

Forest Carbon Partnership Facility (FCPF) Readiness Mechanism

Approval of Readiness Plans

DRAFT - March 19, 2009

This Program Document proposes a submission, review and approval process for R-Plans, for consideration by the Participants Committee. The FMT anticipates operating under this draft process, as commented on by the PC at the March meeting, to begin R-Plan review, until this or another process is approved by the PC. This text builds directly on the text of the PC Resolutions of October 2008, and the draft R-Plan template. The companion Program Document FMT 2009-2 provides a draft description of the R-Plan review process, and Terms of Reference for Technical Advisory Panel experts selected to review R-Plans and provide technical assistance.

Objectives of a Readiness Plan

1. The purpose of the Readiness Plan (R-Plan) is to build and elaborate on the previous Readiness Plan Idea Note (R-PIN), to assist a country in laying out and organizing the steps needed to achieve 'Readiness' to undertake activities to reduce emissions from deforestation and forest degradation (REDD), in the specific country context. The R-Plan should help a country to identify and then eventually implement the capacity to establish a reference scenario for emissions from deforestation and forest degradation, design or refine its strategy for REDD (a set of actions to reduce deforestation and forest degradation), and measure and monitor the effect on land use activities of that strategy, in order to generate emission reductions and associated environmental and livelihood benefits.
2. The R-Plan essentially defines a set of minimum requirements for REDD Readiness, and urges a country to draw a roadmap from today toward achieving REDD Readiness. It provides a framework for the development of a common vision of the role of REDD and forests in national development, shared by highest levels of Government and national leaders and land users.
3. The FCPF expects the R-Plan formulation and implementation process to be a significant, inclusive, forward-looking and coordinated effort to consult all major affected parties in the country about their ideas and concerns regarding REDD, with a view to agree on a common vision of national leaders and land users on natural resource and forest management.
4. The FCPF does not expect that the activities identified in the R-Plan and its Terms of Reference (ToR) would actually occur at the R-Plan stage. Instead, the R-Plan consists of a summary of the current policy and governance context, of what study and other preparatory activities would occur under each major R-Plan component, how they would be undertaken in the R-Plan execution phase, and then a ToR or work plan for each component as an attached annex. The activities generally would be performed in the next, R-Plan execution phase, not as part of the R-Plan formulation process.

5. This process should produce a single plan for Readiness in a country, integrating the variety of analytic and preparatory work and funding sources. The R-Plan also should identify data, knowledge and capacity gaps that need to be filled.
6. The R-Plan final product is essentially an integrated document using the FCPF R-Plan Template for Submission that summarizes how a country would address each REDD Readiness component, and annexes containing the ToR or the work plans for the various components.¹

R-Plan Formulation

7. To formulate its R-Plan using the FCPF template, a REDD Country Participant is encouraged to request assistance for its development. Countries may also request specific technical assistance (e.g., design of a national registry, or identification of potential biodiversity monitoring methods) from the FMT and the Roster of Experts. The FMT and Bank task teams will do their best to assist some such requests.
8. The FMT will make available draft or final guidance documents on various aspects of the R-Plan, as they become available. A draft guidance note on the consultation process, for example, is available on the FCPF website.
9. The REDD Country Participant submits its completed R-Plan in English to the FMT.²

R-Plan Review

10. The FMT checks the R-Plan for completeness. In consultation with the submitting country, the FMT determines whether the R-Plan is in full draft or final version and is ready to be forwarded to the Technical Advisory Panel (TAP) for R-Plan independent external review.
11. Once the TAP synthesis review or its equivalent (e.g., a conference call or videoconference with TAP members) has been shared with the country, the country has at least two weeks to incorporate the TAP's suggestions in its R-Plan.
12. In parallel with the TAP review, where the FCPF has allocated grant resources to assist the REDD Country Participant in formulating its R-Plan, the World Bank task team assesses the World Bank Operational Policies and Procedures and clarify how they will apply during the execution of the Readiness Plan, as per the FCPF Charter, including the Bank's Safeguard policies³, and those applying to procurement⁴ and financial management⁵, by writing a

¹ The R-Plan Template for Submission is available from the FCPF website at http://wbcarbonfinance.org/docs/FCPF_R-PLAN_template_FOR_SUBMISSION_V.2_10_16.doc.

² If the REDD Country Participant prefers to submit its R-Plan in French or Spanish, it can do so and request the FMT to order an English translation, but additional lead times then have to be built into the timeline to allow for translation into English and review of the translation by the REDD Country Participant. The FMT would not endorse any responsibility for the quality of the translation. The cost of translation is recorded and deducted from a future grant from the FCPF to the REDD Country Participant.

³ The World Bank's environmental and social safeguard policies are a cornerstone of its support to sustainable poverty reduction. The objective of these policies is to prevent and mitigate undue harm to people and their environment in the development process. The Safeguards can be accessed at <http://go.worldbank.org/WTA1ODE7T0>.

Readiness Plan Assessment Memorandum. This assessment starts when the REDD Country Participant starts formulating its R-Plan. The Bank's assessment is shared with the submitting country with a view to allowing the country to enhance the quality of its R-Plan so that the R-Plan complies with the Bank's Safeguards and the policies on procurement and financial management. The complete assessment must be completed before a grant agreement with the REDD country can be signed.

13. If the FMT determines the R-Plan to be complete, and if the Bank task team has no objection to the R-Plan with respect to the Bank's Safeguards and the policies on procurement and financial management, the FMT posts the revised R-Plan and the TAP synthesis review on the FCPF for review on the public website of the FCPF and notifies the PC and Observers two weeks prior to the scheduled PC discussion.

14. The revised and resubmitted R-Plan must be available to the FMT two weeks and two days prior to the meeting at which the R-Plan will be considered for PC approval.

15. Annex 1 gives a tentative schedule for R-Plan submission, review and approval for the next 18 months or so.

R-Plan Review Criteria

16. The criteria proposed for R-Plan review build directly on the review criteria for R-PINs and for selection of REDD countries into the FCPF program, adapted to the R-Plan context. R-Plan review criteria fall into two categories, namely cross-cutting criteria and specific criteria:

- a. Specific criteria to guide evaluation of each component. The six cross-cutting criteria above will be assessed for each component of the R-Plan. In addition, a specific standard that each major R-Plan component needs to meet is provided in Annex 2, to assist in assessment of the adequacy of the R-Plan. As the R-Plan template is revised, standards will move or evolve as appropriate.
- b. Cross-cutting criteria, reflecting a general view of what an R-Plan should provide:
 - i. Ownership, transparency, and dissemination of the R-Plan by the government and relevant stakeholders. Inclusiveness of reasonable consultation and participation by major stakeholders could be assessed in three ways:
 1. The consultation and participation process for R-Plan development thus far, including representatives of civil society and Indigenous Peoples⁶, the extent of ownership within

⁴ In procuring goods and services, proper attention must be paid to economy and efficiency. The Bank's Policies and Procedures on Procurement are accessible at <http://go.worldbank.org/YZVQ9VQ490>.

⁵ The objective is to give reasonable assurance on the use of the FCPF Readiness Fund proceeds. The Operational Policy on Financial Management is accessible at <http://go.worldbank.org/YHF8Y8UF30>.

⁶ Did the validation include civil society, including forest dwellers and Indigenous Peoples representation? In this context the representative(s) will be determined in one of the following ways: (i) Self-determined representative(s) meeting the following requirements: (a) selected through a

- government and REDD coordinating body, as well as in the broader national stakeholder community, and the Consultation and Participation Plan included in the R-Plan (which looks forward in time);
2. The cross-cutting nature of the design and workings of the national working group on REDD, in terms of including major stakeholders and key government agencies beyond the forestry department; and
- ii. Drivers of deforestation and forest degradation. Does the R-plan identify and address the drivers of deforestation and forest degradation.
 - iii. Coherence between the proposed activities in the R-Plan (including early ideas on a potential REDD Strategy) and existing national and sectoral strategies: Does the R-Plan make clear reference to country sector strategies and governance arrangements, and identify major potential synergies or inconsistencies with REDD plans and process? Does the R-Plan discuss and propose to analyze and the role and interests of forest-dependent and indigenous peoples and other forest dwellers, including land tenure rights?
 - iv. Multiple benefits: Does the R-Plan propose to identify ways of seeking multiple benefits as part of national REDD strategies, including but not limited to biodiversity, poverty reduction and benefit sharing, and monitoring those impacts.
 - v. Completeness of information and data provided: Does the R-Plan review key information and studies available, and perform a gap analysis of what information or data or studies are needed to assess the potential for REDD? Are ToR or actual plans provided for all components, as well as the implementation budget and schedule?
 - vi. Clear responsibilities for the execution of REDD activities to be financed: Is a clear, inclusive, and functioning national REDD working group process and set of institutional arrangements for executing the R-Plan studies and activities presented?
 - vii. Leveraging and coordination of international support: Does the R-Plan clarify how international support for R-plan implementation will be coordinated, including an assessment of initial funding needs and technical support requirements.
 - viii. Feasibility of proposed activities to achieve REDD Readiness, and their likelihood of success in achieving Readiness (once fully funded and implemented): Does the R-Plan include adequate

participatory, consultative process; (b) having national coverage or networks; (c) previous experience working with the Government and UN system; (d) demonstrated experience serving as a representative, receiving input from, consulting with, and providing feedback to, a wide scope of civil society/Indigenous Peoples organizations; or (ii) Individual(s) recognized as legitimate representative(s) of a national network of civil society and/or Indigenous Peoples organizations (e.g., the GEF Small Grants National Steering Committee or National Forest Program Steering Committee).

description of a proposal for the design of an integrated system of measurement, monitoring and reporting of changes in deforestation, forest degradation, rural livelihoods, and conservation of biodiversity? Full MRV design may occur at a later stage, informed by the needs of the policy process.

- ix. Variety of approaches (defined as approaches that can contribute to the learning objective of the FCPF), that:
 1. Propose innovative and/or comprehensive strategies or programs and approaches appropriate to a country's circumstances on how to tackle deforestation and forest degradation;
 2. Focus on innovative and/or advanced concepts of monitoring, reporting and verification, including remote sensing, for forest degradation, biodiversity protection and social benefits;
 3. Propose to test new mechanisms and distribution methods of REDD revenues and benefits; and
 4. Provide regionally important leadership in addressing REDD or in certain technical areas relevant to REDD Readiness.

R-Plan Approval

17. The PC reviews the R-Plan, taking the TAP synthesis into account, and decides whether to approve the R-Plan or to provide comments on how it could be enhanced for approval to be secured.

18. A REDD Country Participant would be allowed three submissions of an R-Plan to the PC for approval.

19. Resubmissions will follow the same procedure as original submissions in terms of FMT, TAP and PC review, although the process would be streamlined by the FMT as appropriate in order to avoid duplication of previous efforts and to encourage timely review. Only the lead TAP review would be tasked with reviewing the resubmitted R-Plan and reporting to the PC through the FMT.

Annex 1: Tentative Schedules

Table 1: Tentative Schedule for R-Plan Submission for PC 3, June 15-17, 2009, Review and Approval

	REDD Country sends R-Plan Draft to FMT	R-Plan Draft sent by REDD Country to FMT for PC FMT & Bank Informal comments	PC, FMT and Bank Comments Provided to Country	TAP Review Sent to Country	Revised R-Plan received by FMT	Revised R-Plan Posted on FCPF Website
Guyana & Panama	March 13	March 16	April 13	April 27	May 18	June 1
Indonesia and other countries	April 15	April 20 ¹	May 4	May 18	May 29	June 1

Table 2: Tentative Schedule for R-Plan Submission for PC 4 and beyond

Indicative Schedule

R-Plan Draft Received by FMT	FMT & Bank Informal Comments Sent to Country	TAP Review Sent to Country	Revised R-Plan Posted on Website ^a	PC Meeting ^b
PC - 9 weeks	PC - 7 weeks	PC - 5 weeks	PC - 2 weeks	PC
August 24	September 7	September 21	October 12	October 26-28, 2009 PC 4, Washington
January 11, 2010	January 25	February 8	March 1	March 15-17, 2010 PC 5, Location TBD
May 3, 2010	May 10	May 24	June 7	June 28-29, 2010 PC 6, Location TBD
August 23, 2010	September 6	September 20	October 11	October 25-27, 2010 PC 7, Location TBD

^a Bank no-objection on R-Plan to be available by that date

^b Additional R-Plan approval sessions could be organized by other means, e.g., videoconference, teleconference, or even virtually by electronic discussion

^c Compressed timeline to allow for first R-Plan approvals before holiday period

Annex 2: R-Plan Components, Requirements and Standards

<p>1. Land use, forest policy and governance quick assessment: Prepare an early analytic assessment of past experience to reduce deforestation, to identify promising approaches and lessons learned. Analyze governance and legal issues related to land use pertinent to REDD actions. Requirement: Quick, short analytic synthesis of past performance, potential opportunities to explore for REDD, and key barriers, to inform REDD strategy development.</p>
<p>Component Standard: C-1: A completed assessment is presented that identifies major land use trends, land tenure issues, and deforestation and degradation drivers and the most relevant economic sectors in the context of REDD. Provides insightful assessment of efforts to reverse these trends and their outcome, and identifies significant gaps, challenges, and opportunities to address REDD.</p>
<p>2. Management of Readiness: 2a. Convene National REDD Working Group: Present the design of a national working group to coordinate Readiness activities and ultimately REDD implementation, its methods of operation, and how REDD will be integrated into the existing land use policy dialogue. The working group process should include relevant internal and external stakeholders, ideally including representatives from forest dependent peoples, civil society and private sector, and the coordination of donor efforts supporting REDD or land use activities. Requirement: Summarize a work plan to synthesize and manage the REDD program; and prepare the framework ToR for that work plan.</p>
<p>Component Standard: C-2a: A clear description of the existing or proposed coordination of REDD activities nationally, adequately integrated with the existing land use policy dialogue, that is inclusive of relevant government agencies and other major stakeholders that likely need to be involved in addressing REDD. The functions, membership, decision making process, and dissemination of information are adequately described.</p>
<p>2b. Prepare a REDD Consultation, Participation, and Outreach Plan: Prepare a REDD consultation, participation, and outreach plan, to ensure continuous, inclusive consultation and participation of a wide range of non-government and government stakeholders during the development (and eventual implementation) of your REDD strategy, implementation framework, reference scenario, monitoring system, and other R-Plan components during the Readiness phases. Requirement: Summarize the consultation and outreach plan, and attach that plan as an attachment (note: full plan required, not ToR).</p>
<p>Component Standard: C-2b: A full plan is presented that incorporates a reasonable process of continual consultation, participation, and outreach that ensures stakeholder involvement in REDD deliberations and implementation at both the national and relevant subnational scales.</p>
<p>3. Design the REDD strategy: 3a. Assess candidate activities for a REDD Strategy: Summarize the outlines of a REDD strategy and candidate activities, building on the land use policy assessment (above), stakeholder consultations, and analytic work. Requirement: Summarize a work plan to reach a decision on REDD strategy design; and prepare</p>

<p>the framework ToR for analytic work and studies needed to reach this decision and define capacity building needs.</p>
<p>Component Standard: C-3a: ToR or other information is provided to elaborate how the country plans to move from this preliminary assessment to the elaboration of a fuller, more complete and adequately vetted REDD strategy over time.</p>
<p>3b. Evaluate potential additional benefits of REDD, including biodiversity conservation, and rural livelihoods: Conduct an assessment of potential benefits of the REDD strategy for biodiversity conservation and rural livelihood, and other benefits deemed important by a country (e.g., ecosystem services, water supply). Requirement: Summary of your approach to assessing potential additional benefits of REDD, and potential negative impacts. Summarize your framework ToR and attach the ToR as an annex.</p>
<p>Component Standard: C-3b: A set of ToR or a plan for how to more fully assess these potential benefits and impacts is provided, that seem likely to adequately address the integration of major benefits (e.g., livelihood, biodiversity, ecosystem services) over time in relation to the REDD strategy and evolving monitoring system.</p>
<p>3c. Trade-offs Analysis: Assess the trade-offs across candidate elements of your REDD strategy in terms of your broader land use policy dialogue and sustainable development policies, to help define an integrated REDD strategy. Requirement: Summarize a work plan to make this selection; and prepare the framework ToR for that work plan.</p>
<p>Component Standard: C-3c: ToR or a plan to further develop the ability to conduct such a trade-off assessment is presented that seems likely to eventually ensure adequate assessment of such trade-offs,(e.g., broader impacts on forests from planned developments in the energy and transportation infrastructure, tourism, industrial agriculture and extractive industries)</p>
<p>3d. Risk assessment of your REDD strategy Evaluate barriers to successful implementation of your REDD strategy, risks associated with the strategy elements you propose, and ways to reduce or compensate for those risks. Requirement: Summarize a work plan to make this selection; and prepare the framework ToR for that work plan.</p>
<p>Component Standard: C-3d: ToR or a plan to further elaborate such barriers and risks is presented that seems likely to allow their full evaluation and adequate incorporation into the eventual REDD strategy (e.g. elite capture, perverse incentives, political economy considerations, etc.).</p>
<p>4. REDD implementation framework: Assess the institutional arrangements and legal requirements needed to implement REDD activities, including design of equitable payment mechanism. Requirement: Summarize a work plan to develop this framework; and prepare rough draft framework ToR for that work plan (recognizing these framework issues are complex and not well understood).</p>
<p>Component Standard: C-4: ToR or a plan to further elaborate institutional arrangements and issues</p>

<p>relevant to REDD in the country setting that identifies key issues, explores potential arrangements to address them, and offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package.</p>
<p>5. Assess the social and environmental impacts of candidate REDD strategy activities: Assess potential impacts by performing an impacts assessment, using the Environmental Strategic Management Framework or another analytic approach (both explained in component 5 below). Requirement: Summary of proposed impacts analysis, using the Environmental Strategic Management Framework or other approach. Summarize framework ToR and attach the ToR as an annex.</p>
<p>Component Standard: C-5: Identify potential key impacts, and present a ToR or plan to evaluate how to address those impacts via studies, consultations, and other methods.</p>
<p>6. Assess investment and capacity building requirements: Assess candidate REDD strategy elements and the REDD implementation framework, in terms of capacity requirements, financial support needed, and gaps existing with regard to potentially available resources. Requirement: Summary of rough estimates of investment requirements, capacity requirements, and gaps for your major REDD strategy elements. Summarize framework ToR and attach the ToR as an annex.</p>
<p>Component Standard: C-6: Present ToR or a plan for how to estimate investment and capacity needs to eventually implement the REDD strategy.</p>
<p>7. Develop a reference scenario of deforestation and degradation: Develop objectives; a work plan to realize those objectives during the R-Plan implementation phase; and prepare the ToR for the majority of that work plan. Requirement: Summarize a work plan to develop a reference scenario; and prepare the framework ToR for that work plan.</p>
<p>Component Standard: C-7: Present ToR or a first-order plan for how the reference scenario will be developed, including major data requirements, early ideas on which methods to use, and how a reference scenario would be presented for consultation. (FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. R-Plan states what is planned as early activities.)</p>
<p>8. Design and implement a monitoring, reporting and verification system for REDD: Provide the capacity to monitor forest sector carbon emissions and other benefits over time, in relation to the Reference Scenario. Requirement: Summarize a work plan to design and implement a MRV system during the R-Plan Implementation phase; and prepare a framework ToR for the majority of that work plan.</p>
<p>Component Standard: C-8: ToR or a first-order, draft plan for how the monitoring, reporting and verification system will be developed, including major data requirements, early ideas on which methods to use, and how the system would be presented for consultation. Early ideas on how the system could incorporate the need for transparency of the monitoring system and data, monitoring of rural livelihoods,</p>

<p>biodiversity, and social and environmental impacts into an evolving REDD monitoring system. (FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. R-Plan states what is planned as early activities.)</p>
<p>9. Design a system of management, implementation, and evaluation of Readiness preparation activities (optional): Synthesize all R-Plan components into a REDD national program that is effectively and transparently managed, and regularly evaluated using pre-established indicators of performance and effects on development plans. Requirement: We recommend you begin to develop a means to synthesize and manage the REDD program, including evaluation of progress at regular intervals. No ToR is required at this time.</p>
<p>Component Standard: C-9: Present early ideas on how the R-Plan and Readiness activity generally would be implemented and managed, and what evaluation process and criteria and indicators would be followed.</p>