

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF099264
Printed On: 12/02/2016

Reporting Period: 07/01/2014 to 06/30/2015
Report Type: Progress Report
Report Status: Approved

Assignment: TF099264

FCPF Nicaragua Readiness Preparation Proposal - Formulation Grant FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000316207 - Augusto Garcia
Approving Manager: 00000483596 - Raul Ivan Alfaro Pelico

Summary Information	
TF Status	ACTV
Recipient Country	Nicaragua
Executed By	Recipient
Managing Unit	9061 - GENDR
Grant Start Date / End Date	08/31/2011 to 06/30/2018
Original Grant Amount	200,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,008,812.42 as of 06/30/2015
Disbursed 07/01/2014 to 06/30/2015	431,286.79
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the grant's Formulation Activities is to assist the recipient, as a REDD Participant Country in the FCPF, to develop its Readiness Preparation Proposal (R-PP) on the basis of the Readiness Plan Idea Note and following the FCPF template for the Readiness Plan. Later stages of the grant may also assist with further development of R-PP components, thus helping the country to move toward 'REDD Readiness'.

Overall progress from 07/01/2014 to 06/30/2015 with regard to Achieving Grant Objectives:

Comment:

The legal agreement for the second installment of this grant (USD 3,600,000) was signed on December 24, 2013. The PDO for the second installment of this grant is to help the Recipient become ready for future ENDE - REDD+ implementation by preparing its key elements, systems, and/or policies needed, in a socially and environmentally sound manner. The implementing agency, the Ministry of Environment and Natural Resources of Nicaragua (MARENA) maintains the required technical team and, following the first stage of drafting the country REDD Strategy (ENDE- REDD+, also known as Estrategia Nacional contra la Deforestacion - REDD+) in late 2013, the project has reorganized and is speeding up the three working groups or platforms for the country dialogue on REDD. A close collaboration and partnership has been established with the two Governments of both the North and South Autonomous Regions of the Caribbean Coast of Nicaragua, two of the main stakeholders in the ENDE REDD+. Also, the project, with top-level support from MARENA, maintains technical collaboration with the Presidential Secretariat for National Policies (SEPRES), the National Forests Institute (INAFOR), the National Institute for Territorial Studies (INETER), and other public institutions. By the end of FY15, the project has carried out several training and early dialogue activities with different types of stakeholders in the Caribbean Coast and other areas of the country.

Overall progress from 07/01/2014 to 06/30/2015 with regard to Implementation of Grant Financed Activities:

Comment:

Implementation progress in the beginning of the reporting period was slow due to reviews/adjustments of different ToRs, delays in the selection of the key technical team that would launch project activities at the national level and in the two autonomous regions of the Caribbean Coast, and reorganization of the platforms or working groups. The working groups of stakeholders at the policy and technical levels were reorganized and relaunched in July 2014, including authorities from the key sector institutions and regional governments, as well as representatives from the Indigenous Territorial Governments of the Caribbean Coast. Broadening the participation of indigenous authorities of regional and territorial levels was a key step to consolidate the governance mechanisms before continuing the dialogue towards a country ENDE REDD strategy. By the end of FY15, disbursements are improving. With minor delays, grant objectives for the reporting period have been achieved. The Project Management Unit (PMU) is established, 12 staff members have been hired, several training and consultation workshops were undertaken, and office equipment and vehicles were purchased to strengthen institutional capacity of REDD partner institutions.

With regards to institutional settings, MARENA and SERENA (Secretary of Natural Resources and Environment, at the regional levels) reached an agreement to implement the Readiness project and appointed territorial project coordinators. The PMU established two working groups (I and II) for dialogue and consult; 75 members of these groups met to know the second phase of the project and to identify operational mechanism to support regions. Also, the PMU elaborated Terms of Reference for the operations manual of the three working groups (previously known as Levels I, II and III).

Grant follow-up and structure

Description and context of Grant:

Expected follow up (if any): Follow up project or grant (non-Bank funded)

Comment on follow up:

MARENA expects to present a Mid Term Report to the FCPF Participant Committee at the Participant Committee Meeting PC22 (Fall 2016) with a request for additional funding from the FCPF Readiness Fund, approx. \$5Million, to complete readiness. The

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attached Aide Memoire describes the agreed action plan to ensure substantial progress at the moment of the MTR mission, tentatively planned for May, 2016.

This grant could link to the preparation of an Emission Reduction Program Early Idea Note to be presented in September 2015 to the FCPF Carbon Fund. On the basis of early support provided during the mission of March 2015, Nicaragua presented its preliminary idea to the meeting of the Carbon Fund in late May, 2015. Now, the Ministry of Finance and MARENA requested Bank's technical support to prepare the Early Idea Note towards an ER-PIN. The Bank team is working with an inter-institutional team led by the Ministry of Finance and MARENA. This technical support is now including an international consultant to help prepare the Note, in time for submission to the next meeting of the Carbon Fund in 2015.

End Date of Last Site Visit:

Restructuring of Grant:

OUTCOME

Comments on outcome achieved from 07/01/2014 to 06/30/2015

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Readiness Organization and Consultation

Status: Under Implementation

Planned Output: Functional Project Management Unit, REDD+ stakeholders clearly organized, Indigenous peoples and local communities adequately consulted.

Actual Output: The PMU is fully established and, after the ENDE-REDD+ formulation phase, MARENA reorganized and accelerated activities with the participatory platforms created to develop the strategy.

Preparing the National ENDE-REDD+ Strategy

Status: Under Implementation

Planned Output: Operational governance mechanism in place; Feedback Redress and Conflict Resolution Mechanism designed; SESA/ESMF processes fully planned.

Actual Output: Operational manual of the governance mechanism is finalized. MARENA started the dialogue on Feedback Grievance Redress mechanism. The SESA plan is under revision.

Developing a National Forest Reference Emissions Level.

Status: Under Implementation

Planned Output: Available information and institutional capacities to develop the REL are assessed. A standard methodology and protocol for a REL is developed.

Actual Output: Information and capacities have been assessed. The methodology to develop the REL has been drafted.

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Designing a National Forest Monitoring System

Status:	Under Implementation
Planned Output:	Preliminary proposal of an institutional setting for the National Forest Monitoring System.
Actual Output:	A preliminary institutional setting for the system has been proposed.

Designing a Program Monitoring and Evaluation Framework.

Status:	Completed
Planned Output:	The ENDE-REDD+ Monitoring and Evaluation Plan is prepared and being implemented.
Actual Output:	The ENDE-REDD+ Monitoring and Evaluation Plan is prepared and being implemented.

Comment on planned and actual Output

Comment on component implementation progress

Component 1: MARENA dedicated the second semester of 2014 mainly to establish the conditions to operate the project, hire staff, resume activities with the previously established dialogue platforms, undertake capacity building activities on forest and climate change targeted to partner institutions, as well as to update new authorities of some partner institutions on the R-PP and the process to develop the ENDE-REDD+ strategy. MARENA has established a close coordination with the Northern and Southern Regional Autonomous Caribbean Coast Regions (RACCN and RACCS), particularly with the Natural Resources and Environment Regional Secretariats (SERENAs). MARENA also maintains an active technical collaboration with the Secretary of the Presidency for National Policies, the National Forest Institute (INAFOR) and the National Institute for Territorial Studies (INETER), among other institutions. As a result of the committee's work, MARENA was able to present preliminary estimations of the REL in the ERPIN, which is about M21.5 tCO₂e per year.

Component 2: MARENA and the SERENAs agreed on some principles and a general approach for the Feedback Redress Grievance Mechanism and MARENA will prepare a preliminary proposal of the mechanism for the discussion. With regards to the development of the REDD+ strategy itself, MARENA decided that it will not hire external consultants to develop the background studies that will become the foundations of the ENDE-REDD+, nor the SESA process. The reason for this decision is mainly a lack of capacity in the country on REDD+, evidenced by the non-qualified profiles MARENA received in response to a couple of job positions/consultancies it launched. MARENA will be responsible for developing preliminary versions of the studies, for which it will form inter-institutional committees, as needed. Preliminary versions of the studies will then be consulted with the various technical roundtables forming Group II of the ENDE-REDD+ dialogue platform. In April 2015, MARENA embarked in the development of an Emission Reduction Program Idea Note (ERPIN) for the FCPF Carbon Fund. The FCPF's Facility Management Team hired a consultant to support this effort, which MARENA took advantage to advance and consult some of the analysis required to build the ENDE-REDD+ strategy, particularly with regards to drivers of deforestation and barriers to implement REDD+ activities; the ERPIN was accepted in the FCPF pipeline. The SESA plan, elaborated after the first SESA workshop carried out in 2013, is under discussion with the Group II.

Component 3: An inter-institutional technical committee composed of INAFOR, INETER and MARENA developed consistent land use maps for the years 2000, 2005 and 2010 (based on LANDSAT satellite imagery). The committee is developing a methodology to validate these maps and calculate uncertainty. Also, with the support from GIZ, and using Rapid Eyes Satellite Imagery, the committee produced a land-use map 2014, which could be used to validate the 2010 land-use map. Similarly, data from the National Forest Inventory generated in 2007 may be used to validate the 2005 map. With regards to Emission Factors, the committee derived some figures from the National Forest Inventory, but these also need to be validated.

Component 4: The same inter-institutional technical committee working on the REL is developing the National Forest Monitoring System. The committee developed a preliminary proposal of the system, which defines roles for INAFOR, MARENA and MAG.. MARENA also undertook a preliminary analysis of the capacity of these institutions to perform their roles. Notwithstanding, the system and the capacity analysis would need to be further refined and updated. The committee needs to further develop monitoring protocols.

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EXECUTION

Bank project related to the grant

Project ID / Name: P120657 - NI FCPF REDD Readiness
Project Status: Lending
Global Focal Area: Climate change
Product Line: CN - Carbon Offset

Implementing agency and contact details

Agency: Ministry of Environment and Natural Resources (MARENA)
Contact: Ms. Juanita Argenal
Address: Frente a la Zona Franca Las Mercedes, Managua, Nicaragua
Phone: +505 22631273 Email: jargenal@marena.gob.ni
Website: www.marena.gob.ni

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those f

Grant activities have been coordinated mainly with GIZ and a GEF forest project. GIZ, through the Regional REDD+ Program, has provided relevant support for Reference Forest Emission Level determination, particularly for the generation of a 2015 Rapid-eye map that MARENA will use to validate the 2010 map. MARENA is also coordinating with a GEF-funded forest restoration project to be developed in protected areas and biological corridors. The GEF project will be located within the Dry Corridor, the second priority area for REDD+ implementation. Other institutions are working directly with the SERENAs, particularly with the Forest and Environment Advisory Committee of the RACCN, which, as a result, has developed a number of instruments and analytical pieces relevant for the ENDE-REDD+. The RACCN, for example has developed a Forest Strategy, and proposal for Community Incentive Program, amongst others.

2. Describe any important changes in the technical design or approach related to the Grant activities.

No change has been made in the technical design or approach related to the Grant Activities.

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

To strengthen MARENA's capacity to implement the grant, the project team has provided close supervision and direct support during missions, on a regular basis from the Nicaragua Country Office, and remotely in between missions. Also, the consultant hired to support preparation of the ERPIN was instrumental to help the ENDE-REDD+ team visualize the goals in terms of Emissions Reductions. This close collaboration included the Bank project team and contributed to move forward the Readiness Process while helping identify institutional capacity gaps. The project team has provided training and technical support on FM and Procurement aspects of project implementation, as well as on safeguards and specific technical aspects of REDD readiness.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

There is a safeguard roundtable as part of the Group II. So far, this group has revised the SESA Plan; however, no analysis has been made on how safeguards will be respected and monitored.

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5. Is the ESMF prepared in accordance with the Common Approach?

Draft ToRs for ESMF are under revision by the Group II of ENDE-REDD+ and the World Bank.

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant.

The ENDE-REDD+ dialogue platform includes organizations participating in Groups I (political), II (technical) and III (broad). This platform is well established and working well. Consultation has not yet started, the Consultation Plan is yet to be developed. Disclosure of information is ensured, as MARENA follows the FCPF guidelines in this regards. MARENA has a dedicated website for REDD+. Finally, the FGRM is still a concept that needs to be consulted with Group II. To overcome capacity issues of the stakeholders, MARENA carried out a comprehensive capacity building program (aprox. 40 workshops) in several regions of the country. These workshops, which mainly covered broad topics related with forest and climate change, have also served MARENA to gather early feedback and concerns from a variety of stakeholders on REDD+. MARENA is incorporating such feedback in its communication strategy and the consultation plan that is being developed.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2011	12/31/2011	0.00	0.00	40,000.00	40,000.00
01/01/2012	06/30/2012	0.00	0.00	122,846.99	82,846.99
07/01/2012	12/31/2012	0.00	0.00	168,839.82	45,992.83
01/01/2013	06/30/2013	0.00	0.00	200,000.00	31,160.18
07/01/2013	12/31/2013	0.00	0.00	199,185.14	814.86-
01/01/2014	06/30/2014	0.00	0.00	577,525.63	378,340.49
07/01/2014	12/31/2014	0.00	0.00	831,320.48	253,794.85
01/01/2015	06/30/2015	0.00	0.00	1,008,812.42	177,491.94
07/01/2015	12/31/2015	0.00	0.00	1,423,763.78	414,951.36
01/01/2016	06/30/2016	0.00	0.00	2,025,230.80	601,467.02
07/01/2016	12/31/2016	0.00	0.00	0.00	0.00
01/01/2017	06/30/2017	0.00	0.00	0.00	0.00
07/01/2017	12/31/2017	0.00	0.00	0.00	0.00
01/01/2018	06/30/2018	0.00	0.00	0.00	0.00