

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism
Readiness Preparation Proposal (R-PP) External Review Template**
(interim, January 10, 2011, from Program Document FMT 2009-1, Rev. 5)

Objectives of a Readiness Preparation Proposal

The purpose of the R-PP is to build and elaborate on the previous Readiness Plan Idea Note (R-PIN) or a country's relevant comparable work, to assist a country in laying out and organizing the steps needed to achieve 'Readiness' to undertake activities to reduce emissions from deforestation and forest degradation (REDD), in the specific country context. The R-PP provides a framework for a country to set a clear roadmap, budget, and schedule to achieve REDD Readiness. The FCPF does not expect that the activities identified in the R-PP and its Terms of Reference (ToR) would actually occur at the R-PP stage, although countries may decide to begin pilot activities for which they have capacity and stakeholder support. Instead, the R-PP consists of a summary of the current policy and governance context, what study and other preparatory activities would occur under each major R-PP component, how they would be undertaken in the R-PP execution phase, and then a ToR or work plan for each component. The activities would generally be performed in the next, R-PP execution phase, not as part of the R-PP formulation process.

Review of R-PP of Nicaragua

Reviewers: Tomas Schlicter, David Kaimowitz, and three other anonymous reviewers

Date of review: June 12, 2012

Summary

Nicaragua continues to experience rapid forest clearing for livestock and crops, particularly in the agricultural frontier regions of its two autonomous regions in the Caribbean Coast (RAAN and RAAS). It also has problems with illegal logging, forest fires, and forest loss due to hurricanes and pests. Between 1995 and 2009 the country lost 40 percent of its forest cover, which fell from 5.6 million hectares to 3.4 million hectares. If current trends continue, Nicaragua will lose an additional 10 percent of its forest cover by the time the proposed project ends in 2015.

Factors driving forest loss include: insecure land rights, policies promoting livestock production, lack of incentives to maintain forest, road building near forests, weak capacity to regulate forest clearing and use, and widespread poverty. The combination has given the expansion of the agricultural frontier momentum that will be difficult to overcome. The problem is particularly intractable because the expansion of extensive cattle ranching has played a central role in Nicaragua's economic growth in recent years, and livestock products are now the country's largest export. The government has made efforts to improve forest governance, control forest fires, and promote reforestation and community forestry, but so far these have failed to slow forest loss.

The majority of remaining compact forest is in Indigenous Territories in the RAAN and RAAS. Non-indigenous mestizo ranchers and farmers in those territories are responsible for most recent deforestation. Nicaragua has made major advances in demarcating and titling the territories and establishing territorial governments, but this has yet to quell migration into those areas.

Nicaragua is fortunate to have a wealth of data about forest cover and quality, including a recent National Forest Inventory. This will be useful for Monitoring, Reporting, and Verification (MRV) and preparing reference scenarios.

This is the 4rd version of the Nicaragua R-PP that the Technical Advisory Panel (TAP) has reviewed. Each version has been notably better than its predecessor. The most recent versions have a wealth of information and adequately address many TAP concerns about the initial draft. They do a better job of explaining current government policies and the magnitude and causes of deforestation, and have more robust proposals related to institutional arrangements, consultation, strategy options, and budgets. Their approach to Indigenous Peoples issues and Nicaragua's two autonomous regions has also improved.

Nicaragua generally uses the term National Avoided Deforestation Strategy (ENDE), rather than REDD+. Their vision of ENDE is a bit different from how REDD+ has been conceived elsewhere. (See below.) However, the comments below use the two terms somewhat interchangeably.

The latest R-PP proposes to improve forest condition and rural livelihoods through a combination of new incentives, land tenure policies, law enforcement, promotion of more intensive and sustainable agricultural practices, and development of more equitable and diversified value chains. For the most part it provides little detail about the proposals, but it does set out a process for developing such proposals.

The R-PP rightly highlights Nicaragua's recent advances in autonomy in the Caribbean Coast regions and indigenous land rights there; and emphasizes the need to involve the regional governments in decision-making and to adapt the training, consultations, MRV, and other REDD+ activities to the needs, conditions, and collective rights of the autonomous regions and their Indigenous Peoples. This is one of its most positive aspects.

The text now meets most of the minimal standards the FCPF has set for an R-PP. The two remaining outstanding problems have to do with standards 3 (reference levels) and 4 (monitoring). In the case of the reference level standard the problem is easy to remedy. Nicaragua submitted a good text on reference levels in an earlier version of the R-PP, which the TAP said met the standard. However, in the last two drafts they replaced that text with other material that does not meet the standard. They should go back to their earlier text.

TAP believes that Nicaraguan government has now adequately addressed practically all of the issues that we have raised in our comments related to the three previous drafts. As such, we have no major recommendation. The TAP would like to congratulate the Government of Nicaragua on the rather substantial improvements in the latest version of this text. The discussion of monitoring has a section 4, 4a, and 4b, each with their own budget and with substantial overlap between 4 and 4a, whereas the guidelines only envision sections 4a and 4b. More importantly, the monitoring discussion provides two separate descriptions of what the government plans to do - one under the heading of "lines of activities" and the other under "activities". It is not clear how these two sets of proposed activities relate to each other - and hence what it is the government actually plans to do. To meet this standard the government would have to re-organize the material and clarify the relation between the proposed "lines of action" and "activities".

Conclusions:

Components/Standards	R-PP Submitted for assessment in PC 9 (June 2011)	R-PP Submitted for assessment in PC 12(June 2012)	
	Revised Draft R-PP April-May, 2011	R-PP Submission April, 2012	Revised R-PP June, 2012
Standard 1a: National Readiness Management Arrangements.	Partially met	Met	Met
Standard 1b: Information sharing and early dialogue	Met	Partially Met	Met
Standard 1c: Stakeholder Participation and Consultation		Met	Met
Standard 2a: Assessment of Land Use, Forest Policy, and Governance	Partially met	Partially met	Met
Standard 2b: REDD strategy options	Not met	Partially met	Met
Standard 2c: REDD Implementation Framework	Partially met	?	Met
Standard 2d: Strategic Environmental and Social Assessment	Not met	Partially met	Met
Standard 3: Reference levels	Met	Partially Met	Partially Met
Standard 4a: Monitoring system: emissions and removals	Partially met	Partially met	Partially met
Standard 4b: Monitoring system: multiple benefits, impacts, and governance		Partially met	Partially met
Standard 5: Budgets: Completeness of information and resource requirements	Partially met	Met	Met
Standard 6: Monitoring and evaluation framework (optional)	Met	Met	Met

Standards to be Met by R-PP Components

(From Program Document FMT 2009-1, Rev. 5:)

Component 1. Organize and Consult

Standard 1a: National Readiness Management Arrangements:

The cross-cutting nature of the design and workings of the national readiness management arrangements on REDD, in terms of including relevant stakeholders and key government agencies beyond the forestry department, commitment of other sectors in planning and implementation of REDD readiness. Capacity building activities are included in the work plan for each component where significant external technical expertise has been used in the R-PP development process.

Reviewer’s assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: “The cross-cutting nature of the design and workings of the national readiness management arrangements on REDD, in terms of including relevant stakeholders and key government agencies beyond the forestry department, commitment of other sectors in planning and implementation of REDD readiness:”

The R-PP frames the proposal in the broader context of Nicaragua’s development and environment

policies, and the need to alleviate poverty and reduce vulnerability to climate change, and devotes substantial attention to Indigenous Peoples' issues.

Nicaragua has chosen to adopt a National Avoided Deforestation Strategy (ENDE), rather than a traditional REDD+ strategy. Table 1 does a good job of explaining the difference between the two. ENDE gives more emphasis to adaptation, takes a non-market approach with a special focus on indigenous rights, and gives greater attention to promoting sustainable production systems and ecosystem services besides carbon sequestration.

The ENDE was designed to be consistent with Nicaragua's current National Human Development Plan (PNHD), National Environment and Climate Change Strategy (ENACC), and Rural Development Program (Prorural Incluyente). ENDE activities in the two autonomous regions are also supposed to be consistent with the Human Development Plan for the Caribbean Coast (PDHCC) and the regional climate change strategy.

Nicaragua has begun to establish a three tier institutional mechanism for the design and implementation of ENDE. The first tier will make policy decisions, the second tier provides technical input, and the third tier will provide a space for a wide range of stakeholders to make comments and suggestions. This approach makes sense.

Tier 1 was officially constituted in April 2012, with the participation of high-level representatives of the Ministries of Environment (MARENA) and Agriculture (MAGFOR), the National Forestry Institute (INAFOR), the regional governments of the two autonomous regions (RAAN and RAAS), and the National Forestry Fund (FONADEFO). It was created by and will report to the Production Cabinet, coordinated by the President's office. According to the latest version of the R-PP, 16 government agencies will participate in tier 1, including representatives of the national, regional, municipal, and territorial governments.

Tier 2 is composed of technical staff from both governmental and non-governmental agencies who will work directly on designing and implementing ENDE.

Tier 3 is also referred to in the R-PP as the ENDE-REDD+ Working Group (GTRE). It will be convoked by tier 1 and composed of a wide variety of stakeholders, and it will operate through a combination of a "general assembly" and "working groups". The assembly will elect a GTRE "President", who will facilitate the process, together with someone from MARENA.

The GTRE will report to Tier 1 and to the pre-existing national Forestry Commission (CONAFOR). CONAFOR is a body mandated by law to facilitate multi-stakeholder input into the design of national forest policies. At the regional level it is supposed to operate through regional Forest Governance committees (GOFO) and Citizen Participation Cabinets (GPCs).

The details of how these inter-agency bodies are to function are crucial. Unless they function well, there is a great risk that ENDE focal point, MARENA, will end up acting autonomously, and the other agencies will not feel full ownership of and responsibility for the process.

In addition to the three tiers, MARENA will have a small secretariat responsible for the ENDE's day-to-day implementation. For the most part, the role of the other agencies in implementation of the activities financed from the R-PP budget is not clearly specified, and most could end up with largely figurative roles.

Prior to April 2012, the main groups involved in the R-PP's preparation had been MARENA, INAFOR, GIZ, and the Forestry and Environment Advisory Committee (CCF-A) of the RAAN. MAGFOR, the regional government of the RAAS, and a few NGOs such as CADPI and Centro Humboldt had also participated in several meetings.

Over the past few months, however, Tier 1 has organized a dozen workshops about different aspects of ENDE, including several in the Caribbean Coast regions. A broader range of stakeholders has

participated in these workshops, including government agencies, universities, NGOs, and traditional Indigenous authorities.

The text mentions the agencies concerned with defining and ensuring respect for property rights, such as the army, the police, the attorney general's office, the judicial system, and CONADETI in various places, but they don't seem to have participated much in the process so far and it remains unclear how much they will participate going forward. It is also not clear to what extent the Secretariat for the Development of the Caribbean Coast (SDCC) and the Nicaraguan Institute for Agricultural Technology (INTA) are expected to participate in the various mechanisms and funded activities.

The latest R-PP goes much further than previous drafts towards outlining how the ENDE will be adapted to the unique legal, cultural, ecological, productive, and political conditions of the autonomous regions. It commits the government to implementing a separate subnational scheme for those regions, which will adapt the general national policies to those regions' conditions and concerns.

The Standard element: "Capacity building activities are included in the work plan for each component where significant external technical expertise has been used in the R-PP development process:"

There is nothing about capacity building in this section, but this is covered adequately in other portions of the R-PP.

Summary:

The R-PP recognizes the need for a cross cutting approach and multi-stakeholder approach and frames the problem that way. It out-lines a number of mechanisms for ensuring inter-agency participation and coordination in the design and implementation of the ENDE, and provides evidence that concrete steps have been taken towards establishing them. The revised R-PP is much more explicit about agencies besides MARENA are expected to participate in the design and implementation of the ENDE.

Nonetheless, given that MARENA will manage the great majority of the R-PP budget it may provide difficult to keep the other agencies actively engaged. On the other hand, the growing participation of MAGFOR, the CCF-A in the RAAN, several universities, NGOs, and Indigenous leaders in the process is a positive sign.

The standard is met.

Optional recommendations for consideration:

- We suggest that the authors making reference in this section to the other places in the R-PP where the information can be found related to capacity building.

Standard 1b: Information Sharing and Early Dialogue with Key Stakeholder Groups:

The R-PP presents evidence of the government having undertaken an exercise to identify key stakeholders for REDD-plus, and commenced a credible national-scale information sharing and awareness raising campaign for key relevant stakeholders. The campaign's major objective is to establish an early dialogue on the REDD-plus concept and R-PP development process that sets the stage for the later consultation process during the implementation of the R-PP work plan. This effort needs to reach out, to the extent feasible at this stage, to networks and representatives of forest-dependent indigenous peoples and other forest dwellers and forest dependent communities, both at national and local level. The R-PP contains evidence that a reasonably broad range of key stakeholders has been identified, voices of vulnerable groups are beginning to be heard, and that a reasonable amount of time and effort has been invested to raise general awareness of the basic concepts and process of REDD-plus including the SESA.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: "The R-PP presents evidence of the government having undertaken an exercise to identify key stakeholders for REDD-plus:"

The GTRE and the National Forest Commission (CONAFOR) and regional Forest Governance Committees (GOFO) will be the main mechanisms for consulting with stakeholders; although other mechanisms will also be used. This approach seems appropriate.

The list of groups to be consulted is detailed and comprehensive. There is little discussion however of how mestizo farmers on the agricultural frontier - who are responsible for most of the deforestation - will be consulted.

The Standard element: “The R-PP presents evidence of the government having commenced a credible national-scale information sharing and awareness raising campaign for key relevant stakeholders. The R-PP contains evidence that voices of vulnerable groups are beginning to be heard, and that a reasonable amount of time and effort has been invested to raise general awareness of the basic concepts and process of REDD-plus including the SESA:”

The Nicaraguan government has conducted an extensive set of consultations about forest policy in past years and there have been many recent events about REDD organized by donors or NGOs. Those activities have generally done a good job of including stakeholders related to the formal forestry sector. Participation with other groups affected by ENDE-REDD activities, such as farmers, women outside the formal forestry sector, Indigenous authorities and communities has been much more limited.

The government has only recently begun to consult with stakeholders specifically about REDD, or to disseminate information on the topic. However, in the last few months it has made major progress in that regard, with one dozen workshops with different stakeholders, in which Indigenous Peoples and women have been well-represented, with funding from GIZ. So far the government has made little effort to disseminate information about ENDE to wider audiences, but several dozen workshops and other communications activities are planned for between now and the end of the year.

Summary: The government has identified the relevant stakeholders and has begun an aggressive effort to consult, with one dozen recent workshops and several dozen others planned.

This standard is met.

Optional recommendations for consideration:

- Provide more detail about what the budget will be used for.
- Ensure that agricultural frontier farmers and ranchers are adequately represented in the proposed activities.

Standard 1c: Consultation and Participation Process

Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders, and inclusiveness of effective and informed consultation and participation by relevant stakeholders, will be assessed by whether proposals and/ or documentation on the following are included in the R-PP (i) the consultation and participation process for R-PP development thus far³ (ii) the extent of ownership within government and national stakeholder community; (iii) the Consultation and Participation Plan for the R-PP implementation phase (iv) concerns expressed and recommendations of relevant stakeholders, and a process for their consideration, and/or expressions of their support for the R-PP; (v) and mechanisms for addressing grievances regarding consultation and participation in the REDD-plus process, and for conflict resolution and redress of grievances.

Reviewer’s assessment of how well R-PP meets this standard, and recommendations:

³ Did the R-PP development, in particular the development of the ToR for the strategic environmental and social assessment and the Consultation and Participation Plan, include civil society, including forest dwellers and Indigenous Peoples representation? In this context the representative(s) will be determined in one of the following ways: (i) self-determined representative(s) meeting the following requirements: (a) selected through a participatory, consultative process; (b) having national coverage or networks; (c) previous experience working with the Government and UN system; (d) demonstrated experience serving as a representative, receiving input from, consulting with, and providing feedback to, a wide scope of civil society including Indigenous Peoples organizations; or (ii) Individual(s) recognized as legitimate representative(s) of a national network of civil society and/or Indigenous Peoples organizations (e.g., the GEF Small Grants National Steering Committee or National Forest Program Steering Committee).

Assessment

- This is one of the R-PP's best developed components. The R-PP includes coherent plans for consultation. The initial version already had a good section on this topic. The later ones further improved on that.
- This component is comprehensive and it is developed on the basis of consultations strategies carried out recently to develop the National Forestry Plan and the Rural Development Plan.

The Standard element: "The consultation and participation process for R-PP development thus far and the extent of ownership within government and national stakeholder community:"

- (See discussion on this under 1.a and 1.b)

The Standard element: "The Consultation and Participation Plan for the R-PP implementation phase:"

- The text adequately describes the Consultation and Participation Plan, which appears largely appropriate. There is a work plan including preliminary activities, a description of national and regional consultations, development of information materials, and a component for information and training for indigenous communities.
- The GTRE will lead the process, which is to be carried out mainly through working groups that include the main relevant actors.
- Key elements of the plan will include confidence generation among actors, definition of participants' rights and obligations, cooperation, and strengthening of networks that will include national and regional institutions, civil society, landowners and rural communities among others
- The section includes a specific Design, Consultation, Validation, and Dissemination Plan for the Autonomous regions, with some ideas about how it will be organized and the process to be implemented. That is to be commended.
- The R-PP gives adequate emphasis to the need to consult with Indigenous Peoples and recognizes their right to Free, Prior, and Informed Consent. This is particularly relevant given that the majority of the remaining compact forest in the country is in Indigenous Territories. The text adequately describes the Indigenous Peoples organizations that should be consulted, including the territorial and communal authorities, and the Indigenous movements, NGOs, and associations, among others. It also recognizes the need to consult communities in their own languages.
- Nicaragua's previous experiences with consultations about the regional autonomy law, the indigenous demarcation and titling law, the national forest program, and the climate change strategy in the RAAN provide useful lessons that could contribute in the development of the proposed consultations.

The Standard element: "Concerns expressed and recommendations of relevant stakeholders, and a process for their consideration, and/or expressions of their support for the R-PP; and mechanisms for addressing grievances regarding consultation and participation in the REDD-plus process, and for conflict resolution and redress of grievances:"

- The mechanisms for addressing grievances and resolving conflicts are mentioned, but only in general terms. The R-PP commits the government to developing these aspects more going forward.

Summary: This is one of the R-PP's stronger sections. It gives a clear sense of what will be done. The draft commits the government to consult with most relevant parties and emphasizes consultation with Indigenous Peoples based on Free Prior and Informed Consent, although there has been little consultation to-date.

This standard has been met.

Optional recommendations for consideration:

- The R-PP might explain more how it plans to address the question of a grievance mechanism, referred to in the standard. In this regard, countries could identify activities of up to \$200,000, as the Participants Committee of the FCPF has decided to provide additional \$200,00, just for the purpose of developing effective feedback and grievance redress mechanism in the countries.

Component 2. Prepare the REDD-plus Strategy

Standard 2a: Assessment of Land Use, Forest Law, Policy, and Governance:

A completed assessment is presented that: identifies major land use trends; assesses direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD; recognizes major land tenure and natural resource rights and relevant governance issues; documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation; identifies significant gaps, challenges, and opportunities to address REDD; and sets the stage for development of the country's REDD strategy to directly address key land use change drivers.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: "A completed assessment is presented that: identifies major land use trends:"

The R-PP provides relatively complete and recent information about the extent and location of deforestation, and the methods used to measure it.

The R-PP emphasizes forest loss and its causes. There is little about forest regeneration, which has occurred in some places. Those experiences may provide relevant lessons.

The Standard element: "A completed assessment is presented that: assesses direct and indirect deforestation and degradation drivers:"

The R-PP accurately identifies the eastward advance of the agricultural frontier, particularly for ranching, as responsible for most forest loss, and shows the decline in forest can be largely explained by a corresponding increase in pasture and crops.

Given the central role of pasture expansion in deforestation, this is a very important aspect for the R-PP to cover. In response to previous TAP comments, the current version of the R-PP has more information about this aspect; and we now consider the standard to have been met. However, this is an area that could still have benefitted from even more information.

The R-PP has much less information about forest degradation than deforestation. That is understandable, since there is less available data. It provides information about the volume of illegal logging, and mentions forest fires, fuelwood extraction, and other sources of degradation; but does not clarify how these problems compare to the massive forest loss on the agricultural frontier.

The R-PP fails to distinguish between forest fires in broadleaf forest areas and those in the pine forests of the Caribbean Coasts. These have different causes, outcomes, and possible solutions. Nor does it mention mangrove loss, which is important in some areas.

The document adequately discusses some underlying causes of deforestation such as land tenure insecurity. In general, Table 17 provides a relatively comprehensive list of the causes of deforestation and degradation.

There is little discussion of the differences in how distinct ethnic groups perceive land and forest. Forests are much more important for the livelihoods and cultures of the Mayangnas and, to a lesser extent, Miskitus than for the mestizo settlers. The draft does not refer much to traditional knowledge and resource management and how they might influence land use.

The R-PP's analysis of extra-sectoral policies that affect deforestation and forest degradation is limited, except for a relatively good discussion of land tenure insecurity. It does not say much about the effects of current agriculture or infrastructure policies on forests, although it mentions the government is initiating steps to ensure that its agricultural policies no longer promote deforestation.

The analysis of the forestry policies and their weaknesses is more complete, though still limited. The text notes that government agencies have limited resources to implement forest policies. It also notes the lack of financial incentives to conserve or manage forests. It doesn't discuss the forest policies of the autonomous regional governments.

The discussion about policies is largely qualitative. The R-PP provides little data or quantitative analysis about the policies or their impacts.

The Standard element: "A completed assessment is presented that: recognizes major land tenure and natural resource rights and relevant governance issues:"

The R-PP appropriately emphasizes Nicaragua's recent advances in demarcating and titling indigenous territories, which are significant and promising, and provides a reasonable summary of the issues related to clarifying tenure rights within those territories ("saneamiento").

There is no reference to corruption, which is a problem affecting land rights and timber production. There is also no discussion of the impacts of forest law 462 or the timber bans ("vedas").

The Standard element: "A completed assessment is presented that: documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation:"

The R-PP refers to important advances in establishing inter-institutional processes oriented to improve forest governance, in reforestation, and in forest fire management. While it mentions a number of weaknesses in policy formulation and implementation it doesn't address what it would take to overcome the obstacles that have limited the success of previous efforts to reduce deforestation and degradation.

The R-PP describes several previous forest projects and discusses some of the factors that contribute to their successes and failures.

The Standard element: "A completed assessment is presented that: identifies significant gaps, challenges, and opportunities to address REDD; and sets the stage for development of the country's REDD strategy to directly address key land use change drivers:"

The text includes a number of these elements, although they are never presented in a clear, coherent, and consistent fashion.

"Other:"

The budget for this component contains the most complete description of the additional studies proposed. However, the text says very little about the activities included in the budget. Neither mentions who will carry out those activities.

Summary: The analysis of the magnitude and location of forest loss is adequate. The discussion of the policies, market factors, and other causes influencing deforestation and forest degradation has been greatly strengthened compared to previous versions, although it would have been useful to have even more information about the causes and characteristics of the expansion of the livestock sector, which is the main direct cause of deforestation.

This standard is met.

Optional recommendations for consideration:

- The text might discuss in greater detail the policy and market variables that favor pasture expansion on the agricultural frontier, the actors involved in livestock activities, and the effectiveness of past efforts to address the problem. This might include information about the size of the ranches on the agricultural frontier, where the ranchers there are from, what they produce, who they sell to and why they prefer to clear new areas, instead of improving stocking rates. It might also include more information about how government trade, credit, and infrastructure, policies have affected forest clearing for pasture

- The analysis of the effects of recent policies on forest cover and quality could be strengthened, including a better review of the literature, more data, and an analysis that lends itself more to identifying the need for specific future actions.
- A list of major infrastructure investments currently under discussion or implementation in or near forested areas and an assessment of their possible affects would be very helpful. It would also be useful to provide information about the status of the road under construction into the Bosawas Biosphere Reserve.

Standard 2.b: REDD-plus strategy Options:

The R-PP should include: an alignment of the proposed REDD strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies, and a summary of the emerging REDD strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD strategy options. This summary should state: how the country proposes to address deforestation and degradation drivers in the design of its REDD strategy; a plan of how to estimate cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental aspects; socioeconomic, political and institutional feasibility of the emerging REDD strategy; consideration of environmental and social issues; major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and a plan of how to assess the risk of domestic leakage of greenhouse benefits. The assessments included in the R-PP eventually should result in an elaboration of a fuller, more complete and adequately vetted REDD strategy over time.

Reviewer’s assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: “The R-PP should include: an alignment of the proposed REDD strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies.... This summary should state: how the country proposes to address deforestation and degradation drivers in the design of its REDD strategy:”

The main components of the strategy for achieving the ENDE’s objectives are: 1) Strengthening the relevant institutions’ capacity to carry out their current mandate, including aspects related to forest governance; 2) Harmonizing policies and regulations to avoid policies that inadvertently provoke forest loss; 3) Using research, technology transfer, environmental education, and land use planning to reconvert the crop, livestock, and forest production systems to make them more environmental friendly; 4) Creating new incentives for forest protection and management; 5) Developing new markets and marketing mechanisms that favor small producers and the environment; and 6) Strengthening territorial governance and the clarification of land rights in Indigenous Territories (saneamiento). These components also include some notable new proposals, such as the creation of a new compensation for environmental services instrument, call a environmental forestry “bonus”, changes in credit policies to encourage forestry in agricultural frontier regions and discourage ranching, and strengthening Indigenous Territorial Governments, among others. (There is an appendix with some useful background related to the environmental forestry “bonus” and forestry incentives more generally.)

As a first approximation, this list seems reasonable. It includes most types of measures that have a reasonable prospect for achieving the ENDE’s goals (although it is probably too ambitious, given the country’s limited institutional capacity, and some of the options seem more promising than others. In any case, it presents a good starting point for a constructive policy dialogue about ENDE. Perhaps the main significant omission from this list would be efforts to promote sustainable forest management by incorporating activities with greater value added.

The section’s discussion of these components includes some rather specific and concrete activities and others that are very general. The text is not clear, however, about whether the specific activities are to be implemented first, nor who will be responsible for implementing them.

The Standard element: “The R-PP should include: a summary of the emerging REDD strategy to the extent known presently, and of proposed analytic work for assessment of the various REDD strategy options:”

The R-PP provides a reasonable summary of the emerging REDD strategy to the extent known at present (which is still quite general.) It mentions several pieces of relevant analytical work related to institutional capacity, credit policies, regulatory policies, incentives schemes, and rural extension.

The Standard element: “This summary should (include) a plan of how to estimate cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental aspects; socioeconomic, political and institutional feasibility of the emerging REDD strategy; major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and a plan of how to assess the risk of domestic leakage of greenhouse benefits:”

The section does not have any of this. There is no analysis of costs and benefits of the emerging REDD strategy, analysis of the political and institutional feasibility of the emerging REDD strategy, discussion of synergies - conflicts with existing policies, nor a plan for assessing leaking.

Summary: This section provides a reasonable first approximation of what the components of the ENDE strategy might be. Most of the discussion is relatively general, but that is probably as far as the R-PP can go at this point. In a few cases the text does make some specific suggestions, but it is not always clear who is expected to implement them.

The standard is met.

Optional recommendations to be considered:

- According to the tables, the forest area in Nicaragua declined from 5.6 million hectares in 1995 to 3.4 million hectares in 2009. If that is the case, Nicaragua has lost an average of 157,000 hectares per year during the 14 year period, which is more than twice the officially reported deforestation rate. The authors might want to explain the discrepancy.

Standard 2.c: REDD-plus implementation framework:

Describes activities (and optionally provides ToR in an annex) and a work plan to further elaborate institutional arrangements and issues relevant to REDD-plus in the country setting. Identifies key issues involved in REDD-plus implementation, and explores potential arrangements to address them; offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package. Key issues are likely to include: assessing land ownership and carbon rights for potential REDD-plus strategy activities and lands; addressing key governance concerns related to REDD-plus; and institutional arrangements needed to engage in and track REDD-plus activities and transactions.

Reviewer’s assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: “Identifies key issues involved in REDD-plus implementation, and explores potential arrangements to address them:”

This is done to some extent, although much of the relevant information actually appears in other parts of the document. The discussion of risks on p. 106 - 107 is particularly relevant in that regards.

“Offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package:”

This component of the standard is not clear to the TAP itself. Hence we find it difficult to assess.

“Key issues are likely to include: assessing land ownership and carbon rights for potential REDD-plus strategy activities and lands; addressing key governance concerns related to REDD-plus; and institutional arrangements needed to engage in and track REDD-plus activities and transactions:”

There is an adequate discussion of land ownership issues. The discussion on carbon rights is short, but probably not much more can be said about the issue at this point. There is not much about other key governance

concerns. There is some material on institutional arrangements, but the standard concerning this aspect is not well defined, so it is difficult to assess whether the text meets it.

Summary:

This section has useful material, but is somewhat weak. That, however, seems to be more a weakness of the guidelines, which aren't very clear about what should go in this section, that of the authors. The section does now have the necessary information about landownership and carbon rights. Some of the activities mentioned in the budget are not explained in the text and may not be of high priority.

The current version of the R-PP meets the standard.

Optional Recommendations to be Considered:

- The authors may want to pass the material related to risks from the previous section to this section and move the material related to monitoring to the sections on that topic.
- While figure 13 is very useful, it already appears earlier in the R-PP, so could be eliminated from this section.
- Review the activities in the budget to see if all are really high priority and if that is the best budget component to include them under.

Standard 2.d: Social and Environmental Impacts during Readiness Preparation and REDD-plus Implementation:

The proposal includes a program of work for due diligence for strategic environmental and social impact assessment in compliance with the World Bank's or UN-REDD Programme's safeguard policies, including methods to evaluate how to address those impacts via studies, consultations, and specific mitigation measures aimed at preventing or minimizing adverse effects. For countries receiving funding via the World Bank, a simple work plan is presented for how the SESA process will be followed, and for preparation of the ESMF.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: "The proposal includes a program of work for due diligence for strategic environmental and social impact assessment in compliance with the World Bank's or UN-REDD Programme's safeguard policies:"

This section includes the basic elements for a program of work. It describes the activities and the products, gives an approximate sense of when they will occur, who will be responsible for them, and the role they will play within the ENDE.

The section proposes to implement the SESA in two phases. The first phase includes activities that were undertaken as part of the formulation of the R-PP, such as some initial workshops, forming a workgroup, identifying potential problems and concerns related to ENDE, and designing the consultation and participation plan. The R-PP provides useful information about what has been done to-date and it seems reasonable.

In the second phase they will prepare a detailed plan for the SESA, hold regional and national workshops, and conduct three studies and assessments. This phase will produce a Environmental and Social Management Framework (ESMF), a Readiness Package, and a mid-term evaluation of the Readiness Package. The 2nd phase will run through the end of the R-PP period.

The proposal for social and environmental impact assessment (SESA) recognizes the need to comply with World Bank safeguard standards but has only a limited description of the activities planned, and the TAP is not certain whether those activities would meet World Bank safeguard standards. (That may reflect the TAP's own weakness in this regard; as there was no SESA expert on the TAP.)

The section provides a list and discussion of social and environmental priorities, but it is not clear

what role these priorities play within the SESA. The list provided neither refers to the potential social and environmental problems that REDD / ENDE might create nor social and environmental issues that might affect the efforts' success.

The R-PP mentions that this component will be closely related to the activities developed in the Monitoring, Reporting, and Verification (MRV) component, but the section on that component does not provide much further explanation on what they might consist of.

The R-PP does not address whether REDD activities that limit agricultural or forestry activities in one location are likely to generate negative environmental impacts in others, or how that issue might be looked at.

Summary: This section commits the government to conduct a SESA that complies with World Bank policies and guidelines and other relevant standards and provides a relatively clear and complete work plan for implementing that. The TAP lacks sufficient technical expertise on this topic to assess whether the proposed activities and approach meets World Bank standards.

This standard has been met.

Optional recommendations for consideration:

- The section could provide greater detail about the methods to be used in the SESA and their rationale.
- The SESA should consider the following three issues, among others: 1) The livestock sector is very important in the Nicaraguan economy and has played a major role in recent economic growth strategies. It is not clear what impact serious efforts to curtail livestock expansion in forested areas might have on economic growth, social variables, or the environment in other regions; 2) Many of those clearing forests on the agricultural frontier or engaging in illegal logging and other types of forest degradation are very poor rural families. It is not clear how proposed efforts to limit their ability to clear or exploit forests will affect their livelihoods and what possible alternatives might exist for them; 3) Cultural impacts and impacts on gender relations may be important in this case.
- The R-PP might either better explain the role of the identified social and environmental priorities within the SESA or remove that material.
- The list of planned studies in figures 15 and 16 differ a bit. The same studies should be included in both figures. (For example figure 16 mentions a gender study not mentioned in figure 15.)

Component 3. Develop a Reference Level

Standard 3: Reference Level:

Present work plan for how the reference level for deforestation, forest degradation (if desired), conservation, sustainable management of forest, and enhancement of carbon stocks will be developed. Include early ideas on a process for determining which approach and methods to use (e.g., forest cover change and GHG emissions based on historical trends, and/or projections into the future of historical trend data; combination of inventory and/or remote sensing, and/or GIS or modeling), major data requirements, and current capacity and capacity requirements. Assess linkages to components 2a (assessment of deforestation drivers), 2b (REDD-plus strategy activities), and 4 (MRV system design).

(FCPF and UN-REDD recognize that key international policy decisions may affect this component, so a stepwise approach may be useful. This component states what early activities are proposed.)

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: "Present work plan for how the reference level for deforestation, forest degradation, conservation, sustainable management of forest, and enhancement of carbon stocks will be developed:"

The current text has some useful information and some largely irrelevant information. It includes a long discussion of a multi-criteria model, which has relatively little relevance for preparing a reference scenario. It does not give much of a sense of Nicaragua's approach to the issues related to reference levels. The information about current capacity is very incomplete and very little about capacity requirements.

In the R-PP that Nicaragua presented on April, 2011 it proposed a series of highly logical steps, starting by (1) the evaluation of capacities, moving to (2) the construction of these capacities, (3) the selection of data, (4) the elaboration of a reference level, (5) the participation of society, (6) identification of gaps in information and (6) plans. That draft met the standard.

Summary: When the TAP reviewed the 2nd draft R-PP it determined that this section met the standard. The 3rd draft, however, was missing much of the relevant information, so the TAP suggested that the Government of Nicaragua simply submit the same text that was in the 2nd draft; which they have done. That material includes some repetition and un-necessary information, but largely covers the necessary ground.

The R-PP partially meets this standard.

Recommendation for how to meet the standard:

- Replace the existing text with the text from the April 23, 2011 version of the R-PP that the TAP determined met the standard.

Optional recommendation for consideration:

- It would be useful to give greater consideration about the relation between possible socio-economic, demographic, and policy scenarios and the reference scenarios for land use change.

Component 4. Design a Monitoring System

Standard 4a: Emissions and Removals:

The R-PP provides a proposal and workplan for the initial design, on a stepwise basis, of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation, and forest enhancement activities. The system design should include early ideas on enhancing country capability (either within an integrated system, or in coordinated activities) to monitor emissions reductions and enhancement of forest carbon stocks, and to assess the impacts of the REDD strategy in the forest sector.

The R-PP should describe major data requirements, capacity requirements, how transparency of the monitoring system and data will be addressed, early ideas on which methods to use, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers. It should also address independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD-plus implementation. The proposal should present early ideas on how the system could evolve into a mature REDD-plus monitoring system with the full set of capabilities.

(FCPF and UN-REDD recognize that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

Reviewer's assessment of how well R-Plan meets this standard, and recommendations:

Assessment:

The R-PP has three sections. 4, 4a, and 4b, each with its own separate budget. However, the format calls for only two sections 4a and 4b. That creates confusion.

Section 4

Section 4 provides a general description of the current situation with regards to the monitoring of forest cover and carbon stocks, biodiversity, governance and safeguards, some ideas about how they might be monitored going forward and opportunities for international assistance related to monitoring. It explains that currently the main limitations for monitoring are lack of necessary equipment and well trained human resources.

It also mentions nine “lines of activities” and a number of eight proposed “activities”. Unfortunately, the relation between the lines of actions and proposed activities is not clear. Much of the discussion focuses on the “lines of activities” but the budget is organized around the “activities”, and the two do not have any clear relation between each other. That makes it hard to figure out what they are actually proposing to do.

Recommendation: Either section 4 should be eliminated or it should be restricted to providing an assessment of the current situation related to monitoring. Discussion of proposed activities and their respective budgets should be presented in sections 4a and 4b.

Section 4a

The standard element: “The R-PP provides a proposal and workplan for the initial design, on a stepwise basis, of an integrated monitoring system of MRV of changes in deforestation and/or forest degradation, and forest enhancement activities.

The section provides some elements of a proposal, basic work plan, and budget for the initial design of an integrated monitoring system of MRV of changes in deforestation and / or forest degradation, and forest enhancement activities, but these are still rather general and vague.

The section has a list of “lines of action” for the MRV system and a list of “activities to be implemented” but it is not clear how the two relate to each other. The budget reflects the latter, but not the former. Neither is developed in any detail.

Tier 1 did recently organize a workshop on MRV for measuring deforestation rates. The results of that workshop are not included in the section text, but they were provided in an appendix.

The standard element: “The system design should include early ideas on enhancing country capability...to monitor emissions reductions and enhancement of forest carbon stocks, and to assess the impacts of the REDD strategy in the forest sector.”

The section does not include a training plan, but it does include a description of the international technical organizations that they expect will be able to assist them in developing an adequate MRV system. They also provide a list of general topics they feel they will need assistance with.

The standard element: “The R-PP should describe major data requirements, capacity requirements, how transparency of the monitoring system and data will be addressed, early ideas on which methods to use, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers. It should also address independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD-plus implementation.

The section mentions that the monitoring results will be independently audited following national and international standards and includes funds for that in the budget, but does not provide any further information about it. The same applies to participatory monitoring.

The standard element: “The proposal should present early ideas on how the system could evolve into a mature REDD-plus monitoring system with the full set of capabilities.”

There are some initial ideas in this regard.

Summary: The latest version of the R-PP goes further than the previous versions towards providing an elementary work plan, however, it is still difficult to get a sense of who will do what and when and how much that will really cost. The problem is further complicated by the discrepancies between the proposed “lines of action” and “activities to be implemented”.

This standard has been partially met.

Actions required to meet the standard:

- Given the current state of MRV activities in Nicaragua and the limited consultation about the issue to date, it may not be realistic for the R-PP to include a detailed explanation of what its future MRV system will look like. Nonetheless, the R-PP should go further towards presenting a strategy and general work plan for designing and implementing an MRV system and should explain better the activities contemplated in the budget.
- The section should explain the relation between the proposed “lines of action” and “activities to be implemented” and ensure that the two are compatible.

Optional recommendations for consideration:

- The section should say more about what is planned in relation to: a) mechanisms for inter-institutional coordination, b) participation of communities, civil society, and academia, c) measures to ensure transparency, and d) the specificities of the autonomous regions.

Standard 4b: Other Multiple Benefits, Impacts, and Governance:

The R-PP provides a proposal for the initial design and a workplan, including early ideas on capability (either within an integrated system, or in coordinated activities), for an integrated monitoring system that includes addressing other multiple benefits, impacts, and governance. Such benefits may include, e.g., rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD-plus implementation in the country.

(The FCPF and UN-REDD recognize that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

Assessment:

- This section is only one page long and provides little information (although there is a related matrix in the appendices). It notes that they will use GLOBIO3-PROME BIO to monitor biodiversity, briefly mentions the creation of a participatory system of monitoring including indigenous youth, notes that the on-going SESA process will collect information related to safeguards, and has an initial list of relevant types of social indicators to be monitored.
- There is no initial design and work plan and no ideas on capability for an integrated monitoring system that includes addressing other multiple benefits, impact, and governance.

Summary: Standard partially met.

Actions required to meet the standard:

- Provide a work plan that shows what activities will be conducted, by who, and when. The budget should explicitly reflect those activities. Where it is still not possible to say what activities will be undertaken, it should at least explain how and when those activities will be designed.
- Address the issue of capability for an integrated monitoring system and the capacity building that might be required.

Optional recommendations for consideration:

- The section might say more about what is planned in relation to: a) mechanisms for inter-institutional coordination, b) participation of communities, civil society, and academia, c) measures to ensure transparency, and d) the specificities of the autonomous regions.

5. Schedule and Budget

Standard 5: Completeness of information and resource requirements

The R-PP proposes a full suite of activities to achieve REDD readiness, and identifies capacity building and financial resources needed to accomplish these activities. A budget and schedule for funding and technical support requested from the FCPF and/or UN-REDD, as well as from other international sources (e.g., bilateral assistance), are summarized by year and by potential donor. The information presented reflects the priorities in the R-PP, and is sufficient to meet the costs associated with REDD-plus readiness activities identified in the R-PP. Any gaps in funding, or sources of funding, are clearly noted.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The present document includes a more detailed budget, compared with previous versions.

Some clarifications about possible contributions of the Nicaraguan central government and regional agencies are missing.

Summary: Standard met.

Optional recommendations for consideration:

- It would be useful to have information about the distribution of funding between different central government agencies and the different regions and the rationale behind that distribution.
- Correct budget of component 4a to properly reflect proposed activities.
- Make sure that activities mentioned in the description of each component appear in the budget and vice versa.

Component 6. Design a Program Monitoring and Evaluation Framework

Standard 6: The R-PP adequately describes the indicators that will be used to monitor program performance of the Readiness process and R-PP activities, and to identify in a timely manner any shortfalls in performance timing or quality. The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Assessment:

The Standard element: "The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule:"

- The R-PP provides preliminary thoughts on how they would structure a process of monitoring and evaluation of REDD+ readiness. It indicates that the REDD Secretariat will be responsible for this process and that it will rest on three types of actions (1) internal evaluation (2) external evaluation and (3) assessment of the tools, policies, and technological development. The approach proposed is sound.

The Standard element: "The R-PP adequately describes the indicators that will be used to monitor program performance of the Readiness process and R-PP activities, and to identify in a timely manner any shortfalls in performance timing or quality:"

- The section provides a very useful matrix with a full list of expected results, indicators, verifiers, responsible entities and risks.

Summary: The standard is met.

Optional recommendations for consideration:

- It might be appropriate to create a monitoring unit within the Secretariat, which could develop a

work plan during the first months of the project's implementation.

- The proponents should make clear which activities will be internally monitored and which will be monitored by external parties. Also a paragraph explaining the selection criteria of the independent external parties would be welcome.