

Mid-Term Progress Report Nicaragua

National Avoided Deforestation Program (ENDE-REDD+)



Gobierno de Reconciliación
y Unidad Nacional

El Pueblo, Presidente!

MARENA

Ministerio del Ambiente
y los Recursos Naturales

**FOREST
CARBON
PARTNERSHIP
FACILITY**

Contacts

[Juana Argeñal Sandoval](#) - Minister
Ministry of Environment and National Resources
(MARENA)

[Iván Acosta Montalván](#) - Minister
Ministry of Finance and Public Credit

[Edward Francisco Centeno](#) - Minister
Ministry of Agriculture and Livestock

[Augusto Flores](#) - Deputy Minister MARENA

[Roberto Araquistain](#) - Deputy Minister MARENA and
Head of the National Forest Institute

[José Blanco Solórzano](#) - General Secretary
Nicaraguan Institute of Territorial Studies

[Domingo Truesdale](#) - Coordinator
South Caribbean Coast Autonomous Region

[Carlos Alemán Cunningham](#) - Coordinator
North Caribbean Coast Autonomous Region

Contributors

Ministry of the Environment and National Resources
MARENA, General Climate Change Directorate
ENDE-REDD+

National Forestry Institute
INAFOR

Ministry of Finance and Public Credit
MHCP

Ministry of Agriculture
MAG

Ministry of Family, Cooperative, Community and Associative Economy
MEFCCA

National Forest Development Fund
FONADEFO

Nicaraguan Institute of Territorial Studies
INETER

Government of the Caribbean Coast Autonomous Region
GRACC

TABLE OF CONTENTS

SECTION I.....	1
Introduction	1
Component 1. Organization and Consultation for Readiness	14
Component 2. REDD+ Strategy Readiness.....	14
Component 3. Forest Emission Reference Level / Forest Reference Level	15
Component 4. Forest Monitoring System and Information about Safeguards	15
Readiness progress indicators.....	16
SECTION II.....	18
2.1. Component 1: Organization and Consultation for Readiness	18
2.1.1 Subcomponent 1a: ENDE-REDD+ Organizational Framework	18
2.1.1.1 Overview	18
2.1.1.2 Progress	18
2.1.1.3 Progress assessment, Component 1a	30
2.1.1.4 Additional Funding Request.....	31
2.1.2 Sub-Component 1b: Consultation, Participation and Outreach	32
2.1.2.1 Overview	32
2.1.2.2 Progress	32
2.1.2.3 Progress assessment, Component 1b	46
2.1.2.4 Additional Funding Request.....	46
2.2 Component 2. REDD+ Readiness Strategy	47
2.2.1 Subcomponent 2a. Assessment of land use, the drivers of changes in land use, the forestry law, policy and management	47
2.2.1.1 Overview	47
2.2.1.2 Progress	48
2.2.1.3 Progress assessment, component 2a.....	58
2.2.2 Subcomponent 2b. Strategy options.....	58
2.2.2.1 Overview	58
2.2.2.2 Progress	58
2.2.2.3 Progress assessment, Component 2b	63
2.2.3. Subcomponent 2c. Implementation framework	63
2.2.3.1 Overview	63
2.2.3.2 Progress	63

2.2.2.3 Progress assessment, Component 2c.....	66
2.2.4 Subcomponent 2d. Social and environmental impacts	66
2.2.4.1 Overview	66
2.2.4.2 Progress.....	66
2.2.4.3 Progress assessment, component 2d.....	70
2.2.4.4 Additional Funding Request	70
2.3. Component 3. Forest Emission Reference Level / Forest Reference Level	70
2.3.1 Overview	70
2.3.2 Progress.....	71
Next steps	72
Next steps	73
Next steps	74
2.3.3 Progress assessment, Component 3.....	74
2.3.4 Additional Funding Request	75
2.4 Component 4. Monitoring Forest and Safeguard Information System.	76
2.4.1 Subcomponent 4a. National Forest Monitoring System	76
2.4.1.1 Overview	76
2.4.1.2 Progress.....	76
2.4.1.3 Progress assessment, Component 4a.....	80
2.4.1.4 Additional Funding Request	81
2.4.2. Subcomponent: 4b. Information System for Multiple Benefits, Other Impacts, Governance and Safeguards.....	82
2.4.2.1 Overview	82
2.4.2.2 Progress.....	82
2.4.2.3 Progress assessment, sub-component 4b:.....	85
2.4.2.4 Additional Funding Request	86
SECTION III.....	87
SECTION IV.....	90
ANNEXES.....	101

Tables

Table 1. Citizen Participation in Reforestation Crusades	7
Table 2. Status of the R-PP components, sub-components and progress indicators	16
Table 3. Estimated budget breakdown of additional funds to sub-component 1a.	32
Table 4. Estimated budget breakdown of additional funds to sub-component 1b.	47
Table 5. Estimated budget breakdown of additional funds to sub-component 2d.	70
Table 6. Estimated budget breakdown of additional funds to component 3.....	76
Table 7. Estimated budget breakdown of additional funds to sub-component 4a.	81
Table 8. World Bank safeguard policies activated for the ENDE-REDD+ project.....	88
Table 9. Estimated budget breakdown of additional funds by components.....	94
Table 10. Estimated budget breakdown of additional funds to MHCP	93
Table 11. Estimated budget breakdown of additional funds by institution.	95
Table 12. Estimated Budget Breakdown of additional funds for INETER.	96
Table 13. Estimated budget breakdown of additional funds for INAFOR.	97
Table 14. Total budget, funding used and funding requested from FCPF.	98

Figures

Figure 1. Participatory platform for Readiness in Nicaragua.....	3
Figure 2. Reforestation during 2007 - 2015 (en ha).....	7
Figure 3. Projects, complementary funds to ERPD and financial sources that will contribute to ENDE-REDD+ activities in Nicaragua (see with 200% zoom)	11
Figure 4. General timetable for ENDE-REDD+.	13
Figure 5 Nicaraguan legislation, regulations and guidelines on accountability.....	19
Figure 6 Causes of deforestation Workshop in Waspam, RACCN	28
Figure 7. Scheme of the Working Groups	35
Figure 8. Historical land-uses changes from 2000 to 2010 in Nicaragua.	48
Figure 9 Process performed to study the drivers of deforestation, constraints and strategies guidelines for ENDE-REDD+	54
Figure 10. Brief of activities/component 3.....	72
Figure 11. Proposal of the National Monitoring, Report and Verification System (SNMRV) for ENDE-REDD+.	75
Figure 12. Web Page of ENDE-REDD+ Project.	76
Figure 13. Geo Portal del SNMB.	77
Figure 14. Flow chart of the SNMB process.	78
Figure 15. Training on GIS, Web management, Indicators National System in SINIA Node in RACCN and RACCS	78
Figure 16 Projections of budget distributed per Semesters in a timeframe of 24 Months.	92

Acronyms

*acronym in Spanish

ACAPROBO*	Association of Farmers Protecting BOSAWAS Biosphere Reserve
AD	Activities Data
AFOLU*	Agriculture, forestry and other land use
BCN*	Nicaragua Central Bank
BICU	Bluefield Indian and Caribbean University
BCN*	Nicaraguan Central Bank
CCAD	Central American Environment Development Commission
CF	Carbon Fund
CCF-A*	Environmental Forest Advisory Council
CGR*	Office of the Comptrollers General
CONAFOR*	National Forestry Commission
CRISSOL	Christian Social and Solidarity
UNGCC	United Nations Framework Convention on Climate Change
CRACCS*	Regional Autonomous Council of the Caribbean South Coast
CRACCN*	Regional Autonomous Council of the Caribbean North Coast
EESA*	Environmental and Social Assessment Strategy
EF	Emission Factors
ENDE*	National Avoided Deforestation Strategy
ERPA	Emission Reduction Purchase Agreement
ERPD	Emission Reduction Program Document
ER-PIN	Emission Reduction Program Idea Note
ESMF	Environmental and Social Management Framework
FAO	United Nations Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FONADEFO*	National Forestry Development Fund
FUNDENIC	Nicaraguan Development Foundation
GRACCS	Autonomous Regional Government of the Southern Caribbean Coast
GRACCN	Autonomous Regional Government of the North Caribbean Coast
GDP	Gross Develop Product
GEI	Greenhouse Gas Emissions
GIS	Geographic Information System
GIZ	German International Cooperation
GEF	Global Environmet Facility
GRUN	Government of Nicaragua
ITG	Indigenous Territorial Government
INAFOR*	National Forestry Institute
INETER*	Nicaraguan Institute of Territorial Studies
INGEI	Inventory of Greenhouse Effect Gases
INIFOM*	Nicaraguan Municipal Development Institute
IPCC	Intergovernmental Climate Change Roundtable
ITT	Interinstitutional Technical Table
MAG*	Ministry of Agriculture and Livestock

MARENA*	Ministry of the Environment and Natural Resources
MEFCCA*	Ministry of Family, Cooperative, Community and Associative Economy
MINED*	Ministry of Education
MGAS*	Environmental and Social Management Framework
MHCP	Ministry of Finance and Public Credit
MRV	Monitoring, Report and Verification
NREF/NR	National Forest Reference Emission Level / Forest Emission Level
OIT	Work International Organization
PC	Participant Committee (of the Forest Carbon Partnership Facility)
PEU	Project Execution Unit
PI-PCN*	Indigenous People of the Central and North Pacific
PNDH*	National Human Development Plan
PNF*	National Forestry Program
PN*	National Policy
PRG*	Office of the Attorney General
RACCS*	South Caribbean Coast Autonomous Region
RACCN*	North Caribbean Coast Autonomous Region
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RL	Reference Level
R-PIN	Readiness Preparation Idea Note
R-PP	Readiness Preparation Proposal
SERENA*	Natural Resources and Environmental Secretariat (Caribbean coast)
SIGFA*	Integrated Financial, Administrative and Audit Management System
SINIA*	National Environmental Information System
SIRCOF*	Information, Registration and Forest Control System
SNMRV*	National Monitoring, Reporting and Verification System
SNMB*	National Forest Monitoring System
SIS*	Safeguards Information System
SIMBe*	Multiple Benefits Information System
SPPP*	Secretariat of the Presidency for Public Policies
TDR*	Terms of Reference
TCN	Third National Communication
UNA *	Agrarian National University
UNI *	Engineer National University
URACCAN*	University of the Autonomous Region of the Nicaraguan Caribbean Coast

SECTION I

Introduction

This Readiness Proposal Mid-Term Report regarding implementation in Nicaragua covers the progress made in all Readiness Proposal (R-PP) components and the processes in place for achieving readiness by 2020. The report takes into consideration current levels of financial resources and introduces a request for additional funding of US\$ 5 million from the Forest Carbon Partnership Facility (FCPF). The Government of Nicaragua (GRUN) concluded the self-assessment described in this mid-term report (MTR) in June 2016.

The Ministry of the Environment and Natural Resources (MARENA) is the lead R-PP entity as regards design of a REDD strategy for Nicaragua, known locally as the National Avoided Deforestation Program for REDD+ (ENDE-REDD+). Since 2008, the GRUN planned to develop a national strategy that contribute to REDD+ initiatives. However, during this readiness phase (2014-2016) the view of one national strategy moved forward to a national program due to the ENDE-REDD+ broad scopes and the high policy commitment to tackle the roots of deforestation and forest degradation in short, medium and large term.

The information presented in this document is directed primarily at the Forest Carbon Partnership Facility (FCPF) and reports on progress made by MARENA as concerns implementation of the Readiness project. The Ministry's efforts are geared towards achieving compliance with two main sets of indicators: the project results framework associated with the Grant Agreement (US\$3.8 million) signed with the World Bank, and the FCPF Readiness Assessment Framework. This report reflects the Government of Nicaragua's interest in REDD+ at national, regional and local levels, as well as that of stakeholders. The report also presents some projections for achieving Readiness by the year 2020.

1.1 REDD+ Global Process

Countries signatory to the United Nations Framework Convention on Climate Change (UNFCCC) agreed that all member countries will collectively aspire to slow, halt, and revert forest cover and carbon loss. This is to be done while taking into consideration national circumstances and in accordance with the ultimate objectives of the Convention, which are to stabilize the concentration of greenhouse effect gases in the atmosphere at levels that avoid dangerous anthropogenic interference with the climate system.

From 2007 to 2013, member countries of the Convention adopted decisions that led to the creation of the Reduction of Emissions from Deforestation and Forest Degradation (REDD+). This mechanism aims to provide positive incentives to tropical countries that reduce greenhouse gas (GHG) emissions through five activities: (i) avoided deforestation; (ii) avoided



forest degradation; (iii) conservation of carbon stocks; (iv) sustainable forest management; and (v) forest carbon stocks enhancement.

The UNFCCC stipulates that REDD+ is to be implemented in three stages. The first of these is the Readiness Phase, which aims to develop national strategies, action plans, policies, and measures that reduce GHG emissions, as well as to create and strengthen local capacities. The second is the Investment Phase, during which measures are implemented that may involve continued creation and strengthening capacities, development, the transfer of technology and the implementation of demonstration activities, which include results-based financing. Finally, the Implementation Phase involves putting the aforementioned activities into practice. Actual reductions in emissions must be fully measured, reported on and verified.

1.2 ENDE-REDD+ process in Nicaragua

The REDD+ process in Nicaragua began in November 2008 when the country signed the Participation Agreement to become a member of the FCPF. Subsequently, the Participant Committee (PC) endorsed the Readiness Preparation Idea Note (R-PIN) presented by the GRUN. This document provided a preliminary assessment of drivers of deforestation, an overview of the consultation process that could lead to the development of the national REDD+ strategy, and potential institutional arrangements for REDD+ implementation.

Once the R-PIN was approved, FCPF allocated US\$ 200,000 to the GRUN for the formulation of a Readiness Preparation Proposal (R-PP). This allowed the Ministry of the Environment (MARENA) to begin an intense process to collectively prepare such a document, which was later endorsed by the PC at its twelfth meeting, held in June 2012. As a result, the PC allocated Nicaragua US\$ 3.6 million for R-PP implementation. The legal agreement between MARENA and the World Bank to implement the activities foreseen in the grant was signed in December 2013; the end date is 31 October 2017. The present document is a Mid-term Report that describes the progress made by MARENA at the halfway mark of grant implementation.

1.2.1 Development of a goal for the ENDE-REDD+ process in Nicaragua

Nicaragua aspires to design a socially and environmentally viable ENDE-REDD+ that helps to reduce deforestation and forest degradation, while promoting the conservation of carbon stocks, sustainable forest management and carbon stocks enhancement. The goal is that ENDE-REDD+ will help the country to mitigate and adapt to the impacts of climate change, as well as reduce extreme poverty in rural areas. This aspiration can be met through the REDD+ readiness process, which has been headed by MARENA since 2008.



a) R-PP Readiness

The R-PP Readiness process laid solid foundations for the design of the ENDE-REDD+. This process provided an opportunity to convene – for the first time – many stakeholders involved in the land use sector in Nicaragua, in order to discuss the need to address deforestation, their potential role in doing so, as well as the risks and benefits as perceived by different stakeholder groups. An important outcome of this dialogue was the collective construction of a participatory platform to design the ENDE-REDD+ (Figure 1).

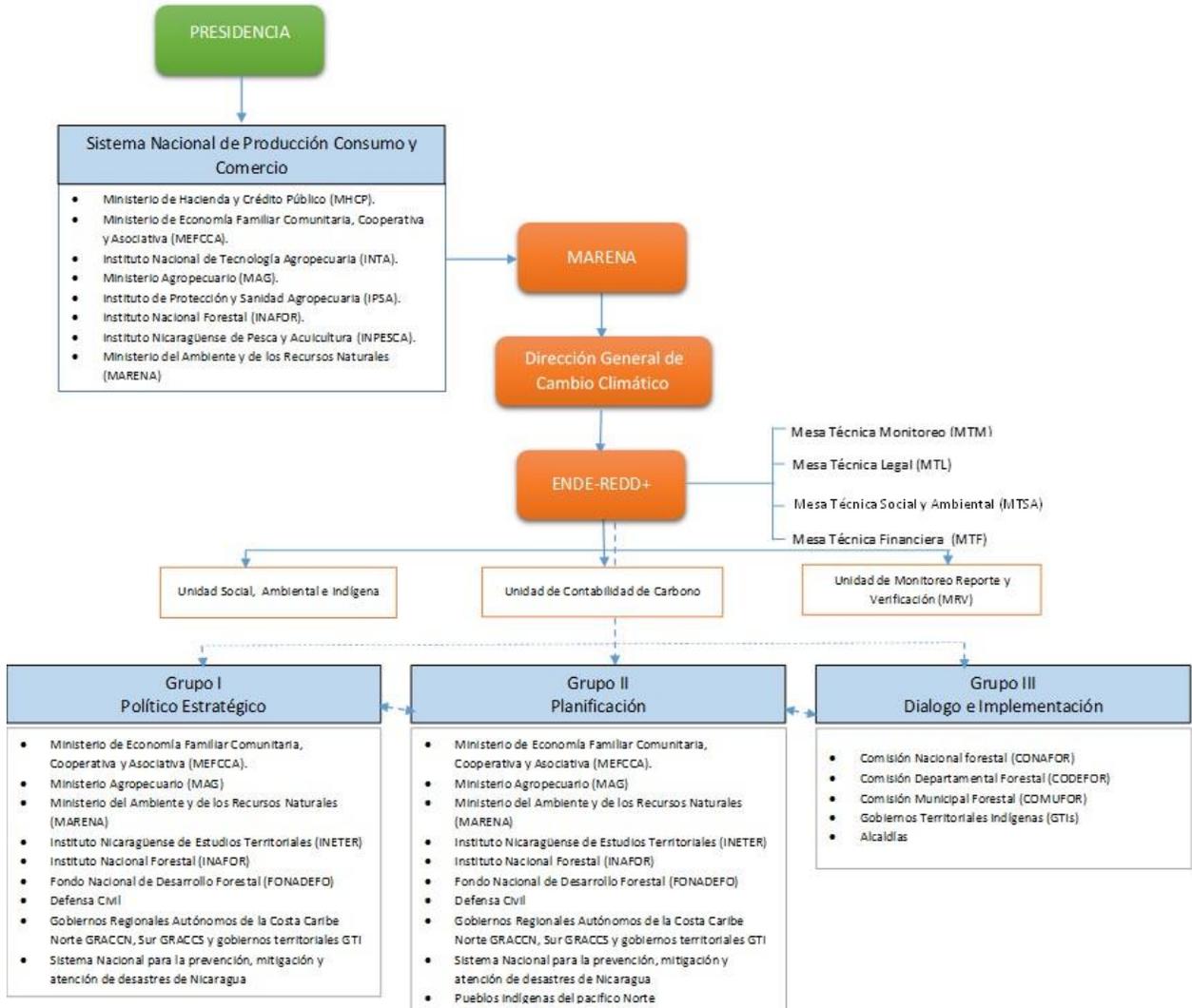


Figure 1. Participatory platform for Readiness in Nicaragua

As an outcome of the R-PP process, awareness was raised among ENDE-REDD+ stakeholders in Nicaragua as regards the drivers and agents who cause deforestation and forest degradation, while hindering reforestation and natural regeneration. The need to create and strengthen institutional capacity became evident during the process. MARENA also identified

a number of tools that need to be developed in order to produce the ENDE-REDD+, including a consultation plan, a communications strategy and a grievance and redress mechanism, among others.

The intense dialogue that followed was not only instrumental in laying the foundations for early information sharing, organization and consultation, but also to develop other pillars of the ENDE-REDD+. During the R-PP development phase, MARENA systematized existing assessments of the status of forest resources, including their management and governance. It also helped shed light on the complex interaction between the forestry, agriculture and livestock sectors. Using the information available, stakeholders were able to develop preliminary strategic options with which to tackle deforestation and define elements of both the implementation framework and an environmental and social management framework by which to address the risks foreseen.

In addition, during R-PP development, MARENA carried out a first analysis of the existing capacity to determine a Forest Reference Level / Forest Reference Emission Level and establish a National Forest Monitoring System. The REDD+ stakeholders who promoted and are working to achieve sustainable development of the forest sector considered the approval of the US\$3.6 million with which to implement R-PP a great success.

b) Readiness Phase (2014 to date)

Nicaragua has been implementing the R-PP under MARENA leadership since January 2014. The exchange platform for information, dialogue, and consultation which was designed during the R-PP phase remains pertinent. It is expected that by October 2017, MARENA will have completed a first version of the ENDE-REDD+, having established four pillars, as follows: (i) organization and consultation; (ii) a strategy; (iii) a reference level; and (iv) forest monitoring systems, safeguards, other impacts and management. In addition, by late 2017, MARENA will have carried out a self-evaluation of the REDD+ readiness process, with the participation of multiple stakeholders. For a description of the progress made on R-PP implementation by Nicaragua, please see sections II and III of this report.

1.2.2 Linkage with national development policies and priorities

Nicaragua is a Central American country with slightly more than 6 million inhabitants and a population growth rate of about 1 per cent annually (BCN 2015). The poverty rate is 42%, and one in every seven persons lives in conditions of extreme poverty. Most of the poor (~65%) and extremely poor (~80%) live in rural areas; therefore, their livelihoods are highly dependent on agriculture, forests and natural resources.

The National Human Development Plan (PNHD) for 2012-2016 guides all Government of Nicaragua strategies, policies, programs and projects. It aims at strengthening respect for Mother Earth and recovering lost customs, while contributing to reduce extreme poverty. To



achieve these aims, the government has prepared a National Climate Change Strategy, which primarily targets climate change adaptation goals, as the country is highly vulnerable to extreme events (German Watch 2014). Nicaragua, for example, is second in the list of countries most affected by tropical storms and ranks 26th in high exposure to risks stemming from more than two types of extreme events.

ENDE-REDD+ complements the PNDH pillars for environmental transformation, which include strategic actions intended to further adaptation to and mitigation of climate change, as well as the protection of Mother Earth. It also complements the Climate Change Adaptation Strategy in the forest sector, where mitigation and adaptation are inherently linked. Because the country's contribution to global GHG emissions is extremely low (~0.035%), and climate change is exerting a negative impact on key sectors of the economy (e.g. agriculture and livestock), the government has prioritized adaptation over mitigation. A well-designed ENDE-REDD+ could potentially deliver the triple win of improving rural livelihoods and food security, increasing resilience and helping to mitigate climate change (through carbon sequestration and reducing pressure on pristine forests).

During the second phase of preparing the ENDE-REDD+, the Caribbean region was prioritized because it facilitates the identification of areas that meet the requirements for emissions reductions in a results-based program. This is the case, among other reasons, because of the existence of indigenous territories, the fact that the largest surface areas of primary forests are in that region, and the agricultural frontier is advancing upon its resources. Further, the National Human Development Plan (2012-2016) prioritizes the Caribbean Coast because it is the part of the country with the highest levels of poverty, vulnerable populations and wealth in terms of natural resources. Therefore the strengthening and acceleration of the Caribbean Coast Development Strategy (2012-2016) faces as its main challenge to achieve a more far-reaching integration of this territory to the remainder of the country (PNDH 2012, paragraph 41).

Along the same lines, the Caribbean Coast Development Strategy is based on three pillars: i) to increase the socioeconomic wellbeing of the population in the Caribbean Coast region; ii) to achieve an equitable and sustainable economic transformation, in harmony with nature; and iii) to strengthen the autonomous institutions on the Coast so they are in a position to contribute to human development. The overall objective is to create an economic, political and social reality that restores the rights of inhabitants on the Caribbean Coast and upper Wangki-Bocay river by establishing good quality basic human services and productive opportunities that are equitable and fair, based on the participation of autonomous, dynamic and coordinated citizens. This will contribute to poverty reduction and to improve human development on the Caribbean Coast by 2020 (PNDH 2012, paragraphs. 283 and 284).



ENDE-REDD+ represents a unique opportunity to strengthen the forest sector in Nicaragua. The country has in place a National Policy for Sustainable Forest Sector Development (Decree No. 69-2008)¹. This policy mandates, among other things, the creation of a National Environmental Fund to capitalize the National Forestry Development Fund (FONADEFO²). The Fund aims at creating a financial mechanism that would provide incentives to forest production and protection. In line with this policy, the government of Nicaragua is implementing the following plans, programs, and projects:

- **National Forestry Program (PNF)³:** The program, launched in 2010, applies the criteria used in several international forest initiatives and aims at improving the population's well-being, particularly that of small and medium-size agricultural producers, forest inhabitants, indigenous peoples and ethnic communities. The program also intends to promote environmental protection, sustainable production and food security and sovereignty, based on a land-use planning approach. The program is being implemented through different planning tools, including the National Reforestation Plan, the National Forest Fire Prevention and Control Plan, and the National Firewood and Charcoal Strategy (2011-2021). The PNF needs to be updated in order to incorporate ENDR-REDD+ emission reduction goals.
- **National Reforestation Plan⁴:** Launched in 2007, the objective of the plan is to increase awareness on the importance of reverting deforestation, increasing forest coverage, and keeping / improving the production of environmental services provided by forests, including carbon sequestration and storage. Under the National Forest Plan, the National Forestry Institute (INAFOR) and MARENA implement reforestation campaigns, commonly known as 'Reforestation Crusades.' Between 2007 and 2015, INAFOR alone reforested 161,178 ha nationwide. The Reforestation Crusades are highly participatory and gender-sensitive campaigns. To date, annual citizen participation in reforestation activities has averaged almost 400,000 citizens, of whom 47% are women. (Table 1, Figure 2; INAFOR 2015). Annual citizen participation in reforestation activities averages 398,389 persons (210,799 men, 187,590 women). (Table 1, Figure 4; INAFOR, 2015). Between 2007 and 2015, 1,236,878 hectares were reforested nationwide.

¹ <http://masrenace.wikispaces.com/file/view/Asesoría+Mecanismos+e+Instrumentos.pdf>

² www.fonadefo.gob.ni

³ https://www.google.com.ni/?gws_rd=cr&ei=aJx1V4HgFYi9eL6kugP#q=programa+forestal+nacional+de+nicaragua

⁴ https://www.google.com.ni/?gws_rd=cr&ei=aJx1V4HgFYi9eL6kugP#q=plan+nacional+de+reforestacion+en+nicaragua



Table 1. Citizen Participation in Reforestation Crusades

Gender	2010	2011	2012	2013	2014	2015	Annual Average
Men	265,012	116,800	215,000	174,154	240,078	253,748	210,799
Women	211,971	83,200	185,000	230,853	215,142	199,373	187,590
Total	476,983	200,000	400,000	405,007	455,220	453,121	398,389

Source: INAFOR 2015.



Figure 2. Reforestation during 2007 - 2015 (en ha)

- **Firewood and Charcoal National Strategy:** Launched in 2011, this strategy (2011-2021) is designed to achieve the sustainable production of firewood and charcoal through the gradual establishment of energy-producing forest plantations. The strategy also promotes the adoption of agroforestry and silvopastoral systems and improved cookstoves.
- **National Human Development Plan:** This is a proactive plan that aims to transform the country in a national context of macroeconomic stability and social cohesion despite the threat of climate change. The Plan Strategy is built based on twelve guidelines that combine the continuity of the policies that have transformed the country since 2007 by incorporating new priorities aimed at non-deferrable needs in the productive and social transformation of the country.
- **National Forest Fire Prevention and Control:** These are annually renewed instruments which articulate strategic inter-agency coordinated efforts on a commission comprising entities such as the CD-SINAPRED, INAFOR, MARENA, Civil Defense, Ministry of Education (MINED), Fire Department, the Office of the General Attorney of the Republic (PGR) and the National Police Department (PN).
- **National Environmental and Climate Change Strategy:** This instrument aims to strengthen environmental education for life; defend and protect the environment of natural resources; conserve, recover, harvest and store water; mitigate, adapt to climate change and manage its inherent risks; and manage land in a sustainable manner.

These national strategies and plans are being implemented through several resource management projects and the development and implementation of best environmental practices. Some examples of national projects are CAVAMA, NICADAPTA, NICARIBE, PAIPSAN, Apanás, Asturias and CRISSOL. All these projects aim at contributing to restore the indigenous communities' rights to access resources, which is one of the main priorities of the Government of Nicaragua.

1.2.3 Role of the environment and forest resources in human development

Nicaragua is a diverse country with a rich natural resource base that contributes significantly to economic growth, food and energy security. Natural resources are at the foundation of key sectors of the economy, including agriculture, which provides 8.6% of GDP, livestock (6.8%), energy (2.3%), tourism (4.3%), and forestry (0.9%) (Nicaragua Central Bank, 2015⁵). Over the past two decades Nicaragua has seen sustained economic growth, at an average rate of 3.9%. If the favorable development context holds, economic growth of between 4.5 and 5 % is expected for 2016 (BCN 2015⁶).

However, the forest sector's potential to contribute to human development in Nicaragua has not fully materialized. In economic terms, for example, this sector contributes to only 1% of GDP. Nicaragua's primary forest resource base is made up of tropical high forest, broadleaf trees and conifers. In 2016 the total forest area is of 3.4 million ha, a quarter of the country's total land territory. The forest sector contribution to the development of indigenous peoples is enormous because their livelihoods are intrinsically related to forests; indeed, most primary forests (70%) are in indigenous territories (INAFOR 2009).

1.2.4 ENDE-REDD+ challenge

Several factors exert an influence on the efficient and effective implementation of forest conservation in protected areas (parks), sustainable forest management, and reforestation. Entities in charge of forest sector management have on occasion researched the barriers hampering evolution. A frequent result of these studies has been that it must be clear who has title to the land and resources, in order to facilitate their use and conservation. In recent years, the Government of Nicaragua has made some progress in addressing these recommendations. Specifically, it has demarcated and titled the territory of 314 indigenous communities living in an area of approximately 36,000 km². Further, GRUN has put in place certain enabling conditions in support of forest protection and conservation, including, for example, the testing some financial instruments. In addition to the government's efforts, indigenous peoples and local communities have been absorbing knowledge and learned lessons regarding benefit distribution schemes applied to natural resources other than forests⁷.

⁵ Nicaragua Central Bank, 2015. Cuenta Satélite de Turismo de Nicaragua 2014. Managua, Nicaragua. 6 p.

⁶ Nicaragua Central Bank, 2015. Estado de la Economía y Perspectivas 2016. Managua, Nicaragua. 36 p.

⁷ <http://www.fonadefo.gob.ni/lecciones.php>

That said, the advance of the agricultural frontier, unsustainable forest management and illegal logging are increasing at a rapid pace, thus worsening forest degradation and opening the door to further deforestation. Illegal logging causes incalculable economic and environmental losses, as well as conflicts over land. Tackling these challenges requires, among other things, the strengthening of forest governance.

However, dealing with the drivers of deforestation rooted in the forest sector alone may not be enough to significantly reduce GHG emissions. Farmers from the Pacific and central region of the country are rapidly expanding the agriculture frontier as their lands become infertile due to continued exposure to prolonged droughts alternating with floods. Recovering soil fertility and land productivity has become prohibitively expensive for farmers, and there is a lack of government support in terms of investment⁸.

This situation is causing an accelerated increase in demand for low-lying fertile forestland, which will shortly be degraded. The compounded effects of these multi-sectoral factors have led to high rates of deforestation and forest degradation. In the R-PP, it is calculated that the rate of deforestation is of about 70,000 ha per year.

1.3 Overview of progress made in the REDD+ process

The ENDE-REDD+ program fits Nicaragua's political and strategic framework, which is to implement actions at national, municipal, regional (autonomous regions) and local levels (territorial and local governments), in order to address the main causes of deforestation and forest degradation. The first and second phase of the REDD+ process are taking place simultaneously. Today, several initiatives are underway at national and sub-national levels. Some are contributing to a better understanding of the problem and finding possible solutions (first phase), while others are implementing REDD+ activities (second phase). The outcomes of both phases will help design the program's different components.

1.3.1. Contributions from other partners

MARENA has estimated the budget for the Readiness phase at US\$ 11 million. Thus far only FCPF has contributed to the ENDE-REDD+ direct budget. Notwithstanding, other partners have made substantial indirect contributions to the process. There follows a summary of said contributions:

⁸ A good example is the degraded lands in the central and Pacific regions, known as the "Dry Corridor."



1.3.2. Contribution to Readiness

Some organizations are contributing to increasing the stakeholder's awareness and understanding of the deforestation problem, while introducing new knowledge to natural resources projects. At local level, the ENDE-REDD+ design has greatly benefitted from the progress made by the Caribbean Coast Autonomous Regions as concerns climate change and forest planning. The ENDE-REDD+ process is tapping into the local population's experience with consultations, acquired through recent land demarcation and titling process. This experience was also useful when developing the North Caribbean Coast Region's Climate Change Strategy, as well as the Regional Forestry Development Strategy.

With respect to bringing knowledge to bear on natural resources planning and use, the North Caribbean Coast Autonomous Region (RACCN) has been developing an action plan for forest restoration. The RACCN also continues to generate knowledge on the sharing of benefits in indigenous communities and territorial governance. Its Forest and Environment Consultative Committee (CCF-A), a dialogue and coordination platform formed in 2010, has been instrumental to achieving this progress. The CCF-A receives support from local entities, including CADPI⁹ and Masagni, among others.

MARENA has entered into cooperation agreements with national universities and international projects who work on REDD+ (i.e. the REDD+ CCAD-GIZ project). Specifically, MARENA has an agreement with the North and South Caribbean Cost Autonomous Regions (RACCN and RACCS, respectively). Further, MARENA in the year 2013 signed a Memorandum of Understanding (MoU) for a twelve-month collaboration between INAFOR and the Institute for World Forestry at Hamburg University, in Germany, whereby the former received technical and financial support to carry out part of the resampling of permanent parcels which had been established during the National Forest Inventory. This activity allowed for monitoring changes in coverage and land use.

1.3.3. Contributions to REDD+ implementation

The early REDD+ activities described below and which are being undertaken by other partners will contribute ENDE-REDD+ development. Figure 2 shows the mapping of the potential areas where these national initiatives are located and its link with ENDE-REDD+ and ERPD areas (Figure 3).

- The Inter-American Development Bank (IADB) and Swiss Development Cooperation (SDC) are implementing a project over the 2015-2019 period that applies environmental compensation incentives and mechanisms in order to promote water, forest and biodiversity protection (US\$450,000.00).

⁹ www.capdi.org

- GRUN is supporting forest regeneration in 12 protected areas to create biological corridors in the Pacific, central and northern regions (US\$ 2.764 million, Global Environment Facility funds).
- German International Cooperation (GIZ) is supporting a project targeting indigenous peoples as a means of promoting agro-forestry systems (US\$ 700,000.00).
- The most recent of these projects is the Wood Value Chain (CAVANA), a nationwide multisectoral project seeking to apply incentives for forest restoration. It is funded by the European Union (€20 million).

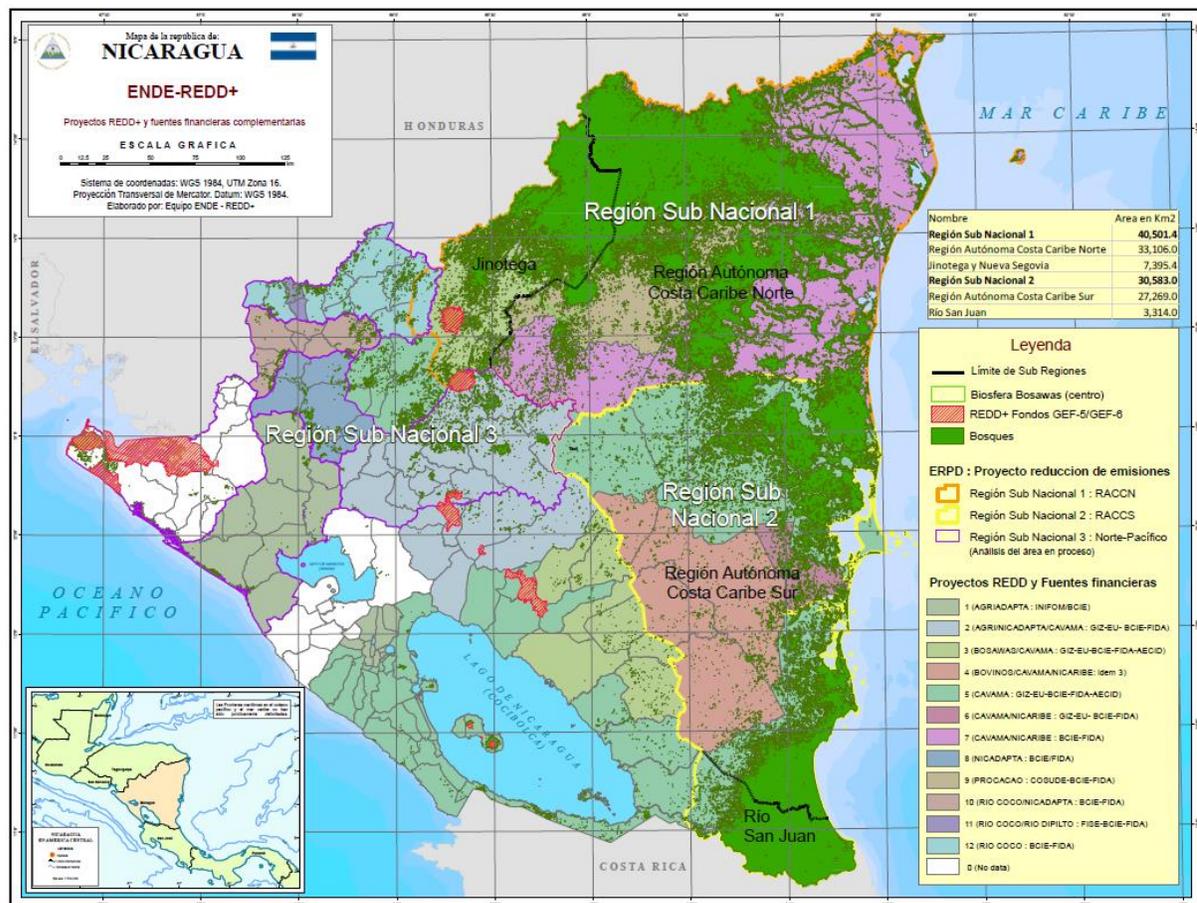


Figure 3. Projects, complementary funds to ERP D and financial sources that will contribute to ENDE-REDD+ activities in Nicaragua (see with 200% zoom)

1.3.4. Executive summary of ENDE-REDD+ milestones

During the first donation year (2014), the implementation of ENDE-REDD+ readiness in Nicaragua included the establishment of a Project Execution Unit (PEU), although this took longer than expected. In addition, a dialogue with key actors (leaders) was begun; and a participation and organizational structure was designed which was defined on a participatory

basis during R-PP readiness. This allowed MARENA to update itself and move forward significantly concerning consultation, participation, and social dissemination during the second year (2015).

One important milestone reached by MARENA in the second year was the design of an Emission Reduction - Project Idea Note (ER-PIN), which was introduced to the FCPF Carbon Funds pipeline. This achievement is very important because it was the result of collective efforts, cooperation, and agreement by MARENA, the two Natural Resources and Environmental Secretariats on the Caribbean coast (SERENAs), autonomous authorities and representatives of indigenous peoples from both the North and South Caribbean Coast Autonomous Regions. That same year, MARENA also conducted intensive dissemination campaigns, dialogue, and training on REDD+ at national level.

This third year (2016), MARENA has agreed to move forward in a parallel manner on the readiness program and the sub-national emission reduction program on the Caribbean Coast and the Bosawás and Indio-Maíz biosphere reserves. To do this, the design process for the Emission Reduction Program Document (ERPD) was sped up, and in 2017 the readiness package (R-Package) will be presented for approval from the FCPF Participant Committee, which is a requirement before the ERPD can be submitted. It is expected to have the first ENDE-REDD+ draft completed by late 2016, so it can be presented for consultation to Afro-descendant and indigenous peoples and on the Caribbean Coast, as well as indigenous peoples in the central and north Pacific regions of the country. Figure 4 presents a chart of the general timetable for the readiness phase.

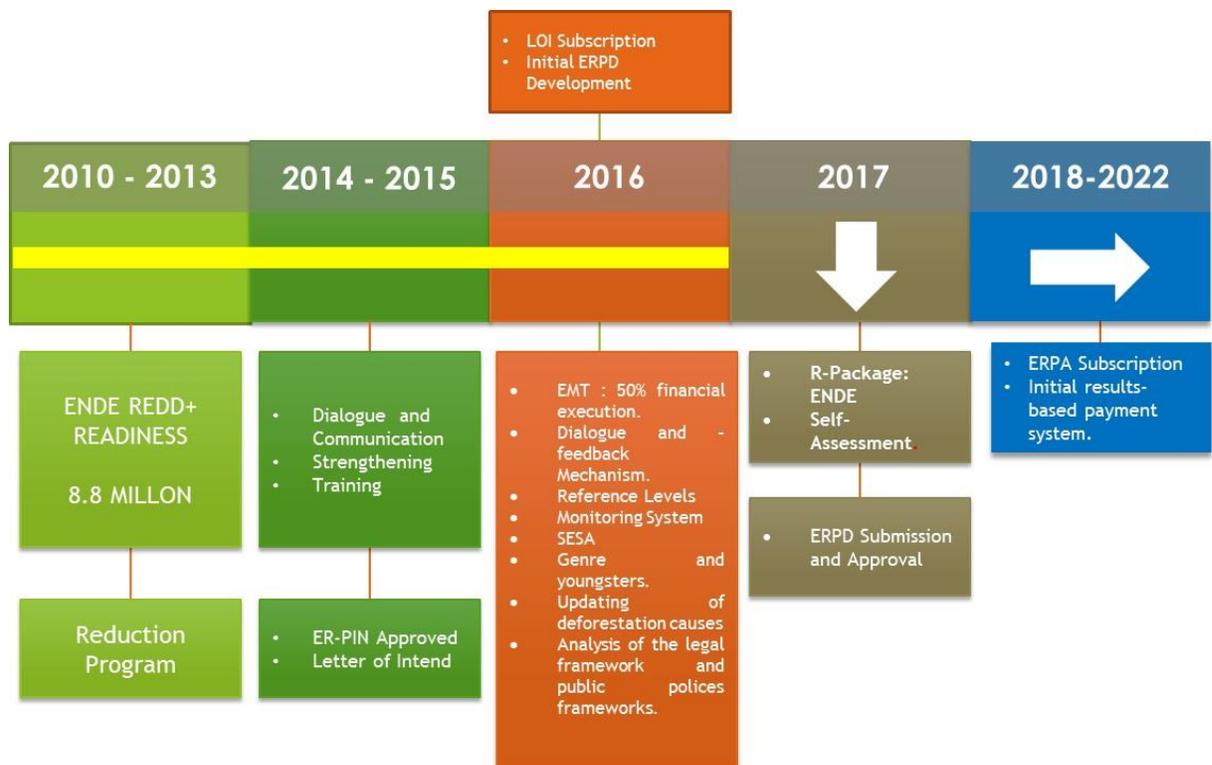


Figure 4. General timetable for ENDE-REDD+.

In order to support MARENA as it strives to meet these national commitments, other important actors have joined the ENDE-REDD+ construction process, some of which are governmental entities such as the Ministry of Finance and Public Credit (MHCP), the Secretariat of the Presidency for Public Policies (SPPP), the Secretariat for Caribbean Coast Development, INETER, and INAFOR. Its objective is to make use of the synergy potentials for developing ERPD, particularly those referring to the search for additional climate funding. The PEU has also been strengthened by engaging experts who have joined the MARENA and SERENA teams. This allows it to increase geographic coverage and go deeper into the readiness actions in these new areas.

Project mid-term physical-financial execution is satisfactory, having reached an accumulated percentage of 53.3%. The funds were used for (i) the organization of the Project Coordination Unit; (ii) technical and technological equipment for RACCN and RACCS; (iii) training for entities related to the REDD+ process including MAG, INETER, INAFOR, MHCP and the Secretariat of the Presidency for Public Policies; and (iv) dialogue and consultation with indigenous people, Afro-descendants and productive sectors.

The ENDE-REDD+ design faces three important strategic challenges, as follows: first, the need to ensure intersectoral coordination between the Ministry of Agriculture and the Ministry of Energy and Mines (as it stands, paid incentives for forest outcomes are so low they do not attract farmers, cattle-ranchers and slaughterhouse owners). Second, it is crucial to strengthen

intersectoral and intrasectoral coordination so as to address the issues of deforestation and forest degradation, the roots of which are found in several sectors. Finally, it is necessary to design proposals for incentives that contribute effectively to change behaviors and attitudes among different types of users or agents in charge of changes in land use. Dealing with each of these strategic challenges is a very complex matter, given that multisectoral analytical capacities are needed.

Component 1. Organization and Consultation for Readiness

ENDE-REDD+ is being designed by means of a broad participation and consensus process between the parties involved, both directly and indirectly, to ensure and organize the involvement of the various government entities, environmental organizations, producers, rural communities, indigenous peoples, and Afro-descendants.

MHCP assistance to MARENA is very important for the purpose of strengthening intersectoral coordination and completing the ENDE-REDD+ Readiness Package and ERPD in a timely and appropriate manner. Forging alliances is crucial to the identification of existing investments and potential, in order to strengthen sustainable forestry management in the ERPD framework and expedite collaboration between participating entities in the ENDE-REDD+ Working Groups I and II.

Articulation with other activities has been achieved through MHCP and the Secretariat of National Policies management. This helps to reduce deforestation and forest degradation. Support for these initiatives is also forthcoming from SDC, IADB, IFAD, GEF, GIZ, and the European Union.

The ENDE-REDD+ readiness process has been marked by collaboration from organizations that have conducted studies and training sessions, one of which is the Center for Autonomy and Development of Indigenous Peoples. The Center has offered specialization courses to train REDD+ leaders. Along these lines are contributions for dissemination purposes made by the Forestry and Environmental Consultation Committee, which has published a series of videos on YouTube, which is useful for having available good information on ENDE-REDD+ readiness.

Component 2. REDD+ Program Readiness

At the present time, work is being done on the analysis and systematization of key studies which may help to deepen knowledge on the drivers of deforestation and forest degradation. Put otherwise, information on the causes of deforestation and forest degradation are being documented and systematized, and an analysis of the legal framework is being carried out. These studies will help to prioritize strategic lines and ensure a better approach to the actions required to mitigate environmental and social risks, as well as the negative impacts on the ERPD program accounting areas. In addition, the readiness process for the Environmental and

Social Management Framework (MGAS) is underway and will lay the foundations required for the implementation of safeguards in ENDE-REDD+ implementation.

Component 3. Forest Emission Reference Level / Forest Reference Level

During 2015 and 2016, a capacity strengthening process was implemented at the interinstitutional technical tables and regional teams. In the first readiness phase, technical lines were consolidated that serve to support the National Forest Reference Emission Level (NFRE) by preparing a preliminary methodological protocol, which is being validated in the north and south Caribbean regions. In addition, maps and data of national forestry inventories have been gathered in order to collect the necessary inputs to begin the preliminary NFRE estimates. The Third National Community Project (TCN) helped lay the foundation for strengthening the technical capacities needed in order to estimate the Inventory of Greenhouse Effect Gases (INGEI) of the agriculture, forestry and other land use (AFOLU) sector. This contributed to obtaining preliminary data on emissions and absorption at national level, while maintaining consistency with the INGEI national accounting report process, which are reported in National Communications and will shortly be reported also in the BURs.

Component 4. Forest Monitoring System and Information about Safeguards

The national monitoring, verification and reporting system will have for its mission to articulate nationwide actions carried out by the various institutions that collect inputs for land use changes. Through their joint efforts, MARENA, SINIA, and INETER have developed a web platform and a Geo Portal, which show information on the studies concerning coverage, monitoring of production and agricultural uses. Further, documentation on workshops, work sessions, and forums held by ENDE-REDD+ has been presented. In order to strengthen the initial personnel that will take part in the National Monitoring, Reporting and Verification System (SNMRV), the regional nodes staff have been trained on geographic information systems, updating of data in the national forestry inventory and improvement of the technological equipment at the territorial delegations. All activities have contributed to the analysis and critical discussion of forest monitoring and safeguards. At the present time, the focus of the SNMRV is being adjusted in order to improve the interinstitutional coordination required to understand, in a broad and visionary manner, what information subsystems are necessary to establish a national monitoring system of REDD+ activities and the best way in which to design a sustainable MRV structure for Nicaragua.

Readiness progress indicators

This Mid-term Report is in essence a self-evaluation by MARENA of the progress made toward readiness for the National Avoided Deforestation Program (ENDE-REDD+), an effort MARENA has been engaged in with support from the World Bank Forest Carbon Partnership Facility (FCPF).

To this end, the criteria set forth in the “*Guideline for the Assessment Framework for Readiness of FCPF, June 2013*” have been used. This is why the reference colors used are as follows: green = significant progress; yellow = good progress but still needs further development; orange = further development is needed; red = does not show progress yet (see Table 2).

Nicaragua is working hard and has dedicated resources in its effort to comply with the agreements signed with UNFCCC and specifically the FCPF. It is worth noting that the two most important goals achieved to date are the approval in 2015 of the ER-PIN and in January 2016 the “*Letter of Intent to Prepare the Program on the Reduction of Emissions from Deforestation and Environmental Degradation.*” See Table 2, below, for a summary of results by component and sub-component.

Table 2. Status of the R-PP components, sub-components and progress indicators

R-PP Components, sub-components and progress indicators	Status
Component 1: Organization and consultation for readiness	
Subcomponent 1a: National Mechanisms of REDD+ program management	
1. Accountability and transparency	Green
2. Operating mandate and budget	Green
3. Multi-sector coordination mechanisms and cross-sector collaboration	Yellow
4. Technical supervision capacity	Yellow
5. Funds management capacity	Yellow
6. Feedback and grievance redress mechanism	Yellow
Subcomponent 1b: Consultation, participation and social broadcasting	
7. Participation and engagement of key stakeholders	Yellow
8. Consultation processes	Yellow
9. Information-sharing and accessibility of information	Yellow
10. Implementation and public disclosure of consultation outcomes	Orange
Component 2: Readiness of the REDD+ strategy	
Subcomponent: 2a.Land use assessment, factors causing changes in land use, legislation on forestry, policy and management	
11. Assessment and analysis	Yellow
12. Prioritization of direct and indirect drivers / barriers to forest carbon stock enhancement	Yellow
13. Links between drivers / barriers and REDD+ activities	Yellow

14. Action plans to address natural resource rights, land tenure, governance	
15. Implications for forest legislation and policy	
Subcomponent: 2b. REDD+ Strategy Options	
16. Selection and prioritization of REDD+ strategy options	
17. Feasibility assessment	
18. Implications of strategy options on existing sectoral policies	
Subcomponent: 2c. Implementation Framework	
19. Adoption and implementation of legislation / regulations	
20. Guidelines for implementation	
21. Benefit-sharing mechanism	
22. National REDD+ registry and system monitoring REDD+ activities	
Subcomponent: 2d. Social and Environmental Impacts	
23. Analysis of social and environmental safeguard issues	
24. REDD+ strategy design with respect to impacts	
25. Environmental and Social Management Framework	
Component 3: Emissions level of reference / reference Levels	
26. Demonstration of the methodology	
27. Use of historical data, adjusted to national circumstances	
28. Technical feasibility of the methodological approach and consistency with the orientation and guidelines of the United Nation Framework Convention on the Climate Change / Intergovernmental Roundtable on Climate Change	
Component 4: National Systems of Monitoring and Information on the Safeguards	
Subcomponent: 4a. National Forest Monitoring System	
29. Documents on the approach to monitoring	
30. Demonstration of early system implementation	
31. Mechanisms and institutional capacities	
Subcomponent: 4b. Information system for multiple benefits, other impacts, management and safeguards	
32. Identification of relevant aspects not related to carbon or social and environmental issues	
33. Monitoring, reporting and information exchange	
34. Mechanisms and institutional capacities	

SECTION II

2. Analysis of progress made in activities financed by the FCPF

Planned outputs in each component have been partially achieved. However, there is a delay in execution, caused by several factors, among which are the following: adjustments to the ENDE-REDD+ implementation model, the time taken to create the project technical team, rotation of authorities in the Autonomous Regions and indigenous territorial governments (ITGs) and complex consensus processes in which all decision-making stakeholders participate.

In response, the ENDE-REDD+ team has developed different strategies intended to reduce the time gap in project implementation, improve performance, overcome delays in product delivery and maximize the benefits of the country readiness phase. Some of these include the recruitment of specialized consultants who have joined and strengthened the team (ESSA, GIS, carbon accounting, INGEI, lawyers and accountants).

2.1. Component 1: Organization and consultations for Readiness

This component will show evidence of the intersectoral nature of ENDE-REDD+ design and MARENA efforts to achieve development through an inclusive process and to motivate the commitment of key sectors in deforestation and strategic planning.

2.1.1 Subcomponent 1a: ENDE-REDD+ Organizational Framework

2.1.1.1 Overview

Vision: ENDE-REDD+ management mechanisms are efficient and help prepare the country to manage the reduction of future emissions.

2.1.1.2 Progress

ENDE-REDD+ is being designed through a process of participation and inclusive consensus, both because of the variety of stakeholders and the structure of the governance platform being employed. In this process, the national and subnational government authorities concluded and defined three working groups to implement the dialogue, consultation and consensus-reaching process. This governance platform allows participation from different government entities, environmental organizations, producers, rural communities, and indigenous peoples and Afro-descendants.

The platform structure for participation ensures decisions are taken by multiple actors (Figure 4). Working Group I furthers decisions related to public policies and strategic guidelines at a

high level. Working Group II is the technical team that advises and provides recommendations to Working Group I. Working Group III is an open space where stakeholders participate in the dialogue over deforestation. It informs and consults studies, instruments and decisions regarding the ENDE-REDD+ design.

Progress Indicator 1: Accountability and Transparency

Government entities involved in the ENDE-REDD readiness process have a clear regulatory framework, predictable and sustainable budgets based on the National Budget and Reforms Law, and are subject to financial controls and accountability by MHCP and the Office of the Comptroller General. As concerns accountability, Nicaragua has a well-established legal framework for procurement and financial management.

The following public entities are directly involved in ENDE-REDD: Ministry of Environment and Natural Resources (MARENA); National Forestry Institute (INAFOR); Ministry of Agriculture (MAG); The Nicaraguan Institute of Territorial Studies (INETER); Ministry of Family, Agriculture, Cooperative, Communal and Associative Economy (MEFCCA); Ministry of Finance and Public Credit (MHCP); National Forest Development Fund (FONADEFO); Autonomous Regional Government of the North Caribbean Coast (GRACCN); Autonomous Regional Government of the South Caribbean Coast (GRACCS); Nicaraguan Institute for Municipal Development (INIFOM); National Army; National Police; and the Office of the Attorney General (PGR). All these entities are subject to financial controls and are accountable to the MHCP and the Office of the Comptroller General (CGR). They are subject to enforcement of the laws described in Figure 5.

Ministerio de Ambiente y de los Recursos Naturales (MARENA)	Ministerio Agropecuario (MAG)	Ministerio de Agricultura Familiar Comunitaria y Cooperativa y Asociativa (MEFCCA)	Ministerio de Hacienda y Crédito Público (MHCP)	Instituto Nacional Forestal (INAFOR)	Instituto Nicaragüense de Estudios Territoriales (INETER)	Instituto Nicaragüense de Fomento Municipal (INIFOM)	Fondo Nacional de Desarrollo Forestal (FONADEFO)	Gobierno Regional Autónomo Costa Caribe Norte (GRACCN)	Gobierno Regional Autónomo Costa Caribe Sur (GRACCS)	Procuraduría General de la República (PGR)
Ley 290: Organización, competencia y Procedimientos del Poder Ejecutivo										
Ley 681: Orgánica de la Contraloría General de la República y del Sistema de Control de la Administración Pública y Fiscalización de los Bienes y Recursos del Estado										
Ley 621: Acceso a la Información Pública										
Ley 438: Probidad de los Servidores Públicos										
Ley 737: Contrataciones Administrativas del Sector Público										
Decreto 118-2001: Reformas e Incorporación al Reglamento de la Ley 290 de Organización, Competencias y Procedimientos del Poder Ejecutivo.										
Normas Técnicas de Control Interno para el Sector Público emitidas por la Contraloría General de la República										

Figure 5 Nicaraguan legislation, regulations and guidelines on accountability

The entities participating in ENDE-REDD+ must also implement the Integrated Financial, Administrative and Audit Management System (SIGFA), a control mechanism for financial management, procurement and recruitment of human resources, inventories and assets. SIGFA is based on national budgetary regulations and includes a number of subsystems, including the budget, income, accounting, treasury and subsystem of executing units. The various projects, including the ENDE-REDD+ Project, are subject to internal and external audits, which are carried out by the CRG. Furthermore, any interested person may obtain information on the actions taken by government agencies through procedures set forth in 621 the Access to Public Information Law (Law 621).

The implementation of ENDE-REDD funds has been subject to scrutiny by external financial audits performed by companies such as Price Waterhouse Cooper. The ENDE-REDD+ project, has completed the audits for the years 2014 and 2015. The most recent is titled "Reports and Financial Statements by Independent Auditors", which covers from 1 January 2015 to 31 December 2015. The most relevant finding was that implementation is carried out correctly and no expenditure was questioned.

Assessment of MARENA progress on indicator 1: <i>Accountability and Transparency.</i>	Significant progress
---	----------------------

Progress Indicator 2: Operational Mandate and Budget

Environmental sustainability and forestry development are important pillars of the National Human Development Plan (PNDH), the national policy strategic framework for sustainable development of the country. Specifically, guideline 12 of the PNDH makes reference to *the protection of Mother Earth, adaptation to the impacts of climate change and the comprehensive management of disaster risks*. The entities concerned with land use and natural resources have designed strategies to comply with this PNDH guideline.

Since MARENA is charged with coordinating the country's environmental policy, it promotes the Environmental Strategy on Climate Change, which is geared towards adaptation, sustainable watershed management and the conversion of the energy matrix to renewable energies. MARENA is also responsible for managing the National Protected Areas System, through which it promotes actions aimed at the development and protection of natural resources and the economic recognition of eco-systemic services provided by forests through management and joint management of protected areas (parks). To accelerate adaptation from human and natural systems to climate change impacts, MARENA is also responsible for maximizing any potential synergies between adaptation and mitigation through ENDE-REDD+. To achieve this, it coordinates and provides technical-administrative support and carries out the analytical studies necessary to understand the deforestation and forest degradation problem.

In order to execute FCPF funds, MARENA has signed collaboration agreements with the Natural Resources Secretariats (SERENAs) of the Autonomous Regional Governments. This has made it possible to strengthen SERENAs institutional capacities to directly participate in the construction and planning of ENDE-REDD+ (including equipment and vehicles) and also to participate in activities such as the assessment of the Annual Plan of Operations, the formulation of acquisition and procurements plans, the design of Terms of Reference (ToRs), and the monitoring of bidding processes related to ENDE-REDD, among others. Beyond FCPF resources, both MARENA and the Autonomous Regional Governments of the Caribbean Coast are allocated a budget every year by the National Assembly (parliament); the regional governments, in turn, assign the SERENAs an annual budget as well.

Other entities also have strategies or action plans that seek to contribute to the achievement of guideline 12 of the PNDH. These mandates reinforce each other mutually and facilitate the ENDE-REDD+ design. For example, through the National Reforestation Crusade conducted by INAFOR, it was possible to recover 1,236,878.24 hectares of forests. During the period from 2007 to 2015 the planting and seeding of 87,722,654 diverse species of forest plants in an area of 161,177.95 hectares took place (40% carried out by private companies and small farmers)¹⁰.

On the other hand, the National Commission of Cattle-Ranchers (CONAGAN) is promoting a Competitive Cattle Breeding Reconversion Program which promotes the sustainable management of agriculture and cattle-ranching through the conservation of forests in at least 20% of farmland. The adoption of practices to improve land management, for instance, through legislation such as the Agro-Ecological and Organic Production Law (Law 765), also strengthen the ENDE REDD+ program. As its title indicates, this law promotes the implementation of policies and projects to promote agro ecological and organic production and ensures the restoration of forests, soil regeneration, water reservoirs and the conservation of biodiversity.

In the Caribbean Coast Region, where the agricultural frontier is advancing, MEFCCA runs programs that have the potential to promote the ENDE-REDD+ design, including:

- A program in Support of Adaptation to Climate Change (NICADAPTA) in the coffee and cocoa growing areas. The program supports small producers living in suitable agro-climatic zones and aims to improve the livelihood of rural families who produce coffee and cocoa in a sustainable manner by incorporating them to markets and reducing their vulnerability to climate change.¹¹

¹⁰ INAFOR, National Reforestation Crusade 2016 titled “For the love of Nicaragua, for the love of Mother Earth, let’s keep planting trees for life.”

¹¹ MARENA. 2016. Social and Environmental Analysis of the Biosphere Reserve of Bosawás to implement small initiatives of food security and sovereignty. Draft.

- A program for Productive, Agricultural, Fishing and Forestry Systems in the indigenous territories of RACCN AND RACCS (NICARIBE), whose objective is to improve the income levels of some 10,000 indigenous and Afro-descendant families by increasing production and management, the sustainable harvesting of natural resources, and the strengthening their organizations.
- A program to strengthen Organizational and Productive Capacities among Cocoa Producers (PROCACAO) in the 'Mining Triangle' area. The program focuses on improving family incomes and generating employment through cocoa production, the creation of conditions to facilitate the adoption of sustainable agro forestry systems, and the promotion of gender equality.

Assessment of MARENA progress on indicator 2: <i>Mandates and Budget.</i>	Significant progress
---	----------------------

Next Steps

The SPPPN will seek public and private financial resources at national and international levels in the framework of the 20x20 initiative to finance the restoration and reforestation of 2.8 million hectares, which would mean an improvement in productivity in degraded agricultural lands.

Progress Indicator 3: Multi-sector coordination mechanisms and cross-sector collaboration

Working Group I meetings represent the platform for multisectoral coordination and intersectoral collaboration regarding ENDE-REDD. For the purpose of intensifying the participation of several government agencies involved in land use and forest resources, MARENA regularly participates in several existing national platforms for interinstitutional coordination concerned with social consensus and policies. These include the Production, Consumption and Trade Cabinet; the National Forestry Commission (CONAFOR); the Forestry and Environmental Advisory Committee (CCF-A) in RACCN; and the Family and Life Cabinets. These interactions have seen mixed results in terms of multisectoral coordination and intersectoral collaboration to influence the general frameworks of national or sectorial policies. The greatest success in terms of coordination took place in the forestry and agriculture sectors.

As concerns the livestock sector, MARENA has managed to establish an ongoing dialogue with the National Commission of Cattle-Ranchers (CONAGAN), a key platform for ENDE-REDD+ for several reasons. The commission brings together small and medium cattle-rancher's organizations as part of the National Production, Consumption and Agricultural and Livestock Trade System, which analyses, draws up policies and programs for the agricultural development of the country and promotes the cattle breeding reconversion program. To

increase the livestock sector participation in ENDE-REDD+ design, it is necessary to identify concrete opportunities for collaboration, and this is already taking place. MARENA has participated in relevant events to discuss opportunities to collaborate in the reduction of deforestation, including the Fourth National Cattle-Ranching Congress (July 2013) and the Third Regional Congress held in Siuna (May 2016). Further, MARENA held the Seventh National Congress on 29 July 2016, with the participation of some four hundred leaders among cattle-ranchers from numerous municipalities. The central theme was "For Cattle-Ranching Suitable to Climate Change." In addition, MARENA has generated new opportunities to embark upon a dialogue with livestock producers at municipal level, in coordination with the mayor's offices. In the municipality of Mulukuku, for example, MARENA presented and discussed ENDE-REDD with 200 cattle-ranchers.

With regard to the national forestry sector, the close dialogue with MARENA has allowed INAFOR to understand the opportunities that may arise for this sector from ENDE-REDD+. Recent internal institutional changes in INAFOR represented an opportunity to influence the laws and regulations in this sector in favor of environmental services. In the Autonomous Regions, MARENA coordinates with the Forestry and Environmental Advisory Committee (CCF-A) and the SERENAs to ensure that the ENDE-REDD+ design includes regional plans and strategies on conservation, management, land exploitation and forest resources, and that dialogue on the reduction of greenhouse gas emissions (GEI) in forests takes place. PEU technicians in the regions promoted dialogue on the ENDE-REDD+ with forest regents, forest owners and Indigenous Territorial Governments (ITG) and their communities. Dialogue with both the mayor's offices and the indigenous peoples of the north and central Pacific (PI-PCN) needs to be intensified.

The dialogue on ENDE-REDD+ with entities responsible for the agricultural sector, such as MAG and MEFCCA, is improving and may potentially influence the design of a program for sustainable and resilient development in the Dry Corridor. This program will likely include the reduction of GEIs emissions through the promotion of sustainable and climatically intelligent agricultural practices; the conversion of traditional livestock systems toward agrosilvopastoral systems; and the regeneration of ecosystemic benefits provided by pine forests through reforestation and natural regeneration.

In brief, to achieve a certain level of multi and intersectoral coordination and collaboration has been a slow process in Nicaragua, but it is at last progressing effectively, as the different government agencies come to understand the dimension problem and their potential role in the solution. MARENA's most important achievement on this indicator is to have effectively transmitted to the authorities the urgent need to act, as it exerts an influence on government entities related to land use, land use change and forestry. As a result, halting the ongoing advance of agricultural frontier is a priority for SPPPN. MHCP is interested in exploring the potential of GEI reduction in the forestry sector, as this can also be helpful in supporting its goals on sustainable rural development that benefits communities and the biodiversity

existent in Nicaragua’s forests. At the same time, it addresses the growing threat that environmental degradation is causing to the natural resources that ultimately sustain the economy.

Assessment of MARENA progress on indicator 3: <i>Multi-sector coordination mechanisms and cross-sector collaboration</i>	Good progress but needs further development
--	---

Progress Indicator 4: Technical supervision capacity

Organization for technical supervision and efficiency

Three working groups have been created for the ENDE-REDD+ readiness (see indicator 7). Working Group II comprises technical bodies from government entities concerned about the deforestation and forest degradation problem. These entities provide trained human resources for management of forest policy, climate change, forests and Geographic Information Systems. They carry out the studies required to understand the dimensions of the deforestation and forest degradation problem.

A coordination in which MARENA, INAFOR, INETER, ITG, SERENA/GRACCN, SERENA/GRACCS, CRACCN AND CRACCS are parts was established in Group II to ensure the technical and financial implementation of ENDE-REDD+ with participation and efficiency. This instance has several functions, as follows: to provide inputs and follow-up on the annual plans of operation; to develop ToRs and minutes / proceedings of events; to ensure that the implementation of activities in the territories is appropriate; and to ensure that the link with other stakeholders is sustained through early dialogues and capacity-building that allows for indigenous peoples, and Afro-descendants and local communities to be duly informed and participate in the design of ENDE-REDD+.

The Project Execution Unit (PEU), on the other hand, reports its effectiveness in achieving the results framework set forth in the donation agreement between MARENA and the World Bank, strengthens institutional capacities to the maximum level in order to avoid weak governance by the governmental institutions in the processes and outputs, as mandated by GRUN. This mandate has been a challenge for MARENA, given that national capacities in REDD+ are still low. Bringing together suitable specialists to guide the ENDE-REDD+ design has been a slow process, with a number of failures and mistakes. However, today the PEU is a complete twenty-person team. The core team consists of 14 specialists and technicians, including three coordinators, three financial management specialists, an expert in procurements, two social scientists, two attorneys and three experts in carbon accounting and forest monitoring. PEU has recruited two regional coordinators, one coordinator for the dialogue with the PI-PCN and four territorial technicians (three in RACCN and one in RACCS), for the purpose of embarking on a dialogue with the PI-PCN.

Effectiveness in achieving the objectives set forth

MARENA considers that it will take nine years for Nicaragua to end the readiness process for REDD+, starting from the year 2013 when it signed the donation contract with FCPF which made it possible to begin implementation of the R-PP. The reason for such a long period is that most of the process is executed by government entities. In addition, the government's strategy is to implement the R-PP in three stages, starting with the Caribbean Coast and the Bosawás and Indio Maíz biosphere reserves, the areas with the highest rates of deforestation at national level; the second phase would cover the Dry Corridor; the third phase is to engage with the highly deforested area on the Pacific. The goals established by MARENA and the World Bank in the legal agreement have been achieved, albeit with some delays (Annex 1)¹².

The deadline for implementing the donation is from January 2014 to December 2017. During 2014, MARENA succeeded in establishing a PEU and resuming its dialogue with stakeholders who participated in the R-PP design. In 2015, MARENA designed and initiated the implementation of the communication strategy on forests and climate change, aimed at strengthening the dialogue and capacities of stakeholders so they can effectively participate in consultations on ENDE-REDD+. In addition, MARENA introduced an ER-PIN Idea Note on the Caribbean Coast in the FCPF Carbon Fund pipeline.

In 2016 MARENA has been carrying out land use assessments on the root causes of changes in land use, the forestry law, and policy and management. In addition, the SESA Plan is under implementation and will lead to the production of an environmental and social management risk framework with the REDD+ activities. The Feedback Mechanism has also been designed and the first version of ENDE-REDD+ will be produced (Annex 2)¹³. Finally, in 2017, MARENA will carry out consultations and submit the Readiness Package to the Committee FCPF Participants.

Accommodating results-based payments plans for the second year of the ENDE-REDD+ readiness phase was an opportunity, but also a challenge for MARENA. According to the United Nations Framework Convention (UNFCCC), REDD+ is to be implemented in three stages: readiness, investment and results-based financing. However, taking advantage of the opportunity to enter the Carbon Fund and pilot results-based payments, the Office of the Presidency took the decision and required MARENA to assign the entire ENDE-REDD team to the ER-PIN design for about four months. Although this delayed the Communication Strategy implementation, it contributed to the progress on the barrier analysis that prevents the establishment of REDD+ activities in Nicaragua, a milestone included in the annual plan of 2016.

¹² https://drive.google.com/open?id=0B_fn731hbSpTb0s0ZUpjZVNBTjNEWUQwa1k2Nmk2bmxJaldR

¹³ https://drive.google.com/open?id=0B_fn731hbSpTb0s0ZUpjZVNBTjNEWUQwa1k2Nmk2bmxJaldR

Effectiveness in achieving the mid-term objectives

According to the terms set forth in the grant agreement between the World Bank and MARENA to implement the R-PP, the Mid-Term Report (MTR) was originally scheduled for the Participants Committee meeting in May of 2016. The delay in the MTR submission reflects the challenges mentioned in the foregoing. An analysis of the effectiveness in achieving the objectives per component and sub-components of the results framework of the grant agreement is presented below. MARENA's progress is shown using the symbols that the FCPF suggests in the yearly progress reports submitted by MARENA (Annex 1)¹⁴.

Assessment of MARENA progress on indicator 4: <i>Technical supervision capacity.</i>	Good progress but needs further development
--	---

Next Steps

- To improve the level of efficiency, it will be necessary to better define the role of the different working groups and Roundtables, and of other stakeholders in general.
- To be in a position to begin the implementation of ENDE-REDD+ in the second area of priority in the country, the Dry Corridor¹⁵, it will be necessary to improve interinstitutional coordination and increase the presence of MARENA staff in the area, in order to broaden dialogue on actions that may lead to a reduction in emissions.
- To that end it is planned to engage two communication professionals to strengthen the Communication Strategy in the Autonomous Regions on the Caribbean Coast.
- To contract four more persons to intensify the dialogue and consultation in the Dry Corridor.
- To procure four vehicles, eight motorcycles and two boats; to purchase technological equipment for the RACCS and RACCN regions.
- To improve the furniture and equipment of MARENA personnel at territorial delegations in the Dry Corridor; and to engage an accountant. The additional funds requested will cover these technical supervision needs (See details in Section 2.1.1.4)

Progress Indicator 5: Fund management capacity

The ENDE-REDD+ Project has been assigned US\$ 3,800,000, distributed in five components. To date, the disbursements received are of US\$ 2,025,230.80 (53.3%)¹⁶. The most effective budget execution took place in Component 1: Governance, organization and consultation (80%) and component 4: Forest Monitoring National System, which covers project needs in this phase. This funds management process of has been subject to approval from financial

¹⁴ https://drive.google.com/open?id=0B_fn731hbSpTb0s0ZUpjZVNBTjNEWUQwa1k2NmK2bmxJaldR

¹⁵ Dry Corridor refers to municipalities located in the dry and very dry climate zone in the country, which is a region distributed in Pacific, North and Center of Nicaragua.

¹⁶ https://drive.google.com/open?id=0B_fn731hbSpTSXdxRXhNLUc1ZDg

authorities in MARENA, MHCP and annual revision by Office of the Comptrollers General (CGR).

Compliance with the FCPF agreement since the first implementation period has had two financial and completion audits. The first took place in 2013 and was undertaken by Narciso Salas y Asociados; the second was multiannual (2014 – 2017) and was made by Price Water House Cooper. The results show that the most important aspects established in the agreement, the laws and regulations applicable to the financial aspects of the project were completed. The findings in the last audit were satisfactory, and no expenditure was questioned.

In general, for purposes of funds execution, the financial structure of MARENA is employed at the regional and executing entities level. Cooperation agreements were signed between high-level executive authorities, regional governments and the SERENAs. This work is consensus-based and adjusted to what is established in the Operations Manual accepted by the WB¹⁷, and also to institutional regulations and procedures. Considering the Project has only one operational expenses category, including consultation, property, training and operational expenses, the Terms of Reference (ToRs) were used, as they have the regional MARENA and SERENA approval, as well as that of MARENA top management. This document functions as a guideline for the actions and is fundamental to financial accountability.

Considering the requirements needed to implement the project mechanisms, technical and financial conditions will be agreed to by at the MARENA regional delegations. Two accounting assistants will be hired to work with the project, and computer equipment will be purchased to train the administrative and financial regional teams involved in financial management.

Among institutions participating in ENDE-REDD+, the MHCP will receive US\$ 363,000.00 dollars, in order to contribute to the R-package documents and prepare the work related to ERP. Also, MHCP will support the performance of the Climate Finance and Resource Management Roundtable. See details in Section 2.1.1.4.

There will also be financing of a Climate Roundtable for the purpose of strengthening capacity in Reforestation Actions and Emission Reduction, in compliance with the Carbon Reduction Framework agreed to with the WB. MHCP will also support the search and access to financial resources internationally (See more about complementary funds in Section I, 1.3.3. Figure 2).

The abovementioned fund will be used to hire consultants who are to reinforce the continuity of the outputs required by the mechanism; to purchase furniture and computer equipment, as well as a vehicle in which to travel to the different entities; and to build technical capacities to handle financial tools, among other aspects.

¹⁷ https://drive.google.com/open?id=0B_fn731hbSpTVmp1QVBMcWpFc080QXoyMmtLRi1vSnNYWF14

Assessment of MARENA progress on indicator 5: Funds management capacity.

Good progress but still needs further development.

Next Steps

- In order to ensure MHCP participation in ENDE-REDD+, MARENA will form an additional roundtable on Financial and Climate Change and Resource Management in Group II, whose task will be to design incentives to increase interest at MAG, MEFCCA and private sector stakeholders in emissions reduction from avoided deforestation and forest degradation, as well as in reforestation, restoration of the vegetation-covered surface and the adoption of agricultural and livestock practices that are climatically intelligent.
- The other task of this Roundtable will be to write proposals to raise funds in order to finish the emission reductions programs in the Caribbean and the Dry Corridor areas, as well as developing business plans to attract private companies.
- Another step will be to update the project's operations manual TF099264, in order to simplify operational procedures and render the activities more efficient.

Progress Indicator 6: Mechanism for information-sharing and grievance redress

In accordance with the Nicaraguan legal framework for the design of ENDE-REDD+, a mechanism to strengthen communication between MARENA and the participants involved in the strategy against deforestation and forest is being designed in order to follow up on the FCPF guideline to Create and Strengthen Compensation Mechanisms in cases of claims and grievances, and respecting and strengthening the rights of the indigenous peoples, Afro-descendants and rural communities. Mechanism will facilitate including recommendations on ENDE-REDD+ (Figure 6).



Figure 6 Causes of deforestation Workshop in Waspam, RACCN

This nationwide mechanism will be used so as to avoid that disagreements grow into larger conflicts. It will be referred as “Feedback Mechanism between indigenous peoples, Afro-descendants and rural communities with ENDE-REDD+”¹⁸. The mechanism is designed to collect feedback in order to strengthen the dialogue with the indigenous people of the

¹⁸ https://drive.google.com/open?id=0B_fn731hbSpTb0s0ZUpjZVNBTjNEWUQwa1k2NmK2bmxJaldR

Caribbean Coast in a more active way (Figure 6) taking into consideration that this year the Emission Reduction Program is in the readiness phase.

Nicaragua has an adequate legal framework based on which to establish the Feedback Mechanism. Article 50 of the Constitution, for example, establishes that citizens have the right to participate on equal footing as concerns public issues and in State management. Moreover, Article 52 establishes that “*Citizens have the right to make petitions, report anomalies and criticize ... government branches or any authority; to have an immediate solution to their claims ...*” There is an “Access to Public Information Law”¹⁹ (Law 621) which creates offices for this purpose, as well as a “Citizen Participation Law” (Law 475)²⁰ that encourages people to exercise this political, social, economic and cultural right by creating institutional mechanisms to ensure there is a fluid interaction between the State and Nicaraguan society, in a way that is participatory and representative of freedom and democracy. Furthermore, Act 28 and Act 445 establish the rights of indigenous peoples and Afro-descendants, which are supported by International Treaties ratified by the State of Nicaragua through the ILO Convention No. 169 and the United Nations Declaration on the Rights of Indigenous People.

The proposed Feedback Mechanism for indigenous peoples, Afro-descendants and rural communities is a nationwide proposal. This mechanism comprises different options to facilitate and broaden alternatives for indigenous peoples and Afro-descendants to express their disagreements, doubts and suggestions regarding ENDE-REDD+ activities. One of the options is to incorporate “whitas” (community judges). Traditionally, they are responsible for hearing and solving conflicts within their communities. It is important to note that such judges are recognized by the Nicaraguan judicial system. The mechanism also includes the use of electronic communication with MARENA offices and local governments. There is also access to the electronic portal of ENDE-REDD+, which will make it easier for any citizen wishing to express his/her opinions, suggestions and claims to do so (See Annex 2)²¹.

The proposal, which is still being designed, has been discussed and consulted with relevant stakeholders. In 2016 four consultation workshops were held (in Waspam, Puerto Cabezas, Rosita and Bluefield). The latter took place with the Regional Autonomous Council of RACCS in full. They agreed to support the proposal and suggested to incorporate a higher level of participation from the Mayor’s Offices. Four community assemblies have also been held in indigenous territories in the area of BOSAWAS (Mayangna Sauni Bu, Mayangna Sauni Bas, Mayangna Sauni As, Kipla Tasbaika Kum, and Li Lamni Tasbaika Kum).

¹⁹ *La Gaceta* No. 118, 22 June 2007.

²⁰ *La Gaceta* No. 241, 19 December 2003. *Ley de régimen de propiedad comunal de los pueblos indígenas y comunidades étnicas de las Regiones Autónomas de la Costa Atlántica de Nicaragua y de los ríos Bocay, Coco, Indio y Maíz, artículo 3.*

²¹ https://drive.google.com/open?id=0B_fn731hbSpTb0s0ZUpjZVNBTjNEWUQwa1k2NmK2bmxJaldR

Assessment of MARENA progress on indicator 6: <i>Feedback and grievance redress mechanism.</i>	Good progress but still needs further development
--	---

Next steps

- As concerns the *Feedback Mechanism*, MARENA will undertake a work session in late August with the ENDE-REDD+ technical team, other MARENA directorates and central government institutions that implement projects linked to REDD+, among which are MEFCCA and others.
- A final proposal for a Feedback Mechanism will be presented, based on the recommendations made at workshops and assemblies, for the purpose of obtaining a final round of comments. It is foreseen that the final version will be finished in 2016 and that it will be approved by the authorities at MARENA and the regional governments.

2.1.1.3 Assessment of progress of component 1a:

Progress Assessment of Sub-component 1a: <i>ENDE-REDD+ Organizational Framework.</i>	Good progress but still needs further development
--	---

In general, MARENA considers progress made on sub-component 1a to be good, but it still needs further development. At the beginning, the organizational development of the project had some difficulties regarding the learning curve of the PEU team; there was also rotation in regional authorities and the ITGs, among others. Difficulties related to PEU capacities have since been overcome, especially after hiring experts on SIG, INGEI, carbon estimates for REDD+, as well as legal and ESSA experts to be part of the ENDE-REDD+ team. To ensure the right to be informed and give or withhold consent, the territorial technicians in ENDE-REDD+ have included in their work plans to explain to the ITG authorities, communal governments and communities in general what ENDE-REDD+ means, its progress and pending actions. This has made for ITG leaders having updated information on program readiness.

Next Steps in sub-component 1a

Indicator	Next steps to achieve the indicator
Indicator 3: Mechanism for cross-sectoral and interinstitutional coordination	<ul style="list-style-type: none"> Intensify the dialogue on REDD+ in the Dry Corridor area, to design an emission reduction program in land use, change of land use, forestry and agriculture.
Indicator 4: Capacity for technical supervision	<ul style="list-style-type: none"> Build capacity to undertake technical supervision and financial execution of ENDE-REDD+, due to the increase of activities in the Dry Corridor area.
Indicator 5: Capacity to manage funds	<ul style="list-style-type: none"> Create an additional Climate Financing and Resource Management Thematic Roundtable in Group II, whose task will be to design incentives that increase the interest of MAG, MEFCCA and the private sector in the subject, regarding reduction of emissions from deforestation and avoided forest degradation, as well as reforestation, restoring the vegetation surface and adopting agricultural and livestock practices that are climatically intelligent.
Indicator 6: Information exchange and claim compensation mechanism	<ul style="list-style-type: none"> MARENA will carry out working sessions with the ENDE-REDD+ technical team and other MARENA directorates, central government entities – MEFCCA, and others – which are also implementing projects connected to REDD+. In this session, the final proposal for a feedback mechanism will be presented, including the recommendation given in the workshops and assemblies, with the objective that it be incorporated. By August 2016 it is expected to have the final version ready to be approved by MARENA and regional government authorities.

2.1.1.4 Additional Funding Request

To strengthen the Accountability and transparency additional funds are required. The following requirements are listed below, in which the total amount is US\$ 1,171,000. This amount requested will contribute to achieve the indicators of the following sub-component. See details in Table 3.

For technical supervision US\$ 808,000²² is required for new recruitment that will reinforce the implementation of products demanded by ENDE-REDD+, as well as provision of furniture and computer equipment, vehicles for mobilizing institutions and technical capacity building for management of financial instruments, operative costs among other things (Table 3).

²² This amount include: the hiring planned in ENDE-REDD+, which is detailed in Table 2 in Column referred to indicator 4.

For creating a climate finance roundtable US\$ 363,000 is required. This fund will strengthen the reforestation national actions and reducing emissions projects at sub-national scale. The climate finance roundtable will be organized by MHCP, and will support the search and access of financial resources at the international level.

Table 3. Estimated budget breakdown of additional funds to sub-component 1a.

Subcomponent 1a Next Steps to achieve this sub-component		Breakdown Amount	Total Amount US \$
Indicator		US \$	1,171,000
4	Strengthening of technical coordination and national supervision of ENDE- REDD+ and the ERPD.	400,000.00	
	Engagement of communications professionals to support the implementation of the communications strategy.	50,000.00	
	Means of mobilization to strengthen coordination and supervision in the territories.	208,000.00	
	Equipment with which to continue technological strengthening for purposes of implementing the MRV.	150,000.00	
5	Supporting the Ministry of Treasury and Public Credit as part of the management roundtable that create and sustain the financial roundtable, as fundamental thematic roundtables participating in Group II which will be responsible for fundraising, designing incentives to attract government entities that play important roles in mitigating deforestation, and developing business plans to get the private companies involved.	363,000.00	

2.1.2 Sub-Component 1b: Consultation, Participation and Outreach

2.1.2.1 Overview

Vision: participation of the stakeholders in ENDE-REDD+ is effective and sustainable to prepare the path for broadening future consultations.

2.1.2.2 Progress

Progress Indicators in sub-component 1b are detailed below.

Progress Indicator 7: Participation and engagement of key stakeholders

Mapping stakeholders

The mapping of the main ENDE-REDD+ stakeholders was updated by implementing the social and environmental assessment strategy plan. This has been done in each of the Autonomous Regions and has allowed for classifying nine types of stakeholders: government official stakeholders at all levels, forestry and agroforestry communities, forest owners (private sector), agriculture and cattle-ranching sector, academe, social movements, communication media, the National Army, foreign cooperation through the Ministry of Foreign Affairs and the informal and illegal loggers and land speculators. These identified stakeholders have all been part of these group works activities (except the informal and illegal sectors).

The ENDE-REDD+ nine types of stakeholders are detailed below (See Annex 4 Map of Stakeholders²³).

Groups of actors	Actors
Government	Government of Nicaragua: MAG, MARENA, INAFOR, INTA, MEFCCA, PGR, INETER, MHCP.
	Regional autonomous governments: GRACCN – GRACCS
	Municipal governments /mayor’s offices, Environmental Management Units, coordinated by INIFOM
	Twenty-five (25) indigenous territorial governments of indigenous peoples and Afro-descendant and communal governments: RACCN : Wangki Maya; Wangki Twi-Tasba Raya; Wangky Li Aubra Tasbaya; Li Lamni Tasbaika Kum; Wanki Kupia Awala; Kipla Sait Tasbaika Kum; Awas tingni Mayangnina Sauni Umani; Prinzu Auhya Un; Tasba Pri; Twi Waupasa; Twi Yahbra; Twi Karata Tasbaika Kum; Tawira Tasbaika; Mayangana Sauni Bas- Silkilta; Mayangna Sauni As; Mayangna Sauni Arungka; Mayangna Sauni Tuahka Takalni Balna; Prinzu Awala RACCS : Awaltara Luhpia Nani Tasbaya; Pearl Lagoon; Rama y Kreol; Tasba Pouni; Special Upper Coco river system : Miskito Indian Tasbaika Kum; Mayangna Sauni Bu; Kipla Sait Tasbaika
Forest and agroforestry communities	Indigenous communities on the Caribbean Coast and the North and Central regions of the Pacific, Afro-descendants
	Small farmer population
	Network of private reserves
	Forest regents
Agricultural productive sector	Companies and forest owners, forest plantations
	Cattle-ranchers
	Coffee growers
	Oil palm planters

²³ https://drive.google.com/open?id=0B_fn731hbSpTUnYwV180eERWTnN4RXI2b3pINnRybDRJV2pZ

Academic sector	UNA, UNI, URACCAN BICU, UCA, INATEC
Social organizations, youths, women, environmentalists	CADPI, MASAGNI, ANACC, Christian Medical Action, FUNDENIC, <i>Fundación del Rio</i> , Guardabarranco Environmental Movement, Wangki Tagni, Organization of Mayangna Women in nine territories. Maria Luisa Ortiz Cooperative, Family cabinets.
Communications media	Press, radio, others.
Foreign cooperation	Cooperation agencies: European Union, GIZ, FAO, bilateral and multilateral cooperation, Bilateral y multilateral, IADB and WB.
Army and national security institutions	National Police National Army Ecological Battalion (BECO)
Informal and illegal	Illegal loggers Land speculators

Institutional participation mechanisms

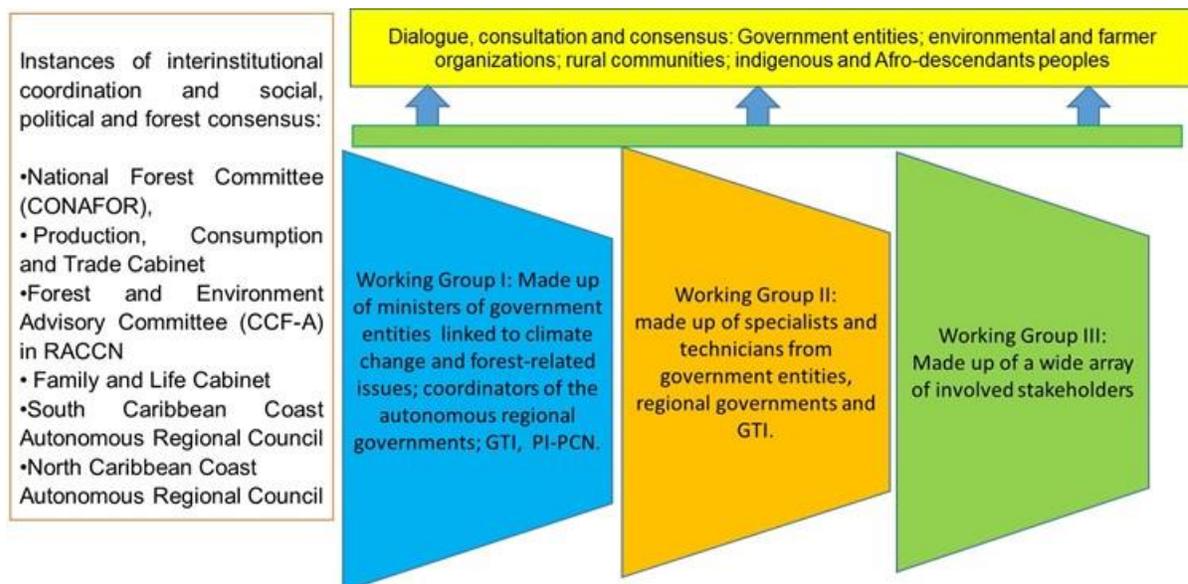
In order to facilitate and organize the dialogue and consultations, as well as to ensure the participation of the nine sector representatives mentioned earlier, three working groups have been established. These include the key stakeholders from ENDE-REDD+ (Figure 7). The role and functioning of these working groups for the participation in the consultation as follows:

- **Working group I:** This is the communication channel among the Production, Consumption and Trade Cabinet and Office of the Presidency of the Republic. It is made up of the ministers of the government agencies linked to climate change and forest-related matters; the autonomous regional governments; representatives of ITGs and the Council of Indigenous People of the Centre and North Pacific (PI-PCN). The working group has been meeting on a regular basis each year to learn about the progress and difficulties found in ENDE-REDD+ development, as well as to offer recommendations and approve the work guidelines. Important milestones occurred in 2015 when it approved the ER-PIN and in January 2016, when received and made recommendations on a first draft of the Mid-term Report.
- **Working group II:** This group consists of government officials who are in charge of designing and implementing forest and climate change policies, as well as research, promoting technological innovation and managing computing nodes linked to the National Environmental Information System (SINIA). This group also comprises RACCN-RACCS regional and territorial government representatives, indigenous / Afro-descendant / PI-PCN leaders; mayors; environmental organizations; universities; farmer and women's organizations involved in the issue of climate change and forest-related matters. This group is responsible for elaborating and approving annual

planning instruments and keeping abreast of difficulties in ENDE-REDD+ development, re-planning activities and assessing the process both at sub-national and national level. One important task was the formulation of ToRs, which are approved by consensus.

Members of this working group have built their capacities by participating in different workshops on the following themes:

- Assessment of primary forests (in coordination with INAFOR)
 - Assessment of the forestland affected by Hurricane Felix
 - Use of IPCC Guidelines
 - Presentation of a methodology to measure the Forest Emission Reference Level / Forest Reference Level
 - Basic and intermediate course on Geographic Information Systems
 - Operation and management of RACCN web node, the 'mining triangle' sub-node and the RACCS node
 - Building capacities to implement the computer applications (integral training on SIG-Administration Web in order to strengthen the regional nodes).
- **Working group III:** This group is one in which there is very active participation from stakeholders. They have participated in 48 dialogue and consultation workshops on social issues, forest management and R-PIN. Dialogue was held with 24 ITGs, who comprise a wide range of organizations of native peoples (Miskitos, Mayangnas, Ulwas, Ramas) and Afro-descendants (Creoles, Garifunas) who live on the Caribbean Coast of Nicaragua, and also with 22 indigenous people councils of the Central and Northern Pacific zone of the country.



Currently there is a first version of the regulatory document titled "Working Group Functions Manual for Dialogue, Participation and Consultation of ENDE-REDD+ ". This document is in the

Figure 7. Scheme of the Working Groups

process of consultation and approval. Furthermore, in order to achieve indicator 1 on transparency and accountability, MARENA has dedicated a space in its Web site where the proceedings of the workshops and list of participants is published.²⁴ (See Annex 3).

The richness and strength of the dialogues, consultations and consensus-reaching exercises has been the result of the constant participation of the regional councils, ITGs, SERENAs both autonomous regions, and the Forest and Environment Advisory Council (CCF-A) working in RACCN. There is fluid and effective communication among the Miskitos, Sumu-Mayangnas, Ulwas, Mestizos, Creoles, Garifuna and Rama people that constitute the multi-ethnic, multi-linguistic and multi-cultural melting pot of the Nicaraguan Caribbean Coast.

The dialogue with producers and farmers has favored the formation of a network to promote the protection and conservation of the environment and natural resources in the core area of the BOSAWAS Biosphere Reserve. ENDE-REDD+ supported the Association of BOSAWAS Productive Farmers (ACAPROBO) to carry out a training campaign which concluded with the formation of a promoters network committed to participate the early alert system to avoid forest fires in the biosphere reserve, as well as the detection of pests affecting forests and surveillance to prevent illegal logging.

In Nicaragua the State policy is to promote the participation of women, based on the “Equal Rights and Opportunities Law” (Law 648), which ensures women are appointed to top management positions, as in case of the six territorial governments of which the president is a woman (Wangki Maya, Twi Waupasa, Prinzu Awala y Wanki Kupia Awala in RACCN and Pearl Lagoon and Tasba Pouni in RACCS). ENDE-REDD+ has worked in tandem with this policy and 34% of workshop attendees are women.

To guarantee the introduction and visualization of women’s interests to the efforts to reduce deforestation and forest degradation, and to generate benefits for the actions of taking care of, managing and conserving the forests at the EESA roundtables, an inventory of each region and its organization was conducted. People were invited to a regional workshop to learn about ENDE-REDD+ and to address the environmental good practices that their organizations use. There were two successful activities to exchange experiences, also held with indigenous leaders, Afro-descendants and *mestiza* women (total of 41). RACCN women held an experience exchange on community tourism in Bartola, and Rio San Juan; in the RACCS the exchange focused on protection of parks, economic entrepreneurship, recycling and the bee-keeping industry.

For participants in the workshops and exchanges, the experience was appraised as very positive, causing excitement as proposals were developed by citizens for small environmental

²⁴ <http://enderedd.sinia.net.ni/index.php/2015-06-04-16-22-24/2015-12-21-20-50-42>
<https://www.google.com/maps/d/viewer?mid=1DhPgCfkjD4e7PvAtqF1CSZZeD7k>

education projects. MARENA has approved four community initiatives on environmental practices to be supported by ENDE-REDD+. This includes the initiative titled "Save the Diversity of Nature" created by a women's organization from the territory Sauni Arungka (MAYAKAT), municipality of Bonanza. The initiative to defend the protected area 'Cerro Miramar' came from the Tasba Pri women's organization in the municipality of Puerto Cabezas; and the initiative "Entrepreneurial Women for Development" will be carried out in the municipality of Rosita.

The request is for US\$ 202,000.00 in additional funds, a sum that will cover the participation and intervention of the main stakeholders.

Assessment of MARENA progress in the indicator 7: <i>Participation and engagement of key stakeholders.</i>	Significant progress
--	-----------------------------

Next Steps

- Strengthen participation of stakeholders from the dry area and the intersectoral dialogue with entrepreneurs, environmental organizations, women and youngsters.
- Promote South-South exchanges with the producers' participation; and establish coordination with indigenous women's organizations to support the Women's Forum in Waspam (including the topic of ENDE-REDD+).

Additional Funding Request: The amount of US\$ 202,000 is requested to develop workshops for dialogues, training, exchange and communication in the dry area; workshops for dialogues and consultation to promote the intersectoral coordination and environmentalists organizations on REDD+ and support the South-South exchange to motivate the adoption of good practices that benefit forests, cattle-ranchers, farmers, miners and loggers (Table 4).

Progress Indicator 8: Consultation Processes

The main consultation mechanism used so far in the ENDE-REDD+ construction, at both national and sub-national level, are Working Groups II and III, as part of the governance platform created during the R-PP phase. The members of Group II are organized in thematic roundtables, according to their institutional role or preference. The thematic roundtables are as follows:

Coordination Roundtable: Includes ITG representatives for Working Group I, SERENA Secretariats and technicians assigned to ENDE-REDD+. They coordinate and monitor tasks established in the APO. They have met sixteen times to put forth their APO requirements, follow up on and learn of progress made on the Mid-term Report and in general to assess ENDE-REDD+.

Social Communication Roundtable: Created to follow up the quality of the stakeholders' participation in the REDD+ dialogue, and develop and implement the communication strategy. So far, this roundtable has held seven working sessions with the participation of 101 stakeholders.

MRV Interinstitutional Roundtable: Includes MARENA, INAFOR, MAG and INETER, and aims to determine reference levels and establish forest impacts, management and safeguards monitoring systems. Information management at the MRV interinstitutional roundtable is done in an inclusive and very transparent manner among the members of the Roundtable.

This MRV Roundtable has for its objective to support decision-making during the readiness process, as well as to offer inputs to Working Group I of ENDE-REDD+. This Roundtable is in charge of analyzing technical subjects on reference levels, monitoring, reporting and overseeing forests, safeguards and non-carbon aspects. In addition, this Roundtable should provide critical analysis and solid arguments for decision-making during the readiness process, as well as to offer ENDE-REDD+ inputs to Working Group I. The way in which this Roundtable functions is through working sessions in which mainly MARENA, INAFOR, INETER, MAG, INTA and FONADEFO officials are involved.

The results of the working sessions are filed in proceedings and synthesized, including the names of participants in the session, the agenda, the work guidelines and the agreements reached in the session. All members participating receive the proceedings and the agreements of the session at the latest seven (7) days after it was held. All MRV Roundtable sessions will be housed on the ENDE-REDD+ project website²⁵. Final decisions and agreements in each session are documented in a clear and brief manner and shared among those involved. In practice every technical issue is debated and then the analytical decisions are made. In June 2016, the MRV Roundtable was reactivated, as it became necessary to discuss and analyze different key themes on NREF and MRV, such as: definition of forests, validation protocols, year of reference for the analysis on land use change, monitoring an interinstitutional coordination, monitoring the causes of deforestation and forest degradation, adjusted parameters of NREF, review of methods and the use of official data, among others. Another key function of the MRV Roundtable is to validate the NREF, the SNMRV and their subsystems (i.e. SNMB, SNMBe).

Currently, the GRUN has the political will to make progress on REDD + themes. This has allowed for coordination between institutions of the MRV Roundtable. MARENA subscribed an agreement to collaborate with INETER. However, for proper coordination it is expected additional agreements with other entities that are part of this MRV Roundtable will be signed in the remainder of 2016, so as to ensure institutional sustainability and implementation of the activities within the time frame required at the start-up of the SNMRV.

²⁵ www.enderedd.sinia.net.ni

EESA Roundtable: This Roundtable brings together representatives from different stakeholder groups which were selected by the regional governments and confirmed in the CCF-A Assembly, as in the case of RACCN. The Roundtable works in each of the two Caribbean Coast Autonomous Regions. Four sessions have been held, with an average of 12 participants per session. The objective of this Roundtable is to follow-up on EESA work and training plans, and to analyze the participation of stakeholders in the drivers of deforestation, strategic guidelines, risks and benefits.

The self-selection process to identify communities and indigenous peoples' representatives is a result of the link regional governments have with ITGs, producers, environmental organizations and other stakeholders identified in the stakeholder mapping. It is also the result of MARENA leadership on the subject as regards management to adapt to and mitigate climate change. The parties concerned were summoned during the R-PP period and formed three working groups. The ITGs nominated their representatives for Working Group I (RACCN selected three representatives, one from each of the region's three subdivisions: Waspán with seven ITGs, Puerto Cabezas with six ITGs and the 'mining triangle' with five ITGs).

The participatory dynamic established during the R-PP has been consolidated in this design stage through workshops on climate change and its multiple aspects (drivers, mitigation, adaptation, financing, transfer technology and capacity-building (training workshops on ENDE REDD+).

The inclusive process of dialogue and training has allowed MARENA to incorporate into the ENDE-REDD+ design important elements arising from the feedback provided by stakeholders. In addition to meetings with Working Group II, MARENA has carried out 63 workshops and 20 forums/fairs/conferences on issues related to forests and climate change. At local level, these actions have helped SERENA to analyze ENDE-REDD+ participatory processes. Particularly at GRACCN, for example, one of these forums was useful to assess the implementation of the five-year Regional Strategy Plan in the North Caribbean Coast to tackle climate change by analyzing the document titled "Analysis on the Participation of Indigenous Peoples and Afro-Descendants on the Caribbean Coast in the Planning and Implementation of ENDE REDD+ Activities." As a result, the stakeholders proposed MARENA intensify dissemination activities and dialogue with the ITG community.

Participation in these activities is a result of the link regional governments have with the ITGs, producers, environmental organizations and other actors identified in the map of stakeholders. It is also a result of MARENA leadership on the issues on management to adapt to and mitigate climate change.

To respect and strengthen the autonomy of the Caribbean Coast Regions, the invitations to workshops and working sessions is made by the Autonomous Regional Government through the SERENA Natural Resources Secretariats. In the case of the indigenous people of the Pacific,

Center and North of the country invitations are issued by the Council's Board of Directors, in coordination with MARENA. (See Annex 5).

Training workshops allow for giving priority to key areas that need to be strengthened, so that stakeholders can effectively participate in ENDE-REDD+ development. Some priority issues are: forest governance, forest monitoring, use of geographic information systems and application of the Guidelines of the Intergovernmental Roundtable on Climate Change (IPCC). The open dialogue on ENDE-REDD+ has also raised expectations among protagonists. The ITG vision regarding the strategy development process has been, in general, positive and it is expected to contribute to the following²⁶ (See Annex 6).

- Recognition and compliance of the environmental and social safeguards in the indigenous Territories.
- Implementation of financial mechanisms such as environmental services and/or incentives payments, compensating indigenous peoples Afro-descendants for having preserved the remaining wooded areas.
- Prioritization of activities that maximize the link between mitigation of and adaptation to climate change, given their extreme exposure to droughts, floods and natural disasters.
- Contribution to the dissemination of the legal rights of indigenous peoples and Afro-descendants to land tenure.
- Contribution to improve the level of ownership of indigenous peoples and Afro-descendants regarding forests and the territorial legal framework.
- Strengthening technical capacities to monitor forests, verify and report on their condition.
- ENDE REDD+ recognition, respect and promotion of collective rights, traditions and self-determination of indigenous peoples and Afro-descendants in design and implementation. A way to achieve this is by carrying out consultations in the territories.

It is fair to conclude that basic conditions for the progress of consultations with indigenous peoples and Afro-descendants on ENDE-REDD+ have been created. In summary, prior, informed and free consent to ENDE-REDD+ has been guaranteed. Territorial and regional technicians are themselves indigenous, have explained and transmitted information in the language of their own ethnic groups and have translated at workshops.

In May 2016, a readiness plan to carry out the consultation on ENDE-REDD+ was initiated with workshops in Waspam, Kukra Hill, Bilwi (Puerto Cabezas), and Rosita. It represents a balance of 3 activities in RACCN and 1 in RACCS. Inputs on traditional procedures have been collected to do a consultation on how these procedures contribute to ENDE REDD; the traditional

²⁶ SERENA-GRACCN, Analysis of the Participation of Indigenous and Afro-descendant People from the North Caribbean Coast in the Planning and Execution of ENDE REDD+ 2015 activities.

mechanisms to present a feedback has been analyzed and the procedures to claims used by the community and the ITG have also been studied. Youth, women organizations, ITGs and representatives of different Central Government entities, municipalities and social organizations were involved.

The first ENDE-REDD+ version will be complete by September 2016. It has been named "version 0", and a consultation in the autonomous regions and the PI-PCN will be conducted. The methodology will consist in carrying out a workshop in each Region by inviting leaders of ITGs, women and youth organizations, Government and Regional Council leaders and universities and NGOs to participate. The estimated time for each workshop will be two days and will take place primarily in working groups. For this consultation the document will be previously submitted to those invited.

Additional Funding Request: For 2017, funds to carry out the consultation at community level have been requested, as was suggested by ITGs in the workshops. The request to develop this consultation processes is for US\$ 100,000.00 in additional funds (Table 4).

Assessment of MARENA progress in the indicator 8: <i>consultation processes.</i>	Good progress but needs further development
--	---

Next Steps

- RACCS wishes the process of designing the consultation plan to continue, so information and proposals to be incorporated to ENDE REDD+ are collected. The challenge is to consolidate approaches, proposals and recommendations made by all parties involved, in such a way that it can be possible to have a concrete and solid ENDE-REDD adjusted to the approaches favored by leaders and community.
- It is planned that during the period from August to December 2016 the dissemination of progress made and results achieved by ENDE-REDD+ will be increased. To that end it is foreseen to engage a professional social communicator whose work will be to strengthen the implementation of the communications strategy on which consensus was reached with inhabitants of the territories. Tenders have already been put out for radio and television messages that will broadcast culturally appropriate messages.
- Additional funds are being requested for the year 2017, with a view toward holding a consultation among the communities, as per the proposals put forth by the GTIs during the workshops that took place in early 2016.

Additional Funding Request: US\$ 100, 000.00 are requested to develop the consultation process with indigenous peoples and Afro-descendants, taking into consideration the current readiness budget. It is expected to carry out consultation at ITG level only during the

workshops on the design of the consultation Plan. There is a clear demand to carry out the process at community level.

Progress Indicator 9: Information sharing and accessibility of information

To strengthen access to information and expand communication channels with stakeholders there is a Social Communication Strategy that has been designed and jointly agreed upon in both Autonomous Regions. There are roundtables and working group members working on social communication in Group II (see Indicator 6). The strategy design process required holding seven sessions, starting with the presentation of a draft proposal prepared by MARENA, which was reviewed and commented by 65 stakeholders, including MARENA territorial delegations directors, communications students at BICU University (Bluefields), and communicators from the regions on subjects such as heritage, biodiversity, environmental quality. The final strategy document was shared with Working Groups II and III during two regional workshops. Physical copies of the strategy were printed and disseminated, and are now available on ENDE-REDD+ web site²⁷(See Annex 7).

The strategy applies both to MARENA communication principles and FCPF requirements on the involvement of stakeholders. The objectives of the strategy are: (i) to deepen knowledge, awareness and shared responsibilities for the care and protection of Mother Earth and the impacts of climate change; (ii) to disseminate environmental messages on actions promoted by GRUN regarding the care and restoration of Mother Earth so that the population is informed and apply good environmental practices, particularly by avoiding deforestation and forest degradation; and (iii) strengthen and disseminate values such as love and care for Mother Earth, actions against environmental problems and climate change and against the drivers of deforestation and forest degradation.

The Social Communication Strategy has been agreed to by both Autonomous Regions. This strategy makes use of varied means, such as brochures, blankets and T-shirts, although a greater production of materials to cover all parties concerned is required. Three videos have been developed and values such as the love for Mother Earth have been shared. Support has been forthcoming to carry out cultural events that strengthen ancestral roots and respect, care and protection of Mother Earth (4 environmental forums, 5 environmental congresses, 2 of them related to the development of COP 21-, 5 fairs, a national ecological concert and 5 dialogues with the communities). There are some elements that should be reinforced, as it is the case of printed materials and dissemination of messages on radio and television, which are ready for broadcasting.

²⁷ See in Annexes The Strategy of Communication.

There is a website and a link on a MARENA page (www.enderedd.sinia.net.ni) that is constantly updated. It provides detailed information on the training and workshops that were held, including the proceedings of the workshops and other documents developed in the ENDE-REDD+ framework.

Additional Funding Request: US\$ 150,000 is requested to strengthen the disclosure of ENDE-REDD+ approaches by using written materials, TV and radio programs for community and rural communities.

Assessment of MARENA progress, indicator 9: <i>Information sharing and accessibility of information.</i>	Good progress but needs further development
--	---

Next Steps

- Strengthening ENDE-REDD+ of and its results dissemination. The recruitment of a professional in the field who will boost the implementation of the communication strategy has been planned, on the other hand, radio messages and television are in a bidding process. This will allow greater coverage report efforts to reduce deforestation, forest degradation and emission reduction.
- During 2016 the ENDE-REDD+ communication strategy will be implemented.

Progress Indicator 10: Implementation and public disclosure of consultation outcomes

One of the objectives of the communication strategy is ensuring effective information management that need different operating systems to function, as well as integrating the consultation results on ENDE-REDD+ design. So far, there have been three consultations to stakeholders in the three groups of participation mechanism (see indicator 7), but more intensively in Groups I and II. The PEU has designated a focal point within the ENDE-REDD+ team to coordinate communication management of the knowledge, data and information relating to ENDE-REDD+ with specialists from MARENA.

Information Management in Group I

Group I (political level) usually discusses information provided by UPE in order to make strategic decisions regarding the ENDE-REDD+ design. Such information is usually the result of technical analysis on particular issues (e.g., environmental and social impact approach of REDD+ activities, and strategic options feasibility) which require a political orientation. The technical Roundtables decide together with the PEU when to require direction from Group I. When preparing meetings with Group I, the PEU sends context documentation via email that stakeholders are to read, as well as a list of critical issues on which guidance is needed. PEU documents the conclusions and incorporates them in the revised versions of the documents

and/or communicates these directly to the working groups so that they can incorporate them, if necessary.

PEU also promotes the approval of documents by Group I. Approval of key documents such as ER-PIN annual progress reports presented to FCPF by MARENA and the Mid-term Report are usually the penultimate step before these documents are published. The last step is approval by the President of Nicaragua. Documents Approval consists of verification by members of Group I to ensure that the guidelines provided during the document development process were followed. The result is usually positive since members of Group I have technical staff from their entities working in Group II. They ensure that these recommendations are integrated in the ENDE-REDD+ design. After Group I carries out the verification process, PEU is prepared to integrate the document verification results required to reflect recent changes in the legislation or national politics.

Information Management in Group II

The flow of information needed for the technical consultations held in Group II was jointly defined between MARENA and the SERENAs in the Regional Governments on the Caribbean Coast. MARENA develops drafts with proposals, which are subsequently discussed at the different working Roundtables. Comments and recommendations agreed by all stakeholders participating in the sessions are documented in minutes that are duly filed. The revised version of the documents is shared by MARENA and SERENAs with members of the work Roundtables via email along with a matrix explaining what comments were incorporated into the new version of the document. ENDE-REDD+ staff working in the Caribbean Coast regions visit people who do not have access to electronic mail to inform them about the information management in any particular process, and the next step in decision-making.

In EESA Roundtables, information management is based on documents prepared by PEU, and working agendas, which are analyzed by SERENA, who then gives its approval or observations to make changes. Information flows from PEU to SERENA via e-mail or by a coordination meeting, and from this to the EESA Roundtable. Minutes are taken during the meetings.

Information Management in Group III

Stakeholders comprising Group III (general public) have also had the opportunity to provide feedback to ENDE-REDD design process, mainly during training workshops, forums and conferences. The information shared and managed by the focal point or person responsible for communication in PEU, MARENA, and SERENA, if applicable, previously review and discuss the presentations or documents that will be shared with stakeholders. The agreements are translated in the ToRs, then signed and initialed by a SERENA Director and MARENA representative. During the events, the ENDE-REDD+ team in the Region, with support from PEU, record what took place at the workshop and reflect the comments, recommendations

and suggestions given by stakeholders. Proceedings must be signed by MARENA and SERENA representatives, and then published on the project website²⁸.

The type of feedback that MARENA receives varies according to the stakeholders in Group III. Local residents, representatives of the civil society organization and academe often provide evidence of the drivers of deforestation, including cases of illegal logging and the advance of the agricultural frontier. They also report on the negative impacts of deforestation, particularly those related to the rapid deterioration of the natural livelihood of the rural poor. Stakeholders also communicate their expectations regarding REDD+, particularly with respect to the type of benefits expected (e.g., strengthening of governance structures, firmness in the enforcement of timber traffic control laws and the illegal presence of mestizos in indigenous territories, and in providing conservation incentives) and beneficiary eligibility criteria (e.g. to avoid encouraging precisely the agents who drive deforestation).

The PEU Roundtable integrates these recommendations and evidence in the assessment and analysis of the land use to sustain the ENDE-REDD+ (see indicator 11) and handles complaints in accordance with the recommendations given by Working Group I.

On the other hand, farmers and loggers are demanding information about specific opportunities for contributing to stop the advance of the agricultural frontier and the support they may receive from the Government to achieve this. Cattle-ranchers often share their concern for the negative impacts of climate change in the productivity of its sector; droughts and rapid soil degradation forces them to migrate to less fertile forest lands away from infrastructure, which implies a considerable increase in their production costs. Similarly, the loggers expressed their interest to contribute to Sustainable Forest Management in primary forests and reforestation whenever there are clear rules and a favorable business environment. PEU collects these recommendations to inform the ENDE-REDD+ designers, specifically with regard to the barriers that currently prevent the adoption of REDD+ type activities (see indicator 12). PEU gives information of the results obtained from informal consultations to the thematic Roundtable in Working Group II directly in their work sessions, so it can be included in the corresponding technical documents.

During consultations, minutes are recorded, then are prepared by a team made up of two technical experts. The first version is prepared by this team and shared in SERENA and PEU staff for improvement. Once this round is approved, it is printed and signed by the Secretary of SERENA and MARENA representative. These proceedings are published on the ENDE-REDD+ website and presented to Working Group I to support decision-making based on these recommendations.

Assessment of MARENA progress, indicator 10: <i>Implementation and public disclosure of consultation outcomes.</i>	Further development is needed
--	-------------------------------

2.1.2.3 Assessment of progress of component 1b

Progress Assessment of Sub-component 1b: <i>Consultation, Participation, and Outreach.</i>	Good progress but needs further development
--	---

Next Steps

Indicator	Next steps to achieve indicator
Indicator 7: Participation and intervention of the main stakeholders	<ul style="list-style-type: none"> - Strengthen participation of stakeholders in the dry zone - Strengthen intersectoral dialogue with company owners and environmental organizations. - Promote South-South exchange with farmer participation - Establish coordination with indigenous women organizations to support women forums in Wasparam and include ENDE-REDD+ as a subject.
Indicator 8: Consultation Processes	<ul style="list-style-type: none"> - Complete the Consultation Plan Design in RACCS, ITGs in special zones, and the PI-PCN
Indicator 9: Information Exchange and access to information	<ul style="list-style-type: none"> - Recruitment a professional to maximize the execution of the communications strategy - Sign a contract with radios and television to broadly disseminate all efforts made to reduce deforestation, forest degradation and emissions reduction.
Indicator 10: Execution and dissemination of consultation results	<ul style="list-style-type: none"> - Shorten the terms to update ENDE-REDD+ web page and the approval of workshops, fairs, forums and work sessions minutes / proceedings.

2.1.2.4 Additional Funding Request

To improve progress on the issue of participation and involvement of key stakeholders at workshops for dialogue, consultation and training, exchanges and communication at regional and national level will be planned. In the dry region of Nicaragua will promote the intersectoral coordination among several stakeholders such as environmental organizations, farmers, and others). The funds will be used to support South-South cooperation to encourage the adoption of best agricultural/forest practices that favor ranchers, farmers, miners, loggers and forest owners. To cover these activities, US\$ 202,000.00 in additional funds are being requested.

To develop the consultation process with indigenous peoples and Afro-descendants additional funds are requested. This budget (US\$ 100, 000) will cover the holding of workshops at local level in indigenous territories.

To strengthen the consultation process of the ENDE-REDD+ written materials, radio and television programs, aimed at community and rural communities, US\$ 150,000 are requested as additional funds. In total US\$ 452,000.00 are required to satisfy the needs described in the foregoing. The Table 4 contains a breakdown.

Table 4. Estimated budget breakdown of additional funds to sub-component 1b.

Subcomponent 1b Next Steps to achieve this indicator		Breakdown Amount	Total Amount US\$
Indicator		US\$	452,000
7	Dialogue, training, information exchange and communication workshops in the dry zone	100,000.00	
	Dialogue and consultation workshops to promote intersectoral and environmental organizations coordination on REDD+	52,000.00	
	South-South exchange to motive ranchers /farmers/miners/loggers to adopt good practices benefiting forests.	50,000.00	
8	Consult on ENDE-REDD+	100,000.00	
9	Communication by mass media	150,000.00	

2.2 Component 2. REDD+ Readiness Program

In this component, evidence of MARENA progress are shown in the Mid-Term Report on ENDE-REDD+ development.

2.2.1 Subcomponent 2a. Assessment of land use, the drivers of changes in land use, the forestry law, policy and management

2.2.1.1 Overview

This section evidences the progress of the historic, current and potential analysis of the direct and indirect drivers of deforestation and forest degradation and their relation with socioeconomic reality, policies, the national legal framework, management and its connection with practices that are detrimental to the forest.

2.2.1.2 Progress

Progress Indicator 11: Assessment and analysis

Nicaragua made considerable progress to advance the understanding of direct and indirect drivers of deforestation²⁹, including multi-temporal spatial analysis by using satellite imaging LANDSAT 2000 and 2009. One of the most important results of this analysis was to demonstrate a reduction of 72,455.09 hectares/per year in dense forest and 115,563.84 hectares/per year of sparse forest. This is opposite to behavior in pastureland and secondary forest areas, which are increasing. MARENA's focus on improving the analysis of deforestation continues generating inputs from the dialogue and consultations to strengthen the qualitative and quantitative analysis of deforestation (for example, land tenure documents, methodologies to prioritize drivers, the report on drivers of deforestation causes, strategies guidelines document, maps on the historical land use and the current land (Figure 8).

During the readiness phase, MARENA concentrated its efforts on overcoming those methodological limitations on deforestation and forest degradation quantification presented in the R-PP, including inconsistencies with the land use maps. After analyzing the available information and IPCC and FCPF guidelines it was decided to revise and standardize national land use maps in order to achieve a deeper analysis of historical trends in land use changes at national level.

MARENA has coordinated with INETER and INAFOR and together they are building a spatial data base by using LANDSAT images corresponding to 1983, 2000, 2005, 2010 and 2015. This multi-temporal analysis will contribute to the creation of a robust and comparable basis between years to complete the reference level analysis (see component 3, section 2.3).

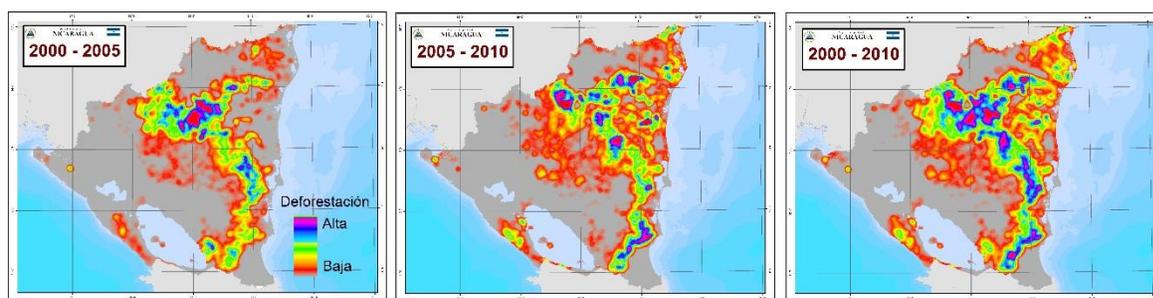


Figure 8. Historical land-uses changes from 2000 to 2010 in Nicaragua.

²⁹ https://www.forestcarbonpartnership.org/sites/fcp/files/R_PP_Nicaragua_versio%CC%81n_%20formal_revisada_marzo17_2013.pdf

Based on the preliminary analysis of the documents (i.e. RPP, RPIN), project background proposals of the factors leading to the reduction of the carbon stocks, the impact on biodiversity, food security, and water resources were shown. Moreover, other national studies that suggest guidelines to exert a positive influence on this issue have been consulted.

Currently, there has been a thorough review of the literature on drivers of deforestation and forest degradation in Nicaragua. Furthermore, the causes of deforestation and forest degradation have been analyzed through interdisciplinary work sessions such as the two ESSA roundtables in each Autonomous Region, analysis sessions with the National Agrarian University, analysis sessions with the REDD ENDE specialists team, workshops with the CCAs technical teams in the RACCN and members of committees from the Regional Autonomous Council in the South Coast, and workshops for consultation and decision-making with working Group II.

A protocol was developed to consult the drivers and the ENDE/REDD+ strategic guidelines. Thereupon a methodology³⁰ was designed by ENDE-REDD+ for prioritizing these. Currently, the GRUN is in the process of introducing changes to the National Human Development Plan, considering that the present process implies updating strategies in the forestry and environmental sectors.

One of the findings of the study concerns land tenure. There exists a very complete legal framework that guarantees legal certainty to owners, holders, temporal holders and tenants. The Constitution of Nicaragua (Cn) establishes many forms of land tenure, including: individual, community, public, associative, cooperative, family, and joint, as well as the ownership of the forest to whom it belongs and the right to use and benefit of natural resources, and issues related to the various forms of assignment or transfer of the use and benefit of these rights.

An important milestone recently achieved in Nicaragua regarding land tenure is the recognition of the historical rights of indigenous peoples and Afro-descendants. The country has special laws that recognize their rights to the use and enjoyment of natural resources and lands³¹ by indigenous peoples. These rights are enshrined in the Constitution, as well as Laws 28 and 445³².

Assessment of MARENA progress, indicator 11: <i>Assessment and analysis.</i>	Good progress but needs further development
--	---

³⁰ CaDFa. Drivers of deforestation and impacts as environmental factors.

³¹ Articles 5, 89, 103, 180 and 181 of the Nicaraguan Constitution, text published with its reforms in *La Gaceta*, official government publication, No. 32, 18 February 2014.

³² Act 445, Community Property Regime of the indigenous, ethnic people of the Autonomous Atlantic Coast Regions in Nicaragua and Rivers Bocay, coco, Indio Maíz, published in January 23rd 2003.

Next steps

- Hold at least four work sessions in order to conclude the analysis on causes of deforestation and forest degradation (historical tendencies, legal framework and public policies). These sessions include the mapping of key agents that exert influence on land use nationwide, also with emphasis on the Caribbean Coast.
- Complete the analysis of multiple socioeconomic and biophysical factors (variables and proxies) that are related to deforestation and forest degradation.
- Identify hot spots in deforestation and forest degradation nationwide, also map the risk of deforestation, also at national scale.
- Spacialization of drivers and/or proxies for deforestation and forest degradation.
- Conclude the spatial information base by using LANDSAT images from the years 1983, 2000, 2005, 2010 and 2015. This base will lay the foundation for the spacialization of the causes of deforestation and degradation.
- Preparation of a study on forest governance that will contribute to evaluate the status of regional and municipal governance, in order to identify with precision the strengths and weaknesses of the different levels of government as concerns ENDE-REDD+.

Progress Indicator 12: Establishment of priorities among direct and indirect factors driving deforestation / barriers to the enhancement of carbon stocks in forests

Areas of priority for implementing ENDE-REDD+

When implementing ENDE-REDD+, MARENA has used the prioritization of areas presented in the R-PP, given that said prioritization is based on the application of rigorous, multiple criteria analysis. The results were used by MARENA to justify proposals for the implementation of ENDE-REDD+ activities. These were accepted by Working Group I, which is charged with political decision-making relevant to ENDE-REDD+.

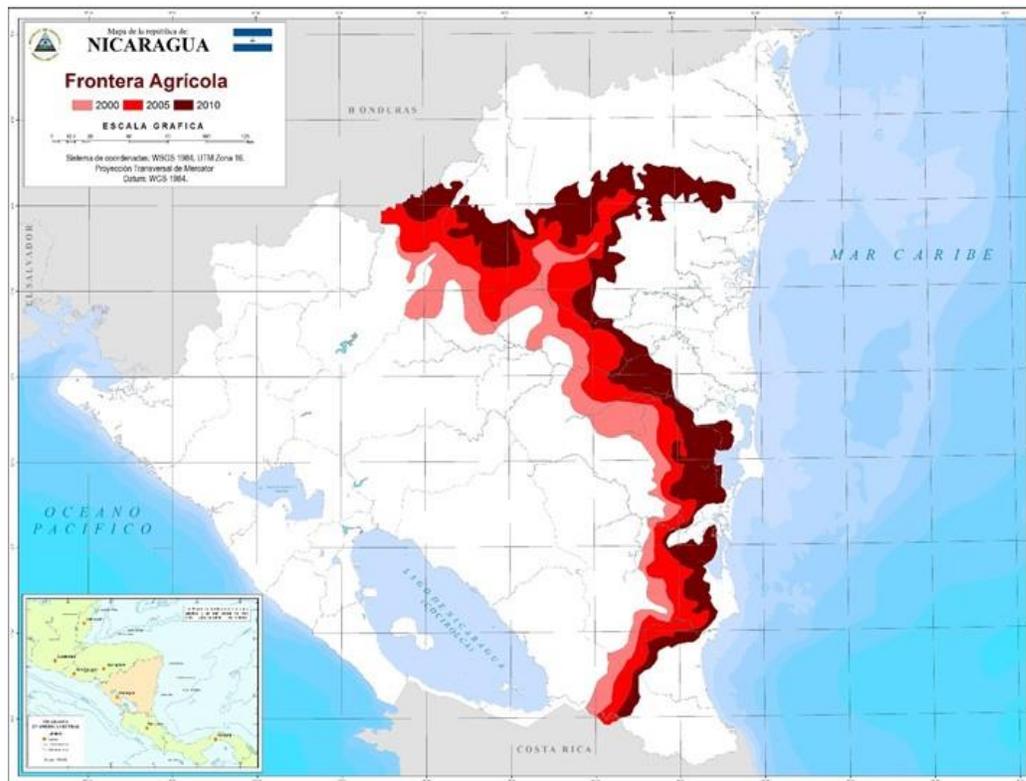
Three of the priority areas identified in the R-PP are the Caribbean Coast and the BOSAWAS and Indio Maíz biosphere reserves. They were selected to pilot a sub-national REDD+ program that is currently being developed. Likewise, based on this prioritization, MARENA informed Group I there was a possibility of exploiting potential synergies with ENDE-REDD+ in the Dry Corridor. Thus this dry zone will be taken into account as another priority area (it was classified as subnational area No.3).

ENDE-REDD+ has been defined as a national program that undertakes activities in stages. Thus the priorities among direct and indirect drivers of deforestation and forest degradation were taken into account.

As mentioned, ENDE-REDD+ implementation is based in part on the results of the RPP, which served as foundation for the ER-PIN analysis. Both studies divide the country into five subzones, namely the Caribbean Coast, Río San Juan, North, Central-North and Pacific. These five subzones have now been regrouped into three regions: (1) Region 1, made up of the North Caribbean Autonomous Region and the municipalities of Jinotega, San José de Bocay, Wiwilí de Jinotega, Wiwilí de Nueva Segovia and El Cuá; (2) Region 2, which covers the South Caribbean Autonomous Region, including San Juan del Norte; and (3) Region 3, the “Dry Corridor” which include Pacific and Central-North areas of the country.

Criteria for selection of areas at national level are as follows:

- High degree of deforestation and forest degradation in the region;
- Dense forest cover that generates environmental goods and services;
- Presence of indigenous peoples and the prioritization of the Caribbean Coast in the PNDH;
- The two biosphere reserves containing most of Nicaragua’s biodiversity and 18 protected areas (parks) that house ecosystems key to conservation in the country.



Map of the advance of the agricultural frontier, years 2000, 2005 y 2010



Region prioritized to implement ERP (RACCN, RACCS).

MARENA advanced in the analysis on drivers of deforestation, based on the R-PP results. At the time of initiating the readiness phase, Nicaragua had already identified the direct and indirect causes, as well as the agents of deforestation and forest degradation, the latter through extensive consultation. ENDE-REDD+ stakeholders have validated these results, as well as the assumptions made by experts regarding the drivers of the problem. The factors driving deforestation identified in the R-PP were the following: a weak regulatory framework; incipient territorial governance; low capacity of entities and human resources; lack of financing and a favorable climate for private enterprise; lack of technology; and a low productive chain in the forestry sector. During the readiness phase, MARENA focused on understanding better the root causes in the interaction among sectors directly related to the land use (e.g., agriculture and livestock).

Thus far, MARENA has carried out a comprehensive literature review of the historical development of livestock and agriculture. This information is documented through the report on drivers of deforestation and forest degradation in Nicaragua, which corroborates the causes identified in the R-PP, which was developed under intense national EESA processes. This has allowed for an overview of the main drivers the country has in common and provides evidence of the problem at territorial level.

The report aims to break the main drivers down by category and place them in a spatial perspective in order to achieve a holistic approach to the problem. For example, a driver common to the country is the advance of the agricultural frontier, but when analyzing the causes by territory it was found that in RACCN the reason for its faster advance is extensive livestock farming, while in RACCS it is extensive agriculture. On other parts of the country both are drivers.

Barriers

During the preparation of ER-PIN a barriers analysis was carried out for each of the strategic lines defined in a broad-based participatory process. A total of 18 barriers were identified that limit activities which would enhance carbon stocks and therefore pose obstacles to the implementation of ENDE-REDD+³³. However, this barriers analysis needs to be deepened further in order to ensure their nature and possible solutions are adequately identified. The idea is to propose comprehensive solutions to REDD+ activities and the nationwide implementation program.

<p>Assessment of MARENA progress, indicator 12: <i>Prioritization of direct and indirect drivers/barriers to forest carbon stock enhancement.</i></p>	<p>Good progress but needs further development</p>
--	---

Next Steps

Some topics identified as key to expand the analysis in component 2a are mentioned below, and it is expected to deepen on them during the June to November 2016 period.

- By late September 2016 complete the strategic guidelines whose preparation is already underway.

Progress Indicator 13: Relationships between factors that drive deforestation / barriers to carbon stock enhancement and REDD+ activities

The progress made has been part of the preparation of the ER-PIN³⁴. This included a systematic process that relates the drivers of deforestation with limitations or constraints to confront them. The latter were defined through an analysis of threats and weaknesses in the areas of forests as well as socio-cultural, financial, legal and governance-related matters.

The early dialogue, dialogue and consultation processes have been integrated by different key sectors of the population: public, private, national, regional, municipal and territorial authorities, miners associations, cattle ranchers, farmers, academics, loggers, forest owners,

³³ See ER-PIN. Appendix 5.2-1, column E.

indigenous community leaders, union representatives, and NGOs³⁵. During the development of these consultation processes it was possible to identify the drivers of deforestation, the agents of change, incidence sites, the country's efforts to deal with the problem, and the involved entities. Subsequently a systematic process connecting the causes of deforestation with ER-PIN³⁶ limitations or constraints to confront them took place. This resulted from an analysis of threats and weaknesses found in governance, forestry, socio-cultural, financial, and legal aspects (Figure 9).

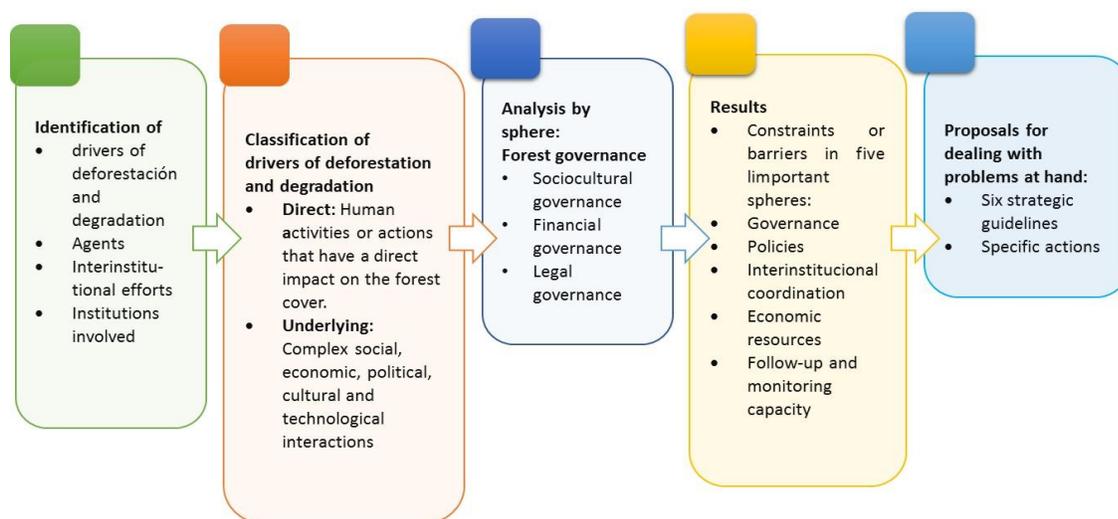


Figure 9 Process performed to study the drivers of deforestation, constraints and strategies guidelines for ENDE-REDD+

Currently a document containing information of consultations conducted with stakeholders in RACCN, RACCS, and secondary sources is being developed. It refers to the direct and indirect drivers of deforestation and forest degradation in Nicaragua.

Assessment of MARENA progress, indicator 13: <i>Links between drivers/limitations and REDD+ activities.</i>	Good progress but needs further development
---	---

Next steps

- Conclude the study on the drivers of deforestation that will serve as a complement to an evaluation of the relation between driving factors /limitations and REDD+ activities.

³⁵ https://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/June2012/R-PP_Nicaragua_versi%c3%b3n_%20formal_junio0112_cerrado.pdf

³⁶ https://www.forestcarbonpartnership.org/sites/fcp/files/2015/September/Nicaragua_ER-PIN_Sept%2021%202015_final_Sp.pdf, pg. 62.

- Analyze costs of opportunity for avoided deforestation and the economic assessment of tangible and intangibles goods found in forests located in priority areas.
- Map investments (productive, economic and sectoral) and their impacts on the country's forested regions.
- Carry out participatory studies in order to identify ways of overcoming the barriers to carbon stock enhancement and implementing ENDE-REDD+ activities.

Request for additional funds

- The amount of US\$ 18,000 is requested to cover the cost of participatory studies intended to identify ways of overcoming the barriers to carbon stock enhancement and implementing ENDE-REDD+ activities.

Progress Indicator 14: Actions plans to address the right of land and natural resources use, land tenure and management

The Nicaraguan Constitution (Cn) recognizes the following types of property: private, communal, public, associative, cooperative, familiar and mixed³⁷. Regarding land tenure, the country has a complete legal framework that guarantees legal security to owners, holders and leasers. According to the 2007-2008 National Forest Inventory, land tenure is 55% in private hands, while 31% is communal property, 13% is public property, 1% belongs to the municipalities and 2% come under other property-owning systems (INAFOR 2009).

In Nicaragua, 49% of forests are in the Caribbean Coast autonomous regions (RACCN, INAFOR 2009), a zone of prime importance for ENDE REDD+ readiness. This part of Nicaragua was declared autonomous in 1987, based on the Constitution and the Nicaraguan Caribbean Coast Autonomy Statute (Law 28). These legal instruments guarantee indigenous peoples and Afro-descendants the right to use and enjoy the land and its natural resources.³⁸ In 2001, Law 445³⁹ was passed and a process of land demarcation and titling began in the indigenous and Afro-descendant territories of the Caribbean Coast and the Bocay, Coco and Indio Maíz rivers. Cut at 2016, the National Demarcation and Titling Commission (CONADETI)⁴⁰ has titled 23 indigenous and Afro-descendant territories, covering an area of 37,252.91 km², equivalent to 31% of the national territory.

³⁷ Articles 5 and 103 of the Constitution.

³⁸ Articles 5, 89, 180 and 181 of the Constitution.

³⁹ Communal Property System of Indigenous Peoples and Ethnic Communities in the Autonomous Regions of the Nicaraguan Caribbean Coast and the Bocay, Coco and Indio Maíz Rivers, published in *La Gaceta*, official government publication, No. 16, 23 January 2003.

⁴⁰ CONADETI was created by Law 445 and has among its functions: to decide on applications for titling and guide the demarcation process; to create technical regional and territorial commissions for the demarcation and titling process, as well as to coordinate with the Office of the Attorney General regarding the issuance of land titles in the territories of indigenous peoples and ethnic communities.

By 2014, a total of 111,052 rural and urban property titles had been granted, mainly in the Pacific, Central and Northern part of the country.⁴¹ For the most part, women have benefited by receiving property titles. This carries implicit a form of protection for families and contributes to reduce the gender inequality that prevails in the country. In any case, it can be said that Nicaragua has made significant progress as concerns the right to land and natural resources on the Caribbean Coast.

Based on the foregoing, it is clear that the Nicaraguan State has a solid juridical framework that ensures the legal conditions for developing local, territorial, regional and national initiatives. Examples of this are the implementation of PSA and results-based financing projects such as the ERPD. However, to facilitate the ENDE REDD+ readiness process in the territories, there are still legal issues that need to clarify further, such as the regulation of the Carbon Fund, its ownership and the benefits distribution mechanism.

Further, progress has been made as concerns the preparation of a study of the legal framework and public policies (for details, see section 2c). The study has for its purpose to identify gaps (loopholes) and strengths in the juridical sphere and to propose sector-wide solutions that allow for implementing the REDD+ initiatives (Annex 9⁴²).

All steps taken in the readiness preparation process contribute to strengthening territorial governance. The Nicaraguan ENDE REDD+ proposal created a subnational scheme for implementation in which political, technical and local structures of the territories in the autonomous regions play a crucial role. The articulation of the regional councils (CRAAN and CRAAS) has been strengthened, as have the Natural Resources Secretariats (SERENAs) and indigenous territorial governments (ITGs) and their traditional authorities in both regions.

Experiences of the GTI Karatà, Awas Tigni, Block of ten communities and Tasba Pouni

Given the need to manage projects in indigenous territories, the State of Nicaragua through a process of dialogue, consultation and negotiation created the alternative to sign an agreement with Rama and Kriol ITGs, under the free, prior and informed consent mechanism, that allows the transfer of rights and negotiation with indigenous peoples by creating joint commitments that allow the implementation of a project that benefits their property.⁴³

⁴¹ <http://www.pgr.gob.ni/index.php/entregados-por-el-grun>

<http://www.pgr.gob.ni/PDF/2014/prodep/Informe%20de%20Evaluacion%20Final%20PRODEP%20Revisado%2006%20dic2013.pdf>

⁴² https://drive.google.com/open?id=0B_fn731hbSpTUMVhUnQOUmtGaWdLb1hqUGg1WEFaeVlqMHg4

⁴³ Convention on Free and Prior Consent, and Informed for the Implementation of the Interoceanic Canal of Nicaragua. Gazette Official Daily No.85 May 9th 2016.

⁹ https://www.forestcarbonpartnership.org/sites/fcp/files/2015/September/Nicaragua_ER-PIN_Sept%2021%202015_final_Sp.pdf 62 p

¹⁰ https://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/June2012/R-PP_Nicaragua_versi%3%b3n_%20formal_junio0112_cerrado.pdf

Despite the progress the country has made regarding land tenure and the use of natural resources, it is necessary to obtain additional support for natural resources management, in particular in communities whose livelihoods depend upon forests.

Assessment of MARENA progress, indicator 14: <i>Actions plans to address natural resources rights, land tenure, governance.</i>	Good progress but needs further development
---	---

Next steps

- The study on the legal and public policies framework as it relates to ENDE-REDD+ will be concluded and validated. It is intended to adapt the existing and prepare the new legal regulations that contribute to program implementation.

Progress Indicator 15: Implications for Forest Laws and Policies

Under the ENDE-REDD+ program six workshops were held on the Caribbean Coast in 2015, one in each of six municipalities, with a total participation of 201 local actors.⁴⁴ The workshops took place with the aim of strengthening their capacities, while identifying the current situation in the forest sector, including strengths and weaknesses in the enforcement of the legal framework in each municipality. In this process of preparation it was identified that the Law on Forest Conservation, Promotion and Sustainable Development (Law 462) created the Carbon Fund when it was passed in the year 2003.⁴⁵ This fund is intended as an incentive to forest owners to manage and conserve forest resources and thus contribute to carbon sequestration. However, the lack of enabling regulations for the fund has meant that to date it has been impossible to implement.

The preliminary results of the analysis of laws and policies regarding forests indicate the needs that Nicaragua to have enabling regulations for the Carbon Fund,⁴⁶ as this is an instrument that promotes the payment of an incentive for the conservation, preservation, and sustainable management of forest resources. This financing mechanism must be very clear and truly allow for access to incentives by forest owners.

¹¹https://www.forestcarbonpartnership.org/sites/fcp/files/2015/September/Nicaragua_ER-PIN_Sept%2021%202015_final_Sp.pdf 62 p.

⁴⁴ Legal experts from the Regional Councils , Municipalities , Regional Governments, National Police, Attorney General's Office, Ministry of Education, small miners and ranchers.

⁴⁶ Article 29 of the Law on Conservation, Promotion and Sustainable Development of the Forest Sector (Law 462), published in *La Gaceta* No. 168 of 4 September 2003.

The ENDE-REDD+ project will present the technical and legal aspects for the formulation of a proposal to regulate the Carbon Fund. Carbon rights are not set in Nicaraguan legislation, and it will therefore be necessary to define their scope in national legislation. On this issue there are other relevant aspects, such as the transfer of said rights and who holds them.

Assessment of MARENA progress, indicator 15: <i>Implications for Forest Laws and Policy.</i>	Good progress but needs further development
--	---

Next Steps

- It is planned to hold sessions with stakeholders in October 2016, for the purpose of preparing the proposal for enabling regulating as regards the Carbon Fund.

2.2.1.3 Assessment of progress of component 2a:

Assessment of MARENA progress of component 2a: <i>Assessment of land use, land use change drivers, forest law, policy and governance.</i>	Good progress but needs further development
---	---

2.2.2 Subcomponent 2b. Strategy options

This part of the evaluation will reflect the purposes and reasons for any of the five REDD+ activities, and the strategic options to determine the measures needed within the ENDE-REDD+ framework, which are beneficial, viable and cost-effective.

Progress Indicator 16: Selection and prioritization of REDD+ strategy options

2.2.2.1 Overview

Widely participatory exercises were conducted and six strategic options that were identified during the process of RPP formulation were repeatedly discussed. The process has begun to determine benefits, feasibility and effectiveness of strategic lines based on costs, risks, and limitations.

2.2.2.2 Progress

The process of RPP formulation identified the drivers of deforestation in the two autonomous regions. Furthermore, the SESA team strengthened choices for six strategic lines during the sessions, which were broadly participatory and led to inclusive solutions. Likewise, during the ER-PIN design, the methodology continued to be used and ensured the full and effective

participation of indigenous peoples and Afro-descendant communities in order to deepen the analysis and drivers of deforestation. The effort also sought to confirm the validity of the strategic lines. The result is that both the drivers of deforestation and strategic lines are accepted and widely validated by the different sectors involved in RACCN and RACCS.

The new process of designing the Emission Reduction Program Document (ERPD) will allow for continuing the analysis of the strategic lines more precisely as regards linking REDD+ measures and the activities that each line must implement. The analysis of the strategic lines – picked up from RPP – have been carried out during the formulation of the ER-PIN at workshops and working sessions. Three workshops in Waspam, Kukra Hill and Rosita and three working sessions to assess Social and Environmental Strategic (EESA) in Corn Island, Bluefields and Puerto Cabezas were held.

During these, an analysis was made by stakeholders (key actors) who considered which strategic lines continue being valid for dealing with the direct and indirect causes of deforestation and forest degradation in Nicaragua. It is important to highlight that the identified strategic lines are closely related to the policies being promoted by GRUN. Among these are aspects included in the national policy on the Sustainable Development of the Forest Sector; the Caribbean Coast Development Plan; the Environmental Climate Change Strategy; livestock re-conversion; ecological agriculture; the protection and preservation of biodiversity, protected areas (parks) and the national forest program. All this makes the strategic lines detailed in what follows feasible and possible (See Annex 10).

The strategic lines defined during the working sessions, are:

(1) Strengthening forest governance structures and institutional capacities (national, regional, municipal and territorial- indigenous): Working groups I and II of ENDE will coordinate, monitor and evaluate actions aimed at the conservation and sustainable management of forests, forest carbon stocks at an inter-sectorial level and that entities improve their institutional presence at the subnational level. It is expected to have the implementation of an active feedback mechanism with the indigenous, Afro-descendant and small farmer communities, so as to provide greater security on the restoration of rights and transparency of actions.

(2) Adjusting and harmonizing the regulatory and political framework: actions are aimed to develop technical and technological capabilities at local level and the implementation of instruments allowing to monitor resource management.

(3) Restructuring agricultural production, livestock and forestry systems under an approach for adapting to climate change: actions are proposed aimed at the promotion and modernization of agriculture, cattle-ranching and forestry systems that focus on adaptation to climate change; strengthening the sustainable management of primary forests and the promotion of forest plantations for energy purposes; the development of programs of environmental

education and reforestation campaigns from a multicultural and ethnic perspective, as well as forestry extension plans; and the promotion of the development and implementation of instruments for planning and territorial management, based on the territory's comparative advantages.

(4) Developing incentives for the protection, conservation and deterrence of land use change: a forest incentive system will be implemented to promote the conservation of the country's resources and to improve the economy of the communities where the actions occur.

(5) Strengthening value chains of agricultural and forest products and the commercial network: the plan is to stimulate the creation of associative and community enterprises in communities

(rural tourism, alternative medicine and the diversification of economic activities to reduce pressure on forest resources and improve the quality of life of the stakeholders).

(6) Improving territorial governance and supporting the processes of management of indigenous territories by strengthening governance mechanisms at different levels of Government, the National Sanitation Committee and the improvement of the process of strengthening forest and environmental management capabilities.

Currently, there has been broad-based consensus to maintain these six strategic lines, which are based on the workshops and regional sessions mentioned earlier. However, it is necessary to define a methodology that makes it possible to prioritize attention to those strategies. The coincidence in the analysis during three workshops and four working sessions shows that territorial governance, the management processes in indigenous territories and the strengthening of governance mechanisms are clearly the highest priorities.

Assessment of MARENA progress, indicator 16: <i>Selection and prioritization of REDD+ strategy options.</i>	Good progress but needs further development
---	---

Next steps:

To move forward with the establishment of priorities of REDD+ program options to carry out the following activities and measures:

- Systematize results of EESA related to strategic lines.
- To identify the relationship between direct and indirect causes of deforestation and forest degradation, to conclude the prioritization of the strategic lines.

Progress Indicator 17: Feasibility assessment

Overview

An analysis of ENDE-REDD+ strategic options, in order to determine priorities according to social and environmental viability, risks, opportunities and cost-benefit considerations.

Progress

The methodology used for analysis and prioritization of strategic lines is based fundamentally on aspects of social viability and to a lesser extent on environmental viability. The EESA work plan includes case studies, which have shown the following results:

Assessment of MARENA in indicator 17: <i>Feasibility assessment</i> .	Good progress but needs further development
---	---

Despite the progress up to date, this indicator needs further development concerning the prioritization of the strategic lines. This is why there is now a methodological proposal that has been shared with the working groups in RACCN and RACCS (workshops held in 2016). These workshops enabled the feedback to this methodological proposal, so they will be key inputs to improve the methodology and advance substantially in the evaluation of the feasibility of said strategic lines.

Next steps

- To identify specific actions, risks and obstacles that each strategic line needs to improve in the implementation of REDD+ activities at national-level.
- To analyze the social and environmental viability of the strategic lines that make visible important gaps during cross-sectorial and sectorial implementation, opportunities and threats.
- To make a comprehensive analysis of costs and benefits of activities of the strategic approach at national level.
- To evaluate the cost of opportunity of REDD+ activities that will be promoted under the framework of the strategic lines.
- Preparation of a study on forest governance that will contribute to analysis of ENDE-REDD+ strategic options.

Progress Indicator 18: Implications of strategy options on current sectorial policies

Overview

The idea is to identify important incompatibilities between the strategic options of priority for REDD+ and the policies or programs in others sectors related to forest sectors (for example, transport, agriculture) by agreeing to a timetable and a process to solve the incompatibilities and integrate the strategic options of REDD+ with relevant policy development.

Progress

For the construction of ENDE-REDD+, the points of departure were national plans, policies and programs, which in general favor it. During the policies analysis any inconsistency that requires proposals for their settlement have been identified, so it is now necessary to carry out more detailed analyses and to develop proposals for aligning them with the goals of reducing emissions from deforestation and forest degradation.

Some of these inconsistencies may correspond to macroeconomic measures, for example the pressure exerted by the financial sector to expand farming and agro-industry, activities that run counter to the national reforestation or emissions reduction policies.

Another situation is the presence of invading settlers with low-levels of government control in protected areas declared as such by the State.

Assessment of MARENA progress, indicator 18: <i>Implications of strategy options on current sectorial policies.</i>

Good progress but needs further development

The analysis related to implications of the program on current sectorial policies options show progress, although further development is required to perform a deeper analysis of the relationship between the ENDE-REDD+ objectives and the country's political and legal framework, conduct a gaps analysis and review cross-sectoral policies. For that reason, the additional funds requested in indicator 11 will be used also to develop the standard for this indicator.

Next steps

- To identify possible scenarios of conflict between sectoral policies and ENDE-REDD+ strategic lines.
- To analyze the binding relationship between strategies, policies and programs.

- To carry out case studies and make proposals on adjustments to the legal framework and policies, necessary *for the implementation of strategic options*.

2.2.2.3 Assessment of progress of component 2b

Assessment of MARENA progress of component 2b: <i>Strategy options</i> .	Good progress but needs further development
--	---

2.2.3. Subcomponent 2c. Implementation framework

2.2.3.1 Overview

In the context of REDD+ implementation in Nicaragua, institutional, economic, legal and management mechanisms as well as program options are being defined. Likewise, there is a search for options to adjust the country's political and legal framework, which complement each other and ensure that regulations governing the protection, use and conservation of the land and the recovery of the existing rights for indigenous peoples, Afro-descendants and forest-dependent rural communities.

2.2.3.2 Progress

Progress Indicator 19: Adoption and implementation of the legislation / regulations

Through the *ENDE.REDD+* readiness process there has been progress in the characterization of the regulatory framework related to REDD+ policies. Nicaraguan legislation has normative instruments that require an adjustment be made to the project's framework (for example, the development and approval of the Fund Regulations for carbon sequestration).

Nicaragua is currently in a national context in which important legal and institutional changes are occurring, and this strengthens the construction of ENDE-REDD+ strategies. These changes or legal reforms are the following:

- The National Forest Institute (INAFOR) has been attached to MARENA as a decentralized entity. This institutional change will allow MARENA to lead the country's forestry policy.
- Further, MARENA will lead the National Forestry Commission (CONAFOR).⁴⁷ This will allow for influencing the agenda of entities in the forestry sector to develop ENDE-

⁴⁷ Article 5 of the amendments to Law 462 establishes the creation of a Forest National Committee as a high-level institution mandated to seek social and forest-sector consensus. It will promote participation in developing, monitoring and approving policies, strategies and other regulations regarding forest-related issues.

REDD+. This change took place on May 2016 with the amendments to Laws 290 and 462⁴⁸.

- Another substantial change regarding environmental issues relates to soil protection. According to the 2015 regulations it has been moved from MAG to MARENA, specifically in relation to the evaluation and granting of authorizations in land use. This is intended to promote good practices in the agricultural sector.
- These changes contribute to concentrate responsibilities and the environmental and forest implementation of policies and regulations in a single entity, thus ending the dispersion of functions and faculties on this matter.

The scope of these changes will substantially modify the institutional framework of the country's forest and environmental policy; some competencies have been transferred from INAFOR to MARENA above all those related to forestry permissions processes and protection of forest resources. ENDE-REDD+ will allow to deepen the identification of the impact of public policies in the country, the legal framework and its relationship with REDD+ to promote proposals or amendments to the country's regulatory system.

Assessment of MARENA progress, indicator 19: *Adoption and implementation of the legislation / regulations.*

Further development is needed

Progress Indicator 20: Guidelines for implementation

In workshops and working sessions the theme of the fair and equitable sharing of the benefits that ENDE-REDD+ would provide through the incentive to forest owners that adopt the policies of emissions reduction by avoided deforestation were discussed. The law on carbon ownership was also discussed, although it is not yet clearly defined. During the ER-PIN process the Government of Nicaragua has expressed its willingness to recognize the rights of forests owners as concerns benefits deriving from carbon and other benefits.

Assessment of MARENA progress, indicator 20: *Guidelines for implementation.*

Further development is needed

⁴⁸ Amendments to Law 290 (Organization, Competency and Procedures of the Executive Branch) and Law 462 (Conservation and Promotion of Sustainable Development), published in *La Gaceta*, official government publication, N° 97, 25 May 2016).

Next steps

- As a strategy for the achievement of financial resources and coverage for the effort, it has been proposed in the framework of the ENDE-REDD+ to create an ENDE-REDD+ fundraising Roundtable to raise funds for investments and incentives under MHCP direction.
- The definition of guidelines for the implementation of the ENDE-REDD+ are currently underway.
- Define procedures for official authorization of future REDD+ and ERPD projects.

Progress Indicator 21: Benefit-sharing mechanism

To ensure transparency in the benefit-sharing mechanism that is to be implemented, it is planned to build a participatory and inclusive mechanism (i.e. from the bottom up), from the communities, ITGs, municipalities and regional governments. For this purpose, it has been considered to incorporate social, cultural, economic, organizational elements to ensure that the benefits truly reach the communities.

During the readiness phase, the working sessions and workshops developed in the regions (RACCN and RACCS) have been useful to deal with local stakeholders (ITGs, regional and municipal government authorities). The elements that can be considered at the time of designing the benefit-sharing mechanism are, for example, the internal structures of the indigenous communities and the social and economic needs of the community.

Indigenous peoples and Afro-descendants living on the Caribbean Coast have established collective rights, which legalize their regional government and territorial and communal systems. They administer and manage their natural resources by generating revenues that are distributed to communities based on customary law. For example, the natural resources managed under the concept of the right to self-determination are: water (case Tuapi), soil (case Karatà), stumpage fees (Boom Sirpi), and sand (Kamla). In the RACCS, indigenous communities working under a system of benefit-sharing determined under internal rules duly adopted by the Regional Council (for example, Tasba Pouni and Pearl Lagoon).

It was proposed that FONADEFO would be the financial entity that will manage the funds until there is a definite design. Currently, the ENDE-REDD+ team is working on the proposal that is to be consulted and evaluated by key stakeholders for inclusion in the country's regulatory framework, which is relevant.

Assessment of MARENA progress, indicator 21: <i>Benefit-sharing mechanism</i> .	Further development is needed
---	-------------------------------

Progress Indicator 22: REDD+ National register and monitoring system of REDD+ activities

ENDE-REDD+ Unit has started to build the system design for registration and tracking of information for the purpose of creating a tool that allows for a faster, safer and more reliable registry of information: location, property, accounting of the carbon and financial flows for REDD+, national and subnational programs and projects.

The implementation of the future registration and tracking system will be integrated to the technological platform of the National Environmental Information System (SINIA), which has been strengthened with by the ENDE - REDD+ project. This ensures the dissemination of information and public access to it.

Assessment of MARENA progress, indicator 22: <i>REDD+ National register and monitoring system of REDD+ activities.</i>	Further development is needed
--	-------------------------------

2.2.2.3 Assessment of progress of component 2c

Assessment of MARENA progress, sub-component 2c: <i>Implementation framework</i>	Further development is needed
--	-------------------------------

2.2.4 Subcomponent 2d. Social and environmental impacts

2.2.4.1 Overview

The Social and Environmental Evaluation Strategy (EESA) and the preparation of the Environmental and Social Management Framework (MGAS) ensure the participation of and consultation with the key stakeholders involved and ensures mitigation measures are taken vis-à-vis the social and environmental risks which were identified and may affect the rights of indigenous peoples and Afro-descendants.

2.2.4.2 Progress

Progress indicator 23: Analysis of matters related to social and environmental safeguards

The analysis of matters related to social and environmental safeguards in Nicaragua takes for its point of departure the recognition of the guarantees, rights and duties of indigenous peoples living on the Caribbean Coast, which are enshrined in the Constitution. Of special import are the rights to free determination, full and effective participation, to maintain and develop their identity and culture, to keep intact their own ways of social organization and to manage their local affairs. They also have the right to their communal properties, including their use and enjoyment, in accordance with laws 28 and 445. The two autonomous

governments and indigenous territorial governments receive a budget allocation from the Government of Nicaragua in order to ensure their proper functioning.

Nicaragua's readiness to design and implement an avoided deforestation program in the framework of REDD+ has taken place as a broadly participatory process involving key stakeholders, based on the EESA Work Plan⁴⁹ which was proposed during the R-PP period. The Plan includes strengthening the exchange of information and dialogue with multiple stakeholders. Among its valuable tools is the map of stakeholders⁵⁰, which is updated on a constant basis; work sessions on EESA; the carrying out of specific analytic and diagnostic studies; the implementation of a communications strategy; the design and preparation of the Environmental Management Framework; and the ENDE REDD+ consultations (See Annex 11).

For the Social and Environmental Evaluation Strategy, each of the two autonomous regions has established a roundtable, made up of representatives from the regional universities, ITGs, organizations of youth, women and communicators, the regional council and the autonomous regional governments.⁵¹ These working roundtables have held six work sessions in order to analyze the implementation of the training plan which is adjusted each year, as well as strategic options and safeguards. Along the same lines, there have been thirteen workshops intended to expand participation in the analyses.

The safeguards analysis took place based on the following inputs: proposals put forth by stakeholders at the dialogue workshops, Nicaragua's legal framework, the UNFCCC safeguards, the World Bank safeguards, the ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples. In addition, instruments prepared by the autonomous governments of the Caribbean Coast, working closely with the Forest and Environmental Consultative Committee, were taken into account (for example the RACCN Social and Environmental Evaluation Strategy, as were the Regional Plan for Forest Development drawn up by GRACCN and National Forestry Plan). Likewise, during the preparation of the ER-PIN (2015), safeguards were analyzed in working sessions and consultation workshops.

The outcome of this safeguards analysis has not yet been entirely completed. However, it has been identified that for the Avoided Deforestation Program the WB safeguards which must be activated are as follows: environmental evaluation (OP 4.01), natural habitats (OP4.04); forests (OP 4.36), indigenous peoples (OP 4.10); pest management; and cultural physical resources (OP 4.11). The safeguard on involuntary resettlement (OP 4.12) has yet to be analyzed. In order to conclude the safeguards analysis, the PEU engaged an expert on indigenous matters in May 2016, among whose outputs will be this safeguard in particular. It will no doubt be an input for decision-makers in Working Group I, who must analyze the implications of OP 4.12 and the arguments in favor and against activating or not activating this safeguard.

⁴⁹ See annexes, EESA Work Plan.

⁵⁰ See annexes, MAP of Stakeholders.

⁵¹ See proceedings at the ENDE REDD+ website: www.enderedd.sinia.net.ni

The EESA Work Plan defined the need to carry out nine studies; there has been progress on three of these, namely the Map of Stakeholders and the Study on Involuntary Resettlement. Another two are under implementation in 2016: the design and preparation of the MGAS, the EESA systematization process, and an evaluation of existing policy, legal and institutional arrangements. Three additional studies are being prepared in 2016: the Planning Framework for Indigenous Peoples; a diagnostic on gender equity in forest resource management.

Finally, two of the studies are associated with the preparation of the Emissions Reduction Program: an analysis of the costs of opportunity of avoided deforestation and the economic assessment of tangible and intangible assets found in forests located in priority areas.

Assessment of MARENA progress on indicator 23: Analysis of social and environmental safeguard issues	Further development is needed
--	-------------------------------

Next steps

- Complete the EESA studies.
- Link the safeguards analysis to the strategic guidelines.
- In order to carry out the ERDP studies, a specialized consultancy has been scheduled to begin in late 2016.

Progress indicator 24: Design the REDD+ strategy as concerns impacts

The EESA roundtables which have held sessions during 2015-2016 have identified and analyzed the risks and benefits of the strategic options available. However, these results are still considered exploratory. It is therefore necessary to strengthen these analyses in the territories by incorporating some of the ENDE REDD+ studies, such as those on deforestation and forest drivers, the policy and legal framework study, and the work done on the ERPD accountability areas. This ENDE REDD+ risks, benefits and impact analysis is scheduled for completion in 2016.

Likewise, in ER-PIN workshops and work sessions, social and environmental risks were identified, among them the high costs of opportunity for maintaining those forests that are unable to counteract pressures on natural resources (trees, land, water); the *campesino's* (small farmer) resistance to adopting new production practices; and the lack of financing to implement these, above all in those municipalities located on the agricultural frontier (i.e. the municipalities of Mulukuku, El Ayote, Nueva Guinea and Siuna) (See Annex 12).

Assessment of MARENA progress on indicator 24: REDD+ strategy design with respect to impacts.	Further development is needed
---	-------------------------------

Next steps

- Complete the studies that will be serve as the foundation for risks, benefits and impact
- Continue to work on the identification of risks, benefits and costs of opportunity of applying ENDE REDD+
- Carry out three (3) work sessions to define territorial risks.

Progress indicator 25: Environmental and social management framework

The Environmental and Social Management Framework (MGAS) will be an output of the Social and Environmental Evaluation Strategy (EESA). It is expected to contain measures by which to minimize the social and environmental impacts, which were identified. A step prior to its formulation has been the preparation of a Concept Note regarding MGAS contents, which is part of the annexes to this report (See Annex 13⁵²). It is foreseen that the MGAS will be prepared as a draft and begin being submitted for consultation in September of 2016.

For the purpose of strengthening EESA, technical assistance is being engaged that will further the development of activities for risk and benefits analysis, ensuring the preparation of MGAS and instruments that are complementary to those mentioned under indicator 23, above. The ToRs⁵³ for a consultant have been defined, and he/she is to support an analysis on territorial governance in the framework of ENDE-REDD +.

Assessment of MARENA progress on indicator 25: <i>Environmental and Social Management Framework.</i>	Further development is needed
---	-------------------------------

Next steps:

- Carry out a study on the distribution of ERPD benefits and/or REDD+ activities implemented and national and subnational levels.
- Finish the spatial analysis of direct and indirect drivers of deforestation and forest degradation (Comp. 2a).
- With the results of this analysis it will be possible to evaluate the pertinence of the strategic guidelines and REDD+ activities that may be feasible in areas in which ERPD is prioritized.
- The prioritization of strategic guidelines will be based on the results of regional consultation workshops and a qualitative/quantitative analysis upon comparing drivers versus REDD+ activities in spatial terms.
- In addition, when the NDR is concluded, it is expected to build the goals for 2020, which will allow for evaluating the relevance of each one of these strategic guidelines and national and regional scales.

⁵² https://drive.google.com/open?id=0B_fn731hbSpTM192N0I2cInOUU

⁵³ Terms of Reference (ToR).

2.2.4.3 Assessment of progress of component 2d

Assessment of MARENA progress on component 2d: <i>Social and environmental impacts.</i>	Further development is needed
---	-------------------------------

2.2.4.4 Additional Funding Request for Component 2

For Component 2, a total of US\$ 118, 000 is requested in additional funds. These will be used to strengthen national capacities in strategic planning and the formulation of public policies and incentives that contribute to reduce deforestation and forest degradation (US\$ 20,000). Another US\$ 18,000 is needed to contribute to deepening participatory studies that identify ways to overcome the barriers to carbon stock enhancement and carrying out ENDE-REDD+ activities. To that end, it is expected to prepare proposals to solve incompatibilities and integrate ENDE-REDD+ strategic options to the country's development policies (that is, align them to the PNDH). Finally, US\$ 80,000 are required to define procedures for official authorization of future ENDE-REDD+ and ERPD projects. See details in Table 5.

Table 5. Estimated budget breakdown of additional funds to Component 2.

Component 2 Steps to achieve the indicators		Breakdown Amount	Total Amount US \$
Indicator	Subcomponent 2a	US \$	118,000
11	Strengthening capacities for strategic planning and the formulation of public policies and incentives in order to reduce deforestation and forest degradation (Roundtable ENDE-REDD+ / MHCP)	20,000	
13	Participatory studies to identify ways in which to overcome barriers to carbon stock enhancement and ENDE-REDD+ activities	18,000	
Indicator	Subcomponent 2b		
20	Define procedures for official authorization of future ENDE-REDD+ and ERPD projects.	80,000	

2.3. Component 3. Forest Emission Reference Level / Forest Reference Level

2.3.1 Overview



Funding of FCPF for ENDE-REDD+ has been useful for the elaboration of a forest reference emission level and forest reference level in Nicaragua. There follows an overview, progress on this topic and future needs.

2.3.2 Progress

The Forest Emission Reference Level and Forest Reference Level (NREF/NRF) is the country baseline. Progress can be summarized as:

- Preliminary NRF estimations considered the period 2000-2010. However, to define the final NRF period, data from 2000, 2005, 2010 and 2015 will also be evaluated.
- These preliminary estimations were based on:
 - Guidelines on the Intergovernmental Roundtable on Climate Change (IPCC), the United Nation Convention Framework on Climate Change (UNFCCC) and the Methodological framework (MM) of the Forest Carbon Partnership Fund (FCPF).
 - The process of the country's Inventory on Greenhouse Effect Gases (INGEI) to homogenize methods.
 - The methodology and assumptions from INGEI in agriculture, forestry and other land uses (AFOLU).
- Estimations from permanent plots and control sites collected during the National Forest Inventory data (2007-2008) and the NFI re-measurements (2013-2016) will be useful to validate the land use maps from 2010 and 2015.
- National data on forest fires, registered at national scale
- Deforestation emissions based on National GHG Inventory for AFOLU sector.
- Potential activities REED+ at national and sub-national scale: reforestation, enhancement of carbon stocks, sustainable forest management, avoided deforestation.

This NRF will allow the country to have a tool for the inventory of emissions and removals due to the implementation of REDD+ activities during the first country readiness stage. In addition, the Third Communication process was begun, as part of the commitments made under UNFCCC. INGEI was prepared for the period 2000-2010. This report will be published in 2017.

Progress Indicator 26: Methodology demonstration

ENDE developed training on a technical strengthening plan between April and November 2015. The plan was addressed to members of the inter-institutional platform and participants from RACCS and RACCN. That plan was aimed to start training on basic key components for the elaboration of NREF. This year, the readiness process included interinstitutional capacity-building for greenhouse gases and the preparation of an inventory for the AFOLU sector.

Technicians were added from INAFOR, MARENA, the municipalities and members of the North and South Caribbean Coasts⁵⁴.

In total 13 workshops have been performed which included professionals from 21 municipalities some topics were related to reference levels, such as: methods of reference levels, forest definition, deforestation rate and others. During 2016, seven meetings were held by the interinstitutional technical Roundtable to elaborate a methodological protocol proposal⁵⁵, which contains definitions, methods, levels, reach and viewpoints to be considered for the building of NREF. There have already been consultations among expert regional Roundtables (RACCN and RACCS). The methodological document will be reviewed and modified according to suggestions made by these Roundtables (Annex⁵⁶). Proceedings of all meetings held were published on the project website to assure transparency and follow-up on the agreements reached.

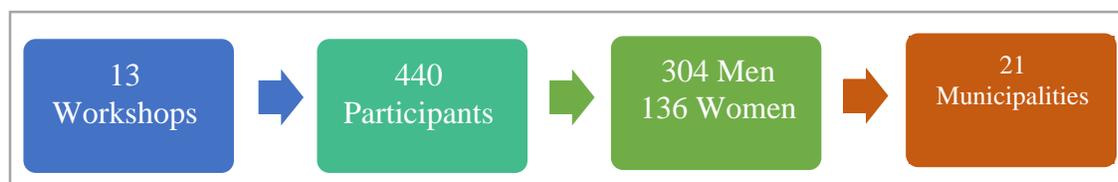


Figure 10. Brief of activities/component 3.

Today we have a preliminary estimation of CO² emissions and removal at the national level produced by the Third Communication process, with the collaboration of the ENDE-RED+ team. These preliminary estimations have been presented to representatives of local governments and indigenous communities from the Regional Autonomous Caribbean North Cost (RACCN) and Regional Autonomous Caribbean South Cost (RACCS) during two inter-institutional workshops held in May 2016 (See Annex 14).

The participants of these workshops were forest specialists, authorities from Indigenous Territorial Governments (ITGs), indigenous leaders and other key stakeholders from the communities.

Assessment of MARENA progress, indicator 26: <i>Demonstration of the methodology.</i>	Good progress but needs further development
---	---

Next steps

- During 2016-2017 strengthening of national and regional capacities will continue on the themes of preparation and estimates of emissions/absorptions that ensure the sustainability of the levels of reference.

⁵⁴ https://drive.google.com/open?id=0B_fn731hbSpTcXFGaG9KSHZDbWs

⁵⁵ https://drive.google.com/open?id=0B_fn731hbSpTeng3dlFmajNnXzhlaG5TVy0tNW9VRTEzTUYO

⁵⁶ https://drive.google.com/open?id=0B_fn731hbSpTeV8tdUxqR1BFaUk

- Validation of methodological proposals in the RACCS and RACCN regions of two documents: methodology for the preparation of the NREF and the validation of maps.
- Nationwide validation with Level 1 of the methodological documents used for the establishment of the NREF.

Progress Indicator 27: Use of historical data and adjusted to national context

When the ENDE-REDD+ process began in 2014, Nicaragua had official land use maps from the years 1983 and 2000. In 2012, German International Cooperation (GIZ), in collaboration with the National Forest Institute (INAFOR), produced several maps on land use for the years 2000, 2005 and 2010 (Figure 8).

To estimate the NREF under the framework of ENDE-REDD+, it was decided to analyze several national maps, including official maps from the year 2000 published by MAGFOR,⁵⁷ maps created by GIZ in the years 2005 and 2010, and a map published by INETER in 2015. The map protocols were homologated in order to obtain the forest cover and land use for every year in Nicaragua⁵⁸. Every map is based or will be based on LANDSAT images and the same categories of land uses. Hence, the historical land-uses changes will be analyzed using wall-to-wall maps of 1983, 2000, 2005, 2010 and 2015. These national land use maps will be comparable among them.

Regarding the factors of emission, the first estimates of the existence of carbon in the forests and outside of forests were made during the national Forest Inventory (2007-2008), including the fraction of carbon biomass above and beneath the soil. INAFOR concluded the first phase of re-measuring the forest inventory, which consists in gathering information of the total of 371 sample plots⁵⁹.

Assessment of MARENA progress, indicator 27: <i>Use of historical data and adjusted to national context</i>	Good progress but needs further development
---	---

Next steps

- Validation of land use maps for the years 1983, 2000, 2005, 2010 and 2015. These will be used to reconstruct the historical series of emissions and absorptions in the country.
- Update INAFOR's information on PPM to improve the data necessary for establishing emission factors.

⁵⁷ Agricultural and Forestry Department, now named MAG

⁵⁸ https://drive.google.com/open?id=0B_fn731hbSpTUUtQeGVXVmJvRjA

⁵⁹ <http://www.inafor.gob.ni/inventario/>

Progress Indicator 28: Technical viability of the methodological approach, consistency with the policy and guidelines of CMNNCC and IPCC

Starting with the partial updating of the INF, an estimate of factors of emission for each kind of forest will be made. Preliminary values of NREF focused on INGEI – AFOLU, and this is why during the period July - September 2016 there will be a review of the criteria used. Values will be adjusted to obtain a Tier 2 or Tier 3.

Based on the technical requirements established in the IPCC and GOF – GOLD regulations, the following actions will be carried out to ensure methodological compliance:

- a) Elaboration of coverage maps based on the representation categories of IPCC land: forestlands, wetlands, agricultural lands, meadows, settlements, others.
- b) Review and analysis of emission factors and associated errors. Specific FE by forest type (i.e. general kinds of forests) to raise the calculation of emissions to level of analysis 2.
- c) Initial tests to change methodologies for uncertainty calculations. Shift from the propagation of uncertainty methodology to the Monte Carlo method.
- d) Zoning of the REDD+ areas according to potential activities defined to national level.
- e) Clarification of the definition of forest applied to analyze changes in land use during different periods evaluated (i.e. 2000-2010, 2000-2005, 2010-2015).
- f) Exhaustive review of preliminary NREF, to include data and useful information for estimating, sorting and classifying land use.
- g) Spatial activity data mapping under REED+ scheme versus its NREF.

Assessment of MARENA progress, indicator 28: <i>Technical feasibility of the methodological approach and consistent with the orientation ...</i>	Good progress but needs further development
--	---

Next steps

- Preparation of the preliminary NREF report, which will be sent to international advisors for review between October and December 2016 (partial and final versions).
- National and regional presentation of preliminary NREF results. The NREF proposal will be socialized through work sessions to be held at the MRV roundtables. There will be at least on session per region (RACCN, RACCS, and Pacific-Central-North).

2.3.3 Assessment of progress of component 3

The activities carried out contributed to establish technical strengths on the interinstitutional Roundtable and regional Roundtables. These strengths have contributed to the building of methodological texts and tools for validation intended for estimation of NREF. It is considered that the component is advancing well in a general, but needs more development. It is

necessary to nationally validate the tools required for implementation, including improved definitions for better quality of calculus, improved maps with classifications of land use and the production of national emissions factors.

2.3.4 Additional Funding Request

Notwithstanding the progress made in the initial phase, it is necessary to fill some gaps concerning institutional capacities, which are important to ensure elaboration of the NREF. This capacity building will involve governmental entities (MARENA, INAFOR, and INETER), regional entities and universities, for the evaluation and analysis of forests, deforestation and forest degradation. A total of US\$ 570,000.00 is requested for this purpose. See details in Table 6.

The technical inter-institutional team will be strengthened through workshops on specific IPCC 2006 guidelines for GEI emissions/removals calculations of AFOLU and uncertainty estimations by statistical methods. Some of these are Uncertainty Propagation and Monte Carlo; techniques for forest assessment; experience-sharing with countries working under REDD+ initiatives; methodologies for elaboration of reference levels and tools in the geographic information systems to identify degradation and deforestation. Furthermore, research to contribute to the elaboration of emission factors based on different stratum, categories and forest ecosystems.

Table 6. Estimated budget breakdown of additional funds to Component 3.

Component 3 Steps to achieve the indicators		Breakdown Amount	Total Amount US \$
Indicator		US \$	570,000
26	Definition of national emission factors (AFOLU and Wetlands Sector) to reach the Tier 2	300,000	
26	training workshop on 2006 IPCC Guidelines, INGEI software	10,000	
26	Analysis of forest degradation	60,000	
27	Statistics course for calculating uncertainties in AD and EF	50,000	
27	Rapid-Eyes image acquisition	60,000	
28	Capacity building in technologies for sustainable forest management, field monitoring and free software, among others.	70,000	
28	ENDE-REDD academics Roundtable that will promote research (theses, monographs and relevant publications)	20,000	
28	Support socialization INGEI results in the area of accounting RE Program	20,000	

2.4 Component 4. Monitoring Forest and Safeguard Information System.

2.4.1 Subcomponent 4a. National Forest Monitoring System

2.4.1.1 Overview

The national monitoring, report and verification system (SNMRV) for implementing ENDE-REED_ at a national level has the particular mission of coordinating national and institutional actions, public and private, to set a transparent, including, wide and –if possible – exact tracking of all the necessary data of activities for the readiness and future implementation of ENDE-REDD+.

2.4.1.2 Progress

ENDE-REDD+ team has the responsibility of design and reach consensus over a SNMRV proposal. The SNMRV proposal was adjusted based on different analysis and results stemming

from the interinstitutional dialogue held later in 2015 and 2016. Current proposals are still under construction, but there has been important progress, allowing for a better perspective on current and future needs of the ENDE-REED+ national process and the importance of the additional funds being requested.

The current SNMRV proposal⁶⁰ suggests the coordination of six public entities to ensure the setting for the system: MARENA, INETER, INAFOR, MAG, INIDE and BCN. Besides, the inclusion of other public and private entities was suggested (based on local needs) to ensure sustainability and legitimacy in the ENDE-REDD+ territories (Figure 10).

These adjustments to the SNRV design will be reviewed and discussed with engaged individuals (Working Groups I, II, III) during the period from July to October 2016. Eight meetings will be held in Managua, and planning from September to October 2016 will take place. At least one meeting in each region of the country (North Caribbean, South Caribbean and Pacific-Center) will be held. Different topics will be addressed at these meetings, such as the SNRV proposal design, institutional roles, key ENDE-REED+ concepts, variables and indicators, driver's specialization, inter-institutional agreements for MRV and system sustainability, among others.

There will be minutes for each work session containing agreements, next steps and a list of participants. These proceedings will be uploaded to the project website, together with other sessions and workshops already available⁶¹.

⁶⁰ https://drive.google.com/open?id=0B_fn731hbSpTSjBFaVNURk9xQTQ

⁶¹ <https://drive.google.com/open?id=0BxwOoCjeik7gTXdXzmVNN0FZS0k>



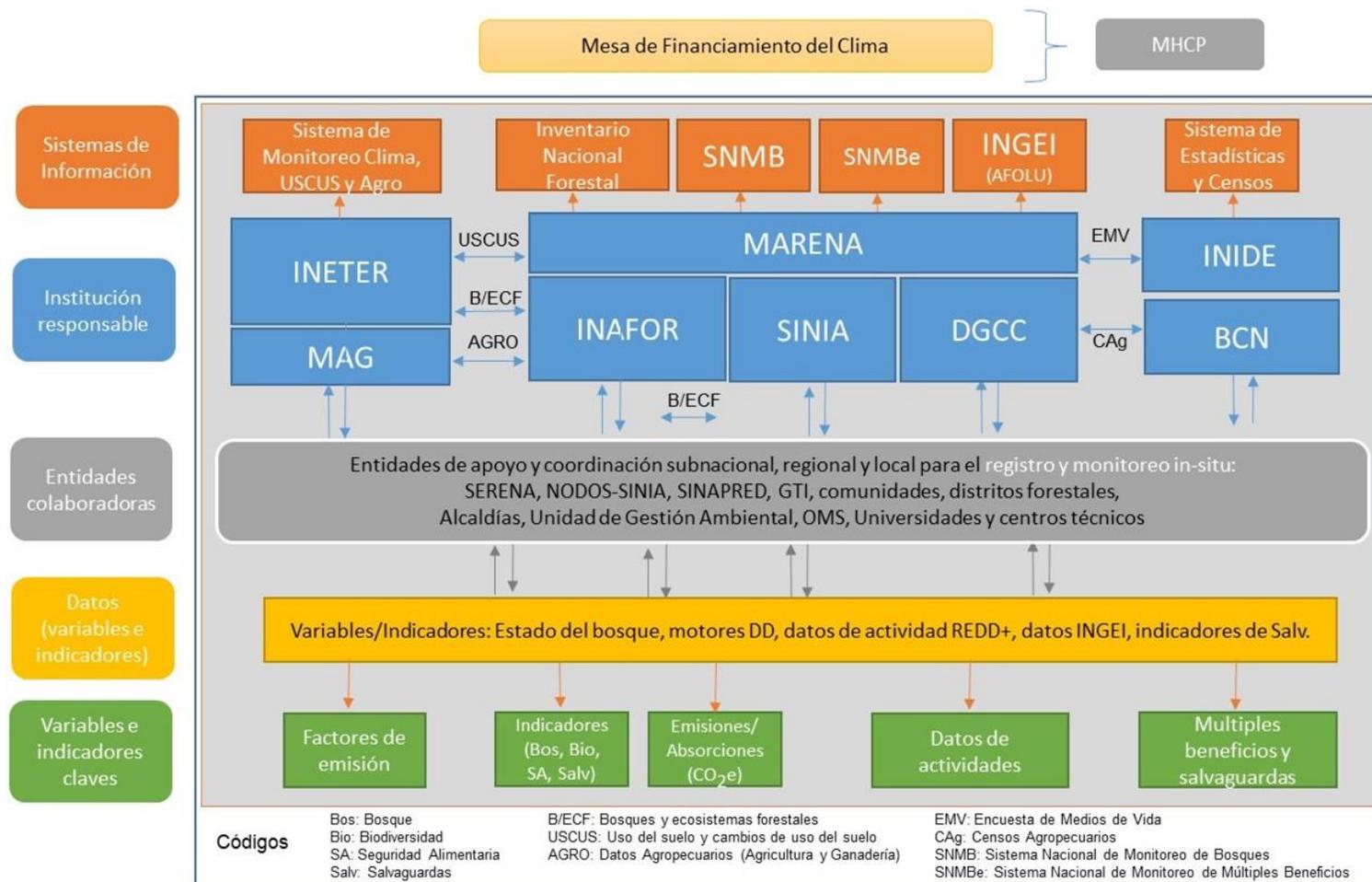


Figure 11. Proposal of the National Monitoring, Report and Verification System (SNMRV) for ENDE-REDD+.



Currently, SNMB is a system in evolution which has identified government entities that produced and raised funds for forest monitoring. These Entities are the Ministry of Finance and Public Credit (MHCP) and the Ministry of Family, Community and Associative Economy (MEFCCA). MHCP identifies and focuses on potential donors to invest in the process of identifying productive methodologies that are friendly to forest conservation. MEFCCA fosters productive activities including forest preservation guidelines, reforestation and conservation.

A diagnostic activity took place to strengthen the means for data gathering for SNMB. This activity joined entities like SINIA/MARENA, INAFOR and the Autonomous Regions. This diagnostic allowed for identifying technological needs and future professional capacities. For this reason the platform was designed as a strong, modern and trustworthy technical tool with which to register, process and provide information to the SNMB.



Figure 12. Web Page of ENDE-REDD+ Project.

We have designed two publicity computer tools, which have improved information communication and the transparency of all the ENDE-REDD+ process: ENDE-REDD+ website, <http://enderedd.sinia.net.ni>, and the GeoPortal prototype of National System for Forest Monitoring (SNMB), <http://165.98.133.137/GeoPortalSNMB/>. Both are part of SMRV. There are preliminary tools which are still under construction. This year it is expected to conclude the review of the structure and interoperability, so different public entities can manage them.

The prototype version of the GeoPortal will be constructed by adding levels of information received and processed by the entities, which form part of the interinstitutional Roundtables. Those entities are also part of the National System for Environment Information (SINIA) working under MARENA (Figure 13). In addition, the strategic Alliance between MARENA and INETER will contribute to move forward the system interoperability for monitoring.



Furthermore, the early INETER experience and learned lessons to monitoring national productive cycles such as primary, second and third crop⁶² will be useful to design the SNMRV.

Additionally, a list of indicators produced by SINIA⁶³ is included in the design document of SNMB. Other indicators will be added during 2016 to solve the needs for the elaboration of the Inventory of Greenhouse Effect Gases (INGEI) and the implementation of ENDE-REDD+.



Figure 13. Geo Portal del SNMB⁶⁴.

Progress Indicator 29: Documentation of monitoring approach

The concept design of SNMB relies on two fundamental mainstays: a Remote Device System and the National Forest Inventory. This is why the new proposal states that INETER should have the monitoring role over periodic changes in the use of lands and forest cover, which in turn will allow for producing updated activity data (AD).

On the other hand, the National Forest Inventory office –attached to INAFOR – has been updating data since 2015 on the sample permanent plots (SPP). These data are necessary for estimating emission factors by type of forest and adjust the country's estimates of emissions/removals. Monitoring the process begins with a reference level, which in turn allows for identifying and updating changes in the forest cover and values of emission of CO₂ because of deforestation. There follows a description of the process.

Workshops for regional RACCS and RACCN nodes were developed in 2015 and 2016 to strengthen technical abilities in Geographic Information Systems for entities and organizations linked to forest monitoring. Three basic SIG courses took place. (See Annexes 15⁶⁵ and Figure 15).

⁶² <http://mapserver1.ineter.gob.ni:8080/IDE-PRODUCCION/>

⁶³ <http://www.sinia.net.ni/index.php/indicadores>

⁶⁴ <http://165.98.133.137/GeoPortalSNMB/>

⁶⁵ https://drive.google.com/open?id=0B_fn731hbSpTU2RQWHBLRTQ0ME0

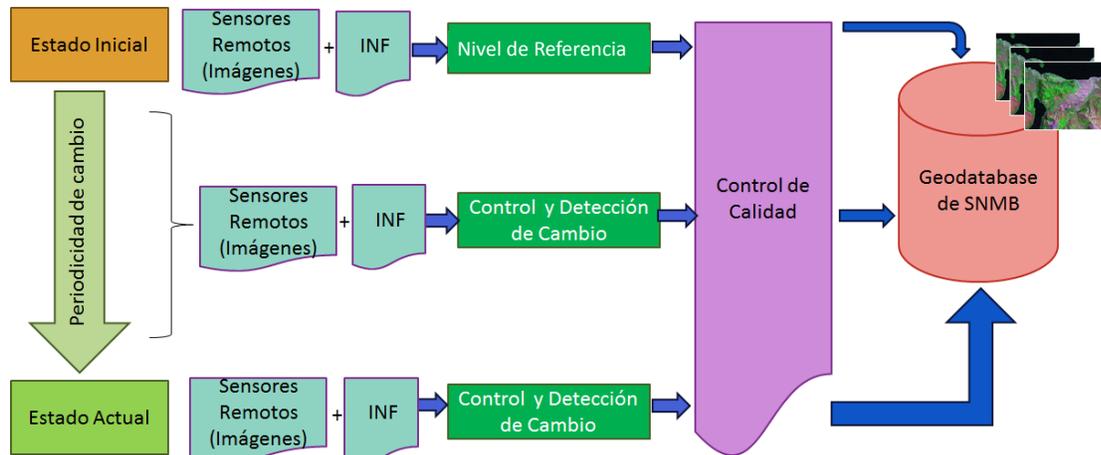


Figure 14. Flow chart of the SNMB process.



Figure 15. Training on GIS, Web management, Indicators National System in SINIA Node in RACCN and RACCS

Assessment of MARENA progress, indicator 29: <i>Documentation of monitoring approach</i>	Further development is needed
---	-------------------------------

Next steps

- Durante the months of June to October courses will be held on how to work with geographic information systems (GIS), as well as handling field tools with which to measure and monitor the different variables and indicators considered in the SMRV processes.
- Work sessions will be held that allow for updating the status of indicators and variables that directly or indirectly affect forest cover in the country. In this regard, preliminary results include georeferenced information on forest fires and pests.
- By means of a tendering process, technological strengthening will continue as regards monitoring processes at local, regional and national scale. The idea is that these processes will endow forest owners with tools, knowledge and technologies that allow

for the timely delivery of reports that evidence the changes occurring in the forest on their lands. The information will be gathered at central level and its contents compared to other data generated in the country.

Progress Indicator 30: Demonstration of early system implementation

The capacity of the system to monitor ENDE-REDD+ priorities results from the inter-institutional coordination that will be established in SNMRV. It is expected to automate the process among the involved entities, as well as provide access to spatially explicit data, which will allow for monitoring in the territories. SNMRV will be able to demonstrate the changes and displacements of emissions in a localized way and the magnitude of impact (in CO2 and affected areas), the monitoring will facilitate assessing the landscape matrix and calculating the profits and losses in forest coverage and REDD+ activities.

Assessment of MARENA progress, indicator 30: <i>Demonstration of early system implementation</i>	Does not show progress yet
--	----------------------------

Next steps

- Work sessions will be held to begin system interoperability tests and start a phase on interinstitutional testing. At a preliminary level, these interoperability tests consist of the development of web services using different computer protocols at the entity of origin and a client application at the entity of destination charged with using and obtaining the resources and data generated by the former.
- Equipment will be procured and services engaged for the purpose of fine-tuning the mechanism or workflow in such a way that it allows for generating high volumes of data transfers and processing among the entities that make up the SMRV.
- There will be work sessions with INAFOR officials with the aim of coordinating activities geared toward an updating of the National Forest Inventory. This input is necessary in order to generate calculations and updated reports on the Inventory of Greenhouse Effect Gases (INGEI).

Progress Indicator 31: Institutional arrangements and capacities

In administrative and functional terms, SINIA is run and organized by MARENA in accordance to the General Law of the Environment and Natural Resources (Law 217, Art. 30 and 31), which established collaboration agreements with different instances to promote the information exchange on environmental information. For that reason, SNMB was included in this platform, which will take advantage of the technological and administrative scaffolding already established with funds around US\$ 211,160. SNMB is being jointly designed with members of ENDE-REDD+ and Working Group II. In this second semester 2016, an inter-institutional

agreement will be signed to finish the SNMRV design and plan for making it operational for the 2017-2020 period (for example, conventions or agreements between MARENA-INETER, MARENA-INAFOR, MARENA-INIDE, etc.).

Next Steps

- Working sessions have been programmed to define the guidelines regarding forest monitoring, protocol elaboration and other themes.
- Also, there are interinstitutional agreements that will be signed during 2016 to ensure easy information exchanges among stakeholders and to write reports on the variables shown by every system monitoring the information for ENDE-REDD+ (i.e. SIS, SNMB, SNMBe).
- Is important to mention that the interoperability and automation between the information systems will allow for progressively incorporating and updating the Web sites and Project Geo-portal showing the being progress made.
- It is worth noting that another key issue will be the interoperability and automatization of the information systems. This will allow for the progressive incorporation of information and the updating on advances made to the project website and GeoPortal.
- For the purpose of strengthening mechanisms leading to the exchange of information, work sessions will be held shortly to review the time terms of the different agreements, protocols and conventions reached between MARENA and other state institutions, as well as regional governments on the Caribbean Coast, which is where the subnational Emissions Reduction Program is to take place.
- Once the foregoing has been done, adjustments will be made to the roles which are to be played by each entity in the MRV system, in order to establish a workflow that allows for achieving quality products related to the reference levels for emissions and forest cover. This will ultimately allow for generating dissemination mechanisms through which to circulate the reports and statistics on variables that are monitored within the information systems which are part of ENDE-REDD+ (i.e. SNMB, SNMBe).

Assessment of MARENA progress, indicator 31: <i>Institutional arrangements and capacities</i>	Good progress but needs further development
---	---

2.4.1.3 Assessment of progress of component 4a

In this sub-component strategic alliances were established with national institutions developing activities oriented to monitoring land use changes and field information gathering. Therefore, the assessment of this subcomponent is considered good progress, but it needs further development.



Assessment of MARENA progress of component 4a: <i>Documentation of monitoring approach.</i>	Good progress but needs further development
--	---

2.4.1.4 Additional Funding Request

The additional funding request in component 4a is US\$ 2,639,000 (See details in Table 7). Funds are requested to strengthen technology at INETER (specifically the Climate, USCUS⁶⁶ and Agro Monitoring System,), to strengthen the National Forestry Institute (INAFOR), and to improve the Environmental Information System (SINIA) at MARENA. Strengthening INETER will allow for managing the information in such a way that it will be shared among entities, be transparent and of good quality. It will also be an essential part of the national forest monitoring system for REDD+ as regards the collection of initial data, capacities development and the interoperability among systems (i.e. the GeoPortal managed by SINIA-MARENA and INETER), entities and infrastructure. Likewise, it will facilitate the future updating of Nicaragua's forest emission reference levels and provide sustainability to SNMRV activities.

In the case of INAFOR, the investments of additional funds would be allocated to updating its strategic plan, whose point of departure is the assessment and updating of the National Forest Program (PFN) and the incorporation of the agreements entered into under the UNFCCC, CBD, REDD+ framework and other conventions.

Table 7. Estimated budget breakdown of additional funds to sub-component 4a.

Subcomponent 4 ^a		2,639,000
24	Software for geo Portal	30,000
25	Strengthening of Nodes located in mining triangle and Dry Corridor	200,000
26	Technical strengthening of Information System control and register (SIAFOR), INAFOR	50,000
27	Participative study of capacities assessment in Dry corridor.	24,523
28	Support community monitoring in priority areas (i.e. the Autonomous Regions of the Caribbean and PI-PCN areas).	120,000
30	Generation of standard operating procedures	20,000
31	Strengthening INAFOR (Equipment, forests assessments and areas affected by pests and fires)	300,000
32	Climate, LULUCF and Agro Monitoring System (INETER)	1,100,000
33	Coordination and execution of SNMRV	694,477

⁶⁶ USCUS: Land use and changes in land use. Agro: Agricultural and Livestock Production.

34	Technical equipment to improve the forest governance (INAFOR)	100,000
----	---	---------

2.4.2. Subcomponent: 4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards

2.4.2.1 Overview

In this subcomponent, indicators were identified that serve to monitor advances related to multiple benefits and that will be registered in the SNMRV. For this reason, the assessment of this subcomponent was assessed as good, but in need of further development.

2.4.2.2 Progress

Next steps

- Work sessions will take place with level 2 technicians in order to identify the indicators that are included in the Multiple Benefits Information System, assign responsibility for each indicator and ensure the sustainability over time of each, as well as to prepare reports and statistics that allow for measuring the behavior of these indicators.
- Definition of institutional roles at national and a subnational scale during the MRV process.
- Plan of memorandum of understandings needed among the key government institutions, and sub-national entities.
- Strategic study to improve the operability and sustainability of SNMRV and its sub-systems (SNMB, SIMBe, etc.) at short, middle and large period.

Progress indicator 32: Identification of pertinent non-carbon related aspects and social-environmental issues

The selection of non-carbon related benefits derived from ENDE REDD+ are biodiversity, water resources and food security. This was the outcome of a consultative process involving officials from the various government institutions, among them INAFOR, MAG, MEFCCA, MHCP and INETER, and was part of the preparation and consultation on ER-PIN, as per the participatory model implemented directly by GRUN. The working roundtables for the evaluation of a social and environmental strategy have identified safeguard and social aspects that must be complied with in the REDD+ readiness process.

The information related to non-carbon, social and safeguard-related aspects will be integrated to the information system at the SINIA platform. For this reason there have been actions to

strengthen the nodes in the autonomous regions on the Caribbean Coast. However, the precision of the indicators are still in the process of definition and consultation.

Currently Nicaragua has a historical base of indicators regarding the environment, socio-environmental aspects, indigenous peoples and climate change. These were gathered through national technical consultations as well as meetings with community grassroots organizations. This information will be useful to build the Safeguards Information System (SIS).

In coordination with the *Third Communication* and ENDE-REDD+ projects, MARENA decided to enter into a collaboration agreement with INETER, for the purpose of developing a proposal for a website titled **Climate Change Indicators Monitoring System (CCIMS)**, which will be administrated by SINIA. Currently the system has 22 indicators, based on four categories: threats, impacts, mitigation and adaptation. The system can be modified and adapted to monitor other types of indicators.

For the design of the CCIMS the main thing taken into account was the availability of data and information that will make it possible in the future to ensure the indicators receive feedback and are updated regularly. The information will be generated by national (MARENA, INETER, MHCP, BCN, INAFOR, MEM) and international institutions (NOAA).

Assessment of MARENA progress, indicator 32: <i>Identification of relevant non-carbon aspects, and social and environmental issues</i>	Does not show progress yet
--	----------------------------

Next steps

- Integral analysis of *non-carbon aspects, and social and environmental variables and indicators that are feasible to include in the SNMRV*
- Review of indicators related with indigenous territories, such as indicators created for the BOSAWAS biosphere reserve in the MARENA project titled “*Heart of the Mesoamerican Biological Corridor*” (2008-2010).
- MRV roundtable will discuss the methods and procedures to identify and monitor *non-carbon aspects, and social and environmental issues*.
- Strategic study to improve the MRV operability and sustainability of SNMRV and its sub-systems (SNMB, SIMBe, etc.) in the short, middle and long term.
- Work sessions will take place with Level II (the MRV and ESSA roundtables), for the purpose of identifying the indicators that will be included in the Multiple Benefits Information System (SIMBe). These sessions will allow for assigning roles and responsibilities as concerns monitoring SIMBe indicators and defining adequate criteria and procedures by which to report on aspects of statistics, status and dynamics of the indicators. At these sessions, planning will take place on how to ensure the system’s sustainability in the short and medium term. Further, there will be a review of the necessary interinstitutional agreements between national and subnational

government institutions, as well as other entities in the country. The review will include the agreements currently in force, so these can be adjusted to the needs of the SNMBe.

- A study to identify and analyze the legal and institutional framework which will be used to comply with the safeguards of ENDE-REDD+. The study will serve as a complement to the efforts currently underway on the legal framework.
- A study of the design and functioning of the comprehensive MRV system at national and subnational levels, with proposals to improve the interoperability and sustainability of the SNMRV and its subsystems (SNMB, SIMBe, etc.). It is important that these analyses take into account periods of development by stages and measure progress in the short, medium and long terms.
- Promote a participatory process that is inclusive and ensures culturally appropriate communication during the design and implementation of the Multiple Benefits Information System (SIMBe), which has for its objective to record the indicators necessary to monitor the multiple benefits correlated to ENDE-REDD+.

Progress indicator 33: Follow-up, reporting and Exchange of information

Although the Multiple Benefits Information System (SIMBe) still finds itself in the process of design, it can be said in a preliminary fashion that the information on the variables and indicators will be gathered at the quality control standards suggested by the UNFCCC, and that in a first stage dissemination will take place through the ENDE REDD+ project Web site mentioned in component 4a.

In addition to the dissemination, methods described earlier, matters regarding non-carbon benefits and safeguards will also be disseminated via television, radio, regional forums and congresses.

The ENDE-REDD safeguards, associated to the common approach, prioritize the protection of individual rights and, in particular, are related to the Cancun Agreement (Appendix 1 of Decision 1/CP.16), which reflects the obligations derived from international instruments, including the rights of indigenous peoples and local communities.

Assessment of MARENA progress, indicator 33: <i>Monitoring, reporting and information sharing</i>

Does not show progress yet

Next steps

- A comprehensive analysis of the variables and indicators related to non-carbon and socio-environmental aspects, for the purpose of defining which of these are to be included in the SNMRV.

- A review of the 36 indicators created specifically for indigenous territories and which were generated for the BOSAWAS biosphere reserve through the MARENA Project titled “Heart of the Mesoamerican Biological Corridor”, which was implemented from 2008 to 2010. This project worked together with indigenous peoples to create indicators for monitoring and evaluating the effectiveness of indigenous territory management. Through ENDE-REDD+ the methodology will be continued and those indicators taken up again that contribute to the follow-up on and exchange of information.

Progress indicator 34: Institutional mechanisms and capacities

The SNMB is closely linked with the SIMBe (see structure in the document titled “Design of National Forest Monitoring System”⁶⁷). Both form part of the National Environmental Information System (SINIA) and serve to ensure that the collaboration agreements with the different entities for the generation and exchange of environmental and social information are complied with. As mentioned in subcomponent 4a, SINIA has a modern information platform and sufficient technological resources to further the SNMB and satellite subsystems. However, does not show progress yet in SIMBe (Annex 16).

Next Steps

- Working sessions will be held with Level 2 (technician specialists) to identify indicators that will be included in the Information System for Multiple Benefits,
- MRV roundtable will analyze the suitable indicators and how they will be update for ensuring sustainability over time
- Reports about the indicators analysis and statistics to measure and monitor the behavior of indicators over time will be delivered.

Assessment of MARENA progress, indicator 34: <i>Institutional arrangements and capacities</i>	Does not show progress yet
---	----------------------------

2.4.2.3 Assessment of progress of sub-component 4b:

Assessment of MARENA progress, sub-component 4b: Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	Does not show progress yet
--	----------------------------

⁶⁷ https://drive.google.com/open?id=0B_fn731hbSpTSjBFaVNURk9xQTQ

2.4.2.4 Additional Funding Request

An additional US\$ 50,000 in additional funds are requested for monitoring of forest indicators, biodiversity and food security (for more details, see the additional funds table in the annexes).

SECTION III

3. Review of REDD country participant's compliance with the Common Approach

Nicaragua is complying with the Common Approach as concerns the application of FCPF environmental and social safeguards. This approach mandates the application of the following four instruments:

- EESA/ESMF
- Principles for the effective involvement of stakeholders
- Information dissemination policy
- Mechanisms for handling feedback /grievances and strengthening responsibility

Section III of this report details how MARENA is applying these instruments. There follows a summary of each:

EESA/MGAS

In the evaluation leading to the implementation of the US\$ 3.8 million grant for the design of ENDE REDD+, the ten World Bank Safeguard and Operational Policies were taken into account by MARENA because they are in coherence with the Cancún Agreement (Annex I of Decision 1/CP.16). In order to determine said correspondence, in 2015 an analysis of both groups of safeguard measures took place, in the framework of readiness for ER-PIN⁶⁸. In 2016, the ENDE-REDD+ team of experts, social scientists from the MARENA Natural Heritage Directorate and the Planning Directorate, as well as the Caribbean Coast Secretariat at the Office of the Presidency, analyzed WB safeguards and arrived at the conclusion that for ENDE REDD+ there are three which do not apply, one is to be analyzed further and six can be activated (Table 8).

⁶⁸<https://www.forestcarbonpartnership.org/sites/fcp/files/2015/September/ER-PIN%20Nicaragua%20Sept%2021%202015Final.pdf>

Table 8. World Bank safeguard policies activated for the ENDE-REDD+ project.

CANCUN safeguards	World Bank safeguard policies activated for the project ENDE-REDD+			Links with Nicaraguan and international legal and policy instruments
Codes	Safeguards		Status	Description
a, f, g	(OP/BP 4.01)	Environmental evaluation	Activated	Environmental Law (Law 217), Decree 76-2006, Rio+20 Principles, Sustainable Development Objectives (SDO), Montreal Protocol.
b, d, g	(OP/BP 4.04)	Natural habitats	Activated	CITES, RAMSAR, Habitat Creation Decree. Sustainable Development Objectives (SDO)
a, b, c, e, f	(OP/BP 4.36)	Forests	Activated	Law 462, Law 217, UNFCCC, Forest Forum, Sustainable Development Objectives (SDO)
c, d	(OP/BP 4.10)	Indigenous peoples	Activated	Law 445, Law 28
	(OP 4.09)	Pest management	Activated	Law 765, NTOM 11037-12
c, d	(OP/BP 4.11)	Cultural physical resources	Activated	Law 445, law 28, decree 1142 (national cultural heritage).
C	(OP/BP 4.12)	Involuntary resettlement	Not activated	Not applicable
	(OP/BP 4.37)	Dam security	Not activated	Not applicable
	(OP/BP 7.50)	Projects on international river systems	Not activated	Not applicable
	(OP/BP 7.60)	Projects in conflict zones	Not activated	Not applicable

In Nicaragua, these safeguards are linked to the restoration of rights, as enshrined in the Constitution and the body of law on the rights of indigenous peoples⁶⁹. These laws prioritize the protection of individual rights and are specifically related to Nicaragua's obligations as derived from the international instruments to which it is signatory.

Principles for the effective involvement of stakeholders in the design of ENDE-REDD+

Through MARENA, the Government of Nicaragua is committed to the participatory design of ENDE REDD+. As regards participation by indigenous peoples and local communities, it recognizes their importance and special status due to their historical and cultural connection to the forests. Therefore, the GRUN is committed to applying specific policies that safeguard their rights and interests. One example of this has been the recent demarcation and titling of

⁶⁹ The Autonomy Statutes on the Caribbean Coast of Nicaragua (Law 28) and the Law on Communal Property of Indigenous Peoples and Ethnic Communities in the Autonomous Regions of the Caribbean Coast of Nicaragua and the Bocay, Coco and Indio Maíz Rivers, (Law 445), as well as ILO Convention 169.

23 indigenous territories, for a total of 36,000 km², in which most (at least 70%) of the remaining primary forests in the country are located.

As regards consultation, the GRUN seeks to ensure these do in fact lead to free, prior and informed consent. Indeed, the ENDE REDD+ process rests on earlier consultation experiences, such as those which took place during the aforementioned land demarcation and titling exercise. In addition, in order to ensure that stakeholders effectively participate in these consultations, MARENA during 2015 held a significant number of training sessions on the issues of forests, climate change and REDD+. Such events have also served to collect information on extant risks and expectations of local actors. In the development of MGAS and the Caribbean Coast Emissions Reduction Program, MARENA is committed to avoiding adverse impacts on indigenous communities.

MARENA has also made significant efforts to ensure transparency during the process of consultation. The participation platform, which was itself designed in a participatory manner during the R-PP readiness phase, continues in force. Further, MARENA periodically updates the map of stakeholders as a means of ensuring that the consultation process is broad-based and inclusive (see Annex: Map of Stakeholders). As concerns the timely dissemination of information to ascertain that these consultations are significant, MARENA has also made some important efforts. The ENDE-REDD+ web site contains a considerable part of the information coming from the Working Group II meetings (technical) and which are used for decision-making purposes in later meetings. To reach persons who don't have access to Internet, MARENA has contracted local technicians that take the information out into the territories and explain its contents to the indigenous governments.

The most broad-based consultation with Working Group III of the Participation Platform is scheduled to take place in 2016. In preparation for these consultations, culturally appropriate methods are being selected, taking into account the characteristics of each stakeholder group. Starting in September 2016 MARENA will engage an expert in social communication who is to support the design of all material to be distributed, as well as the implementation of the communications strategy at regional and national levels.

Information dissemination policy

In keeping with the Common Approach, the GRUN has committed itself to publish a number of documents as an output of the ENDE REDD+ design process. MARENA is in compliance with these requirements (see the project's website). The Terms of Reference for the production of the different elements of the avoided deforestation program have not been made public, as no external consultants will be contracted to carry out evaluations and processes such as EESA.

This approach is allowing MARENA technicians to build capacities that will be indispensable when the time comes to implement ENDE REDD+.

SECTION IV

4. Updated plan to finance the general readiness activities, including funds promised by the FCPF and a brief description of activities undertaken with the support of other development partners

The ENDE-REDD+ readiness fund provided by FCPF, has allowed for achieving significant progress as concerns dialogue and feedback mechanisms; levels of reference; the forest monitoring system; a social and environmental assessment strategy; and the study of the legal framework and public policies. In the R-PP, a budget was proposed based on the country's most critical needs for an amount of US\$ 10.59 million. Of these, US\$ 3.8 million dollars were made available by FCPF, leaving a gap of US \$6.7 million. Therefore, It is estimated that another US\$ 5.0 million are required (Table 15).

The need for additional funds is related to the environment at national level and the adaptation to climate change, as this cuts across all of the country's productive, social and commercial activities. The Nicaraguan economy depends on its natural resources (e.g. agricultural exports), but their production processes are in some cases drivers of deforestation and forest degradation. Therefore, a national program is needed that links the public policies that enable legal, fiscal and technological mechanisms required to ensure the implementation of the human development model promoted by Nicaragua. It is of the essence to strengthen the approach to the mitigation of and adaptation to climate change, reduce deforestation and degradation, continue the struggle against extreme poverty and conserve biodiversity.

The additional funds application needed to conclude Nicaragua's readiness phase is detailed in this section, and the full budget by components project is presented below in Annex 1.1. Doing so will make it possible to strengthen territorial, environmental and forest governance. Funds are requested for the purpose of expanding the dialogue in the Dry Corridor area and remainder of the country, broadening program dissemination nationwide, strengthening capacities for development of the subnational REDD+ pilots projects, defining factors of emissions specific to the country in the AFOLU sector and wetlands, strengthening INAFOR's equipment, evaluating forests and timber traceability and strengthening the National Monitoring System and its subsystems. These additional funds will complement the readiness phase begun in 2014 and will allow for starting up actions intended to reduce emissions as foreseen in the ERPD.

Period of the readiness phase covered by additional funds

It is expected that the activities carried out during this extended readiness phase will take another twenty four months and will complement the results of the 2014-2016 readiness phase. Planned activities include the collection of relevant information at national and regional



levels, as well as the holding of consultations and workshops within the project target areas. During the extended readiness phase it is necessary to broaden the social and environmental dialogue with the sectors which were identified, in order to establish a sustainable and effective connection across these sectors and develop an emissions reduction program that will include multiple pilot initiatives. This next phase is considered essential to preparing conditions that allow for maximizing benefits while reducing risks and constraints that stand in the way of viable, sustainable solutions to the problems of deforestation and forest degradation in the ENDE-REDD+ areas of interest, as well as establishing a national payment-by-results scheme.

At the same time, an emission reduction program will be designed, given that Nicaragua is relying on a "Letter of Intent for Readiness of a Program Focused on Emissions Reduction due to Deforestation and Environmental Degradation" signed between MARENA and the World Bank in January 2016. It establishes the readiness of an emissions reduction program in the Caribbean Coast regions including the BOSAWAS and Indio Maíz Biosphere reserves. The design of this Emission Reduction Purchase Document (ERPD) program will be concluded by October 2017 and the Emission Reduction Purchase Agreement (ERPA) scheduled for the period 2018-2022 will go into force.

Expected results of the extended readiness phase (24 Months⁷⁰)

It is foreseen that during this second phase of preparing a program to reduce emissions caused by deforestation and forest degradation additional funds will be executed, taking into account the lessons learned by MARENA and the WB. It is estimated that expenditures by semester will be as follows in Table 9.

Table 9. Projections of the implementation of additional funds per semester.

	Semester 1	Semester 2	Semester 3	Semester 4	Total
US\$	962,795	2,275,239	1,119,345	642,622	5,000,000
%	19	46	22	13	100

⁷⁰ Under optimal conditions, a 24-month period is estimated. The initial FCPF timeframe was calculated at 12 months. However, this period is considered too short to meet the goals outlined in this proposal.

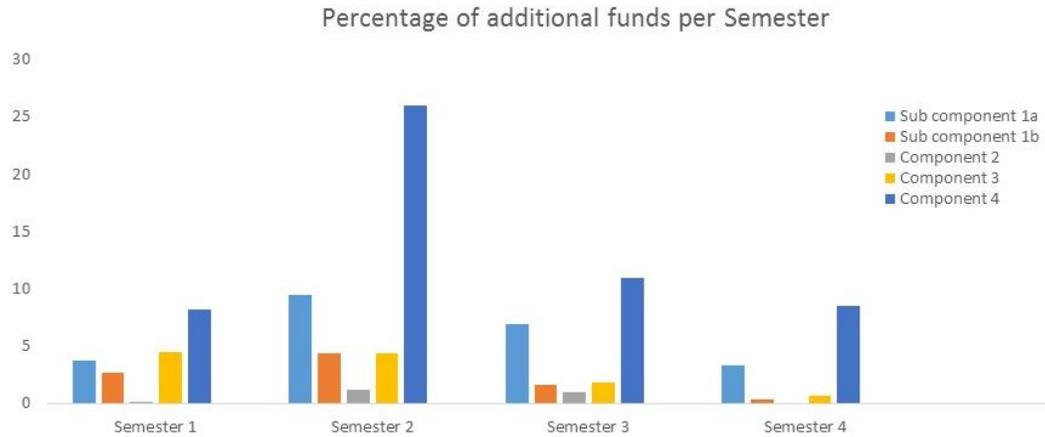


Figure 16 Projections of budget distributed per Semesters in a timeframe of 24 Months.

Component 1: Governance, organization and consultation. The amount of US\$ 1,623 (32.46% of total budget⁷¹) is required for extension of project coverage and institutional strengthening of the MARENA delegations in the Dry Corridor and Caribbean Coast. With these additional funds, the engagement of seven consultants, the purchase of four vehicles, two dinghies, eight motorcycles and technological equipment to facilitate the operation will be made possible.

The idea is to ensure that the climate thematic Roundtable is operational, in accordance with the formulation and presentation of project proposals to obtain climate financing. The additional funds will also be used to support the Ministry of Finance and Public Credit (Table 10) as it establishes a thematic Roundtable on climate financing and resource management (US\$ 363,000) which is 8% of total budget required. This financial support is pertinent to effectively achieving the readiness of the ENDE-REDD+ R-Package and the completion of the ERPD in a timely and appropriate manner. National investments will be identified to strengthen the reforestation and emission reduction actions needed to comply with the carbon stock agreed to in the Letter of Intent recently signed between MARENA and the World Bank.

⁷¹ This percentage represent the Sum of component 1a + component 1b in Table 9.

Table 10. Estimated budget of additional funds to MHCP.

No.	Concept	Amount (US \$)
2	Technical coordination of ENDE-REDD+ financial Roundtable (technical support to fundraising and advisers to potential ENDE-REDD+ projects).	156,000
	Operationalization of ENDE-REDD+ financial Roundtable (office equipment, operating costs)	107,000
	Strengthening of national capacities and sharing of experiences with regard to finance mechanisms and fundraising activities	100,000
Total (US \$)		363,000

For the functioning and operation of the thematic Roundtable, it is necessary to engage four consultancies, acquire furniture, computer equipment and a vehicle in which to visit other participating entities. It is also important to allocate resources for strengthening knowledge and exchange of experiences in terms of climate change and financial instruments, among other aspects linked to the issue.

Subcomponent 1a

The amount of US\$ 1,171,000 (23.42% of the total budget) is required for the extension of project coverage and institutional strengthening of the MARENA delegations in the Dry Corridor zone, which includes eight provinces in the Pacific, central and northern part of the country. This will complete the national dimension of ENDE-REDD+. The financing being requested covers the engagement of social communications technicians and the acquisition of vehicles, boats and motorcycles in order to facilitate coordination and dialogue in remote areas to which access is difficult, while strengthening MARENA and its partners with technological equipment that will make the carbon accounting system operational.

In the request for additional funds for this component there stands out the establishment of a roundtable for financing ENDE-REDD+ projects. This is important in order to effectively prepare the ENDE-REDD+ (R-Package) and to conclude the ERPD in a timely and appropriate manner. The roundtable will work to formulate and present proposals for projects intended to obtain climate financing and the identification of national investments to strengthen reforestation and emissions reduction activities that are needed to comply with the carbon stock agreed upon in the recently signed Letter of Intent between MARENA and the World Bank. A total of de US\$ 363,000 (7.26 %) has been earmarked for the functioning and operation of the thematic roundtable.

This subcomponent has also foreseen US\$ 186,000 to ensure the engagement of specialized staff and the necessary follow-up and administration of ENDE-REDD+, taking into account that

the first phase of readiness will conclude before the execution of any additional funds begin (see Table 9 and details in Annex 1.1).

Table 11. Estimated budget breakdown of additional funds by components.

Component	Amount (US\$)	% of total
1a	1,171,000	23.42
1b	452,000	9.04
2	118,000	2.36
3	570,000	11.40
4a	2,639,000	52.78
4b	50,000	1.00
Total	5,000,000	100.00

Strengthening and functioning of the Project Executing Unit: social communicators, an accounting analyst, a legal adviser for adjustments to the legal framework and policies, professionals to work in the Dry Corridor zone, means of transportation: motorcycles, dinghies, technological equipment for use in the regions, furniture for the delegations in the territories. For this subcomponent, the sum of US\$ 1,171, 000 is requested (Table 11 and details in Annex 1.1).

Subcomponent 1b

For subcomponent 1b a total of US\$ 452,000 is requested (9.04% of the total budget), intended to cover requirements derived from the Consultation Plan with indigenous peoples and which are not covered by current funds at the community level, as demanded by the GTIs and communal governments. In addition, the amount requested includes funds to expand communications using mass media (radio, television, newspapers), in addition to the holding of fairs and forums, as well as dialogue with environmental organizations. It also includes a proposal for a South-South dialogue intended to strengthen the implementation of new productive technologies (see Table 11 and details in Annex 1.1).

Component 2: National strategy to reduce deforestation and forest degradation. For component 2 the amount requested is of US\$ 118,000 (2.36% of the total budget). These expenditures are related to strengthening capacity for the formulation of strategic plans and public policies at ENDE-REDD+ partner institutions (US\$ 20,000). Funds are also earmarked for the preparation of studies in support of the various strategies and in order to define procedures for the authorization of REDD+ projects (US\$ 18,000). Proposals are to be put forth for adjustments to the legal framework and public policies. It is estimated that a sum of US\$ 80,000 is needed to design and implement the procedures to authorize potential REDD+ projects and the reduction program (Table 11, and details in Annex 1.1).

It is intended to make proposals for adjustments to the legal framework and policies by engaging a legal adviser, as well as defining procedures for official authorization of future REDD+ projects and ERP.

Component 3: Levels of Reference. In order to strengthen technical capacities at government entities for purpose of analyzing and evaluating forest dynamics, deforestation and forest degradation the sum of US\$ 570,000 (11.40% of total) is requested (Table 9, and details in Annex 1.1). These additional funds are essential in order to carry out activities related to the identification of national emission factors (AFOLU and the wetland sector), capacity building, training on key issues (i.e. NDR, carbon accounting, etc.), research on issues related to NDR, as well as the socialization of the results obtained in the area of carbon accounting, in order to implement the National Avoided Deforestation Program and the Emission Reduction Program.

Component 4: National Monitoring, Reporting and Verification System (SNMRV). To establish the structure and ensure the SNMRV is operational a sum of US\$ 2,689,000 (53.78 % of total) is requested (Table 11, Annex 1.1). With these additional funds it is planned to finance key activities and institutional strengthening for entities that will play a fundamental role in the SNMRV, such as MARENA (47% of total), INETER (36%), INAFOR (10%) and MHCP (7%) (Table 12 and details in Annex 1.1). There follows a breakdown of the total amount being requested by MARENA to support strengthening of its partners.

Table 12. Estimated budget breakdown of additional funds by institution.

Institution	MARENA	INAFOR	INETER	MHCP	Total US \$
Amount US \$	2,332,523	510,000	1,794,477	363,000	5,000,000
% of total	47	10	36	7	100

In the case of MARENA, activities to be undertaken are the strengthening and articulation of the National Forest Monitoring System, designing a capacity building plan (i.e. courses), GeoPortal maintenance, strengthening SINIA-MARENA delegations in the territories (i.e. node in the 'mining triangle,' nodes in the Dry Corridor), implementing community monitoring in the Caribbean Coast Autonomous Regions, community participatory mapping, and so on. The sum being requested by MARENA is US\$ 2,332,523.

In the case of the Nicaraguan Institute of Territorial Studies (INETER) the requested sum is US\$ 1,794, 477. INETER is considered a strategic ally within the improved SNMRV proposal of the ENDE/REDD+ project. These funds will help to institutionalize the institute's Climate, Forest and Agriculture System, which in turn will favor data registration and monitoring of nationwide activities. INETER's mission is to provide information concerning land use and changes in land use, particularly in the forest sector. Having this information would provide a more accurate perspective as regards the situation of forests and changes taking place in carbon stocks, whether due to natural disturbances or anthropogenic activities.

Among the data stored by INETER, those obtained through its own network of stations installed throughout the country are worth mentioning (e.g. cartography, thematic mapping, satellite imagery, radar data, orthophoto maps, scanned and geo-referenced maps, volcanic surveillance cameras, access to remote sensing through agreements with other countries).

Currently, the monitoring mechanisms at INETER require strengthening technology to be able to access, download, store, process, receive and have on hand a large volume of data and information. The additional funds will serve to technologically modernize all of these, ranging from computers for the technical staff to servers for information storage and processing, by way of the communication network, equipment for information measurement and analysis, as well as the means of transportation needed to ground-truth the information collected.

The financing required by INETER would be used to purchase servers, licenses, network enhancements, calculation equipment, mobilization and field validation equipment (Table 13).

Table 13. Estimated budget breakdown of additional funds for INETER.

No.	Item	Amount (US \$)
1	Servers, WINDOWS and virtualization licenses	134,000
2	Solution of the network centralized storage	152,130
3	Equipment for improving network performance	180,348
4	Network cables and fiber optics	52,302
5	PPS and polarization of racks	14,500
6	Software and apps to improve monitoring, reporting and verification capacity (MRV)	6,000
7	Equipment (PC, cables, etc.)	276,700
8	Security and physical condition improvements	15,540
9	In situ validation equipment	113,500
10	In situ mobilization equipment	154,980
11	Coordination and monitoring of SNMRV	694,477
Total		1,794,477

Strengthening INETER will allow for handling information in such a way that it can be shared among institutions and is transparent and of good quality. It will also be an essential part of the national forest monitoring system for REDD+ institutions and infrastructure such as collection of initial data, capacity strengthening, systems interoperability (i.e. the GeoPortal managed by SINIA-MARENA and INETER). Likewise, it will facilitate the future updating of forest emission reference levels and render SNMRV activities sustainable.

In the case of the National Forestry Institute (INAFOR) investments of additional funds would be allocated to updating its strategic plan, whose point of departure would be the assessment and updating of the National Forestry Program (PFN) incorporating the agreements entered

into under the UNFCCC, CBD, REDD+ framework and other conventions. In the case of INAFOR the requested sum is US\$ 510,000.

Among the most important tasks, it is planned to support (Table 14):

- 1) Strengthening forest management structures (US\$ 300,000)
 - Strengthening FONADEFO and the Carbon Fund (enabling regulations of Law 462).
 - Strengthening CONAFOR and supporting the forest associations and chambers of forestry professionals.
 - Creating an entity dedicated to development, regulation, monitoring and control of the work performed by forest managers and auditors.
 - Modernize the stocktaking unit and measurement of permanent plots, as a foundation for forest management based on natural growth.
 - Promote and participate in the creation of an intelligent system to monitor, report on and verify deforestation and degradation in real time.
 - Forest traceability and forest management approaches, which implies strengthening the information registration and forest control system (SIRCOF), the Forest Planning and Monitoring Department and the Forest Protection Department.
 - Supporting research and development, science fairs and field visits to verify forest management and principles, as well as low-impact forest use techniques.
- 2) Technological equipment and means of transport for high deforestation areas (US\$ 100,000)
- 3) Strengthen SIRCOF, Forest management national register (US\$ 50,000)
- 4) Strengthen of sustainable forestry technologies to improve the forest monitoring (US\$ 60,000)

Table 14. Estimated budget breakdown of additional funds for INAFOR.

No.	Item	Amount (US \$)
1	Modernization of forest management	300,000
2	Computer equipment	100,000
3	Strengthen SIRCOF	50,000
4	Strengthen of sustainable forestry technologies to improve the forest monitoring	60,000
Total		510,000

Table 15. Total budget, funding used and funding requested from FCPF

Use of funds (in thousands of US\$)							
R-PP Component	Total needed (A) ⁸⁷	Funds pledged (B) ⁸⁸	Funds used ⁸⁹		Funds available	Financing gap	Request to FCPF ⁹²
			Fund committed (C)	Funds Disbursed	(= B – C) ⁹⁰	(= A – B) ⁹¹	(if any)
1. Governance, organization and consultations	2,150	2,071.16	1,069	1,053	1002.35	79	1,623
2. National Avoided Deforestation Strategy (ENDE REDD+)	5,690	186.42	149.66	66.75	36.76	5,504	118
3. Strengthen technical capacities of government institutions for the analysis and evaluation of forest dynamics, deforestation and forest degradation	380	275	181.36	93.02	93.64	105	570
4. Create and strengthen the National Multipurpose Forest Monitoring System	2,089	782.92	417.88	373.04	365.04	1,306	2,689
5. Project monitoring and assessment	282	484.5	245.62	237.88	238.88	-203	
TOTAL	10,591	3,800	2,063	1,824	1,737	6,791	5,000
Sources of funds (in thousands of US\$)							
FCPF [specify activities being supported by the FCPF]		3,800		1,725	2,074		5,000
Government [specify activities being supported by the Government]							
UN-REDD Program (if applicable) [specify activities being supported by the UN-REDD]							

Regional REDD-CCAD-GIZ Program	132					
Other Development Partner 3 (name) [specify activities being supported by the Development Partner]					6,442	
TOTAL	3,932		1,725	2,074	6,442	

Explanatory note

These notes describe the discrepancies between the amounts budgeted in the R-PP and the funds being requested

During the preparation of the RPP a specific budget was calculated for each component. In some cases the amount was underestimated, in others overestimated. There follows a description of each component.

For component 1 ‘Governance, Organization and Consultation’ a total amount of US\$ 2,150,000.00 was requested. However, during the implementation of the first and second readiness phases it became apparent that this sum had been underestimated, basically because the consultation and organizational processes with government entities at national and subnational levels incur high logistical costs, mainly when working in rural areas, specifically the Caribbean Coast. Some of the items that increased costs were local transport (i.e. boats, horses, and mules), food and interpreters, the latter to ensure culturally adequate communication with indigenous peoples and Afro-descendants.

In addition, there are budget item lines that were not taken into account in the R-PP and are now included in this request for additional funds (i.e. the ENDE-REDD+ fund-raising roundtable, specialized staff and expenditures for the ENDE-REDD+ consultation program). Here it must be added that it is thought the UEP must keep up a permanent dialogue with the stakeholders. It is also worth noting that the ENDE-REDD+ program takes place at different levels, but that in the case of the indigenous peoples and Afro-descendants on the Caribbean Coast, the consultation will take place at community level.

It is important to note that the budget line in Component 1 (Table 15) and Sub-component 1a (Annex 1.1) is high due to operational costs, but this will contribute to advance Subcomponents 1a, 1b, and components 2, 3 and 4. The cost of all technical, administrative and financial professionals working in the ENDE-REDD+ office (or UEP) will be covered with this budget line. This considers strengthening MARENA’s staff to develop the ENDE-REDD+ project,

given the wider scope of work. During the first readiness phase it was remarkable the need to have experts of diverse disciplines in to timely deliver project outputs.

For that reason, given the wider scope of work planned for the second phase of Readiness the additional funding request increased significantly with respect to the gap finance as calculated based on R-PP assumptions (from US\$ 79,000 to 1,623,000), this amount will cover the strengthening of technical coordination and national supervision of ENDE- REDD+ process, such supervision will certainly result in achievable and successful readiness phase that will reach the FCPF standards.

For component 2 ‘National Program to Reduce Deforestation and Forest Degradation (ENDE REDD+)’ the amount of US\$ 5,690,000 was planned for. To date, reported expenses stand at US\$ 186,420. In the case of this component, costs were overestimated, as the original included a number of ESSA studies, as well as other specialized studies, the cost for each of which was overestimated. Further, an item was added for the implementation of the environmental forest bonds.

For component 3 ‘Strengthen Technical Capacities at Government Institutions for the Analysis and Evaluation of Forest Dynamics, Deforestation and Forest Degradation’ the amount of US\$ 380,000 was planned for, and it was calculated the budget gap would be of US\$ 105,000. However, it is estimated that US\$ 570,000 in additional funding will be needed to finance the development of specific emissions factors in the AFOLU and wetlands sectors, as well as the acquisition of the high resolution images needed to support estimates of the reference level and the degree of deforestation and forest degradation.

For component 4 ‘Strengthen and Articulate the National Multipurpose Forest Monitoring System’ the amount US\$ 2,150,000 was calculated. After implementation, it was seen there is a serious need to strengthen key entities charged with monitoring the SNMRV and subsystems such as the SNMB, SIMBe and SIS. For this reason, and despite the budget gap of US\$ 1,306,000 it was considered necessary to increase funds in order to ensure the establishment of the SNMRV system and institutional strengthening, for instance of INETER, and INAFOR. It is for this reason that another US \$ 2,689,000 are sought.

Grant Reporting and Monitoring Report (GRM)⁷² (or equivalent Delivery Partner report, depending upon Delivery Partner’s standard operational policies and procedures)

-Text to be drafted by the WB -

⁷² *Grant Reporting and Monitoring* is the format and system used for reporting on FCPF activities in which the World Bank is the Delivery Partner.



ANNEXES

Annex 1.1 Budget details of additional funds required for the ENDE-REDD+ TF099264 project.

Budget Details (Additional Funds) ENDE-REDD+ Project		
Indicator	Activities	Total U\$
Component 1. Governance organization and consultations		1,623,000.00
Subcomponent 1a		1,171,000.00
4	Strengthening of technical coordination and national supervision of ENDE- REDD+ and the ERPD.	400,000.00
	Engagement of two communications professionals to promote dissemination and lend support to the autonomous regions on the Caribbean Coast.	50,000.00
	Means of transport to strengthen the coordination and supervision in the territories.	208,000.00
	Equipment to continue technological strengthening for implementation of the MRV.	150,000.00
5	Support to the Ministry of Finance and Public Credit for management of environmental projects (ENDE-REDD+ projects fund-raising table).	363,000.00
Subcomponent 1b		452,000.00
7	Dialogue and training workshops, exchanges and communication on the dry zones in the country.	100,000.00
	Dialogue and consultation workshops to promote the coordination of intersectoral and environmental organizations on REDD+.	52,000.00
	South-South exchange to encourage the adoption of good practices that favor forests, cattle-ranchers/farmers/miners/loggers.	50,000.00
8	National consultation of ENDE-REDD+.	100,000.00
9	Communication via mass media.	150,000.00
Component 2. National Deforestation and Forest Degradation Reduction Program (ENDE REDD+)		118,000.00
Subcomponent 2a		38,000.00

11	Strengthening capacities for strategic planning and the formulation of public policies and incentives in order to reduce deforestation and forest degradation (Roundtable ENDE-REDD+ / MHCP)	20,000
13	Participatory studies to identify ways in which to overcome barriers to carbon stock enhancement and ENDE-REDD+ activities	18,000
Subcomponent 2c		80,000.00
20	Define procedures for official authorization of future REDD+ projects and ERPD.	80,000.00
Component 3. Strengthen technical capacities at government institutions for the analysis and evaluation of forest dynamics, deforestation and forest degradation		570,000.00
26	Define emissions factors (AFOLU sector and wetlands) in order to work on TIER 2.	300,000.00
	Course-workshop on the application of 2006 Guidelines and IPCC software for INGEI.	10,000.00
	Analysis of forest degradation.	60,000.00
27	Course on statistics for calculation of uncertainty in DA and FE.	50,000.00
28	Creation of a table of academic experts on ENDE REDD+ in order to encourage research and the writing of pertinent theses, papers and other publications.	70,000.00
	Support to the socialization of INGEI results in the RF program area of accountability.	20,000.00
	Capacity building in technologies for sustainable forest management, field monitoring and free software, among others.	60,000.00
Component 4. Strengthen and articulate the National Multipurpose Forest Monitoring System		2,689,000.00
Subcomponent 4.a		2,639,000.00
30	Update the GeoPortal software.	30,000.00
31	Strengthen the 'mining triangle' and Dry Corridor nodes.	200,000.00
	Strengthen SIRCOF.	50,000.00
	Diagnostic of capacities in the Dry Corridor.	24,523.00
	Support to community monitoring in the Caribbean Coast autonomous regions.	120,000.00

	Generation of operational standard procedures.	20,000.00
	Strengthening of INAFOR (equipment plus evaluation of forests and areas affected by pests and fires).	300,000.00
	Climate, LULUCF and Agro Monitoring System (INETER)	1,100,000.00
	Coordination and execution of SNMRV	694,477.00
	Technical equipment to improve the forest governance (INAFOR)	100,000.00
Subcomponent 4.b		505,000.00
37	Indicators system for non-carbon benefits and safeguards.	50,000.00
Total		5,000,000.00

List of Annexes in Google Drive

https://drive.google.com/drive/folders/OB_fn731hbSpTbIR2aWNIT25kWXM

File Name	No	Component
Indicator Table 4, Capacity for technical supervision	1	1a
Feedback mechanism	2	1a
Manual for the functioning of ENDE-REDD+ working groups	3	1b
Updated map of ENDE-REDD+ actors	4	1b
Advances made in the systematization of the participation of indigenous peoples in ENDE-REDD+ activities	5	1b
Analysis of the participation of indigenous peoples and Afro-descendants on the North Caribbean Coast in planning and execution of ENDE REDD+ Activities	6	1b
ENDE-REDD+ communications strategy	7	1b
Report on the drivers of deforestation	8	2a
Analysis of legal framework and public policies	9	2a
Advances made in the updating of strategic guidelines	10	2b
EESA Work Plan	11	2d
Annex Table of risks derived from ENDE-REDD+ strategic options	12	2d
MGAS Concept Note	13	2d
EESA studies	14	2d

Summary of workshops held during the process of presenting the protocol for the NREF methodology	15	3
Courses by which to create capacities in the use of geographic information	16	4
Design of the SNMB	17	4
Diagnostic for technological institutional strengthening	18	4
Evaluation of training needs	19	4
Methodology for NREF estimates	20	3
Methodology for validation of NREF maps	21	3
Technical team and authorities at MRV, RACCN and RACCS roundtables	22	4
ENDE-REDD+ profile	23	2d

Mesa ESSA <https://drive.google.com/open?id=0Bfn731hbSpTYzRIYy1jUjBhTVU>

Mesa MRV <https://drive.google.com/open?id=0BxwOocJeik7gTXdXZmVNN0FZS0>

.....Final line.....

