

**INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE**

Report No.:ISDSC23852

**Date ISDS Prepared/Updated:** 26-Jan-2018

**Date ISDS Approved/Disclosed** 04-Dec-2017

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Nicaragua	<b>Project ID:</b>	P120657
<b>Project Name:</b>	Nicaragua FCPF REDD Readiness (P120657)		
<b>Task Team Leader(s):</b>	Augusto Garcia		
<b>Estimated Appraisal Date:</b>		<b>Estimated Board Date:</b>	
<b>Managing Unit:</b>	GEN04	<b>Financing Instrument:</b>	
<b>Financing (In USD Million)</b>			
Total Project Cost:	5.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Readiness Fund of the Forest Carbon Partnership Facility			5.00
Total			5.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**B. Project Objectives**

To help Nicaragua become ready for future REDD+ implementation by preparing those key elements, systems, and/or policies needed, generally referred to as the REDD+ Readiness Package, in a socially and environmentally sound manner.

**C. Project Description**

The Additional Funding (AF) activities will continue supporting MARENA's capacity to implement Nicaragua's road map to REDD+ Readiness. The safeguards instruments are the same identified at the beginning of the REDD Readiness preparation process. The national R-Package (including the ESMF and its safeguards instruments) will be used for future REDD projects. The Emissions Reduction Program (ERP) is possibly one of these and at that point in time would implement the safeguard instruments which have been drafted and will be finalized with the AF. The five Components are as follows:

(1) Readiness Coordination and Consultation - by

- a) supporting the REDD+ Readiness Management Arrangements established under the original grant; and
- b) continuing to support Consultation, Participation and Outreach through outreach activities and

stakeholder engagements in the west, central and northern region of the country

(2) REDD+ Strategy Development - by

- a) strengthening MARENA's capacity to identify alternatives to improve forest law enforcement and land governance and to deepen its understanding of the drivers of forest degradation;
  - b) strengthening MARENA's capacity to identify effective alternatives to consolidate the Bosawás and Indio Maiz Forest Reserves, helping MARENA assess the economic feasibility of the ENDE-REDD+ strategy options and design appropriate incentives to promote REDD+ activities, helping MARENA improve the conditions for private sector involvement in low-deforestation land-use activities, and contributing to creating and strengthening forest development instruments and institutions, and also contributing to updating the National Forest Program and the Forest Regency Mechanism.
  - c) helping MARENA deepen the legal, institutional and forest governance framework analysis aiming at identifying and removing barriers to implementing the strategy options included in the first version of the ENDE-REDD+ strategy;
  - d) supporting MARENA to strengthen the draft ESMF and improve the Indigenous Peoples Framework and the Safeguards Information System. MARENA will also implement the SESA Plan in the west, central and northern regions which will help produce a revised version of the ESMF.
- (3) Forest Reference Emissions Level (FREL) - by helping the MRV working group continue developing the FREL and supporting the GHG inventory development;
- (4) Measurement, Reporting and Verification (MRV) - by allowing MARENA to finance the cost of the MRV system coordination and implementation, improve the sub-national nodes of the National Environment Information System (SINIA), and make progress in defining the systems to monitor non-carbon aspects of the ENDE-REDD+ strategy;
- (5) Monitoring project implementation by supporting MARENA's capacity to monitor and evaluate project progress, including complying with FCPF reporting requirements, and World Bank Financial Management and Procurement policies.

#### **D. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The AF to the FCPF Readiness Preparation Grant does not entail physical investments or pilot projects on the ground. The AF will continue to finance a number of analytical and diagnostic studies as well as a series of consultation meetings and workshops with relevant stakeholders. While Readiness Preparation is conceived as mostly strategic planning at this stage, key policy and regulatory precedents are being set at the readiness phase that will have downstream impact at the national level once the national REDD+ strategy is ready to be implemented.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The institutional arrangements for the implementation of the AF grant remain the same, with implementation managed by the Ministry of Environment (MARENA), for its acronym in Spanish. MARENA has a number of experienced staff that worked on previous World Bank projects with adequate experience in compliance with Safeguard Policies. This staff is an integral part of the PMU of the project which has since been subsumed under the Climate Change Office.

Under the Parent Project and this team's supervision an Environmental and Social Management Framework (ESMF), Indigenous Peoples Planning Framework (IPPF), Involuntary Resettlement Policy Framework (RPF), and Process Framework (PF) were drafted for the Strategy to reduce emissions from deforestation and forest degradation (ENDE REDD+). The Strategy will have a national scope. The Strategy's interventions are focused on removing the direct and underlying causes mentioned in the section Causes of Deforestation, although they do not directly target fundamental causes, such as the construction of the necessary infrastructure for the country's development, international markets, poverty, demographic expansion and migration, due to their structural nature. However, they are expected to have an indirect

impact on markets, infrastructure and poverty. ENDE-REDD+ is based on the promotion of sustainable forest production, food security, the stabilization of vulnerable areas, protection of water recharge areas, and the development of a funding mechanism. In addition, as an implementation platform it considers the strengthening of strategic alliances, inter-institutional coordination and forest governance, all according to their corresponding capacities.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Arelija Jacive Lopez Castaneda( GSU04 )

Gunars H. Platais( GEN04 )

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	<p>The policy on Environmental Assessment (OP/BP 4.01) is triggered due to the critical nature of strategic options and choices being considered under REDD+. The explicit goal of the REDD+ strategy is to promote the reduction in rates of deforestation and degradation by rewarding measures to protect and conserve forests, the environmental impacts of the strategy are expected to be mostly positive. Nevertheless, if the strategy fails to achieve its objectives, indirect adverse impacts, through the unintended creation of incentives to clear forests for other purposes, are likely to occur. The Strategic Environmental and Social Assessment (SESA) documented the environmental benefits and risks of the REDD+ strategy. The SESA assessed key social and environmental risks and potential impacts associated with REDD+, and developed a management framework (ESMF) to manage and mitigate any possible risks and potential impacts during the implementation phase.</p> <p>The ESMF integrates concerns of a complex group of stakeholders, including the Miskitu, Sumu-Mayangna, Ulwa, , Creole, Garifuna and Rama indigenous and Afro-descendant peoples and Mestizos who live in the Caribbean Coast Region of Nicaragua, the Council of the 22 indigenous peoples of the Central and North Pacific of the country, agricultural and livestock producers, PRO-Nicaragua, foreign cooperation, local governments, etc. These spaces constitute the multiethnic, multilingual and multi-cultural melting pot that is Nicaragua. In addition, there have been dialogues with cattle ranchers at a municipal level in coordination with the mayor's office and producers associations. Dialogues in reference to the forests were held with representatives of the private sector,</p>

		<p>which not only allowed for their concerns and proposals to be heard, but also for the sharing of the course being defined by ENDE-REDD+. An important outcome of these dialogues and consultations is that the livestock sector expressed its commitment to the environment and forests. It is encouraging for ENDE-REDD+ that within the objectives and content of CONAGAN's Regional Congresses III and IV, held in Siuna and Waslala, respectively, the issue of ENDE-REDD+ was addressed, acknowledging the environmental services provided by the forests.</p> <p>The process consultation was required to continuously adjust the analyses of their impacts and risks as well as measures for mitigation in the strategic lines for the Strategy to reduce emissions from deforestation and forest degradation in Nicaragua (ENDE-REDD+). The strategy has been elaborated under a dynamic process.</p> <p>The implementation of ENDE-REDD+ will provide social and environmental benefits for the indigenous, Afro-descendant and rural communities, derived from enhanced biodiversity, water sources and access to food that comes from the forest. However, potential risks are foreseen in regards to access to the livelihood of families due mainly to the protection measures for those protected areas that are contemplated within the Strategy. the application of ENDE-REDD+ will have a strong impact on forested areas of the country, which significantly overlap with areas belonging to indigenous and Afro-descendent peoples; 59% of the country's forests are found in indigenous and Afro-descendant territories.</p>
Natural Habitats OP/BP 4.04	Yes	<p>The policy on Natural Habitats (OP/BP 4.04) will apply considering that the REDD+ strategy involves work both within existing protected areas as well as other forest habitats of varying significance. The SESA evaluated the possible risks associated with strategic options on forest habitats within protected areas as well as other sensitive forest habitats under private or communal control. The ESMF includes provisions to assess possible impacts prior to any actions being undertaken on the ground.</p>
Forests OP/BP 4.36	Yes	<p>The policy on Forests (OP/BP 4.36) will apply considering the importance of REDD+ as part of Nicaragua's long term forest and environmental management programs and due to the great</p>

		importance of forests to the livelihoods and well-being of local communities, indigenous people and afro-descendant people. During the preparation phase, forestry and rural development initiatives associated with REDD+ were evaluated and the lessons incorporated in the design. Key social and environmental risks and potential impacts associated with REDD+ are considered in the ESMF including any initiatives that involve plantations or forest management activities consistent with policy provisions regarding certification or time-bound measures to achieve such standards by small-holders.
Pest Management OP 4.09	Yes	The policy on Pest Management (OP 4.09) is triggered since it is conceivable that some forest management practices may involve pesticide use. The ESMF establishes that should a project activity entail the use of pesticides it will follow that established in Law 274 (Basic Law for the Regulation and Control of Pesticides and Toxic, Dangerous or Other Similar Substances) with special attention given to the follow-up and support to Integrated Crop Management Plan (MIC) and Integrated Pest Management Plan (MIP).
Physical Cultural Resources OP/BP 4.11	Yes	The policy on Physical Cultural Resources (OP 4.11) is triggered given the uncertainty regarding the exact location of activities to be carried out under the REDD+ Strategy. The ESMF includes specific provisions to assess the potential impacts on forests, sacred valleys or landscapes considered to have historical or cultural significance prior to any activities being undertaken on the ground. These are supported inter alia by Decree No. 1142, Protection of the Cultural Wealth of the Nation Law and Decree 142, which establishes that the Archaeological, Historical and Artistic Monuments belong to the State.
Indigenous Peoples OP/BP 4.10	Yes	This policy was triggered due to the project being implemented in areas with the presence of indigenous peoples. In addition, the project has the objective of building capacities that will bring benefits to local authorities, including those in indigenous communities. The SESA was carried out during the Readiness phase focusing on the Caribbean Coast, the priority REDD+ region for Nicaragua considering a high incidence of indigenous peoples', with the aim of identifying main issues and providing recommendations for REDD+ design. The ESMF has been under

		<p>preparation by GoN in coordination with the World Bank, and will include an Indigenous Peoples Planning Framework (IPPF) that will be developed in a culturally appropriate way in compliance with the Indigenous Peoples policy (OP. 4.10) for addressing potential issues arising from specific investments during the implementation of the REDD+ Strategy. The IPPF will ensure the mitigation of potential negative impacts of REDD+ interventions.</p> <p>The IPPF is aligned with the Caribbean Coast Development Strategy as well as Law 445 and Convention 169 in matters of consultations of indigenous communities and people. The process dialogue and consultation called by regional and central government authorities to inform, consult and take contributions of different participants on the issue, among them peasant farmers; producers; youths and women; the Cabinets of the Family, Community and Life; and the general population.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>The SESA was also used to assess the risk of potential restriction of access to natural resources or involuntary resettlement due to the ENDE-REDD+ Strategy implementation. The SESA concluded that during the implementation phase, the REDD+ Strategy could lead to potential relocation and/or land acquisition and also potentially restrict access to natural resources.</p> <p>An Involuntary Resettlement Policy Framework (RPF) is being prepared which will provide procedures to manage impacts from potential relocation and/or land acquisition cases resulting from the implementation of the REDD+ Strategy. The Process Framework (PF) is being prepared by the government of Nicaragua. The PF will include measures to be implemented in cases of restriction of access to natural resources that arise from the implementation of the REDD+ Strategy. It will also ensure participation of IPs in the design, implementation, monitoring, and evaluation of the management plan, so that IPs share equitably in the benefits of the parks and protected areas. The draft RPF and PF are being prepared as a specific chapter of the ESMF. With additional financing MARENA will reinforce and conclude both frameworks.</p>
Safety of Dams OP/BP 4.37	No	<p>This policy is not triggered as the project will not support the construction or rehabilitation of dams nor will it support other investments which rely on the services of existing dams.</p>

Projects on International Waterways OP/BP 7.50	No	Nicaragua has two rivers delimiting international borders (Coco and San Juan) and the REDD+ Strategy does not contemplate any action that will adversely modify the quality, quantity, course or flow of its waters. To the contrary, the actions planned for reducing deforestation and forest degradation will in fact potentially improve water quality.
Projects in Disputed Areas OP/BP 7.60	No	The REDD+ strategy covers the country as a whole including border areas. The activities of the REDD+ Strategy are located within the national territory, and no situation of territorial conflict with other countries is envisioned.

### III. SAFEGUARD PREPARATION PLAN

#### A. Tentative target date for preparing the PAD Stage ISDS:

26-Jan-2018

#### B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The original grant to support the ENDE REDD+ process produced a SESA out of which a draft ESMF was prepared. The ESMF includes an Involuntary Resettlement Plan and an Indigenous Peoples Planning Framework. This Additional Financing will contribute to finessing these documents and prepare a final ESMF, including the Environmental Management Plan and the Integrated Pest Management Plan, and Indigenous People Plan. Also, the Additional Financing will be used to carry out the process of free, prior, and informed consultation of ENDE-REDD+, the mechanism for Distribution of Benefits of the ENDE REDD+ that would be culturally adequate and finalize the Grievance Mechanism. All these instruments will be used for the preparation of the Emissions Reduction Program of the Caribbean Coast of Nicaragua

### V. Approval

Task Team Leader(s):	Name: Augusto Garcia	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Ivan Matias Besserer Rayas (SA)	Date: 24-Jan-2018
Practice Manager/Manager:	Name: Angela G. Armstrong (PMGR)	Date: 26-Jan-2018

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.