

**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 Peru

Reviewer (fill in): CONSOLIDATED REVIEW,

Catherine Potvin and Juergen Blaser and 4 other experts

Date of review (fill in): 7 March 2011

General comments:

This Assessment was made using the version of R-PP submitted on February 2nd 2011 and takes into account the Synthesis TAP Assessment written in October 2010. Overall, the progress made since the first draft (May 2010) is enormous. R-PP is good and MINAM has certainly been very responsive to the comments/questions of the TAP. The TAP assessment of the standards for each section is summarized in the table below.

| Sections | Version Sept. 2010 | Version March 2011 |
|----------|--------------------|--------------------|
| 1a | Not fully met | Met |
| 1b | Largely achieved | Met |
| 2a | Largely achieved | Met |
| 2b | Partially met | Almost met |
| 2c | Partially met | Met |
| 2d | Partially met | Met |
| 3 | Partially met | Met |
| 4a | Partially met | Almost met |
| 4b | Partially met | Met |
| 5 | Not met | Met |
| 6 | Met | Met |

Recommendation: *This version of the R-PP represents a good basis to start planning for REDD. To start implementation of the R-PP, there is, however, a need to prepare clearly defined yearly work plans with defined responsibilities for each output and clear monitoring arrangements for the expected outcomes.*

The TAP recognizes that some complex issues deserve careful attention now, at the R-PP stage, and during subsequent implementation, while processes around these issues are taking place locally. These core issues include (1) functioning of the complex institutional arrangements including the sustainability of the “Mesa REDD”, (2) matching of the REDD+ strategy and MRV design with the drivers of deforestation, (3) engaging with Indigenous Peoples. The TAP also noted the responsiveness of Peru in integrating its suggestions when elaborating the R-PP.

Standards to be Met by R-PP Components

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

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:

Summary:

This third version of the R-PP builds on the proposal for institutional arrangements that had been submitted in the second version and, as suggested in the TAP’s Assessment of October 2010, provides more details and clarity. The Órgano de coordinación de bosques y REDD+ (OCBR) will be the executive body and will respond directly to the Presidencia del Consejo de Ministros (PCM). The relationship between the OCBR and other relevant entities such as the Grupo Técnico de

Reducción de Emisiones de Gases de Efecto Invernadero provenientes de la Deforestación y Degradación de Bosques de la Comisión Nacional de Cambio Climático (GTREDD) have been clarified as well as the space opened for participation of the civil society.

Despite the large investment in the OCBR many of its actions will depend upon works done by other agencies such as the DGFF (MINAG), the newly created PNCB (National Program for the Conservation of Forests to Mitigate Climate Change). The TAP believes that there is possible overlap in function of these three bodies (OCBR, PNCB and DGFF). This is briefly mentioned on p. 28 but the coordination will deserves attention during REDD+ implementation.

In its first review the TAP suggested that additional key actors could be brought on board such as the national planning system conducted by CEPLAN and the IIAP (the Amazon research institute of Peru). Likewise the Ministry of Culture could play a role in promoting “interculturalidad”. The TAP is therefore pleased to see mention of these actors.

The TAP further recognizes that the “Mesa REDD” is a great and original contribution of Peru. They are and will be a key sounding board throughout R-PP implementation.

The proposal to create a committee for donors to better ensure the coordination of activities is a novel and very positive proposal.

Assessment: The standard is met.

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

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).

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:

Assessment: This section already met the standard in the previous version.

Additional observations:

In the section on information, consultation and participation, Figure 1b-1 (p.45) depicts the flow of information to indigenous communities. This figure recognizes the complexity of indigenous society including actors at the local, regional and national levels. The TAP welcomes the bi-directional arrows that suggest a situation open to retro-alimentation and feedback in an open dialogue. It notes the continued concerns of AIDSESEP who have strong feeling on the link between forests and territories and would like to see these concerns addressed.

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:

Assessment: The consolidated review of the second R-PP draft had concluded that this section had largely met the standard.

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:

Summary:

As presented this section will not lead to solid understanding of causes of deforestation and degradation that would be useful to shape the REDD+ Strategy. The text does not provide either an in depth analysis of how each important drivers of deforestation could be tackled. Finally questions such as where, how, what kind of areas (protected, indigenous or other) will be given priority, etc. would be useful. However, the R-PP indicates that such in depth analysis will be done at an early stage of R-PP implementation (p. 73).

Assessment: The standard is almost 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:

Summary:

The R-PP presents the current legislation including ratification of international treaty and then introduces some of the necessary modification of these legislations to accommodate REDD+. Fig. 2c-1 is useful and helps understand the linkages between these different policies. This section identifies four issues at the heart of the challenges of REDD readiness in Peru are (p. 87-89): (1)

the link between national and subnational activities, (2) market uncertainties, (3) carbon ownership and (4) benefit sharing. Other key issues for Peru are mentioned in section 2d (p. 93). The work plan to reach these goals is presented in section 3.

Specific comment:

The newest version of the R-PP provides some information on two new laws that are very relevant for REDD implementation the “Ley Forestal y de Fauna Silvestre⁴” and the “Ley de consulta previa” (p. 104-105). The TAP notes that both laws will directly affect Indigenous Peoples and local communities and that some Indigenous groups have voiced their opposition to the “Ley de consulta previa”.

Assessment: The standard is met.

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

Summary:

This section presents the objectives of the SESA, its implementation framework, steps to be taken to ensure due diligence. It builds on the version submitted in the second draft R-PP and provides more details. Reference to the fact that Peru signed the Convenio 169 of OIT is repeated here together with assurance that any work in indigenous territories will respect the notion of free prior and informed consent. The roles of the Mesa de REDD and the OCBR are underlined. An interesting suggestion is made, that of inviting the “Defensor del Pueblo” to join the Mesa as a guarantee of good behavior. The need to develop conflict resolution mechanism is underlined.

Specific comments:

The TAP notes that section 2.d.2.(p. 115) is listing of WB safeguards (2) and (3) is causing concerns to AIDSESEP because it suggests that future REDD+ implementation might lead to re-localization and to restricted access to resources.

Assessment: The standard is met.

⁴ La propuesta de nueva Ley Forestal y de Fauna Silvestre, entre otros, propone una reorganización de la gobernanza forestal y establece que los beneficios provenientes del aprovechamiento económico de los servicios de los ecosistemas forestales forman parte integrante de los títulos habilitantes (derechos) otorgados. De esta manera se aclara el vacío existente en la legislación vigente relacionada a si era posible o no que un concesionario forestal, comunidad nativa, entre otros, tengan derecho sobre los beneficios que brindan los servicios provenientes de los ecosistemas forestales.

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:

Summary:

Peru will first determine regional reference scenarios and these will be aggregated in time to build a national reference scenario. This version of the R-PP builds on the present one to clarify the rationale for doing so and to explain why Peru will start working in Madre de Dios and in San Martin. The argument that reference scenarios will be developed in other regions as capacities are built in these regions is convincing. The R-PP also explain that the main initial focus will be deforestation and that other REDD+ activities (e.g. degradation) will be tackled in a stepwise manner depending on capabilities and on the availability of international methodologies. The methods that will be used in Madre de Dios rely on very advanced technologies (e.g. CLASlite) and an analysis will be done to determine which method is best in each regions.

As important points, the R-PP indicated that: (1) Peru aims at developing a united a standard methodological framework (MME) that will ensure that aggregating the different regional scenario will lead to a meaningful national one; (2) the regional reference scenarios represent starting point that will be useful to determine the national reference scenario rather than dictate the standard methodological framework; (3) the R-PP further discusses (p. 89 and 112) how they plan to tackle the complicated issue of leakage.

The R-PP also mentions that a gap analysis will be realized in each region to determine the capacity building needs which certainly is a sensible approach.

Assessment: The standard is met.

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:

4.a. Summary:

The recommendations made on this section of the second version of the R-PP (November 2010) were:

- *Need to link monitoring E/R to strategy proposed to implement in region—could be different by subregion but need to demonstrate the need to link these issues. This issue had been raised previously in the TAP review of June 2010.*
- *Phases of the NFI: some good work to be done that will contribute to the MRV for REDD but additional details on what aspects are important for REDD should be described. For example which C pools will be covered by the NFI, and is the resolution of the results going to match the needs for monitoring the REDD strategy?*
- *This section mentions capacity building but no details are given—has a gap analysis been done? What sort of national/regional capacity is needed? What plans are being made to ensure sustained national/regional capacity? There is a need to add more details on this topic.*

The revised version only addresses fully the third point (p. 124-125) and it is understood that the other two points will be treated when implementing the R-PP. However, important information is still missing in this section, namely early ideas on how will the review of data be carried out and data requirement. Information provide in section 3

could however be useful here as well.

Assessment: *The standard is almost met.*

4b. Summary:

The R-PP indicates that the development of a MRV system for co-benefits will be developed using a bottom-up approach such as that proposed for the MRV of carbon. Therefore, it is premature to propose precise indicators. The MRV will focus on three different types of co-benefits, those associated with biodiversity, those of socio-economical nature and those linked to governance. Peru does not count with a baseline for biodiversity but the work plan of the National Forest Inventory contemplates to collect data on several relevant aspects of biodiversity to allow establishing such a baseline. Monitoring socio-economic factors will be done at the national, regional and local level and will have to follow the regulatory procedures established for such indicators.

Specific comment:

- *The TAP believes that integrating indicators for “intercultural” co-benefit could provide a good way of assessing engagement with Indigenous Peoples.*

Assessment: *The standard is 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:

[add space as needed]

Summary: *The budget requested is high but Peru has apparently been able to identify other donors that will make it possible to obtain the sums deemed necessary for REDD readiness. The TAP notes that the largest portion of the budget is allocated in 2011 and not money is left for 2014. This will create an enormous work load in the first year of R-PP implementation. The TAP is concerned that this might create a limitation in human resources and recommends that the schedule of activities be scrutinized to ensure a logical step process.*

Specific comments:

2b3: *The TAP notes that budget allocation for the development of the REDD strategy is made in*

2011. Postponing this budget line to 2013 or 2014 would allow a retro alimentation with the information gathered in the consultation phase.

***2.c3:** The TAP recognizes the importance of the Mesa REDD and welcomes the budget allocation beyond 2011 because of its fundamental role as a sounding board.*

***4a:** The budget details for Section 4 a does not provide a line for the National Forest Inventory.*

***Assessment:** The Standard is 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:

Summary:

The R-PP presents a comprehensive proposal for monitoring the advance in implementation of Readiness. In fact the standard had already been met in the second version of the R-PP. This new version provides additional details including, in Table 6.1 a list of preliminary indicators. The proposal of Peru constitutes a land mark and might be very useful to other countries.

***Assessment:** The standard is largely met.*