciary procedures, including eligibility criteria, mechanisms and procedures for the selection and implementation of activities under Component 1.

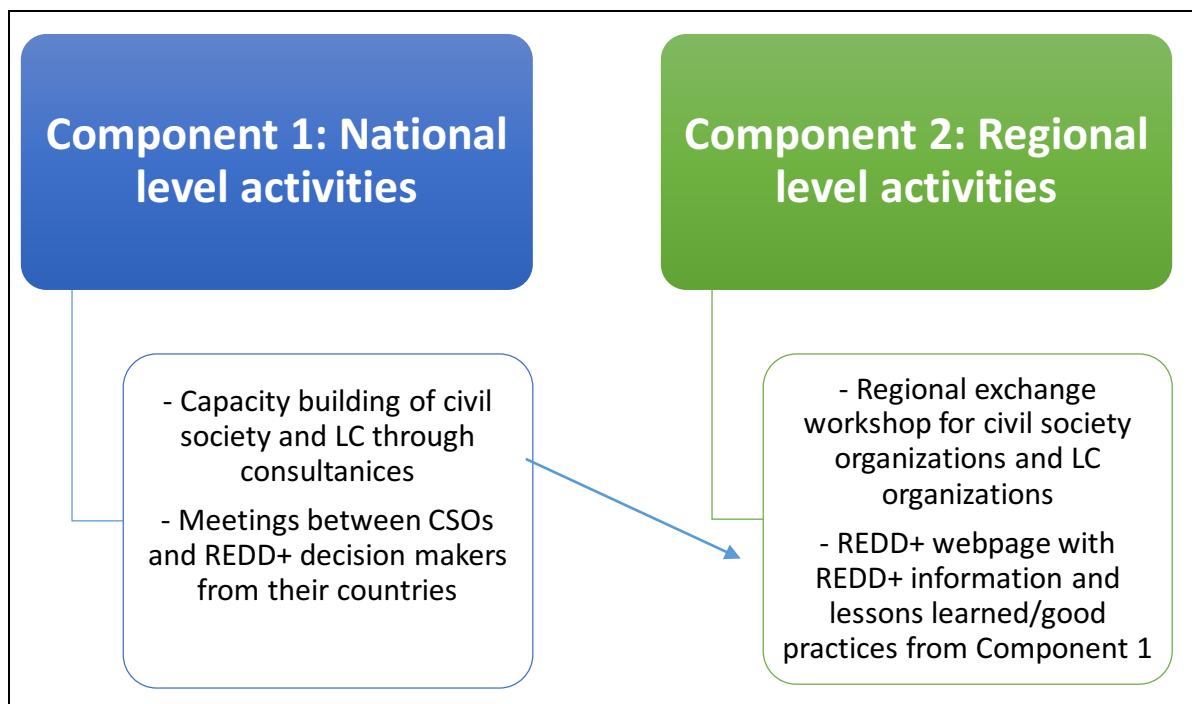
17. M&E will take place at the project and national levels in accordance with the project results framework (*see Annex 1*) using information which ANSAB will collect from all Component 1 recipient organizations, and self-generated data under Component 2. ANSAB will synthesize the information into semi-annual progress reports which it will submit to the World Bank.

Key Outputs of Component 3:

- i. Annual work plans and budgets
- ii. Semi-annual progress reports, including financial reports
- iii. Annual external audits
- iv. Operational GRM

18. See Figure 2 below for an illustration of regional and national level project activities.

Figure 2. Project Regional and National-level Activities



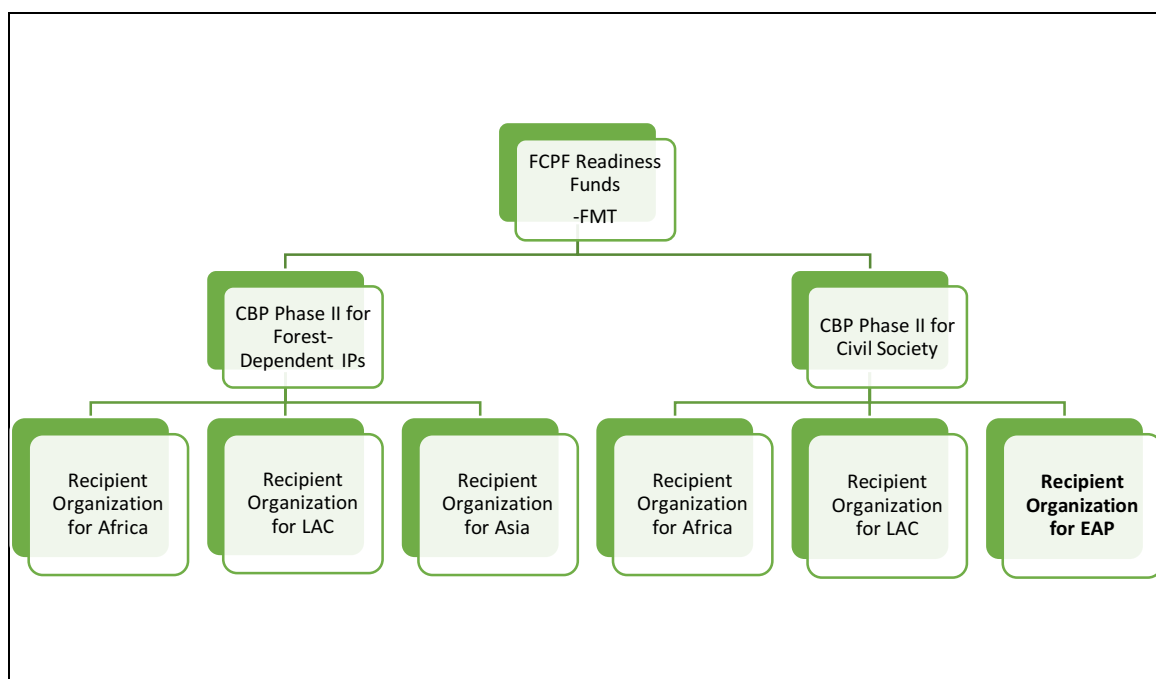
ANNEX 3: DETAILED IMPLEMENTATION ARRANGEMENTS

EAST ASIA AND PACIFIC: FCPF Capacity Building on REDD+ for Southern Civil Society Organizations and Local Communities in East Asia and the Pacific Region Project

Project institutional arrangements

1. The World Bank is the home of the Forest Carbon Partnership Facility (FCPF) Facility Management Team (FMT, the FCPF Secretariat) that is responsible for the operation of the Facility and relations with the Facility's governing body, the FCPF Participants Committee (PC). The project will be implemented according to a grant agreement that will be signed by the World Bank and the Asia Network for Sustainable Agriculture and Bioresources (ANSAB), which is the selected Recipient Organization for this project. At the national level, capacity building activities will be funded through consultancies, and carried out by select civil society and Local Community (LC) organizations through contracts with ANSAB. Regional activities will be implemented by ANSAB. See Figure 1 below for the project institutional arrangements.

Figure 1. Project Institutional Arrangements for the FCPF CBP Phase II



Project implementation arrangements

2. ANSAB will be the grant recipient and the implementing agency of this project; as such, it will be responsible for the overall management of the project.³² This arrangement reflects the

³² ANSAB was selected following an FMT/World Bank evaluation of candidate organizations' (i) eligibility criteria as outlined in FMT Note 2012-12 and related documentation; (ii) the organizations' level of credibility and solid track record, evidenced by letters of recommendation received from partner organizations familiar with their work; and (iii) the organizations' administrative and fiduciary capacity to manage World Bank funds, based on the information provided by the organizations in the World Bank Integrated Assessment Framework. See Annex 4 for further detail.

PC's decision to transition the execution of the Global Capacity Building Program (CBP) to small Recipient Executed Trust Fund (RETF) grants to regional Civil Society Organizations (CSOs) and Indigenous Peoples (IP) organizations, allowing the World Bank to better supervise funded activities, affect a stronger sense of ownership for beneficiaries, and a more efficient system for the administration of capacity building grants in comparison to CBP Phase I.

3. ANSAB is a Nepal-based civil society organization that has over 20 years of experience in working to promote biodiversity conservation and livelihood improvement through community empowerment, community-based enterprises and value chains, natural resources management and biodiversity conservation, enabling policy environment and multi-stakeholders collaboration. ANSAB has extensive experience working in the region and has developed significant local knowledge, capacity, and links with key stakeholders from which the project will benefit, allowing for complementarity with ongoing initiatives to maximize impacts on the ground while ensuring required coordination. It is also member in a number of regional CSO platforms.

4. ANSAB will maintain staff in number and with qualifications acceptable to the Bank throughout the duration of the project. A small project Secretariat will be maintained within ANSAB, comprising three part-time personnel in charge of procurement, finance and project management, including M&E. The Secretariat will be supported by a part-time consultant who will provide support for the implementation of Components 1 and 2. The Secretariat will be overseen and receive guidance from ANSAB's Management Committee (AMC). The AMC will review and approve the project's key implementation documents, including work plans, budgets and the Operational Manual before sending to the World Bank for approval. It will also participate in the project's Grievance Redress Mechanism by verifying grievances and developing plans of actions for addressing them.

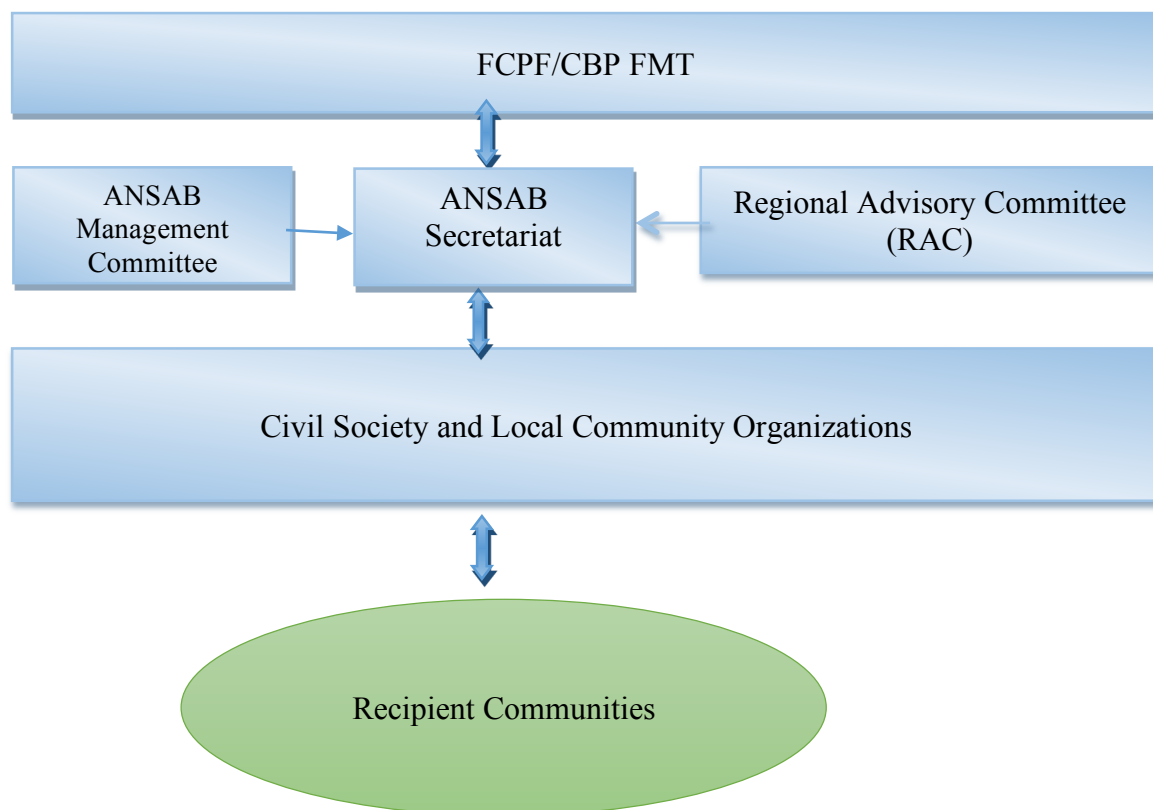
5. Although it does not have previous experience managing World Bank-funded projects, it has implemented projects funded by other development partners, and has established manuals and procedures for carrying out procurement and financial management. In order to further strengthen its capacity to manage this project, the World Bank will provide ANSAB with fiduciary training at the beginning of the implementation phase, and guide its staff on Monitoring and Evaluation (M&E), reporting, budgeting and work planning throughout implementation.

6. In order to ensure a transparent system of sub-project selection, ANSAB will set up an independent Asia-Pacific Regional Advisory Committee (RAC) during the first 2 months of project implementation. The RAC will review eligible proposals for their technical soundness and their compatibility with the respective national REDD+ priorities. The RAC may be approached by ANSAB for advice on other technical issues as needed, for example, on newly generated knowledge products. As agreed during the May 2016 preparatory workshop, the RAC will consist of members with strong technical knowledge of the REDD+ Readiness process and experience in evaluating proposals, possibly from non-participating countries to avoid potential conflicts of interest in the process. RAC membership will be on a voluntary basis if possible and be balanced in terms of gender to the extent possible.

7. ANSAB has prepared an Operational Manual, acceptable to the World Bank, including

detailed technical and fiduciary procedures for project implementation, a full list of eligibility criteria and procedures for the selection, implementation and M&E of capacity building activities under Component 1, and details on its grievance redress mechanism (GRM). The Manual also includes a two year work plan, a budget and a procurement plan for the duration of the project, acceptable to the World Bank.

Figure 2. Project Implementation Structure



Procurement arrangements

8. **Applicable Procurement Procedures:** Procurement for the proposed operation will be carried out in accordance with the World Bank’s “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, published by the World Bank in January 2011, revised July 2014 (“Procurement Guidelines”), in the case of goods and non-consulting services; and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, published by the World Bank in January 2011, revised July 2014 (“Consultant Guidelines”) in the case of consultants’ services. However, procurement of goods under National Competitive Bidding (NCB) may be done as per the ANSAB procurement procedure with additional World Bank prescribed caveats as agreed in the procurement plan.

9. **Procurement Methods and Prior/Post Review by the Bank:** For each contract to be

financed under the Grant, procurement methods or consultant selection methods, the estimated costs, prior review requirements, and time frame will be agreed between the Recipient and the Bank in the procurement plan, which needs to be prepared by the Recipient for the duration of the project, and reviewed by the Bank prior to the approval of the Project. The procurement plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. All other contracts except under prior review will be subject to post review by the Bank.

10. Procurement of Consulting Services: There are some consulting assignments, including selection of NGOs, individual consultants and maybe consulting firms of small values, but in considerable numbers. The Bank's Consultant Guidelines will be followed for selecting all types of consultants as agreed in the procurement plan for appropriate selection methods and other requirements. For specialized services and assignments with small value for selecting NGOs/firms and individuals, Single Source Selection (SSS) method may be adopted where it justifies and as agreed in the procurement plan.

11. Procurement of Goods and Non-Consulting Services: Procurement of office equipment and some other off-the-shelves items fall under procurement of goods category. Procurement of internet services, establishment of computer networking system, conducting workshops/orientation programs, recruitment/hiring of assistant staff/non-consultant, service providing persons, etc. fall under non-consulting services. Procurement of all the goods and non-consulting services shall be reflected in the procurement plan.

12. Training and Workshops: All training, workshops and related activities shall be carried out on the basis of plans and budgets submitted annually by the Recipient for the prior written approval of the World Bank. The annual training plans and budgets shall identify the general framework of the training and workshops and shall include among other things: (i) training activity envisaged; (ii) objectives and justifications for the training; (iii) names of trainees and criteria for their selection; (iv) criteria for selection of training institutions or venues of training; (v) the anticipated outcome and impact of the training; (vi) the duration of the training; and (vii) the estimated costs of the training. Further, in the case of training, it would be simply a program activity implemented through statement of expenditure (SOE) if it involves travel cost based on the agency's rules (ANSAB's corporate travel rules), plus training fee fixed and published by the training providing institution. Such training activities need not be included in the procurement plan.

13. Operating Costs: This means the reasonable costs incurred on account of the implementation of the project (which expenditures would not have been incurred absent the project), including local contractual support staff salaries, consumable materials and supplies (including office supplies), office equipment, communications, translation services, mass media and printing services, operation and maintenance, charges for opening and operation of bank accounts required for the project, postage and handling, travel, lodging and per diems for project staff travelling for the purpose of the project, and salaries of staff of Tebtebba, but excluding benefits to project staff.

Financial management arrangements

14. **Planning and Budgeting:** The proposed project will follow the activity-based planning and budgeting practices of ANSAB. It will prepare 3-year budget and work plan that reflect the activities as per the arrangements in the project paper and the grant agreement, which will be reviewed and approved by the Executive Director and updated annually. Based on the established procedures, the planning and budgeting procedure is considered effective.

15. **Funds Flow:** ANSAB will open a segregated Designated Account (DA) at a commercial bank in Nepal acceptable to the World Bank. The eligible expenditures will be paid through this DA except for non-contractual advance. ANSAB's Finance and Administration Manual will be followed for overall funds management. Roles and responsibilities for fund management are clearly described in the manual and adequate control system arrangements are made for the project based on these documents.

16. **Staff for Financial Management:** In line with ANSAB's practice, the existing finance/administration staff will manage and they will be accountable for overall financial management of the proposed project. ANSAB is adequately staffed with personnel that have the requisite qualification and experiences needed for project implementation. If needed, they may also hire consultants to support in financial management.

17. **Accounting, Financial Reporting and Internal Controls:** ANSAB follows accrual basis accounting system. As per the Finance and Administration Manual, ANSAB may use cash basis accounting for the proposed project. ANSAB uses computerized accounting system with provision for adding codes for additional activities as required. ANSAB will ensure that separate books of accounts are maintained for the project and financial reports to monitor progress are submitted on a semi-annual basis. The well-defined chart of accounts allows meaningful summarization of financial transactions for financial reporting purposes. ANSAB will ensure that separate budget code (s) are provided for the project. ANSAB will maintain all the required ledgers/ registers, including the Grant Register. Internal control processes as described in the Finance and Administration Manual will be applied to implement and monitor the progress of the project. The various required registers for Fixed Assets, Stock, etc. have been maintained. Periodic physical verification of assets are also carried out. The books of accounts are reconciled on a monthly basis.

18. **Financial Reporting Arrangement:** As part of the progress reports, ANSAB will submit Implementation Progress Report (IPR) of which "Interim Unaudited Financial Report" will form the basis for financial reporting on a semi-annual basis in line with its financial reporting system. The project will submit the Interim Unaudited Financial Report on a semi-annual basis within forty five (45) days of the preceding period end. The interim financial report of the project IPR will report total expenditures to be separated by specific category/ budget head and/or component so that total expenditures as envisaged can be tracked and monitored. The financial reporting format will be agreed with ANSAB. The financial report will include: (a) sources and application of funds and (b) transfers of funds to and from the DA.

19. **External Audit:** Recently, ANSAB has revised its financial year from the English calendar year to Local financial year (mid-July to mid-July). Financial statements and books of

accounts of ANSAB are audited by private auditors. ANSAB appoints external auditor through a competitive process from amongst the local audit firms. The latest audit report received for ANSAB for FY2014 was with unqualified opinion. There are no issues raised by the auditors.

20. The following audit requirements have been agreed with ANSAB for the project:

Table 1. Project Audit Requirements

Implementing Agency	Audit	Auditors	Completion Date
ANSAB	Project Financial Statements	Independent Audit Firm appointed by ANSAB	6 months after the end of fiscal year (January 15 th)

21. **Financial Management Action Plan:** The action plan to ensure effective financial management of the project is as follows:

Table 2. Project Financial Management Action Plan

S. N.	Action	Responsibility	Completion Date
1.	Prepare work program and budget with a separate identifiable budget code for the project	ANSAB	Within one month of signing of the Agreement
2.	Share ToR of the auditor	ANSAB	Within two months of signing of the Agreement

22. **Disclosure of Information and Corporate Governance:** Disclosure requirements will be complied with to make information transparent and all information readily available for public disclosure. ANSAB will post in its website all available guidelines, procedures, and other key information related to the project. ANSAB will also disclose the Annual Audited Financial Statements through its website.

23. **Supervision Plan:** Project implementation progress will be closely monitored by the Bank and support provided on financial management as required. Key financial management (FM) fiduciary work includes: (i) reviews of implementation progress reports and audit reports and preparing summaries of such reports; and (ii) participating in supervision missions and keeping the team informed of FM issues or improvements.

Disbursement

24. **Allocation of Grant Proceeds:** Disbursement under the proposed grant will be made as specified in the below Table, which indicates the percentage of financing for different categories of expenditures of the project.

Table 3. Allocation of Grant Proceeds

Expenditure Category	Amount in USD	Financing Percentage
Goods, Non-consulting services, Consulting services, Training and workshops and Incremental Operating Costs	530,111	100%

25. **Disbursement Arrangements:** The disbursements from the Bank will be report based. To facilitate disbursement, a segregated DA will be opened at a commercial bank acceptable to the World Bank. The DA will be operated under joint signatures of the designated Officials of ANSAB. The disbursement methods applicable may include Direct Payment, Advance and Reimbursement.

ANNEX 4: RECIPIENT ORGANIZATION'S SELECTION PROCESS
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1. The process for the selection of the Asia Network for Sustainable Agriculture and Bioresources (ANSAB) as the recipient organization for this project is summarized below:
2. The Facility Management Team (FMT) launched a call for proposals in December 2012 to identify organizations in Africa, Latin America and Asia interested in implementing projects under the Forest Carbon Partnership Facility (FCPF) Global Capacity Building Program (CBP) in their respective regions (in each region one organization was selected to implement activities for forest-dependent Indigenous Peoples (IPs), and one organization was selected for implementing activities for Civil Society Organizations (CSOs) and Local Communities (LC).
3. The FMT received ten proposals by the deadline of January 31, 2013. Of these proposals, four were considered for implementing activities for forest-dependent IPs, and six were considered for implementing activities for CSOs and LC. From January through April 2013, FMT members and World Bank regional social development staff evaluated the ten proposals based on the following eligibility criteria as outlined in FMT Note 2012-12:
 - i. The organization is an IP or civil society organization (organizations were asked to describe their organizational and governance structure, staff and similar items).
 - ii. The organization enjoys a high level of credibility regionally and has an established institutional structure with a solid track record in issues related to forestry, climate change and/or REDD+ (organizations were asked to provide information on their work in the area of forestry, climate change and/or REDD+).
 - iii. The organization has experience working effectively with other regional organizations (organizations were asked to describe their collaboration with other regional organizations or networks).
 - iv. The organization demonstrates a capacity for effective financial management and procurement (organizations were asked to describe their major sources of funding and also the fiduciary responsibilities within the organization, i.e., budgeting, expense approval, accounting and auditing).
 - v. The organization possesses the capacity to ensure compliance with the World Bank's safeguard policies (organizations were asked to provide details on their experience undertaking and/or supervising environmental and social assessments).
 - vi. The organization demonstrates a capacity to address grievances and provide a redress mechanism (organizations were asked to provide information on their existing mechanism to address grievances that may occur in their work and/or plans to establish such a mechanism).
 - vii. The organization offers a level of credibility and a solid track record, evidenced by letters of recommendation received from partner organizations familiar with its work.
 - viii. The organization has the administrative and fiduciary capacity to manage World Bank funds, based on the information provided by the respective organizations in the Integrated Assessment Framework (IAF).

4. Upon conclusion of the evaluation process, the FMT sent to PC members and observers the names of the selected organizations on May 16, 2013. Upon receiving no objection, the organizations were notified by the end of May 2013 of their selection as implementing entities of the FCPF Global Capacity Building Program Phase II.

ANNEX 5: PROJECT MAP
EAST ASIA AND PACIFIC: FCPF Capacity Building on REDD+ for Southern Civil Society Organizations and Local Communities in East Asia and the Pacific Region Project

