

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism
Readiness Preparation Proposal (R-PP) External Review Template**
(interim, December 13, 2012, from Program Document FMT 2009-1, Rev. 6)

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: Honduras (March 2013 version)

Reviewers: European Commission (lead), Canada, Germany

Date of review: March 15th, 2012

Standards to be Met by R-PP Components

(From Program Document FMT 2009-1, Rev. 6:)

General comments

The reviewers consider the R-PP as very comprehensive and would like to commend Honduras for the achievements made so far. Most earlier comments and suggestions have been addressed, and the reviewers agree that the proposal has been much improved, although not all assessment

standards are met at the same level of detail.

The review process applies a classification scheme as follows:

- **Standard Met** (no further work needed to describe the actions proposed under this standard)
- **Standard Largely Met** (proposed work is acceptable, but can be enhanced with additional information)
- **Standard Partially Met** (some additional information is required before the proposed strategy fulfills the terms of the standard)
- **Standard Not Met** (information is incomplete and does not fulfill the terms of the standard)

The findings from the review are summarized in the table below:

Standard	Informal R-PP October 2012	R-PP March 2013
1a. National Readiness Management Arrangements	Standard Met	Standard Met
1b. Information Sharing and Stakeholder Dialogue	Standard Largely Met	Standard Met
1c. Consultation and Participation Process	Standard Largely Met	Standard Met
2a. Land Use, Forest Law, Policy and Governance	Standard Partially Met	Standard Largely Met
2b. REDD+ Strategy Options	Standard Partially Met	Standard Largely Met
2c. Implementation Framework	Standard Partially Met	Standard Largely Met
2d. Social & Environmental Impacts during Preparation and Implementation	Standard Partially Met	Standard Largely Met
3. Reference Level	Standard Met	Standard Met
4a. Monitoring - Emissions and Removals	Standard Met	Standard Met
4b. Other Multiple Benefits, Impacts and Governance	Standard Largely Met	Standard Largely Met
5. Schedule and Budget	Standard Largely Met	Standard Largely Met
6. Program Monitoring & Evaluation Framework	Standard Largely Met	Standard Largely Met

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

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

National readiness management arrangements are described with clarity, and appear inclusive and fulfilling required standards. The standard for this component had already been met according to the October 2012 PC review.

The current proposal integrates most of the comments provided by the PC in October 2012.

Additional efforts have been made to enhance participation of many non-indigenous stakeholders, including private sector, agroforestry cooperatives, and other suggested organizations, while continuing dialogue with Indigenous Peoples. Gender issues seem to be more adequately integrated in the proposal as well. As required, the R-PP now clarifies that the regional thematic roundtables will be provided with adequate budget.

In addition to regional and Indigenous Peoples conflict resolution mechanisms, a centralized national conflict resolution entity is proposed. However, it is not clear whether a specific institutional arrangement is defined (*Secretaría de Justicia y Derechos Humanos* & SERNA or ODHPINH). Early steps in RPP implementation should include an assessment of how to build on existing national mechanisms and how to ensure independence from the Executive Readiness Management (*Junta Directiva*) to enhance credibility and trust with all stakeholders.

It is also clarified that the MIACC (*Mesa Indígena y Afrohondureña de Cambio Climático*) is open to the participation of other indigenous peoples groups not currently involved in it.

Some of the recommendations to further improve this component contained in the October review, however, have not been fully taken into account in the latest revision of the R-PP:

1. Direct representation of sub-national government bodies in the REDD+ governance structure is still not foreseen.
2. Ways to integrate the rural poor in the REDD+ governance structure have not been explored. However, further stakeholder mapping will take place during 2013 with the objective of ensuring that all relevant actors can be integrated in the governance structure.

Standard 1b: Information Sharing and Early Dialogue with Key Stakeholder Groups:

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:

The proposal provides evidence that efforts have been undertaken to ensure dissemination of information and transparency during the R-PP preparation phase. An early dialogue on REDD+ and the R-PP development process appears to have been successfully initiated with a reasonably broad range of key stakeholders. The October 2012 review considered the standard for this component as only largely met, due to the lack of an agreement on the R-PP between the government and the indigenous and afro-Honduran peoples represented in CONPAH. An agreement on the R-PP seems now to have been reached (joint SERNA, ICF and CONPAH letter to FCPF of February 2013), and the establishment of MIACC ensures coordination and participation of indigenous and afro-Honduran peoples on climate change and REDD+ issues. The MIACC is an open body, allowing future accession of new members.

Recommendations formulated by the PC in October 2012 to further improve the document have all been taken into account in the new proposal, with the exception of one minor point, the preparation of trainings to national financial authorities on payments for ecosystem services, carbon markets and other financial mechanisms and policies related to forest financing.

Therefore, the standard for this component is now **met**.

However, recent letter by COPINH shows that some indigenous and afro-Honduran peoples not represented in CONPAH oppose REDD+ and the R-PP. This should be fully respected, but not lead to paralyzing the overall positive national Readiness process. The right to participate to the national REDD+ process of groups that are currently not involved, as well their right to join the MIACC in the future, should be granted; however, their current opposition and wish not to be involved in REDD+ activities or host REDD+ activities on their territory should also be acknowledged. We would welcome continued efforts to engage with COPINH to see how concerns can be addressed.

Standard 1c: Consultation and Participation Process

Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders, and inclusiveness of effective and informed consultation and participation by relevant stakeholders, will be assessed by whether proposals and/ or documentation on the following are included in the R-PP (i) the consultation and participation process for R-PP development thus far³ (ii) the extent of ownership within

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

government and national stakeholder community; (iii) the Consultation and Participation Plan for the R-PP implementation phase (iv) concerns expressed and recommendations of relevant stakeholders, and 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:

The consultation process appears well documented. The consultation and participation plan has been revised and clarifies the different levels and contents of consultation. PC recommendations formulated in October 2012 have largely been taken into account. The standard for this component is now **met**.

We understand that the FPIC protocol will be developed as part of the consultation process, but applies only when Indigenous Peoples rights are directly affected at the level of local REDD+ projects, not at the level of all national consultations. This differentiation is helpful and necessary.

Component 2. Prepare the REDD-plus Strategy

Standard 2a: Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy, and Governance:

A completed assessment is presented that: identifies major land use trends; assesses direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD-plus; recognizes major land tenure and natural resource rights and relevant governance issues; documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation; identifies significant gaps, challenges, and opportunities to address REDD; and 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:

The previous version of the R-PP has been improved by providing additional information on forest sector governance issues, and existing initiatives to promote reform, including the National Forest Programme (PRONAFOR) and the FLEGT Voluntary Partnership Agreement (VPA) currently under negotiation with the European Union. Additional clarity has been provided on the studies foreseen. However, some of the recommendations in the October 2012 PC review have not been fully integrated in the current proposal. The standard is therefore only **largely met**:

1. Little additional information has been provided on land titling irregularities. However, the results of a comprehensive study have just become available.
2. Illegal logging has been identified as a direct driver of deforestation - studies and workshops are activities being proposed to address this issue. It has been noted that the reality of safety and security of rural community members working in the forest to promote SFM has not been mentioned. The role of national enforcement agencies and their potential role in monitoring and enforcement in areas where illegal logging is more

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).

prominent has not been mentioned despite acknowledging illegal logging accounts for 30-40% of total harvested volume nationally.

3. A work plan indicating the timeline and responsibilities for the studies and outreach workshops would be useful.

Standard 2.b: REDD-plus strategy Options:

The R-PP should include: an alignment of the proposed REDD-plus strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies, and a summary of the emerging REDD-plus strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD-plus strategy options. This summary should state: how the country proposes to address deforestation and degradation drivers in the design of its REDD-plus strategy; a plan of how to estimate cost and benefits of the emerging REDD-plus strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental aspects; socioeconomic, political and institutional feasibility of the emerging REDD-plus strategy; consideration of environmental and social issues; major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD-plus strategy; and a plan of how to assess the 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-plus strategy over time.

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

The R-PP presents a number of ongoing and planned strategies to reduce deforestation and forest degradation. Additional information has been included under this component, including on non-forest sector policies’ impact on deforestation and possible ways to reconcile sector policies, as well as a preliminary assessment of possible economic, environmental, social, cultural and legal impacts of the REDD+ strategy. The proposal also discusses implementation of the ICF Strategic Plan (including infrastructure and market access improvements, simplification of forest management procedures) the National Strategy to Combat Illegal Logging and Timber Transport, as well as the strengthening of the judicial system by environmental tribunals and improved access to legal incentives for sustainable forest management. Explanations on a 3rd party approach to timber transport control have been given and are very helpful (refer to Ecuadorian approach).

The component, however, only **largely meets** the standard, as some of the previous PC comments have not been fully integrated in the document:

1. The FLEGT VPA process is now mentioned, however the R-PP is not clear on how linkages between the REDD+ and FLEGT process could be pursued.
2. The R-PP is still not entirely clear in linking the strategies to the drivers discussed in the previous section. Figure 8 does not align but only lists everything in one page. Some strategy options (e.g. eliminating irregular titling in national forest lands by re-nationalization) don’t seem to be based on a previous drivers analysis.
3. Preliminary prioritization of drivers and strategy options has not been added. It should be addressed early during R-PP implementation.

Standard 2.c: REDD-plus implementation framework:

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. Identifies key issues

involved in REDD-plus implementation, and explores potential arrangements to address them; offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package. 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:

The proposed process for defining the REDD+ implementation framework appears adequate and fulfilling standards required. The ongoing study on carbon ownership and land tenure will provide valuable lessons also for benefit-sharing arrangements. In all cases, local REDD+ projects and their respective benefit-sharing arrangements will be subject to FPIC by Indigenous Peoples. We consider this to be a sufficient guarantee at this point that customary rights and common property regimes will not be discriminated in benefit-sharing. The standard is however only **largely met**, since previous comments from the PC have only been partially addressed:

1. No further considerations have been added as regards the establishment of a national REDD+ registry or REDD+ information management system. This should be discussed during RPP implementation, especially due to the strong focus of the RPP on regional REDD+ projects for carbon markets.
2. As indicated in the TAP review, it would be useful to have a more specific plan or table of action.

Standard 2.d: Social and Environmental Impacts during Readiness Preparation and REDD-plus Implementation:

The proposal includes a program of work for due diligence in the form of an assessment of environmental and social risks and impacts as part of the SESA process. It also provides a description of safeguard issues that are relevant to the country’s readiness preparation efforts. For FCPF countries, a simple work plan is presented for conducting the SESA process, cross referencing other components of the R-PP as appropriate, , and for preparing the ESMF.

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

Additional information is provided on the SESA process, including on its integration into other R-PP components in order to make clear the feedback loops between SESA, and REDD+ strategy options.

The standard for this component is however only **largely met**:

1. Detailed work plans for SESA have been provided, clarifying how results from SESA will feed into the elaboration of the national REDD+ strategy. However, work plans do not yet include the elaboration of an ESMF, which would be the final product of SESA. An ESMF is however budgeted in component 4b. Details of SESA and ESMF should be clarified with Delivery Partner when preparing the Readiness Grant Agreement.

Component 3. Develop a National Forest Reference Emission Level and/or a Forest Reference Level

Standard 3: a National Forest Reference Emission Level and/or a Forest Reference Level

Present work plan for how the reference level for deforestation, forest degradation (if desired), conservation, sustainable management of forest, and enhancement of carbon stocks will be developed. Include early ideas on a process for determining which approach and methods to use (e.g., forest cover change and GHG emissions based on historical trends, and/or projections into the future of historical trend data; combination of inventory and/or remote sensing, and/or GIS or modeling), major data requirements, and current capacity and capacity requirements. Assess linkages to components 2a (assessment of deforestation drivers), 2b (REDD-plus strategy activities), and 4 (monitoring system design).

(FCPF and UN-REDD recognize that key international policy decisions may affect this component, so a stepwise approach may be useful. This component states what early activities are proposed.)

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

Component 3 appears solid and fulfilling standards required. A sub-national approach is proposed, as a transitory measure towards a national approach. The steps required for the development of a reference level, as well as the institutions involved, existing capacity and additional requirements are clearly identified in the proposal. The standard is met.

Capacity-Building still focuses very much on short-term needs instead of long-term needs such as university training. However, forestry training institutions have been included as stakeholder in component 1a.

Component 4. Design Systems for National Forest Monitoring and Information on Safeguards

Standard 4a: National Forest Monitoring System:

The R-PP provides a proposal and workplan for the initial design, on a stepwise basis, of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation, and forest enhancement activities. The system design should include early ideas on enhancing country capability (either within an integrated system, or in coordinated activities) to monitor emissions reductions and enhancement of forest carbon stocks, and to assess the impacts of the REDD-plus 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-plus implementation. The proposal should present early ideas on how the system could evolve into a mature REDD-plus monitoring system with the full set of capabilities.

(FCPF and UN-REDD recognize 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:

This component has not changed since the informal presentation of Honduras' R-PP in October 2012.

The proposal extensively discusses data requirements and early ideas on the development of a measurement, reporting and verification system for REDD+. It also clearly identifies the actors involved and the steps to be taken, and suggests a system that appropriately integrates participatory approaches by forest stakeholders. The standard is **met**.

As indicated for component 3, capacity-Building still focuses very much on short-term needs instead of long-term needs such as university training. However, forestry training institutions have been included as stakeholder in component 1a.

Standard 4b: Designing an Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards :

The R-PP provides a proposal for the initial design and a workplan, including early ideas on capability (either within an integrated system, or in coordinated activities), for an integrated monitoring system that includes addressing other multiple benefits, impacts, and governance. Such benefits may include, e.g., rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD-plus implementation in the country.

(The FCPF and UN-REDD recognize 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:

This component has not changed since the informal presentation of Honduras' R-PP in October 2012.

The standard is **largely met**. The R-PP could be strengthened addressing the following issues:

1. The budget items on SESA and ESMF should be moved to section 2d.
2. It is recommended to explore synergies with existing data collection (national statistics, research) in order to prevent over-burdening the social and biodiversity impact monitoring system and hence make it more sustainable.
3. While information on planned monitoring of social, environmental and other impacts is provided in detail, the R-PP does not yet provide an adequate account of plans to monitor, report and verify the governance impacts of REDD+.
4. Some questions related to the budget: It is not clear why the budget for environmental baseline data is so much higher than for social baseline data. Budget item for the proposed studies on co-benefits in selected areas seems to be missing. The mentioned capacity building requirements for government institutions as well as stakeholders (participatory monitoring) don't seem to be reflected in the budget.

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 and/or UN-REDD, as well as from other international sources (e.g., 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-plus readiness activities identified in the R-PP. Any gaps in funding, or sources of funding, are clearly noted.

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

The budget has been revised to reflect last modifications on the R-PP.

The standard is **largely met**. The R-PP could be strengthened addressing the following issues:

1. The R-PP would gain from clarifying which external sources are expected to contribute to the overall budget.
2. In addition, as recommended in the previous TAP review, it would also be helpful to have some indication of which items are priorities for funding.

Component 6. Design a Program Monitoring and Evaluation Framework

Standard 6: The R-PP 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:

This component has not been changed since the informal presentation of Honduras’ R-PP in October 2012.

R-PP includes a comprehensive logical framework, including quantitative indicators. Considerations should be given to mechanisms for ensuring feedback and corrective actions during the implementation phase.

The standard is **largely met**. The R-PP could be strengthened addressing the following issues:

1. The M&E Framework is largely based on input and output indicators, e.g. workshop held or studies carried out. More consideration should be given to the desired outcomes. For example there is no indicator on whether a national REDD+ strategy has been approved, or whether a national registry and grievance mechanism is operational.
2. A budget for this component is missing.
3. The R-PP does not discuss how the evaluation framework and possible corrective measures are going to be implemented.