FOREST CARBON PARTNERSHIP FACILITY (FCPF) TWELFTH PARTICIPANTS COMMITTEE MEETING June 27-29, 2012

Santa Marta, Colombia

Resolution PC/12/2012/4

Nicaragua's Readiness Preparation Proposal

Whereas:

- 1. Nicaragua submitted a Readiness Preparation Proposal (R-PP) to the Facility Management Team (FMT) in June 2012, which was reviewed by a Technical Advisory Panel (TAP), a working group consisting of Participants Committee (PC) members established for this purpose, and the World Bank;
- 2. The PC reviewed the R-PP in accordance with Section 11.1 (b) of the Charter Establishing the FCPF (Charter) at its twelfth meeting; and
- 3. The PC acknowledged the extensive efforts made by Nicaragua, and the high quality of the R-PP.

The Participants Committee,

- 1. Decides to allocate funding to Nicaragua to enable it to move ahead with the preparation for readiness.
- 2. For this purpose, requests:
 - i. Nicaragua to submit a revised R-PP (Revised R-PP) to the FMT, reflecting the key issues in the summary report prepared by the FMT included in the annex of this resolution;
 - ii. The FMT to check on the Revised R-PP for completeness, make it available on the FCPF website and notify the PC of its availability;
 - iii. The World Bank, as the Trustee of the Readiness Fund (Trustee), to complete its due diligence, in particular with regard to the World Bank's Operational Policies and Procedures, working closely with Nicaragua, in order to provide a grant of up to US\$ 3.6 million, in accordance with Resolutions PC/3/2009/4 and PC/Electronic/2012/1;
 - iv. Nicaragua to consider the issues identified in the TAP's R-PP assessment as well as those raised by the FCPF PC at this meeting during readiness preparation; and
 - v. Nicaragua to report to the PC on progress made in accordance with Section 6.3 (b) of the Charter and to carry out its responsibilities in accordance with the Readiness Preparation Grant Agreement.

Annex

Summary Report Prepared by the FMT

The PC noted that the R-PP formulation process to date has been a positive one, and that the R-PP offers good opportunities for other REDD countries to learn from Nicaragua's experience.

Key Issues

The following are the key issues that Nicaragua needs to address before entering into a Readiness Preparation Grant Agreement with the Trustee of the Readiness Fund.

- 1. Replace the proposed work plan to develop a reference level, as outlined in Component 3 of the R-PP, with the proposal of such plan as presented at the Ninth Meeting of the PC in Oslo, Norway, in June 2011 (PC 9); and
- 2. Prepare the initial design of and a work plan for an integrated information system that addresses multiple socio-economic benefits as required under Component 4b of the R-PP.