Analysis of the final version of Nepal's R-PP

Nepal presented its Readiness Preparation Proposal (R-PP) for assessment by the FCPF Participants Committee (PC), at its 6th meeting, held in June 2010, in Georgetown, Guyana. At this meeting, the PC adopted Resolution number PC/6/2010/5, where they decided to allocate grant funding for Nepal to enable it to move ahead with preparation for readiness. The PC requested Nepal to submit a revised R-PP addressing the key issues identified in a summary report to the resolution.

Nepal has submitted a revised R-PP to the FCPF FMT on October 17, 2010. The table below presents the main issues raised in the PC Resolution and the response provided in the revised R-PP. This analysis should allow the FCPF Facility Management Team to assess whether the issues raised by the PC Resolution have been attended to, which would allow the World Bank to continue its due diligence process in view of making the Readiness Preparation grant available to the country. Key issues raised by the PC and how they were addressed in the final R-PP version (October 17, 2010) are presented in the table below.

Key issues that Nepal needed to address before entering into a Readiness Preparation grant agreement with the Trustee of the Readiness Fund

Response in the revised R-PP

1. In Section 1A, identify elements of the Readiness Preparation process that may be affected by the constitutional reform process and consider whether the readiness proposal is flexible enough to accommodate possible changes.

With regard to the constitutional reform process undergoing in Nepal, the revised R-PP predicts 3 possible scenarios: 1) new constitution will not be promulgated by the time R-PP implementation is completed, 2) new constitution will be promulgated but R-PP implementation will be unaffected, and 3) new constitution will be promulgated and R-PP implementation process will be affected.

In case of the third scenario, the R-PP identifies six key elements of the R-PP that might be affected. They are: 1) power sharing for sustainable management of forest, 2) institutional framework, 3) benefit sharing and rights, 4) land use policy, 5) permit and taxation, and 6) laws enforcement.

The R-PP further identifies what might be the area of influence for each key element and what would be the response of R-PP implementing body.

The revised R-PP demonstrates enough flexibility to accommodate any potential reform that may occur in the country.

2. In Component 6, provide text that describes the proposed activities and how monitoring and evaluation will be conducted to meet the standards of this component.

In component 6, a program monitoring framework is presented which identifies qualitative and quantitative indicators and timeline for each component of the R-PP.

The revised R-PP includes a provision of internal and external monitoring and evaluation. Internally, three levels of monitoring and evaluation are proposed: field level monitoring by Regional Forest Offices and District Forest Offices, central level monitoring by the REDD Working Group, and overall monitoring by the inter-ministerial apex body. Externally, independent monitoring and evaluations are proposed at three time periods — at the beginning, middle and final phases of R-PP implementation, but independent entity to conduct external evaluation has been unidentified.

The revised R-PP meets the standard for this component, and addresses the key issue raised in the PC Resolution.