

## 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)

### *Guidelines for Reviewers:*

- 1) FCPF REDD Country Participant R-PPs will be reviewed and assessed by the FCPF Participants Committee, the FCPF's governing body, taking TAP comments into account. External (Technical Advisory Panel or other) and Bank reviewers may provide recommendations on how a draft R-PP could be enhanced, using this template on a pilot basis until a process is approved by the PC.*
- 2) One set of criteria should be used for review: specific standards each of the current 6 components of an R-PP should be met.*
- 3) Your comments will be merged with other reviewer comments (without individual attribution) into a synthesis document that will be made public, in general, so bear this in mind when commenting.*
- 4) Please provide thoughtful, fair assessment of the draft R-PP, in the form of actionable recommendations for the potential enhancement of the R-PP by the submitting country. A REDD Country Participant would be allowed three submissions of an R-PP to the PC for consideration.*

### *Objectives of a Readiness Preparation Proposal (condensed directly from Program Document FMT 2009-1, Rev. 3)*

*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

Reviewer: Canada, México, Spain

Date of review: 06/06/2011

### Standards to be Met by R-PP Components

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

#### General comments

- The structure of the document could be improved. It would be easier to understand if the sub-sections would follow the scheme of activities/sub-activities as reflected in the tables for budget.
- There is duplication of information, and some parts seem to be in the wrong section.
- The document should be better balanced, and be more explicit on activities to be undertaken during the implementation of the Strategy

- The sequence of steps/decisions/actions is not clear

## 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:

#### Comments on form

- Total Budget and anticipated budgets: units are dollars; do not add "million" unless budget is in trillions. (p. 6)

#### Comments on content

- In this version issues related with institutional arrangements were moved to component 1b. We consider that the information in pages 39 to 42 should be in component 1a, as it was on April 's RPP version.
- It is unclear how level 3 is related with the other levels (p.42)
- Mention to groups identified as agents for deforestation should be included (cotton and coffee producers or livestock farmers should be included)
- The relationship between the 3-levels with the regional groups(Asamblea Comunal, Asamblea Territorial) remains unclear (as per previous review)
- The role of the various institutions has been clarified but it is not clear how they interact between the three levels. (p. 40-43)

### 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:

#### Comments on content

- Past information sharing on REDD+ among some stakeholders is shown on chart 2. Future information sharing activities and the involvement of key stakeholders should be included. (p. 48-49)
- It seems that there were no previous consultation or preparation activities, in this section only dialogue and participation within core coordinator of REDD (technical body established as level 2) is mentioned. The level of participation within this group is not specified (the continuity of the dialogue and the dynamics or methodologies used should be explained).
- An early dialogue on the R-PP development process has already begun with level 2 members. However, it is not clear how other stakeholders will participate.

- A list of consulted stakeholders should be included; it is not clear if key actors identified in 5.2.2. have been consulted.
- All deforestation agents remain to be addressed

### 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 far<sup>3</sup> (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:

#### Comments on form

- Improve format of the chart on page 52
- The chart in page 54 does not reflect what is explained in the text, in particular, regarding the link of GTRE with Level 1. This chart should be moved to section 1.a., as it reflects institutional arrangements for REDD+ readiness management.

#### Comments on content

- Times for the different phases in participation process seem to be too long. Following the months needed for every activity, the RPP will not be official before 36 months in the best of the cases (3 years). This circumstance would postpone all the works that should be developed following the RPP (development of reference levels, monitoring system,...) and therefore, this has implications in all the chronograms and budgets in the document (p.56-58)
- P58. describes how the REDD/ENDE strategy validation would be done by level 1 only, it would be interesting to know why the other levels won't participate in the process.
- Regarding the consultation issues, better treatment of the dialogue on international frameworks and their requirements should be established, in order to clarify the commitments to be assumed.
- The role of the autonomous regions is not clearly reflected in the chart (p.52).
- More detailed should be included on the composition, mandate, objectives, etc of grupo amplio and mesas de trabajo.
- An exact plan for the consultation and participation process still remains to be articulated (e.g.

<sup>3</sup> 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).

workplans are proposed to be developed on p. 56, but unclear the outcome for that group in absence of the workplan)

- Clarification needed on how consultation processes in autonomous regions is integrated in the national consultation and participation process. It is important to ensure the best coordination between the two scales of work, to avoid duplication of work.
- Participation should be ensured in all the REDD+ process, and not only in readiness preparation.

## 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-plus; 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:

#### Comments on form

- Some actors are mentioned in this section that are not mentioned before, and their role in REDD+ should be clarified, specially the coordination with GTRE.
- Information should be synthesized, and better structured

#### Comments on content

- P. 65 describes a number of limitations that Nicaragua faces for REDD implementation in the country. It is unclear if those limitations prevail, or if they were addressed by the adjustments made to the Forest Policy. If the challenges described remain until today, is highly recommended to identify studies that will address the problems.
- Interesting and important information from the latest RPP version has been deleted, such as: ENDE's 4 guidelines description, a description of Caribbean coast stakeholders...
- It is not clear how the main governance achievements described in page 8 have allowed progress in terms of: communication and partnerships among regional governments and the 2 autonomous regions, and triggered active participation of indigenous communities' representatives, and forestry key stakeholders, as stated in page 67.
- It is important to describe existing mechanisms for conflict resolutions.

### Standard 2.b: REDD-plus strategy Options:

The R-PP should include: an alignment of the proposed REDD-plus strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies, and a summary of the emerging REDD-plus strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD-plus strategy options. This summary should state: how the country proposes to address deforestation and degradation drivers in the design of its REDD-plus strategy; a plan of how to estimate cost and benefits of the emerging REDD-plus strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental aspects; socioeconomic, political and institutional feasibility of the emerging REDD-plus 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-plus 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-plus strategy over time.

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

#### Comments on form

- Page 105 says "se definen roles...que los mencionamos (ver figura)" There is no figure.

#### Comments on content

- How is planned to link ENDE activities with the general work lines of *PRORURAL incluyente*?
- A good example of existing national programs to address forest deforestation and degradation are described but, there's no proposal on how the different policies would be aligned. This component should explore potential synergies or inconsistencies of country sector strategies.

### 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:

Previous concerns that have been addressed

#### Comments on form

- Activities and sub-activities reflected in the budget table could be used as a guide for the section, explaining each of these actions.

#### Comments on content

- The implementation framework needs to be further developed.
- In this latest version the figure that showed the interactions among stakeholders on the readiness phase has been deleted. However, a definition it is still on who does what, and when is still missing.
- Although Table 2c is completed, and there is a list of principles, there is not an implementation framework as per the direction of the Guide. Less text is available to support table 3c in Nicaragua's May 2011 version that the previous version reviewed.

**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:**

Comments on content

- SESA should be an in-depth assessment of possible impacts, including studies on how to minimize or avoid those impacts, and with proposed measures to prevent adverse effects.
- At page 115 it is stated that Nicaragua will leave SESA for the R-Package stage, but the SESA must be included before this.
- ToR included in the document only cover the elements in the consultation process. Possible impacts of a range of future REDD+ actions should be listed and assessed. Measures to mitigate these impacts should be also included. Still more details needed

**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:**

Comments on form

- In 3.6. it is said that the goal for reduction of deforestation is 70.000 ha, 40 ha/year. This means 1750 years. (p. 133)
- Some information included in this section (3.12, 3.13, etc.) could be moved to 2.a. (assessment of land use (p.141)

Comments on content

- It should be clarified when these reference scenarios are going to be established. In the case that Nicaragua develops three different reference scenarios, including one with REDD+ measures, the measures to be considered have to be decided first. This is linked to 2.b., that at this moment does not include enough information.

## 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-plus 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:

#### Comments on form

- Figure 16 at page 158 appears incomplete.

#### Comments on content

- A "preliminary proposal for Component 4" is identified at the beginning of Section 4, and some details (a list of 6 elements) are provided. However, there seems to be a significant level of uncertainty regarding the defined roles and responsibilities of agencies that will be involved in developing and implementing the MRV system. The MRV proposal should include an initial allocation of roles and responsibilities.
- The process for finalizing the plan for the system will necessitate the consultations described, but without a clear and comprehensive proposal, there is a risk that a purely bottom-up approach will result in an overly complex and/or non-comprehensive system.
- What is, if any, the role of GTRE in the establishment of a monitoring system?
- How the possible displacement of emissions is going to be considered? Specially if Nicaragua is going to focus on hot-spots.
- Elements to be monitored should be included
- What would be the criteria for the selection of pilot projects?

### 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.)



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

Comments on content

- Indicators on environment, social and economic aspects should be developed.
- More information is needed on the possible benefits, impacts or governance issues that will be monitored under this section.

**Component 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:**

Comments on content

- Even if the R-PP is approved by the PC for granting at PC9 in Oslo in June, that leaves six months in which to finalize grant disbursement agreements between the FMT and Nicaragua. Is this realistic, and what are the implications of a delay in access to these funds? (ie. Are there plans to manage or mitigate this risk?)
- Some explanation of the overall phasing of the R-PP implementation, based on the budget allocation/year, may be useful for the PC's consideration.

**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:**

Comments on form

- Note - M&E plans are based on old template, with Standards 1c & 4b not delineated

Comments on content

- The provision of detailed monitoring and evaluation plans, including relevant indicators, should be considered a pre-requisite for provision of funds for implementation of individual R-PP activities.
- Budget seems to be high, maybe because some selected indicators seem complex. In order to be effective and efficient, we recommend selecting simple but informational indicators