

**Forest Carbon Partnership Facility (FCPF):
Readiness Plan Idea Note (R-PIN) – External Review Form**

Guidelines for Reviewers:

- 1) This review form is a record of your review, which may be disclosed for transparency. Please bear that in mind when filling it out.
- 2) Please summarize your comments-- address whatever you feel is important.
- 3) Please evaluate and mark (score) each of the 5 Summary Assessment review criteria from the FCPF Information Memorandum, the Participants Committee Selection Criteria, and the numbered R-PIN major topics, as requested in the right-hand column. Select a mark from the following scale: NA: Not Addressed. 1: Inadequately addresses criterion. 2: Barely addresses criterion. 3: Average, or adequately addresses criterion. 4: Good job of addressing criterion. 5: Excellent job of addressing criterion.

<p>1) Country submitting the R-PIN: LIBERIA 2) Date of Review: June 24th 2008 – REVISED July 7</p>	
<p>I. Summary Assessment of the Quality and Completeness of the R-PIN: <i>Note with value of 1 – 5</i></p>	<p>Mark (score):</p>
<p>Criterion (i): Ownership of the proposal by both the government and relevant stakeholders:</p>	<p>4</p>
<p>Criterion (ii): Consistency between national and sectoral strategies and proposed REDD Strategy:</p>	<p>3</p>
<p>Criterion (iii): Completeness of information and data provided:</p>	<p>3</p>
<p>Criterion (iv): Clarity of responsibilities for the execution of REDD activities to be financed:</p>	<p>4</p>
<p>Criterion (v): Feasibility of proposal and likelihood of success:</p>	<p>4</p>
<p>SUMMARY SCORE: <i>add scores above and enter sum into box on right</i></p>	<p>SUM: 18</p>
<p>Improvements the country could make to R-PIN, and any TA needs for it: See main text.</p>	
<p style="text-align: center;">II. Participants Committee Selection Criteria: Information</p> <p>Relevance of country in REDD context: Priority to countries with: (i) substantial forest area and forest carbon stocks; and (ii) relevance of forests in economy, including livelihoods of forest dwellers and Indigenous Peoples:</p>	

Geographic and biome balance: across the world's main forest biomes.

Variety of approaches: Proposed innovative approaches to tackling deforestation and degradation; methods; testing new mechanisms and distribution of REDD revenues; and/or regionally important leadership.

III. Detailed Review of R-PIN Responses to Template Questions:

Please review the R-PIN quality and completeness in terms of addressing the major questions in the FCPF R-PIN template.

1. Government focal point, and ownership and consultation in producing the R-PIN:

The focal point is the Managing Director of the Forest Development Authority but the R-PIN was submitted by the Minister of Finance. This is the very top giving the process the attention it deserves. This also guarantees full government ownership of the process. Only one international NGO (CI) contributed to the development of the R-PIN but several others were consulted. The government has also established a carbon working group.

There was sufficient consultation prior to the preparation of the technical document and there seems to have been a good mix of government (FDA) and non-government personnel. In addition, the National carbon Working Group, though dominated by International Bodies, nonetheless gave sufficiently wide technical consultations, and its Terms of Reference indicate a very clear understanding of the road ahead.

A well-structured consultation process appears to have been engineered. However, the process that was used in the consultations has not been mentioned and it is not clear whether forest communities were consulted at all. It is understandable that the readiness fund activities may not be fully covered by the banks mandatory social and environmental safeguards policies and developing the R-PIN required only a simplified assessment. But despite this, the communities have been at least consulted in developing the R-PIN.

2. Identification of institutions responsible for: forest monitoring, law enforcement, conservation, and coordination across forest, agriculture and rural development:

This is fairly clear but the way coordination has played out between the FDA and other sectors was not sufficiently explained or illustrated. An interesting sign that Liberia fully understands that REDD is not just a technical forestry issue, but at heart a financial one, comes in the fact that this submission comes from the Minister of Finance herself.

It also seems that the assignment or conferment of carbon rights to individuals or groups of people will be a major issue unless issues of land tenure are clarified soon. At the moment security of tenure on forest land could be a disincentive to implementing REDD by individuals or groups such as forest dependent people.

3. Current country situation:

Where do deforestation and forest degradation occur, main causes, estimates of greenhouse gas emissions, data available? Key issues in forest law enforcement and forest sector governance?

An extremely informative description of deforestation is given, all the more remarkable in its detail for the fact that Liberia has so recently emerged from its 14-year civil war. The war suppressed forestry activities, but nonetheless studies indicate an annual deforestation rate rising from 0.2% per annum in 1986-2000, to 0.35% per annum from 2000-2006. As elsewhere in Africa, deforestation is closely linked to transport routes and the vicinity of towns.

A recent study by the FDA calculates annual emissions from deforestation in Liberia at 7.6 Mt CO2 equivalent per year in the last six years, not including additional emissions from degradation. However, although the sources of emissions have largely been identified, there is not sufficient data on emissions even though the sources of emissions have been largely

identified. This should to be done quite soon since it can already be superimposed on the sampling strata which was used in forest inventory.

Future emissions will likely be higher, as the pressure for revitalizing the economy starts to have its impacts, both on deforestation and degradation. The National Poverty Reduction Strategy foresees a legitimized increase in timber production volumes by a factor of 40 over the next six years.

A thorough overview of data availability is presented, helpfully pointing out where the data gathering has followed the IPCC Good Practice Guide.

A good analysis is presented of the forest laws, their enforcement and governance of the forestry sector generally. Accent is rightly placed on the lack of clarity about resource ownership: a recurrent issue that will loom large in the REDD process. The R-PIN shows that those involved in Liberia know exactly what they wish to do about this in the next phase.

As in the Ghana example forest fire has not been identified as an agent in degradation or deforestation. It is probably subsumed under deforestation but in estimating emissions, the influence of fire can be significant even if it does not lead to deforestation directly.

4. Data available on indigenous peoples and forest dwellers?

Liberia does not have forest dwellers per se but it has forest dependent people. A clear overview is presented to reveal the overall picture of ethnic composition across the country, and the nature of ethnic conflicts that still persist. Some of the underlying issues relating to conflicts between these forest dwellers are explained. Surveys and research are described, that provide additional information about the relationship between some communities of forest dwellers and their resource base. The role that REDD readiness funding will play in deepening this knowledge, with particular reference to resource use and benefit rights, is spelt out. In line with REDD, there is need for a national database on selected forest dependent people to understand their needs for land and forest resources, monitor their influence on carbon fluxes in key production and high conservation value forests and design REDD strategies that address or take into account their key concerns.

Nonetheless, environmental and social impacts assessments on forest dwellers and forest dwellers communities have been undertaken around Sapo National Park and around Wonegizi, Kola and Lake Piso. It also stated that planned logging concessions planned to be rolled out in the next few years require community impacts assessment. This is however not adequate and under international regimes like the UN Declaration on the Rights of Indigenous Peoples and World Bank OP.4.10, such communities must be consulted at all project levels to enable their “free, prior and informed consent” (FPIC) to projects in their territories. It is understandable that Liberia has gone through difficult times. But consultations and FPIC would facilitate cooperation and ownership that will necessary to mitigate against future conflicts. A rights-interest based approach that takes all on board is critical. Without this, proposed carbon projects will eventually be marred in controversy and conflict.

5. Current strategy in place to address deforestation and forest degradation. What stakeholder process was used to arrive at it?

A major effort has been developed to engage stakeholders in the formulation of a range of forest policies, with consultations at three levels (local, regional and national). It is noteworthy that the public was widely consulted prior to the 2006 Forest Policy, which seeks to harmonize or consider community, conservation and commercial interests in the management of the national Forest Estate. Hopefully a new Forestry Law or Code will confer the necessary rights and spell out responsibilities with respect to management, including REDD Programmes. In addition a new Forest Management Strategy, which seeks a harmonious balance between the Community, Conservation and Commercial aspects of forestry, was formulated and validated in 2007 through public consultation.

One can then infer from these developments that there is a strong institutional basis upon which a national REDD Programme can be based. However and like in other countries, a national REDD Strategy requires a mindset that manages its forest estate as both a global good and an agent of local development.

6. What would be needed to reduce deforestation and forest degradation?

Some comments from reviewers:

- The country needs to designate a core forest estate to be managed for multiple benefits but with REDD as the core objective
- A system for carbon accounting (estimation of carbon stocks, estimation of emissions and emission reductions are needed)
- Cross-sectoral policies on REDD should be negotiated to recognize REDD areas
- Co-management and benefit sharing arrangements with forest dependent peoples should also be negotiated and legally backed
- Institutional arrangements clarifying individual and group carbon rights are essential to enable wider public participation
- Establishing a nationwide monitoring programme on REDD based on the already existing sampling grid

Has country considered the potential relationship between REDD strategies and country's broader development agenda?

There is a thorough description of how Liberia is going about countering the threats posed by deforestation and forest degradation. The establishment of the Forest Carbon Working Group, as a means to focus attention on payment for ecosystem services as a route to poverty reduction, is described, in the context both of international climate negotiations and its wish to participate in the REDD process.

The whole narrative of the submission makes frequent reference to the rest of the development agenda, and although cross-sectoral collaboration is not at present well-developed, steps are being taken to improve this. In the current Forest Management Strategy, conservation, community participation and commercial interests have been catered for so there is an institutional set up that is complimentary to REDD

Has any technical assistance been received, or is planned on REDD?

So far organizations such as Conservation International, the University of South Dakota and MacBain Foundation have provided technical support to prepare the PIN, and this is duly acknowledged, while also signaling that the scale of what needs to be done next is enormously greater than what has been undertaken to date.

7. What stakeholder consultation process would country use for developing and implementing REDD under FCPF support?

In the case of Liberia a national consultative process spearheaded by the National Carbon Working Group can easily build upon the consultation process which produced a National Forest Management Strategy of 2007, but this time explaining the opportunities under Carbon Finance as an incentive and the responsibilities that such financing will entail in the way they will manage their forests.

Liberia has also stated that there are no communities in Liberia which are classified as "indigenous forest dwellers". However the fact of the matter is that a high percentage of rural people in and around forests and their issues with regard to forest management cannot be ignored. However it is encouraging to note that forest-dependent peoples are consulted and integrated into the FDA procedures through surveys undertaken by FDA relating to Protected Areas and commercial logging. Such surveys are time consuming given the difficulty in accessing forest community areas especially during rainy seasons, but it should be appreciated that, it is not the survey but actual participation in the process and inclusion in decision making that counts for forest communities. And this should be done in culturally appropriate ways.

8. Implementing REDD strategies: challenges to introducing effective REDD strategies, and how might they be overcome? Would performance-based payments through REDD be a major incentive for implementing a more coherent strategy to tackle deforestation?

From the submission, the main challenges to introducing REDD strategies include:

- Minimizing inter-sectoral conflicts particularly from mining, and agriculture
- Forest carbon will have to compete with tangible products such as bio-fuels and mainstream commercial forestry
- Liberia will need to build the necessary capacity for forest inventory and systematic monitoring of the carbon stocks – this should build upon the recent good work funded by Germany
- The Government will need to identify and negotiate the designation of a stable national forest estate from which carbon credits and emission reductions could be estimated – In the face of competing land uses, this is a formidable challenge

To overcome these challenges Liberia could consider.

- The current institutional structure, the FDA, the Forest Management Initiative and supporting institutions, is a very good start, as is the layout of sample points across a stratified forest cover
- Promotion of long-rotation rubber plantations could combine rubber production and carbon credits
- Security of tenure particularly group tenure for communities is advisable before carbon rights can be conferred – this is a major incentive for community participation, particularly forest dependent people
- The competitiveness of forest carbon to pay for the opportunity costs can be enhanced if methods of carbon assessment include below-ground biomass and biomass equations are developed for various forest types. The current estimates would appear to be underestimates. The use of basal area could be investigated as it could give a more accurate picture of carbon stocks than the current system which does not use all diameter classes

There is substantial evidence in the submission that Liberia and its partners have thought very hard about the challenges, as they relate to poverty alleviation, economic growth and redynamisation of the renewable natural resource sector. Careful thought is given to the issue of performance based payments, and the thinking in Liberia is that they would start with the protected area network as a test-bed for this.

9. REDD strategy monitoring and implementation: How forest cover and land use change are monitored today, and any constraints in this approach?

Liberia is confident that it has a baseline, a system for expanding on it, and the analytical and modeling tools to meet all REDD-related data quality requirements. It has an excellent start based on their current national grid of 703 permanent sample plots, on a stratified forest estate. Much information can be collected from the sample points. So far the main constraint could be national capacity and resources to maintain a systematic and periodic monitoring scheme.

It is also not clear if capacity exists to assess existing above and below-ground stocks but the thinking is there in the report about the estimation of above and below-ground biomass, following the IPCC guidelines. It would appear that for carbon, the estimation of basal area and estimates of annual increment are also important. Remote sensing is briefly described.

10. Additional benefits of potential REDD strategy, and how to monitor them: biodiversity and rural livelihood?

There will be immense biodiversity benefits as indicated in the R-PIN. However, given the lack of secure land tenure, it is not clear how the alternative livelihoods will be implemented or how the communities will benefit. Methodology already in place for the monitoring of rural livelihoods (through the Institute of Statistics' Core Welfare Indicator Questionnaire) is described, and it is explained how REDD could contribute to this. However, the benefit sharing scheme which would facilitate economic development and social well being based on carbon flows has yet to be defined. During the Readiness Phase the applicability for REDD incentives will also have to be examined.

This may eventually be based on examples based on social agreements requirements within the Timber Sales and Forest Management Contracts. It is proposed that "the Carbon Working Group and other stakeholders will examine both existing

Liberian models and current practices in other countries when developing an appropriate scheme for Liberia. Efforts will also be made to coordinate with the Land Commission so that carbon ownership is clarified in conjunction with the possible revision of the land tenure system.”

11. What assistance is country likely to request from FCPF Readiness Mechanism?

- Technical Capacity - Improving the estimation of carbon stocks, building national capacity for measurements on carbon stocks
- Governance and Financial Structure - Dealing with tenure issues, particularly of forest dependent people
- Demonstration / Pilot Projects

\$650,000 is requested in the submission for the first 9 months to develop the Readiness Plan, after which a 3 year plan is laid out. Although there is not a detailed budget breakdown to accompany the main cost headings, they seem in the main eminently reasonable.

12. Donors and international partners already cooperating with country on REDD.

These include, Germany, USAID, Conservation International, the University of South Dakota and MacBain Foundation

Liberia has plans to work with the World bank, ITTO and IUCN.

13. Country's Potential Next Steps and Schedule:

The next steps are laid out in a detailed timetable, which distinguishes between the next 9 months (the Readiness Plan) and then a three-year period of implementation of a full project process. It has been thought about carefully.

14. Attachments and their usefulness:

There are 9 short Annexes, all of them pertinent and useful, particularly land use capability, and inventory maps based on a national grid.