

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism  
Readiness Preparation Proposal (R-PP) External Review Template**  
interim, September 10, 2009, from Program Document FMT 2009-1, Rev. 3)

**Preliminary Review of DRAFT R-PP: Peru**

**Reviewer:** Catherine Potvin and Jürgen Blaser, lead TAP reviewers for Peru, prepared a consolidated report including individual inputs by three TAP experts

**Date of review: 20 October 2010**

*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.*

**A Summary of Comments of the Technical Advisory Panel Regarding the DRAFT REDD  
Readiness Preparation Proposal (Draft R-PP) submitted by the Government of Peru**

**Reviewer's assessment of how well R-PP meets the standards, and major recommendations:**

Peru submitted a first a draft R-PP for consideration by the TAP in May 2010. The current R-PP is also a draft and was considered as such. The main focus of the present assessment is to provide further guidance for the preparation of the final version of the R-PP.

It is noted that all components of the R-PP have greatly improved since the first draft R-PP; particularly the TAP appreciates that

- Indigenous people have apparently been consulted and their concerns are reflected in the text (e.g. mention of Convenio 169 of OIT or the International Labour Organization)
- The many activities and initiatives that are currently ongoing in Peru have been included in the R-PP.

Overall, the commitment of the national government to protect large tracks of forest (through a specific new programme approved in July 2010, see beneath) suggests that REDD readiness arrives at a good time, and that the country will be responsive to the opportunity.

However, the R-PP is still somewhat weak on what will be effectively undertaken under the

readiness work. Often the emphasis is put on what has already happened and not on what should be done. Thus, there is a need to emphasize in the next revision on these issues. Also, the discussion related to technical challenges (particularly MRV) needs to be deepened. Finally an important issue that needs to be addressed is that of capacity building, in particular in themes relating to components 3 and 4. What is important to show is how the technical expertise will be transferred to government officers and to regional and local actors.

Specific recommendations are submitted below for each of the sections. In section 1a, the inclusion of all relevant government institutions is clearly described, though there is still a need to make some clearer statements on the institutional arrangements for readiness. In section 1b, Indigenous organizations, such as AIDSEP and CONAP, have apparently been consulted and some of their key concerns are reflected in the text (e.g. respect of Convenio 169 of OIT). The better inclusion of the wider Mesa REDD+ is also clearly recognizable. In section 2a, a thorough overview of deforestation and forest degradation of all geographical regions has been made. Sections 2b and 2c are descriptive and explain the current situation rather than proposing concrete steps of a strategy and implementation arrangements. These sections need to be strengthened.

Finally, a weakness, also pointed out in June 2010, pertains to section 5 (budget). This section is too scant to be fully assessed. A time table and a clear justification of budget are needed. Also the sources of funding should be made transparent.

### **Standards to be Met by R-PP Components**

*(from Program Document FMT 2009-1, Rev. 3:)*

#### **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;

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

The current second draft presents a complete new approach to tackle the National Readiness Management Arrangements and has taken care of many of the TAP remarks made on first R-PP Draft. The R-PP mentions that the legal framework for REDD is currently being revised. The actual institutional environment for REDD+ has been well described and the role and general functions of all institutions and organizations directly and indirectly interested in REDD+ have been shortly outlined. The division made in the draft R-PP between institutions responsible for forest management and conservation, institutions that are linked to the actors of deforestation and forest degradation and institutions or mechanisms that have the potential to facilitate REDD+ is very useful.

The R-PP proposes the creation of the *Organo de Coordinacion de Bosque y REDD (OCBR)* as the future key player in REDD implementation. The OCBR would operate as part of

MINAM (at least in the initial stage).

The institutional setup is better described than in the first draft R-PP. For example, the mechanics and nature of current and proposed relationship between the central government (MINAM and SERNANP, MINAG and DGFF, COFOPRI) and the regional governments as related to REDD+ is clear. Some clarifications have also been made on the relationship between the national level and the regional level ( ... se está llevando a cabo un proceso sostenido de descentralización y de reasignación de competencias públicas desde el Gobierno Nacional hacia los Gobiernos Regionales”. Roughly translated: “...is undertaking a sustained process of decentralization and reallocation of public powers from the national government to regional governments”). The need remains, however, to specify at the regional level, how REDD+ will be integrated into planning instruments, e.g. in the regional climate change strategies (*Estrategias Regionales de Cambio Climático*)

It is understood that there are ongoing processes in the wider climate change agenda of Peru that impede for the time being defining a clear mechanism for the development of REDD-readiness in Peru. The plan proposes that final institutional arrangements will only be provided after that additional studies have been undertaken in the first year of the R-PP implementation (*Análisis de viabilidad política, Institucionalidad adecuada para albergar* the OCBR, the proposed coordination unit).

The R-PP is clear with regard to the participation of many actors from the governmental level. It is interesting to note the existing collaboration between MINAM, MEF and MINRE to create a climate change unit in MEF. In general terms, the details provided suggest a quite good exchange of information between the different ministries.

There is a need to also refer to the ongoing actualization of the National strategy for climate change (*Estrategia Nacional de Cambio Climático, ENCC*) and how the theme of REDD+ is taken into account in that framework document.

In summary, the TAP is of the view that a clear institutional arrangement should be developed before starting the R-PP implementation. The question of the right level of placing the REDD+ coordination and implementation unit (OCBR or UCBR, please use the same terminology throughout the text) remains a crucial one that - as far as it is possible - should be solved when the final R-PP is submitted to the technical committee for approval.

A number of specific comments relate to the following issues:

- While the roles of MINAG and MINAM entities seem to be clear, the role of the different units presented under “*Presidencia del Consejo de Ministros, PCM*” is not fully understood. Is the PCM at a higher inter-ministerial level that could eventually have a more prominent role at the level in the REDD+ coordination? E.g. OSINAFOR is mentioned as an important institution but no relationship has been given to its potential role of REDD+? INDEPA is mentioned here, but not anymore in the further design of the REDD+ coordination. Clarifications should be given in this regard.
- The idea of having an implementation unit for REDD+ is well taken (OCBR); however,

nothing is said about its composition. The TORs are well outlined, but the core role, the responsibility of the implementation of the R-PP, is not mentioned. A question on the functioning of the OCBR remains in respect to its mandate and budget: a high budget is allocated to the implementation of the R-PP through the OCBR but without giving any specifications or details. In addition, the budget is only for 2 years, how will be the third, eventually 4<sup>th</sup> year of R-PP implementation be financed?

- Clarification should be given on the various institutions that are involved in REDD+. It is important adding in the R-PP a diagram that links the various players (MINAM, MINAG, regions, PCM., CNCC and GT-REDD, OCBR, UCC-MEF etc. The link between the OCBR and the GTREDD for example could be clarified. Other players should also be taken into account in the readiness institutional setting, e.g. the role of the Ministerio de Energía y Minas (MEM) is crucial in some of the regions relevant to REDD+; this needs to be made more explicit.
- It is noteworthy that the section on civil society does not mention by name any NGO, national or international, nor any Indigenous Groups. It would be important to identify specifically at least some key partners from the civil society.
- The presentation in the annex (*Grafico anexo 1a. Propuesta de organización institucional para REDD+*) is not conclusive and does not correspond to the description given in component 1a.
- Clarify how REDD+ is taken into account as a planning instrument in the *Estrategias Regionales de Cambio Climático*.
- What would be helpful to clarify is the final role of OCBR, is it implementing readiness (the R-PP...) or has it a (higher) level coordination function? To amalgam the two roles of implementing and coordinating is - in the TAP's view - not adequate. Information should also be given on the reporting lines for OCBR as well as some ideas on the duration of the interim arrangement of having OCBR operating under MINAM.
- Develop further on the role of the *Comisión Nacional de Cambio Climático* (CNCC) and the GT-REDD as a dynamic forum that develops the concepts needed to mainstream REDD+. The role that the newly created *Unidad de Cambio Climático* of the Ministry of Economy and Finance should play in REDD+ also needs to be specified.
- While it is understood that the final institutional arrangements will only be determined in the first year of R-PP implementation, it is important to have a clear idea on the links and responsibilities of all involved bodies at the stage of approving the R-PP.
- There seems to be an overlap between the activities proposed under 8.2 and 8.3 in component 1a and the activities proposed 1b (stakeholder consultation and participation).
- The budget for 1a, in particular the FCPF budget seems to be excessively high (2.2 million US\$ against an FCPF budget of 981,000 US\$ in the first version). More detail should be given on the budget and the fact that the entire budget is spent in the first two years.

- What still is missing is a clear linkage to the inclusion of indigenous groups in the REDD+ scheme and the participation of e.g. AIDSEP and CONAP in the REDD+ institutional arrangements, considering (as outlined in chapter 2a) that more than 14 million hectares of (forest) lands are under *reservas territoriales*.
- More details should be given on the composition and function of GT-REDD in the future arrangement (a footnote as presented on page 21 does not suffice). Consider also making GT-REDD more inclusive, e.g. by integrating the dynamic elements and the political important groups (e.g. indigenous peoples organizations in the future GT-REDD composition).
- In the former version of the draft R-PP, the *Sistema Nacional de Monitoreo e Verificación de Carbono Forestal* (SISNACAF) had a prominent role. The terminology of SISNACAF has completely disappeared in this second draft R-PP. The TAP wonders how and who has taken over the task that had been foreseen for SISNACAF.

### Recommendations:

- Address to the extent possible the various observations made above.
- Consider to further clarify the institutional arrangements overall; include the responsibilities of each committee, and their respective hierarchical linkages to understand better how the whole REDD structure will work. Consider to undertake the necessary exploration work of positioning REDD+ in an overall climate change context in Peru before starting the implementation of the R-PP.
- Clarify better the different roles and responsibilities, including interactions and collaboration, between the various institutions and bodies that have a role in REDD readiness. Present the links in a diagram.
- Clearly define the role of the MINAG (and possibly the new *Servicio Nacional Forestal*, SERFOR), of the SERNANP within MINAM (protected areas, including those related to indigenous people), INDEPA (indigenous people) and the COFOPRI (land tenure regularization, including indigenous people) in the Readiness arrangements coordinated by MINAM (CNCC/OCBR). Reflect more on a possible joint REDD task force of these institutions.
- There is still a need to make clearer the inclusion of the linkages with higher level of administration, including the *Consejo de Ministro*, in order to clarify that the system has the political and the formal ways to integrate REDD in the development plans when needed.

→ ***The standard has been improved, but yet not 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 far<sup>3</sup>, 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.

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

This section provides a comprehensive vision of the different stakeholders for REDD and a clear work plan. The authors are aware of the need for inter-institutional coordination and the R-PP addresses this.

It clearly describes the inclusive process that has been undertaken to prepare the current second draft of the R-PP. Particularly - as proposed by the TAP in its last assessment - a prominent role has been given to the multi-stakeholder Grupo REDD (Mesa REDD Perú) in contributing to the present draft. Thus, the broader ownership of the R-PP is well recognized by the TAP. The current second Draft R-PP now presents specific background information in relation to the Readiness development undertaken so far or being planned.

This section of the R-PP also contains a disclaimer to indicate that two important indigenous organizations (AIDSESEP, CONAP) have participated in the development of the R-PP but that such participation does not mean that they have taken a position on REDD+. A letter has been addressed in September 2010 by AIDSESEP in respect to the inclusion of indigenous territories in REDD+. It is apparently difficult for MINAM to fully satisfy all different views in respect to the participation of IP in the process as there are different opinions and approaches to be taken into account. The TAP, however, observes the efforts of MINAM to engage IPs in the process and to include their representation as best as possible. A section on the principles of Free, Prior and Informed Consent has been added as well as mention to the "*Ley de Consulta Previa*". However, more specifications should be given on how this new law will affect the REDD readiness process in Peru.

The R-PP presents the Mesa-REDD as a key existing mechanism of consultation and participation involving some 70 public or private organizations. Details on the process by which these organizations have informed the current R-PP is provided. The R-PP indicates that two different information strategies are being implemented; the first one to inform and engage with all relevant actors and the second one, to focus on IP and communities living in the forest to ensure the free, prior and informed consent (FPIC). The FPIC strategy was designed to respect the guidelines of the Convenio 169 of the OIT, a central demand of AIDSESEP, and is all encompassing in terms of actors.

Therefore, this section provides information suggesting that, in Peru, consultation has been

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<sup>3</sup> 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).

undertaken over the past two years on REDD and REDD+ in general terms and that the development of the R-PP is engaging with society in general and in particular with IP. This is encouraging and represents a clear step forward in comparison with the draft R-PP of June 2010. The consultation process with IPs seems to be focused on the Amazon region. The question remains if for other forest ecosystems (*bosques secos*, *bosques andinos*) a similar process has been foreseen or not.

Finally, while this section clearly has a focus and objectives, the specific actions that need to be taken to achieve these objectives are elusive. It is possible that planning the information sessions will be part of REDD Readiness; if so, it should be mentioned.

### Recommendations:

- While an impressive number of workshops (70) and training sessions have been organized and conducted in all parts of the country (except for *bosques andinos*???), there is no mention of particular consultations on the endorsement of the R-PP in the proper sense. It would be important that the final version of the R-PP is consulted widely with all interested parties in the country, in particular with those stakeholders that have expressed major concerns in the introduction of REDD+ in Peru.
- Specify further the activities and give clear indication on how the R-PP itself is consulted upon. Avoid languages that presumes top-down-approaches, like e.g. on page 31 in respect to the themes dealt with in the workshops
- The total budget of 1.871 million US\$, out of which 1.385 million US\$ from FCPF (more than twice the size proposed in the first R-PP draft) seems to be very high and needs some further clarification.
- Make the participation of the private sector more inclusive. In general terms, private sector actors seem to be reduced to either exporters or investors.
- Address two of the recommendations of the last TAP review that have not been fully addressed in the current revision:
  - Reflect on conflict resolution arrangements when designing the consultation structure.
  - Demonstrate how local and native communities are included in the design of the MRV system and its implementation (link to component 4 in this regard).

→ *The standards have been largely achieved.*

### 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.

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

Peru is second to Brazil for the extension of forest in Latin America and these forests are being lost with an estimated 8.5 million ha every year. The available data suggest that 92% of the countries GHG emissions come from deforestation in the Amazon. Information on three main themes is given in this section: (i) The responsibilities of different government organization vis-à-vis land tenure and land-use, (ii) the status of forests in different regions of the country and (iii) the causes of deforestation. It is noted that most of the information is ten years old and needs to be updated.

This section has clearly improved from the first draft. The chapter is well presented and includes a short but thorough analysis on the knowledge currently available in respect to forest land tenure, direct and indirect deforestation and forest degradation drivers and an overview on the distinct situation of deforestation and forest degradation in the different forest ecosystems of the country. It also refers to the actual limitations on data available and knowledge about DD.

The important section on forest tenure could be developed further, including more precise information on the tenure situation (e.g. in form of a table showing also the areas under different tenure categories and the main challenges in regard to deforestation and forest degradation). Table 2a-3 on the national forest cover is of great value, but an analysis of the data should be provided. There is an area of 17.2 million hectares (a large area!) that is under the category of “not characterized). Also it is not clear if there is overlap between the different categories listed (e.g. between *bosques en reservas territoriales* and *bosques en AN/bosques en concessions*). What could be better worked out are the potentials and barriers of developing REDD+ in the different geographical and socio-economic contexts in Peru, as well as a short but precise analysis of the sector and extrasectorial governance issues

**Additional recommendations:**

- Consider providing a more in-depth analysis of the forest tenure situation and the categories of forests as presented in table 2a-3.
- Provide a short analysis of the past efforts to reduce deforestation and forest degradation
- Broaden the governance analysis in the proposed studies.
- Clarify the concept in Table 2a-6. There is mention on past experiences in forest conservation, but no relation is given to the actual situation or its relation to REDD+. In activity 8 consider the inclusion of the experiences in community forestry (e.g. outside the Amazon) and not only national and regional programmes.

→ *The standards have been largely met.*

**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.

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

In July 2010, the Peruvian Government has taken the voluntary commitment to conserve 54 million ha of forests. For this purpose, *The Programa Nacional de Conservación de Bosques para la Mitigación del Cambio Climático* (PNCB) is the main tool adopted to achieve this objective. The programme (which in itself is the REDD+ strategy proposal of the country) has three main objectives

- (i) delimiting the forests,
- (ii) promoting the sustainable use of the resource and
- (iii) capacity building.

Two initiatives are already taking place with the aim of creating capacities and establishing payment for environmental service (p. 60). Another interesting initiative is the fight against corruption in the management of forest resources.

There is a dynamic REDD+ development in Peru and there are multiple initiatives and activities ongoing. In information provided now in the Annex (*Niveles de Implementación de REDD en el Perú*) should be integrated in the main chapter as it constitutes an important element of the strategy of Peru. Concluding, the overall strategy proposed is based on a nested approach, to undertake a number of regional and local project activities under a coordinated national umbrella. This is an encouraging approach that offers a lot of opportunities and builds upon existing work and knowledge, but it is also an approach that bears a lot of risks. The opportunities and risks of the proposed strategy should be clearly laid out in the R-PP.

The section, however, does not provide a clear sense of the options ahead to limit deforestation and forest degradation; it rather explains the steps taken to date. Thus it would be important to build on the existing information and to develop out of it a proper REDD+ strategy (that takes into account all forest ecosystems - not only the Amazon). Some of the activities proposed under the REDD+ strategy seem to be better placed under REDD+ implementation, e.g. *promover la inversion pública y privada en REDD+*.

Finally, the TAP noted that Peru is a participant country of the Forest Investment Programme (FIP) that will provide substantial funding for policies and investments to develop REDD+. As this is a parallel process to the preparation of the R-PP, it would be important to develop NOW the synergies and complementarities that can be established between the two programs. This should be clearly reflected in the REDD+ strategy in the R-

PP. In the TAP's view, the REDD+ strategy as developed through the R-PP process gives the framework for any further REDD+ investment in the country.

### Recommendations:

Several of the recommendations made in June 2010 still needs to be addressed:

- Be clearer on the approach chosen and carefully develop on the missing elements in the assessment criteria (listed below):
  - 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.”
- Clarify if the *Programa de Conservación de Bosques (como el programa “Paraguas”)* is considered as the REDD+ strategy or as just an umbrella for it. It is worth to consider this question very carefully.
- Make the approach clearer on where and by whom a REDD+ Strategy will be implemented and give a clearer idea on the time frame if a stepwise approach is chosen.
- Develop on the main barriers of a REDD+ strategy and an initial approach to overcome them, as well on how displacement of emissions will be considered at project level, regional and national level, and on what are the implications for the nested approach
- Clarify on the inclusion of the proyecto Conservando Bosques Comunales in the REDD strategy.
- Closely link the proposal of developing a REDD+ strategy with the initial planning work undertaken through the FIP program in Peru (especificar de qué manera se hará la relación entre los fondos del FCPF y del FIP).

→ The standard is not met yet.

**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.

This section has been completely reworked compared with the first R-PP draft. It presents an exhaustive compilation of the laws having a relation with REDD. The content of each law is presented. The document then mentions the need to develop a methodology to account

for and register emissions reduction.

The country has an impressive number of strategies in the area of climate change, sustainable development and poverty alleviation that needs to be addressed in a REDD+ context. The R-PP proposes to build the REDD+ implementation framework upon removing insecurities in the current legal and policy framework and to create an inductive environment that allows the creation of sustainable investment and incentive schemes for REDD+. It focuses on the development of a national registration system for REDD+ initiatives, which is logical considering the overall approach proposed in the REDD+ strategy section.

A major influence on the country's REDD+ strategy and implementation framework comes from the lack of clarity at the international level, in particular of the acceptance or not of a nested (national/subnational) approach.

Considering the limitation which comes from these general insecurities, the key requirements for implementation and ensuring accountability are sufficiently described in the R-PP and the priorities for the readiness preparation are logical and relevant. Readiness for REDD-plus (based on the proposed nested approach) requires an efficient national institutional framework that is embedded in a larger national development strategy (which is carried not only by the State, but also by stakeholders from the civil society and private sector). This part (coming from 1a) still needs to be adequately addressed for REDD+ implementation. It would be particularly needed to establish clear responsibilities among the authorities participating in the REDD+ processes regarding coordination, MRV and implementation between national, regional and local levels. Particular attention should be given to provisions in respect to sub-national involvement by regional authorities and local stakeholders.

The proposed activities for this component are well to the point, considering the overall REDD+ strategy proposed. However, many of the proposed activities (e.g. under *seguridad juridical* and *mecanismos equitativos*) are still scant and need to be better described (e.g. through short TORs). The budget proposed is difficult to understand, e.g. 80% of the total budget goes into one single line of activities (*Actividad 2c5*). This activity needs to be better described to understand the logic behind the expenditures. In addition, the source of funding ("others") should be specified.

The strategic link (La vinculación estratégica Grafico 2c-1) needs to be clarified. There are a number of plans and strategies that have not been made in relation. More important than the created instruments are the processes that are put into place.

**Recommendations:**

Observations made here need to be taken into account. It is important to closely link the implementation framework to the activities and outputs developed in sections 2a and 2b. The activities are mentioned without much details or context. It seems that the focus of the section is misplaced.

→ The standard is not met.

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

**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.

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

This section starts by emphasizing the importance of developing a strategy to avoid negative social and environmental impact during REDD implementation. It proposes to carry out a SESA (term not defined in the text) to do so. The *Sistema de Nacional de Gestion Ambiental* (adopted in 2008) already includes an *Evaluacion estrategica ambiental* and the R-PP further mentions actions such as the program "*Conservado Bosques tropicales*" and the ratification by the government of the Convenio 169 of OIT as important activities that should help avoid such conflicts.

Over the past years, Peru has made several significant steps to resolve/avoid environmental conflicts and this is very encouraging. The specific activities that would be undertaken under this section to assess and avoid social and environmental conflicts are presented at the end in section 7 but only in very vague terms.

What would be useful to integrate in the R-PP is a comparison of social and environmental impact provisions as defined by the Peruvian legislation and the safeguards procedures according to the operational guidelines of the World Bank (taken as reference at international level) and to describe how these two approaches will be combined. Also underline that the SESA mechanism as described and applied can bring necessary adjustments for the strategy and the whole process and how they are taken into account. In addition, the link between the SESA and the definition of REDD+ needs to be well taken into account, e.g. the essential aspects of issues and compensation obligations.

Five main activities are proposed in the revised R-PP to be conducted under this component. However, more details need to be provided (e.g. in TORs in the annex) on how and by whom these activities will be conducted and who will be responsible for implementing the recommendations made under each of the activities.

This section can be well documented by the World Bank's guidance for strategic environmental and social impact assessment (SESA) and the specific safeguard policies. These supporting documents should be closely taken into account when implementing the R-PP.

**Recommendations:**

- Assure that the FCPF guidelines on this component are taken into account and make sure that national and World Bank guidelines for SESA are equally taken into account and be aligned for the use in REDD+
- Specify further the five main activities proposed and design responsible parties for each of the activities. Make realistic budget assignments for each of the activities
- Describe how in the process of Readiness the results of the SESA will be taken into

account.

→ The standard has yet not been met.

### 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.)

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

Peru proposes to develop its national baseline as an aggregate of baselines that will be developed at the regional level. Two regions of the country, San Martin and Madre de Dios, already count with financed projects that will allow them to model their reference scenarios. The development of these scenarios will proceed in three phases (i) selection and adaptation of methodologies, (ii) data collection and (iii) modeling.

Progress has been made on developing baselines for the regions using methodologies designed for a project approach and thus Peru is testing the feasibility of such an approach. Peru's decision to focus on subnational level as the unit of analysis for the establishment of baseline scenarios and that it has chosen to implement REDD via a phased approach to allow the country to address the implementation at different rates as they develop the technical skills is admirable.

Peru proposes to acquire and work with remote sensing while respecting IPCC guidelines and using methodologies proposed by VCS and GOF-C-GOLD. A long list of steps to be undertaken is provided. These steps are logical and coherent but largely lacking in-depth technical details.

The terminology used in the R-PP appears to indicate that the approaches used in voluntary carbon markets for REDD projects is guiding the approach to be used for developing historic emissions, referred to as baselines, for the two proposed regions of Peru (San Martin and Madre de Dios).

The R-PP also plans to focus on deforestation to begin with, once again a reasonable approach. It is then proposed to progressively add other activities as experiences, definitions, guidelines, and procedures for other activities are clarified.

#### Recommendations:

- Two regions have been chosen for the first phase—a description of the rationale for the choice of these two regions would be useful. In June 2010, the TAP indicated the deforestation analysis seemed to be restricted to Amazonian development policies. Focusing on two regions in the Amazon might be the best course for Peru; nevertheless the R-PP should provide an indication of expected differences with

other forested regions. It should also refer to the approaches that are proposed for the dry forests and mountainous forests of Peru.

- The draft R-PP says that the national level baseline will be built based on projections of regional deforestation. Several challenges are offered for aggregating regional scenarios to the national level but little is offered as to how the challenges might be met—such as agreeing to common definitions and common standards. Some ideas need to be included in this component.
- An important point missing is the need for capacity-building of the government to carry out these steps. Capacity building is mentioned as a budget item in both section 3 and 4, but it is not clear what is specifically requested. More details on what sort of capacity, for whom, what aspects, and kinds of approaches to achieve enhanced capacity would be useful. This point had been raised in the TAP recommendation of June 2010 and has not been adequately addressed so far.
- In June 2010, the TAP had further indicated the need to ensure that the deforestation modeling should not only include socio-economical aspects, but also development policies (and trends) at a local, regional and national level while a multi-sectoral approach (energy, infrastructure, production) needed to be applied when analyzing the existing information. The details provided in the section on modeling are not sufficient to allow the TAP to review whether this will be taken into account or not.

→ Section much improved, standard is partially met but additional information along the lines given above is required.

#### 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.)

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

##### 4 a. Emissions and Removals.

The development of a MRV system for REDD is presented in relations with three initiatives: the *Propuesta de Sistema Nacional de Inventarios de Gases de Efecto Invernadero* (SNINGEI), the *Proyecto de Inventario Forestal Nacional* and the *Convenio de colaboración interinstitucional MINAM-Carnegie*. With these projects Peru hopes to be able to count with field data and remote sensing analysis that will serve as the basic

tools for the MRV.

This section is mostly about what is occurring rather than about what is the plan. There are clearly lots of activities in Peru with respect to REDD and the country counts with excellent technical collaboration. The steps that will be taken to develop the MRV system remain however vague. For example, the planned National Forest Inventory (NFI) will be very useful contribution for developing a REDD MRV in Peru. A word of caution however—make sure for emissions/removals estimation for REDD activities the uncertainty in estimates is low enough—sometimes based on a NFI, the number of plots in strata undergoing REDD+ activities might not be enough to give precise/accurate estimates of carbon stocks.

#### Recommendations:

- Need to link monitoring of emissions reduction activities 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 carbon 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.
- Standard for 4 b is partially met however the TAP recommends addressing the recommendations above.

#### 4b. Other benefits.

This section is generally well done and is linked to the NFI project for environmental co-benefits—which makes sense. It further brings into the game the *Instituto Nacional de Estadística y Informática* as a source of information on socio-economical factors. The R-PP suggests that governance will be monitored which is without doubt crucial if REDD is to succeed.

- It would be helpful to give examples of specific socio-economic indicators that relates to deforestation and might be monitored.
- The budget allocated for this section is very small. This raises the question of whether or not it will be sufficient to allow the country to put such monitoring system in place
- In June 2010, the TAP made the following recommendation: “*Present early ideas on which methods to use to ensure transparency, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers.*” This point is not specifically addressed in the

section on governance but it should be.

- Standard for 4 b is partially met however the TAP recommends addressing the recommendations above.

#### Component 5. Schedule and Budget

**Standard 5: Completeness of information and resource requirement.** 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.

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

This section is yet not elaborated to full satisfaction. No timeline of activities is presented and the different budgetary items are not discussed to allow an informed assessment. The time line and budget should be adjusted in a way that there are no expenditures shown for 2010 (as the R-PP implementation earliest starts somewhere by mid-2011. The recommendations made in June 2010 still fully apply:

#### *Recommendations (June 2010):*

- Revise the timeline of activities (at a lower level as now presented) considering the overall ambitious goals to be met in a relative short time frame.
- Make a clearer sequencing of activities
- Make the delivery date of activities clearer and give an indication how long a main activity should last and give an idea on who is responsible for a specific (sub) activity

In addition, also consider the following recommendations:

- The overall budget is more than 9 million US\$ for the implementation of the R-PP. Make sure that the FCPF provision does not exceed the amount indicated by the participants committee for a specific country.
- Also give an indication who else (besides the Moore foundation) participates in the funding of the R-PP

- The standard is not 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:

Peru proposes that the OCBR be in charge of monitoring the implementation of REDD

readiness. It also proposes a visit by WB at the end of the first year to assess progress as well as a final evaluation 3 months before the end of the project.

While Peru is clearly opened to outside review and is ready to propose a schedule to do so, the R-PP does not present any indicators that could be used in the evaluation itself.

The provisions made for a monitoring and evaluation framework are sufficiently described at this stage and the budget provision is realistic. A set of indicators should be proposed along which the evaluation will take part.

- **The TAP considers that the standards have been met so far, but a set of indicators should be added.**

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