

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099264
Printed On: 11/12/2020

Reporting Period: 07/01/2017 to 06/30/2018
Report Type: Progress Report
Report Status: Approved

Assignment: TF099264

FCPF Nicaragua Readiness Preparation Proposal - Formulation Grant FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000334978 - Zenia Maria Salinas Vallecillo
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Nicaragua
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	08/31/2011 to 12/30/2020
Original Grant Amount	200,000.00
Grant Amount	8,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	4,399,999.98 as of 06/30/2018
Disbursed 07/01/2017 to 06/30/2018	1,274,519.95
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the grant's Formulation Activities is to assist the recipient, as a REDD Participant Country in the FCPF, to develop its Readiness Preparation Proposal (R-PP) on the basis of the Readiness Plan Idea Note and following the FCPF template for the Readiness Plan. Later stages of the grant may also assist with further development of R-PP components, thus helping the country to move toward 'REDD Readiness'.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Achieving Grant Objectives:

Comment:

The PDO for the second installment of this grant (\$3.6M) is to help the Recipient become ready for future ENDE - REDD+ implementation by preparing its key elements, systems, and/or policies needed, in a socially and environmentally sound manner.

At the end of FY17, the grant is helping achieve the PDO as the preparation of Nicaragua's REDD Readiness Package (R-Package) is well advanced; a first draft R-Package would be presented at the 24th meeting of the FCPF Participants Committee, in September 2017. Also, in June 2017, the grant disbursements had reached 81 percent and 100 percent of remaining funds were committed to be implemented by the end of 2017.

Nicaragua is establishing robust national REDD+ management arrangements, while progressing relatively well in the design of the ENDE-REDD+ strategy. The country is progressing well in establishing the Forest Reference Emission Level / Forest Reference Level and the National Forest Monitoring System, as well as in designing and implementing a Monitoring and Evaluation framework for the project. MARENA has yet to achieve more progress in the design of an information system on multiple benefits to stakeholder groups, resulting from ENDE-REDD+ activities. These activities are well identified in the project operational plan to be undertaken with the remaining grant funds until December 2017, as well as in the proposed additional financing to the readiness grant. In late October 2016, Nicaragua successfully presented its Mid-Term Review of the REDD process to the FCPF Participants Committee and was granted access to up to USD 5 million to finance the remaining activities of the country readiness process.

The Forest Carbon Partnership Facility (FCPF) has consolidated as the main funding source for Nicaragua to prepare its Readiness Package. In the process, the country has increased its institutional capacity, ownership, and understanding of the REDD process. The recent dialogue on the Nicaragua Emission Reduction Program Document (ERPD) proposal has benefitted from this increased capacity, which is allowing to speed up ERPD preparation. Other development partners, however, continue supporting REDD Readiness through direct technical collaboration with MARENA and INAFOR (i.e. the GIZ program to support REDD+ in Central America) or with the Northern and Southern Caribbean Coast Regional Autonomous Governments.

The government continues highly committed to increase the role of the forest sector in achieving the national development and environmental goals. MARENA undertook a multi-stakeholder assessment of the country's Readiness towards REDD+. The results were satisfactory and are presented in the R-Package submitted by Nicaragua to the FCPF Participants Committee on July 28, 2017. MARENA and the Project Management Unit receive broad support from top-level ministries including the Presidential Secretariat for National Public Policies, the Ministry of Finance and Public Credit, and the Presidential Secretariat for Development of the Caribbean Coast of Nicaragua. Since Nicaragua intends to access resources from the FCPF Carbon Fund, the Readiness process is instrumental to establish the foundations to prepare a solid Emission Reduction Program Document with strong stakeholder support. As a result, MARENA has focused its Readiness efforts mainly in the Caribbean Coast regions, the accounting area of a future Emission Reduction Program.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Implementation of Grant Financed Activities:

Comment:

Overall, implementation progress over the reporting period is satisfactory. The REDD+ management structures, including a three-level decision-making platform (policy, technical and general public), are fully operational and, during FY17, have worked to speed up both the dialogue on the R-Package and the ERPD. Also, Indigenous Peoples and Afro-Nicaraguan

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representatives participate more actively in both the policy and technical working groups of the Readiness process. The Presidential Secretariat for National Public Policy (SPPN) and the Ministry of Finance and Public Credit (MHCP) closely participate in the working group and help MARENA increase the convening power required to engage the Ministry of Agriculture (MAG), the Ministry of Family Economy (MEFCCA), and the National Forest Institute (INAFOR) in the dialogue on the drivers of deforestation and strategic actions to avoid it. Although MARENA has promoted social inclusion and is broadening the scope of REDD+ readiness actions beyond the Caribbean Coast regions, there is room to reach out to many other local stakeholders and their organizations.

The Project Management Unit completed several assessments to improve the first draft ENDE-REDD+ strategy and its consultations. The assessments included the drivers of deforestation, legal and governance aspects of deforestation (including land and resource rights), the Strategic Environmental and Social Assessment, (SESA) and existing redress mechanisms. The assessments were evaluated in the round tables clustered under the Working Group I and II (policy and technical). However, the project experienced delays in completing these activities to inform the preparation of a draft R-Package for consideration at the FCPF PC23 meeting. Also, additional dialogue and consensus building was required to reach agreement amongst different stakeholders on the safeguards policies to be triggered in the ESMF, as well as to prepare the additional finance proposal. The outstanding items were sorted out in late July and the R-Package is scheduled to be presented at the FCPF PC24. The processing of the additional financing would be completed in mid-October. Successfully presenting an R-Package in early FY18 is a key milestone for the Government of Nicaragua, as it will allow to submit a first version of the Emission Reduction Program Document to the FCPF Carbon Fund at the end of FY18.

Grant follow-up and structure

Description and context of Grant:

No restructuring to report

Expected follow up (if any): Expanded capacity

Comment on follow up:

In August 2016, MARENA presented its Mid-Term-Report with a request for additional finance (US\$5 million) to the FCPF Readiness Fund. In the first draft R-Package, which MARENA submitted to FCPF on July 28, 2017, it provided progress updates and identified next steps to get ready for REDD+ implementation. MARENA is planning to use the Additional Finance (AF) resources to elaborate a second version of the ENDE-REDD+ Strategy, which would include specific policy options to address forest degradation and the lack of support to reforestation, particularly in the Pacific Coast and Northern-Central part of the country. With the AF, MARENA will also improve its Forest Reference Emissions Level (FREL), the Measurement, Reporting, and Verification (MRV) system, and the Feedback Grievance Redress Mechanism.

This grant is linked to the preparation of a Sub-National Emission Reduction REDD+ Program, through which MARENA could have access to US\$55million in results-based payments. To support this process, the Bank team is working with an inter-institutional team led by the Ministry of Finance, the Presidential Secretariat for National Public Policies, and MARENA. The Bank's support includes hiring international consultants/firms to help prepare the Emission Reduction Program Document (ERPD), in time for submission to the 18th Carbon Fund meeting, in June 2018.

End Date of Last Site Visit:

Restructuring of Grant:

No restructuring to report

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OUTCOME

Comments on outcome achieved from 07/01/2017 to 06/30/2018

Nicaragua prepared its ENDE-REDD+ package, which was successfully presented during the FCPF Participant Committee Meeting on September 25, 2017 in Lao PDR. During this period, the Fund participants also granted Nicaragua with US\$5 million additional resources to continue its preparation towards REDD+ implementation. Nicaragua also continue developing the Emission Reductions Program for the Caribbean Coast, the BOSAWAS Biological Reserve, and the Indio Maiz Biological Reserve. Nicaragua also started preparing a second draft of the ENDE-REDD+, which will include information from the Pacific, Central and Northern regions of the country. Finally, Nicaragua prepared a Climate Change policy, approved in January 2018.

Grant Outcome Indicators

Grant outcome indicators are listed below.

The ENDE-REDD+ Coordination Unit Continues operating with increased efficiency

Baseline Coordination Unit is established and has prepared 6 reports and the Mid Term Report
Value:

Date: 12/30/2017

Progress to One progress report

Date:

Date: 06/30/2018

Target Value: Final Report

Date: 06/30/2020

The ENDE-REDD+ mechanism to exchange information and conduct early dialogue activities with key stakeholders is established and functioning

Baseline Mechanism to exchange information is established and functioning with three working groups reporting in six
Value: progress reports and the Mid Term Report

Date: 12/30/2017

Progress to one progress report

Date:

Date: 06/30/2018

Target Value: 2 progress reports

Date: 06/30/2020

Indigenous Communities of the Caribbean Coast and the Pacific-Centre-Northern (PCN) regions of Nicaragua are adequately consulted and participate in the national ENDE-REDD+ process

Baseline Indigenous communities and afro-descendant have participated in the REDD+ process and have been adequately
Value: consulted

Date: 12/30/2017

Progress to Consultations have been conducted

Date:

Date: 06/30/2018

Target Value: Indigenous peoples and afrodescendant communities and Indigenous Peoples and Local Communities of the PCN region are adequately consulted

Date: 06/30/2020

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The operational Manul of the three-level ENDE-REDD+ governance mechanism is applied

Baseline Meeting minutes of the trhee-level governance

Value:

Date: 12/30/2017

Progress to 5 meeting minutes

Date:

Date: 06/30/2018

Target Value: 10 meeting minutes

Date: 06/30/2020

The Feedback Grievance Redress Mechanism is finalized

Baseline Draft FGRM is finalized

Value:

Date: 12/30/2017

Progress to FGRM is tested

Date:

Date: 06/30/2018

Target Value: Final FGRM is ready

Date: 06/30/2020

The ENDE-REDD+ Strategy document is prepared on the basis of broad consultations

Baseline First version of the ENDE-REDD+ document

Value:

Date: 12/30/2017

Progress to Progress report

Date:

Date: 06/30/2018

Target Value: Final version of the ENDE-REDD+ document

Date: 06/30/2020

A study on the direct and indirect drives of deforestation and forest degradation, land use, forest legislation, policies and governance is prepared

Baseline First version of the drivers of deforestation analysis

Value:

Date: 12/30/2017

Progress to

Date:

Date: 06/30/2018

Target Value: Final version of the drivers of deforestation analysis

Date: 06/30/2020

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The ENDE-REDD+ proposed strategic options and the implementation framework to address the causes of deforestation and forest degradation are developed and inform the SESA process

Baseline There is an analysis of barriers to implement REDD+ activities

Value:

Date: 12/30/2017

Progress to second version of the barrier analysis

Date:

Date: 06/30/2018

Target Value: Final version of the barrier analysis

Date: 06/30/2020

A portfolio of project to implement priority ENDE-REDD+ Strategy Options is designed

Baseline There is no portfolio

Value:

Date: 12/30/2017

Progress to draft version of the portfolio

Date:

Date: 06/30/2018

Target Value: Final version of the portfolio

Date: 06/30/2020

Study on the opportunities for private sector to engage in REDD+ in Nicaragua

Baseline There is no report

Value:

Date: 12/30/2017

Progress to

Date:

Date:

Target Value: Report finalized

Date: 06/30/2020

Climate finance group formed and operating effectively to identify opportunities for Nicaragua to access climate finance

Baseline There is no climate finance group

Value:

Date: 12/30/2017

Progress to Climate finance group is formed

Date:

Date: 06/30/2018

Target Value: Progress report of the climate finance group

Date: 06/30/2020

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National Forest Program updated

Baseline National Forest Program outdated
Value:

Date: 12/30/2017

Progress to update of the national forest program in progress
Date:

Date: 06/30/2018

Target Value: Updated National Forest Program
Date: 06/30/2020

The Secretary for the Development of the Caribbean Coast 's Strategy updated to include REDD+ considerations

Baseline The Secretary for the Development of the Caribbean Coast 's Strategy does not include REDD+ considerations
Value:

Date: 12/30/2017

Progress to
Date:

Date: 06/30/2018

Target Value: The Secretary for the Development of the Caribbean Coast 's Strategy updated, including REDD+ considerations
Date: 06/30/2020

The SESA process is completed and the ESFM is finalized

Baseline SESA plan is completed
Value:

Date: 12/30/2017

Progress to SESA plan implemented ESFM under development
Date:

Date: 06/30/2018

Target Value: SESA Plan and ESFM completed
Date: 06/30/2020

COMPONENTS

There are no components defined for this trust fund / grant.

Comment on planned and actual Output

Comment on component implementation progress

Component 1: Readiness Organization and Consultation. The Project Implementing Unit is working well and meets project's results indicators.

Subcomponent 1a: National REDD+ Management Arrangements. The project continues using the three-level platform for decision making and relevant government institutions are represented at the three level: groups 1, 2 and 3 of the platform. The national organizations participating in the REDD+ platforms are the following: MARENA, the Secretary of the Presidency for Public Planning, the Secretary of the Presidency for the Development of the Caribbean Coast, the Ministry of Family Economy, the National Forest Institute, and the National Institute for Territorial Studies. The Regional level the institutions participating in REDD+ are the Caribbean Coast Northern and Southern Governments. Finally, at the local level the institutions participating are representatives of the Indigenous Territorial Governments.

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SubComponent 1b. Consultation, Participation and Outreach. MARENA continued conducting consultations in the Caribbean Coast, for the Emission Reduction Program, and the Northern, Pacific, Central region for the second version of the ENDE-REDD+. MARENA carried out a total of 18 events., following the SESA process. To complement these activities, MARENA developed a Communications Plan to ensure there is constant exchange of information with the public, through different means.

SubComponent 2a. Assessment of Land Use, Land Use Change, Drivers, Forest Law, Policy and Governance. MARENA expanded the dialogue on drivers of forest degradation and the lack of incentives to promote forest and land restoration in the Pacific-Central-Northern region. The new version of the strategy will integrate the results of these dialogues.

SubComponent 2b. REDD+ Strategy Options. The first version of the Strategy focuses on options to address deforestation in the Caribbean Coast Regions, the BOSAWAS biosphere Reserve, and the Indio Maiz Biological Reserve. MARENA is currently developing further analysis to integrate Strategy Options relevant to the Pacific-Central and Northern Region.

SubComponent 2c. Implementation Framework. MARENA made progress in strengthening the institutional arrangement with INAFOR, by revising an existing mechanism to offer forest incentives. As a result, MARENA developed a concept note and work plan to inform the benefit sharing mechanism. MARENA also consolidated the Monitoring, Reporting, and Verification (MRV) institutional arrangements, which includes the National Institute for Territorial Studies, the National Forest Institute, MARENA; and technicians from the Northern and Southern Regional Autonomous Caribbean Coast Governments.

Component IV. Project administration, monitoring and reporting. MARENA continues implementing the grant as planned.

SubComponent 2e. Social and Environmental Impacts. MARENA completed an Environmental and Social Management Framework (ESMF), based on consultation with Indigenous and Afrodescendant peoples.

Component 3: Reference Emissions Levels: MARENA updated the methodology for the Forest Emissions Levels determination and developed a first draft of the FREL. A visual evaluation of the high and low satellite imagery took place, aiming at calculating data at the REDD+ activity level. MARENA distributed a systematic grid in the ERP accounting area to conduct a sampling of points where deforestation trend will be analyzed. MARENA also estimated national-level emission factors using forest cover data obtained from the National Forest Inventory. Subregional FRELs were estimated for the RACCs and RACCN using the adjusted methodology.

EXECUTION

Bank project related to the grant

Project ID / Name:	P120657 - NI FCPF REDD Readiness
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	RE - Recipient Executed Activities

Implementing agency and contact details

Agency:	Ministry of Environment and Natural Resources (MARENA)		
Contact:	Ms. Juanita Argenal		
Address:	Frente a la Zona Franca Las Mercedes, Managua, Nicaragua		
Phone:	+505 22631273	Email:	jargenal@marena.gob.ni
Website:	www.marena.gob.ni		

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PROGRAM

Program Specific Questions

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

There are no other REDD+ initiatives in Nicaragua; however, MARENA is doing efforts to coordinate activities with the Ministry of Family Economy, the Caribbean Coast Development Secretariat, and the Regional Governments of the Northern and Southern Caribbean Coast Regional Governments.

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

No changes to report.

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

Overall, MARENA is using the resources from the grant to address the capacity needs of the government institutions, the Caribbean Coast Development Secretariat; the Southern and Northern Caribbean Coast Regional Governments; and the Indigenous Territorial Governments.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

MARENA continues applying the safeguards policies in elaborating the Readiness Strategy and the Emission Reductions Program.

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

Since this grant is supported by the World Bank, there is no need to ensure adequate applicability of the Common Approach.

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

MARENA continues carrying out the consultations in the Caribbean Coast and the Pacific-Center-Northern regions of the country to complete the REDD+ Strategy.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2011	12/31/2011	0.00	0.00	40,000.00	40,000.00
01/01/2012	06/30/2012	0.00	0.00	122,846.99	82,846.99
07/01/2012	12/31/2012	0.00	0.00	168,839.82	45,992.83
01/01/2013	06/30/2013	0.00	0.00	200,000.00	31,160.18
07/01/2013	12/31/2013	0.00	0.00	199,185.14	814.86-
01/01/2014	06/30/2014	0.00	0.00	577,525.63	378,340.49
07/01/2014	12/31/2014	0.00	0.00	831,320.48	253,794.85
01/01/2015	06/30/2015	0.00	0.00	1,008,812.42	177,491.94
07/01/2015	12/31/2015	0.00	0.00	1,423,763.78	414,951.36
01/01/2016	06/30/2016	0.00	0.00	2,025,230.80	601,467.02
07/01/2016	12/31/2016	0.00	0.00	2,387,612.31	362,381.51

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07/01/2017	12/31/2017	0.00	0.00	3,800,000.00	674,519.97
01/01/2018	06/30/2018	0.00	0.00	4,399,999.98	599,999.98
07/01/2018	12/31/2018	0.00	0.00	5,864,461.39	1,464,461.41
01/01/2019	06/30/2019	0.00	0.00	6,458,635.26	594,173.87
07/01/2019	12/31/2019	0.00	0.00	8,325,781.08	1,867,145.82
01/01/2020	06/30/2020	0.00	0.00	8,688,774.83	362,993.75
07/01/2020	12/31/2020	0.00	0.00	0.00	0.00