

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism
Readiness Preparation Proposal (R-PP) External Review Template**
(interim, January 14, 2011 based on Program Document FMT 2009-1, Rev. 5)

For use reviewing R-PPs submitted using version 4 R-PP template in January 2011

Guidelines for Reviewers:

- 1) *FCPF REDD Country Participant R-PPs will be reviewed and assessed by the FCPF Participants Committee, the FCPF's governing body, taking TAP comments into account. External (Technical Advisory Panel or other) and Bank reviewers may provide recommendations on how a draft R-PP could be enhanced, using this template on a pilot basis until a process is approved by the PC.*
- 2) *One set of criteria should be used for review: specific standards each of the current 6 components of an R-PP should be met.*
- 3) *Your comments will be merged with other reviewer comments (without individual attribution) into a synthesis document that will be made public, in general, so bear this in mind when commenting.*
- 4) *Please provide thoughtful, fair assessment of the draft R-PP, in the form of actionable recommendations for the potential enhancement of the R-PP by the submitting country. A REDD Country Participant would be allowed three submissions of an R-PP to the PC for consideration.*

Objectives of a Readiness Preparation Proposal (condensed directly from Program Document FMT 2009-1, Rev. 3)

The purpose of the R-PP is to build and elaborate on the previous Readiness Plan Idea Note (R-PIN) or a country's relevant comparable work, 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-PP provides a framework for a country to set a clear roadmap, budget, and schedule to achieve REDD Readiness. The FCPF does not expect that the activities identified in the R-PP and its Terms of Reference (ToR) would actually occur at the R-PP stage, although countries may decide to begin pilot activities for which they have capacity and stakeholder support. Instead, the R-PP consists of a summary of the current policy and governance context, what study and other preparatory activities would occur under each major R-PP component, how they would be undertaken in the R-PP execution phase, and then a ToR or work plan for each component. The activities would generally be performed in the next, R-PP execution phase, not as part of the R-PP formulation process.

Review of R-PP of (*fill in country name*): Ethiopia

Reviewer (fill in): Daniel Hass, Johannes Scholl (Germany), **Alex Muhweezi, Xavier Mugumya** (Uganda) and Keshav Prasad Khanal (Nepal)

Date of review (fill in): 14.2.2011

Standards to be Met by R-PP Components

Note: This uses FCPF version 4 template standards. Since the new R-PP emplate version 5 revises these standards, potential upgrade to meet version 5 are also noted.

General comments:

The R-PP had already evolved significantly from the first Draft that was revised by the TAP and the PC to the version presented at PC-7 in Washington D.C. in November 2010. Between PC-7 and PC-8, it seems, that only very few additional changes have been made. So, while it is clear that Ethiopia took comments very seriously already at a very early stage, the document in front of the PC today differs very little from the document that was presented at PC-7. Altogether, the current R-PP is an ambitious and very comprehensive document and we recommend endorsement by the PC with some minor clarifications. One major clarification is required concerning the revised budget (see Component 5).

Component 1. Organize and Consult

Standard 1a: National Readiness Management Arrangements

The cross-cutting nature of the design and workings of the national readiness management arrangements on REDD, in terms of including relevant stakeholders and key government agencies beyond the forestry department, commitment of other sectors in planning and implementation of REDD readiness;

Version 5 standard text not included in version 4 standard:

Capacity building activities are included in the work plan for each component where significant external technical expertise has been used in the R-PP development process.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Standard had already been considered largely met by the last TAP review.

However, Figure 4 needs to be explained more and show how the Regional levels REDD Technical Working Groups will contribute towards development of: i) Reference Scenario & MRV; ii) Schedules and Budget; iii) Strategies development and; iv) Implementation arrangements.

Standard 1b: Stakeholder Consultation and Participation

Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders:
Inclusiveness of effective and informed consultation and participation by relevant stakeholders, assessed in

the following ways:

- i. the consultation and participation process for R-PP development thus far³, the extent of ownership within government and REDD coordinating body, as well as in the broader national stakeholder community; and

the Consultation and Participation Plan included in the R-PP (which looks forward in time); and the inclusion of elements in the R-PP that adequately document the expressed concerns and recommendations of relevant stakeholders and propose a process for their consideration, and/or expressions of their support for the R-PP.

Version 5 standard text on 1c Stakeholder Consultation and Participation, not included in version 4 standard:

R-PP should include mechanisms for addressing grievances regarding consultation and participation in the REDD-plus process, and for conflict resolution and redress of grievances.

(Standard 1c (version 5): This standard is very similar to version 4 standard 1b.)

Standard 1b in version 5: Information Sharing and Early Dialogue with Key Stakeholder Groups (This is a new text and standard called 1b that did not exist in previous versions)

The R-PP presents evidence of the government having undertaken an exercise to identify key stakeholders for REDD-plus, and commenced a credible national-scale information sharing and awareness raising campaign for key relevant stakeholders. The campaign's major objective is to establish an early dialogue on the REDD-plus concept and R-PP development process that sets the stage for the later consultation process during the implementation of the R-PP work plan. This effort needs to reach out, to the extent feasible at this stage, to networks and representatives of forest-dependent indigenous peoples and other forest dwellers and forest dependent communities, both at national and local level. The R-PP contains evidence that a reasonably broad range of key stakeholders has been identified, voices of vulnerable groups are beginning to be heard, and that a reasonable amount of time and effort has been invested to raise general awareness of the basic concepts and process of REDD-plus including the SESA.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Standard had already been considered largely met by the last TAP review.

Additional recommendation

The action to develop Communications and awareness strategy under the Consultations and participation Plan does not adequately show how the strategy shall be developed and implemented, considering that this strategy is an essential tool for facilitating Consultations and participation with stakeholders.

³ Did the R-PP development, in particular the development of the ToR for the strategic environmental and social assessment and the Consultation and Participation Plan, 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 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 including 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).

Component 2. Prepare the REDD Strategy

Standard 2.a: Assessment of Land Use, Forest Policy, and Governance:

A completed assessment is presented that identifies major land use trends, direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD, and major land tenure and natural resource rights and relevant governance issues. It documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation, and identifies significant gaps, challenges, and opportunities to address REDD. The assessment sets the stage for development of the country's REDD strategy to directly address key land use change drivers.

(Version 5 standard: no significant changes from version 4)

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Standard had already been considered largely met by the last TAP review.

Additional Comment and recommendation

This component addresses key issues of land use trends, drivers of deforestation and forest degradation, tenure and rights. However, information on past experiences and lessons on policies and measures for dealing with deforestation and forest degradation are presented in Section 2d whilst information on challenges, gaps, opportunities for REDD are presented in section 2c. This format disrupts the flow of information and renders section 2a incomplete. Suggest that this information be incorporated in section 2a.

Standard 2.b: REDD strategy Options:

Alignment of the proposed REDD strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies: the R-PP includes a summary of the emerging REDD strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD strategy options. This summary states:

- i. how the country proposes to address deforestation and degradation drivers in the design of its REDD strategy;
- ii. early estimates of cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental benefits;
- iii. socioeconomic, political and institutional feasibility of the emerging REDD strategy;
- iv. major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and
- v. risk of domestic leakage of greenhouse benefits. The assessments included in the R-PP eventually should result in an elaboration of a fuller, more complete and adequately vetted REDD strategy over time.

Version 5 standard text not included in version 4 standard:

For point ii (cost benefits), and point iv (risk of domestic leakage), R-PPs should present only a plan, not the actual work.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

This section does not provide adequate information on what will be done to address;

- i. early estimates of cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental benefits;

- ii. Socioeconomic, political and institutional feasibility of the emerging REDD strategy;
- iii. major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and
- iv. risk of domestic leakage of greenhouse benefits. The assessments included in the R-PP eventually should result in an elaboration of a fuller, more complete and adequately vetted REDD strategy over time.

Suggest that the proposal include Terms of reference for addressing the above gaps.

REDD+ strategy options seem to be still very much centered around forest policy. The linkage between the described drivers of deforestation and the proposed strategy options is not always clear. We recommend that during the strategy formulation process, due attention be given to measures outside the forest sector.

Standard can be considered largely met.

Standard 2.c: REDD implementation framework:

Describes activities (and optionally provides ToR in an annex) to further elaborate institutional arrangements and issues 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.

Version 5 standard text not included in version 4 standard:

- i) *Describes activities (and optionally provides ToR in an annex) and a work plan to further elaborate institutional arrangements and issues relevant to REDD-plus in the country setting.*
- ii) *Key issues are likely to include: assessing land ownership and carbon rights for potential REDD-plus strategy activities and lands; addressing key governance concerns related to REDD-plus; and institutional arrangements needed to engage in and track REDD-plus activities and transactions.*

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

As highlighted in the last TAP review, Ethiopia still lacks an agency that is responsible for forests. The action plan for development of a REDD+ implementation framework is convincing, tackles key issues, however, seems to be very ambitious. This shows a very high commitment by Ethiopia to "get REDD+ right" and should be acknowledged. It may, however, take more time than expected to be put in practice.

Standard 2.d: Assessment of social and environmental impacts:

The proposal includes a program of work for due diligence for strategic environmental and social impact assessment in compliance with the Bank's safeguard policies, including methods to evaluate how to address those impacts via studies, consultations, and specific mitigation measures aimed at preventing or minimizing adverse effects.

Version 5 standard text not included in version 4 standard:

For countries receiving funding via the World Bank, a simple work plan is presented for how the SESA process will be followed, and for preparation of the ESMF.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Standard had already been considered met by the last TAP review.

Component 3. Develop a Reference Scenario

Standard 3 Reference scenario:

Present work plan for how the reference scenario for deforestation, and for forest degradation (if desired), will be developed, including early ideas on feasibility of which methods to use (e.g., scenario of forest cover change and emissions based on historical trends in emissions and/or based on projections into the future of historical trend data), major data requirements and capacity needs, and linkages to the monitoring system design.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

Version 5 standard text not included in version 4 standard:

- i) The work plan also needs to include, besides deforestation and forest degradation, conservation, sustainable management of forest and enhancement of carbon stocks.*
- ii) Assess current capacity as well as future capacity needs.*
- iii) Assess linkages to components 2a (assessment of deforestation drivers), 2b (REDD-plus strategy activities), and 4 (MRV system design).*
- iv) A stepwise approach.*

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Clear and understandable goal, objectives and outcomes have been presented in RPP. Overview of available historical data has been assessed quite nicely which can be used for reference scenario development phase.

The Woody Biomass Inventory and Strategic Planning Project (WBISPP) made a comprehensive analysis of all forest resources over the entire country and might be used as a historical reference point for national level.

Besides that, four ongoing projects the Non Timber Forest Product Participatory Forest Management (NTFP-PFM) project, the Humbo CDM reforestation project, the Bale Mountains National Park (BMNP) and the Bale Eco-Region Sustainable Management Project (BERSMP)), provide useful data/methods/links for the recent reference point.

Land cover classification parameter adopted by WBISPP might be handy for historical reference as well as ongoing Land cover classification assessment for Reference Emission Level (REL) & Reference Level RL).

Woody biomass inventories methodology followed by WBISPP should be compatible or standardized with ongoing four other projects for carbon stocking/accounting of base year.

Levels of detail for estimating Carbon stock changes analysis is more realistic with activity data (area) and Emission factor available in the Ethiopia. Thus approach level 3 with tier 2 adoption for is justifiable in the context of Ethiopia.

Available monitoring and carbon accounting expertise and software resources

analysis helped to develop comprehensive capacity building development plan for future intervention.

3 time series data have been taken as a reference period for 10 year is quite convincing factor based on available historical data sets. These time series information help to assess deforestation and forest degradation trends over more recent years in Ethiopia.

Summary table of actions to build a reference scenario is quite impressive to achieve goal, objectives & outcomes proposed during development of Reference Scenario component.

Recommendations:

Please clarify Table 22 on page 110. Carbon Densities seem to be very high. Apart from this, the chapter is very comprehensive and the standard can be considered met. Concerning language, we recommend using the word "Reference Scenario" as methodological issues concerning "Reference Level" per mandate by the UNFCCC are currently discussed by SBSTA and may differ from approaches chosen during early national action by Ethiopia.

Component 4. Design a Monitoring System

Standard 4: Design a monitoring system:

The R-PP provides a proposal for the initial design of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation. The system design should include early ideas on including capability (either within an integrated system, or in coordinated activities) to monitor other benefits and impacts, for example rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD implementation in the country, and to assess the impacts of the REDD strategy in the forest sector.

The R-PP should describe major data requirements, capacity requirements, how transparency of the monitoring system and data will be addressed, early ideas on which methods to use, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers. It should also address independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD implementation. The proposal should present early ideas on how the system could evolve into a mature REDD monitoring system with this full set of capabilities.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

Version 5 standard text not included in version 4 standard:

Provide proposal and workplan for the initial design, on a stepwise basis.

Monitoring other benefits and impacts is broken into a separate subcomponent 4b in version 5, but the substance is consistent.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

The fact that Ethiopia aims at allowing international verification of achieved results will allow increased transparency and reduce risks concerning potential doubts about the environmental integrity of national actions. It is very positive.

This chapter seems to have significantly improved based on the last TAP comments. Standard can be considered largely met.

Component 5. Schedule and Budget

Standard 5: Completeness of information and resource requirements

The R-PP proposes a full suite of activities to achieve REDD readiness, and identifies capacity building and financial resources needed to accomplish these activities. A budget and schedule for funding and technical support requested from the FCPF, as well as from other international sources (e.g., UN-REDD or bilateral assistance) are summarized by year and by potential donor. The information presented reflects the priorities in the R-PP, and is sufficient to meet the costs associated with REDD readiness activities identified in the R-PP, or gaps in funding are clearly noted.

Version 5 standard text not included in version 4 standard:

Any gaps in funding, and sources of funding, are clearly noted.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

The most significant change compared to the Draft R-PP is the overall budget. The new budget has risen from a total of 7.5 million US\$ to 12.5 million US\$ by 60%, mainly due to the inclusion of additional funding from other donors (AFD, UN-REDD, NCF). In some components (e.g. 1a, 1b, 2c and 4) funding estimates have almost doubled.

At the same time, the text of most of the chapters describing planned activities have not been changed at all compared to the Draft R-PP. It is not clear from the R-PP why the same overall program suddenly costs 60% more than in October 2010.

The FCPF contribution is expected to account for 5.3 million US\$ although only 3.6 million US\$ are currently available for allocation. How does Ethiopia intend to meet this funding gap?

We would kindly ask Ethiopia to clarify these issues in its presentation to be able to consider this Standard met.

Component 6. Design a Program Monitoring and Evaluation Framework

Standard 6: Adequately describes the indicators that will be used to monitor program performance of the Readiness process and R-PP activities, and to identify in a timely manner any shortfalls in performance timing or quality. The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule.

Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Revisions of this component had already been included in the updated R-PP. It includes an action plan that outlines the roadmap towards establishing an M&E, but does not yet establish (as required by the standard) the respective indicators. Relevant information on some of the indicators is already given in the respective components and may be included in this chapter to provide more clarity.

With this, the standard can be considered largely met.

