

Document of
The World Bank

READINESS PREPARATION PROPOSAL ASSESSMENT NOTE

ON A

PROPOSED {LOAN/CREDIT}

IN THE AMOUNT OF US\$ 3.80 MILLION

TO

BELIZE

FOR A

FOREST CARBON PARTNERSHIP FACILITY

REDD+ READINESS PREPARATION PROJECT (P152415)

Vice President: Jorge Familiar

Country Director: Tahseen Sayed Khan

Practice Manager: Raúl Ivan Alfaro-Pelico

Senior Global Practice Director: Karin E. Kemper

Task Team Leaders: Keiko Ashida Tao and Enos E. Esikuri

This document is being made publicly available after Readiness Preparation Grant signature. This document may be updated as needed and the updated document will be made publicly available in accordance with the Bank's policy on Access to Information.

DATA SHEET

Belize

REDD+ Readiness Preparation Support Project (P152415) READINESS PREPARATION PROPOSAL (R-PP) ASSESSMENT NOTE Latin America and the Caribbean Region

Basic Information	
Date:	June 29, 2016
Country Director:	Tahseen Sayed Khan
Practice Manager:	Raúl Alfaro-Pelico
Senior Global Practice Director:	Karin E. Kemper
Lending Instrument:	IPF
Team Leader(s):	Keiko Ashida Tao and Enos E. Esikuri
Sectors:	Forestry
Themes:	Climate Change (81)
EA Category:	B
Date of country selection into FCPF: July 4, 2014	
Date of Participation Agreement signed by Country: October 21, 2014	
Date of Participation Agreement signed by Bank: September 25, 2014	
Date of R-PP Formulation Grant Agreement signature: N/A	
Expected date of Readiness Preparation Grant Agreement signature: March 14, 2017	
Joint IFC: N/A	
Project Implementation Period:	Start Date: March 14, 2017 End Date: December 31, 2020
Project Financing Data	
<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
<input type="checkbox"/> Credit	<input type="checkbox"/> Guarantee
<input type="checkbox"/> Other	
For Loans/Credits/Others (US\$M):	
Total Project Cost : 4.08	Total Bank Financing : 3.80
Total Cofinancing : 0.28	Financing Gap : 0
Financing Source	Amount
BORROWER/RECIPIENT	0.28
IBRD	0
Others:	
FCPF	3.80
Financing Gap	0
Total	4.08
Regional FCPF Trust Fund Number: TF080735	
FCPF Country Child Trust Fund Number: TF018492	

Recipient: Belize				
Responsible Agency: Ministry of Economic Development, Petroleum, Investment, Trade and Commerce (MEDPITC)				
Contact: Yvonne Hyde		Title:		Chief Executive Officer
Telephone No.: (501) 822-2526		Email:		ceo@med.gov.bz
Responsible Agency: Ministry of Agriculture, Fisheries, Forestry, the Environment, Sustainable Development and Immigration (MAFFESDI)				
Contact: Percival Cho		Title:		Chief Executive Officer
Telephone No.: (501) 822-2241		Email:		ceo@environment.gov.bz
Responsible Agency: Protected Areas Conservation Trust				
Contact: Nayari Diaz		Title:		Executive Director (Acting)
Telephone No.: 501-822-3637		Email:		nayari@pactbelize.org
Institutional Data				
Practice Area / Cross Cutting Solution Area				
Cross Cutting Areas				
<input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Fragile, Conflict & Violence <input type="checkbox"/> Gender <input type="checkbox"/> Jobs <input type="checkbox"/> Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing, and forestry	Forestry	100	89	100
Total		100		
<input type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Green House Gas Accounting				
Is GHG accounting applicable for your project?		Yes		
Themes				
Theme (Maximum 5 and total % must be equal to 100%)				
Major theme		Theme	%	
Environment and natural resources management		Climate change	100	
Total			100	
Private Capital Mobilized		No		
Gender Tag				
Does the activity plan to undertake any of the following? Please select Yes or No for each: Gender analysis and/or consultation on gender related issues. Yes				

Specific actions to address the distinct needs of women and girls, or men and boys, or positive impacts on gender gaps.
Yes
Mechanisms to facilitate monitoring and/or evaluation of gender impacts.
Yes

Clearances to the Readiness Preparation Proposal Assessment Note

Practice Manager: Raúl Ivan Alfaro-Pelico, February 18, 2016

Regional Safeguards Advisor: Francis Fragano, April 13, 2016

Safeguards Specialists (Environment: Raul Tolmos, October 26, 2015; Social: Jacive Lopez, November 9, 2015)

Procurement Specialist: Yingwei Wu/Sonia da Fonseca, January 14, 2016

Financial Management Specialist: David I/Shonell Robinson, November 17, 2015

PURPOSE OF THE READINESS PREPARATION PROPOSAL ASSESSMENT NOTE

The Forest Carbon Partnership Facility (FCPF) is assisting developing countries in their efforts to reduce emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest (REDD+) by providing value to standing forests. It was announced at CoP13 in Bali in December 2007 and became operational in June 2008.

The FCPF is helping build the capacity of developing countries in tropical and subtropical regions to reduce emissions from deforestation and forest degradation and to tap into any future system of positive incentives for REDD+. The aim is to enable countries to tackle deforestation and reduce emissions from REDD+ as well as develop capacity for assessment of measurable and verifiable emission reductions.

These preparatory activities are referred to as ‘REDD+ Readiness’ and are supported in part by the Readiness Fund of the FCPF. This FCPF Readiness Preparation grant activity (referred to as “Project” in the Readiness Preparation Proposal (R-PP) Assessment Note) will fund only a portion of the R-PP activities, but will help the Country towards achieving REDD+ Readiness, even though the Country may not reach this stage until well after the grant closes; it will not finance any implementation of REDD+ activities on the ground (e.g., investments or pilot projects).

Approximately 10 to 15 countries that are expected to have made significant progress towards REDD+ readiness may also participate in the Carbon Finance Mechanism and receive financing from the Carbon Fund. Specifically, these countries will benefit from performance-based payments for having verifiably reduced emissions from deforestation and/or forest degradation through their Emission Reductions Programs. The structure of these payments will build on the options for REDD+ that are currently being discussed within the United Nations Framework Convention on Climate Change (UNFCCC) process, with payments made to help address the causes of deforestation and degradation.

As part of its responsibilities for the FCPF, the World Bank has been asked to ensure that the FCPF’s activities comply with the relevant World Bank Operational Policies and Procedures, in particular the Safeguard Policies, and the policies on Procurement and Financial Management. The World Bank has also been asked to assist REDD Country Participants to formulate and implement their Readiness Preparation Proposals (R-PPs).

The purpose of this Readiness Preparation Proposal Assessment Note (R-PP Assessment Note), therefore, is for the World Bank to assess if and how the proposed REDD+ Readiness Preparation Activity, as presented in the R-PP, complies with Safeguard Policies and the World Bank’s policies on Procurement and Financial Management, discuss the technical quality of the R-PP, record the assistance it has provided to the REDD Country Participant in the formulation of its R-PP, and describe the assistance it might potentially provide to the REDD Country Participant in the implementation of its R-PP.

ABBREVIATIONS AND ACRONYMS

BNCCC	Belize National Climate Change Committee
CBO	Community-based organization
CCJ	Caribbean Court of Justice
CPS	Country Partnership Strategy
DOE	Department of the Environment
EOP	End of project
ESMF	Environmental and Social Management Framework
FCPF	Forest Carbon Partnership Facility
FMT	Facility Management Team
FGRM	Feedback and Grievance Redress mechanism
FPIC	Free, Prior and Informed Consent
GDP	Gross domestic product
GIZ	German Agency for International Cooperation
GNI	Gross National Income
GOB	Government of Belize
IBRD	International Bank for Reconstruction and Development
ICT	Information and communication technology
IDA	International Development Association
IPPF	Indigenous Planning Peoples Framework
LULUCF	Land use, land use change and forestry
MAFFESD	Ministry of Agriculture, Forestry, Fisheries, the Environment and Sustainable Development
MEDPITC	Ministry of Economic Development, Petroleum, Investment, Trade and Commerce
MRV	Measurement, reporting and verification
NFMS	National Forest and Safeguards Monitoring System
NGO	Non-governmental organization
NTFPs	Non-timber forest products
NPASP	National Protected Areas System and Plan
NPAP	National Protected Areas Policy
PA	Protected area
PACT	Protected Areas Conservation Trust
PC	Participants Committee
PDO	Project Development Objective
PSC	REDD Readiness Project Steering Committee
REDD+	Reducing emissions from deforestation and forest degradation
REL/RL	Reference emissions level/reference level
RPF	Resettlement Policy Framework
R-PP	Readiness Preparation Proposal
SESA	Strategic Environmental and Social Assessment
TAA	Toledo Alcaldes Association
TNC	The Nature Conservancy
UNFCCC	United Nations Framework Convention on Climate Change

BELIZE
Forest Carbon Partnership Facility, REDD+ Readiness Preparation Support Project
Contents

I. Introduction and Context.....	1
A. Country Context.....	1
B. Sectoral and Institutional Context.....	2
C. Relationship to CAS/CPF	4
II. Proposed PDO/Results	5
A. Proposed Development Objective.....	5
B. Key Results	5
III. Project Context	5
A. Concept	5
1. Description.....	6
2. Overall Risk and Explanation	7
B. Implementing Agency Assessment.....	8
C. Project Stakeholder Assessment	10
IV. Proposed Team Composition and Resources, including Technical Assistance Provided by Bank Staff to Date.....	11
V. Assessment Summary	11
A. Technical.....	11
B. Financial Management.....	13
C. Procurement	14
D. Social and Environmental (including Consultation, Participation, Disclosure and Safeguards) 14	
D.1. Social (including Safeguards).....	14
D.2. Environmental (including Safeguards)	15
D.3. Consultation, Participation and Disclosure.....	16
D.4. Others (including Safeguards)	17
D.5. Safeguards Policies Triggered	18

Annex I:	Systematic Operations Risk-Rating Tool (SORT).....	21
Annex II:	Preparation Schedule and Resources.....	22
Annex III:	Readiness Preparation Proposal.....	23
Annex V:	Results Framework.....	24
Annex VI:	Detailed Project Description	28

BELIZE
REDD+ Readiness Preparation Project

I. Introduction and Context

A. Country Context

1. Belize is a small, upper-middle income country with a population of 351,700 (2014) and a gross national income (GNI) per capita of US\$4,350.¹ The country is endowed with pristine tropical forests and the largest barrier reef in the Americas. The country has undergone significant economic transformation over the last two decades, mainly attributable to the emergence of the tourism industry and to the commercial oil discovery in 2005. Agriculture, a traditionally key sector for the national economy and a relevant source of employment and exports, has shrunk its relative importance in the GDP decomposition from roughly 19 percent (average 1980-1991) to approximately 13 percent (average 2003-2014)², and currently represents about 13.5 percent of GDP³, with sugar, citrus and banana being the most important crops. Since the early 1990s, manufacturing has represented between 15 percent and 19 percent of GDP, following a fluctuating trend, as medium and small local enterprises contribute vitally to the tourism's sector. At present the secondary sector accounts for roughly 16 percent of GDP. The service sector has represented the lion's share of GDP consistently for the last two decades, and currently accounts for about 60 percent.⁴

2. Systemic inefficiencies (e.g., weak human capital, negative total factor productivity, and an embryonic infrastructure particularly in the transport sector) together with the exposure to natural disasters, climate change, and highly volatile terms of trade constitute relevant sources of vulnerability for Belize. While the Belizean economy grew robustly by approximately 4 percent in 2014, preliminary figures for the year 2015 signal a strong deceleration, as the economy declined consecutively in the second and third quarter. During 2015, fisheries exports recorded a drop largely due to lower shrimp production and agriculture output suffered owed to lower than expected rainfall and an extended dry season. Overall real GDP growth is expected to hover around 2.5 percent a year in the medium term, as declines in the oil industry would be offset by higher output of other commodity exports, tourism and construction. Lower crude oil prices have contributed to reduce export earnings as well as to exert pressures on fiscal balances. Authorities have missed the objective of maintaining the primary surplus positive, as it was in 2013, and this is expected to remain in deficit prompted by expansionary fiscal policies (including wage increases and new development projects). Public debt, consequently, is expected to rise as a share of GDP, especially since a court decision has called for the payment of compensation to the former owners of the recently nationalized companies. The Belizean financial system would continue to be hampered by high non-performing loans and low capital buffers. The risk of further economic decline is exacerbated by potential external vulnerabilities arising from a protracted period of weak growth in advanced economies. On the other hand, authorities are conscious of the existing

¹ The figure refers to GNI per capita in 2013, calculated by using the Atlas method (USD current). Source: World Bank.

² Source: Central Bank of Belize.

³ Includes agriculture, fishing and forestry. 2014 data; Source: Central Bank of Belize.

⁴ 2014 figure; Source: Central Bank of Belize.

challenges and determined to mitigate these risks by continuing integral structural reforms, reinforcing the financial system, and aiming at allowing space for fiscal policy buffers.

3. Poverty in Belize is estimated to be substantially above the average for Latin America and the Caribbean, in part due to little dynamism in the economy and to the impact of natural disasters. GDP per capita remained virtually flat after 2003 because the economy grew close to—and at times even below—the annual rate of growth of population estimated at 2.5%. During the 2002-2009 period, the overall poverty rate increased from 34 to 42 percent, and extreme poverty increased from 11 to 16 percent. After a gradual decline in unemployment during the past decade, it increased drastically from 8 to 14.2 percent between 2008 and 2013. Income inequality is also moderately high with a Gini coefficient of 0.42 in 2009, but this is based on an old survey and the recent stagnation of real per capita in the country suggest that this might have increased in more recent years. There is also clear evidence of a rural-urban divide driven by low education, low female labor participation and prevalence of ethnic minorities.

B. Sectoral and Institutional Context

4. **Forest Sector:** Belize has the highest forest cover in both Central America and the Caribbean (1,727,600 ha—62 percent as a percentage of land, 37 percent of which are primary forests). Belize has two large, unified blocks of intact old growth forest that are likely to be the last strongholds for species that require large, undisturbed areas for their long-term survival. Much of the terrestrial area of Belize represents a significant portion of the Mesoamerican Biological Corridor, which stretches from Mexico to Panamá. These rich terrestrial ecosystems provide important habitat for Belize's high level of terrestrial biodiversity, including more than 150 species of mammals, 540 species of birds, 151 species of amphibians and reptiles, high numbers of invertebrates, and 3,408 species of vascular plants. In order to protect this unique forest and outstanding biodiversity, Belize has 103 protected areas (PAs) covering 35.8 percent of the country's total land area equivalent to 816,454 hectares. Forests are a valuable asset for Belize and generate a range of important ecosystem services such as protection of water quality, biodiversity habitats, non-timber forest products (NTFPs) for local and indigenous communities, fuel for rural communities, and a large untapped potential for the use of medicinal plants in the pharmaceutical industry. Forests provide soil stabilization, which prevents excessive sedimentation of estuaries and reduces the runoff of nutrients from agriculture to sensitive coral reef and mangrove ecosystems, which greatly impacts the tourism and fisheries sectors, critical foreign exchange earners for Belize (approximately US\$338 million⁵ and US\$56 million⁶).

5. Although Belize has managed to preserve its forests and outstanding biodiversity to a great extent, the country still faces serious problems that not only threaten the existing natural environment, but also adversely affect the poorer population that are dependent on the forests and the economic growth prospects of the country. Forest cover in Belize decreased from 72.9 percent in 1989 to 60.3 percent in 2014 and the trend is expected to continue.⁷ Main anthropogenic threats to the forests include the expansion of agriculture, housing, and tourism developments. Some areas are also damaged by illegal logging, looting of archeological sites, hunting, and poaching, done by communities from across the national border. According to Cherrington et al. (2012), PAs

⁵ World Travel & Tourism Council, 2015.

⁶ Statistical Institute of Belize, 2014.

⁷ E. Cherrington, January 2014.

in the country have been effective in protecting forests—only 6.4 percent of overall deforestation equivalent to 1,603 hectare occurred within PAs while 93.6 percent equivalent to 23,489 hectare was outside PAs during 2010-2012. The deforestation rate within PAs is 0.25 percent while outside PAs is 0.84 percent. However, pressure on PAs has been increasingly high in recent years, especially from agricultural expansion which has resulted in the de-reservation of some PAs. Also Belize's PAs are administered and regulated by different laws and enforced by different government agencies (e.g., Department of the Environment, Forest Department, Fisheries Department, Coastal Zone Management Authority and Institute, Institute of Archaeology, and Lands and Survey Department). These institutions are often subjected to limited resources and staff to adequately perform the critical functions including monitoring and enforcement.

6. The state lands comprise the majority of the forests in Belize. The lease and sale of national land to private owners continues to manifest itself as a key policy in promoting national development and alleviating poverty. The National Lands Act of 1992 controls the allocation of state lands by lease or sale to private ownership.⁸ Under normal practice the applicant may first obtain a long-term lease of national land, then after making sufficient improvement to the land may purchase it outright. This often leads to deforestation in rural areas since the assumption is that the improvement to the land requires clearing. On the other hand, the Act reserves to the government all mineral and timber rights in these allocated lands. National land distribution is a political process that involves political representatives at local and national levels. The rationalization of land allocation continues to pose a historic challenge. The Constitution is silent, however, on the issue of collective land rights of indigenous communities or other forest dependent communities. Also a recent Belize Court of Appeals ruling has reaffirmed a previous Supreme Court ruling that grants the Maya communities of Southern Belize collective rights to land and resources in Southern Belize based on use and occupancy.

7. **Climate Change Impacts on Forests and Livelihoods:** Belize is extremely vulnerable to the adverse impacts of climate change. Like the rest of the Caribbean, Belize has experienced frequent climate related events of catastrophic proportions.⁹ In October 2010, Hurricane Richard (Category 1) led to extensive forest destruction leaving much dry debris which accumulated and caused forest fires. Consequently, Belize experienced extensive forest fires across the country during the 2011 dry season. In addition to the estimated 25,092 ha of cleared lands, another 33,129 ha were estimated to have suffered from fire/hurricane damage between 2010 and 2012.¹⁰ Climate change related events have already begun to profoundly impact the country's geophysical, biological and socio-economic systems, which results in depleting national budgets. The short-term impacts of such disasters and the long-term effects of climate change are expected to undermine the resilience of the natural ecosystems and human vulnerability, increasing the urgency of tackling these challenges.

8. The poorest people in Belize including the Maya indigenous communities are predominantly rural and their livelihoods depend largely on access to land and natural resources.

⁸ The National Lands Act does not apply to state land declared as Forest Reserves or protected areas under the National Park Systems Act.

⁹ Tropical Storm Arthur (May 2008) caused widespread flooding and extensive damage to infrastructure and the agriculture sector. Hurricanes Keith (2000) and Iris (2001) caused damage reaching 45% and 25% of GDP, respectively. World Bank, "Country Partnership Strategy FY2012-2105", July 2011.

¹⁰ Forest damage from fire/hurricane was not included in the deforestation estimate of 2012, because deforestation implies land use change. Cherrington et al. 2012.

Furthermore, the highest poverty levels tend to occur in forested areas with the highest (e.g., South and West of Belize) or lowest (e.g., North and East of Belize) levels of biodiversity, thus presenting critical poverty-environment challenges (for example with encroachment and enforcement issues). The rural population continues to be larger than the urban population and it is growing faster (2.85 percent versus 2.46 percent nationally). This increase places an undue burden on the country's natural resources. People in forested areas use the forest resources and can contribute to sustainable forest and natural resource management. However, they need income generating and employment options that are not destructive to the forest. It is therefore critical that a participatory and inclusive process for effective and improved management of the forests is supported for shared prosperity and green growth of Belize.

9. **Belize and REDD+:** Belize is in a unique position to reduce emissions from deforestation and forest degradation and to increase carbon stocks through enhancement of conservation and sustainable management of forests (REDD+). Belize is a net sink for greenhouse gases (GHGs), i.e., it absorbs more than it emits.¹¹ Moreover, 91% of the country's emission of GHGs come from Land Use, Land Use Change and Forestry (LULUCF).¹² Interventions to avoid deforestation and to promote reforestation of degraded forests would significantly enhance the country's potential for climate change mitigation.

10. Belize has developed a Readiness Preparation Proposal (R-PP) which contains an initial assessment of the drivers of deforestation and forest degradation, terms of reference for defining their emissions reference level based on past emission rates and future emissions estimates, proposed activities to establish a monitoring, reporting and verification system for REDD+, and actions for integrating environmental and social considerations into the REDD+ Readiness process. Belize submitted the R-PP to the Participants Committee (PC) of the Forest Carbon Partnership Facility (FCPF) in July 2013 and was selected into the FCPF as one of the Qualified Eligible REDD Countries. Subsequently, the World Bank signed a Country Participation Agreement with Belize in October 2014 to assist in the Readiness Preparation process. The completeness check by the FCPF's Facility Management Team (FMT) cleared the revised R-PP in March 2015. The final R-PP is attached to this Assessment Note (Annex III).

11. Belize is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC), ratified on October 31, 1994. The Project would support the measures identified in the Second National Communication such as the introduction of forest management plans, the promotion of agro-forestry and a REDD+ program, the restoration of abandoned agricultural lands, the establishment and maintenance of PAs, and the development of a national forest fire response team.

C. Relationship to CAS/CPF

12. The proposed Project would contribute to achieving the World Bank's twin goals to reduce poverty and promote shared prosperity by supporting a participatory and inclusive process for multi-stakeholders including marginalized populations who depend on forest resources and ecosystem services derived from forests, and by strengthening their capacity to improve the

¹¹ The Second National Communication to the United Nations Framework Convention on Climate Change (UNFCCC) (July 2009, edited August 2011).

¹² The Second National Communication to the United Nations Framework Convention on Climate Change, Belize, July 2009, edited August 2011.

management of such forest resources and to participate in future REDD+ carbon payment transactions. The Project was developed under the current World Bank Group Country Partnership Strategy (CPS) for Belize for the period 2012-2015 (Report No. 63504-BZ), discussed by the Executive Directors on September 8, 2011, which focuses on supporting the Government of Belize (GOB) to achieve “Inclusive and Sustainable Natural Resource-Based Growth and Enhanced Climate Resilience.” Specifically, the Project would contribute to the CPS’ “*Results Area 2: Institutional capacity strengthening for natural resource management and climate change*” and its outcome ii) Enhanced human resilience and capital for a natural resource based economy; and *Results Area 3: Investment to strengthen climate resilience*, and its outcomes “Increased ecosystem resilience to climate change impacts.” This makes the Project also relevant to the recently approved Systematic Country Diagnostic for Belize (Report No. 102973-BZ, publicly disclosed on February 8, 2016) which continues to underscore the country’s need to increase resilience to climate change and natural disasters as one of the priorities for growth and shared prosperity of Belize. The proposed Project is also aligned with the country’s national development framework—Horizon 2030—which highlights the central role of sustainable environment and natural resource management in the Belizean economy.

II. Proposed PDO/Results

A. Proposed Development Objective

13. The **Project Development Objective** is to assist Belize in carrying out Readiness Preparation through a participatory and inclusive process in order to strengthen their capacity to participate in future REDD+ carbon payment transactions.

B. Key Results

14. The key results expected from the proposed Readiness Preparation activities are presented below. These results reflect the key elements to achieve the country’s Readiness to be able to tap into any future REDD+ mechanism under the UNFCCC¹³ or others. The indicators to measure these results as well as the intermediate (output) indicators are presented in the Results Framework (Annex V).

- 1) Development of a National REDD+ Implementation Framework, including a National REDD+ Policy, carbon rights, capacity building for the REDD+ Strategy options, and a benefit sharing mechanism;
- 2) Government institutions provided with capacity building to improve management of forest resources (Core Sector Indicator for Forestry); and
- 3) Multi-stakeholders including indigenous peoples participating in the consultations and capacity building activities for REDD+, of which 30% are female (Core Sector Indicator for Project Beneficiaries).

III. Project Context

A. Concept

¹³ See Cancun Agreements, UNFCCC Decision 1/CP.16 Section C and Appendix I to that Decision.

1. Description

15. The R-PP of Belize identifies a broad set of activities aimed at strengthening the technical and institutional capacities for Belize to participate in a future REDD+ mechanism. Among these, the activities to be financed by the FCPF REDD+ Readiness Preparation grant (Project) were selected jointly with the GOB, key stakeholders including indigenous peoples, and in coordination with other donors such as the German Agency for International Cooperation (GIZ). Key criteria for consideration include: (i) activities needed to strengthen the immediate institutional capacity of the GOB to conduct participatory and consultation processes for REDD+; (ii) fundamental Readiness activities for which Belize had specific financial needs, not covered by other sources of financing; (iii) a discrete set of activities that would generate a specific outcome; and (iv) activities that are aligned with those of other sources of financing and the government, and that could serve to strengthen the achievement of the project objective. The Project would be financed by a US\$3.80 million FCPF Readiness grant and US\$0.283 million in-kind counterpart financing by the GOB. In addition, the Project would be supported by parallel financing from complementary investments, including the REDD/CCAD-GIZ Regional Program¹⁴ for Belize (US\$0.38 million) and the Management and Protection of Key Biodiversity Areas (KBAs) Project (WB/P130474/TF016773)(US\$6.09 million). The proposed Project contemplates the following five components (See Annex VI: Detailed Project Descriptions for more details):

16. **Component 1: REDD+ Organization Framework, Consultation and Grievance Redress** (US\$1,597,000). This component will support: (1.1) Establishing and operationalizing of: (a) a multi-stakeholder participatory platform for REDD+ implementation, and (b) a REDD+ coordination unit (R+CU) within the Ministry of Agriculture, Forestry, Fisheries, the Environment and Sustainable Development (MAFFESD) to coordinate the implementation of Readiness Preparation Activities; (1.2) Designing and carrying out of: (a) a communications and information dissemination strategy at the national level, and (b) the Stakeholder Consultation and Participation Plan at the national level; and (1.3) Designing and operationalizing or, if applicable, strengthening existing feedback, grievance and redress mechanisms to meet the needs of people who might be affected by REDD+.

17. **Component 2: Preparation of REDD+ Strategy** (US\$1,165,000). This component will support: (2.1) Identifying and analyzing the main direct and indirect causes of deforestation and forest degradation in the Belizean territory; (2.2) Assessing land tenure, natural resource rights and land use patterns as part of Belize's Integrated Planning Framework for Land and Resource Management with a particular focus on Indigenous Peoples, both at the local and national levels; (2.3) Designing of: (a) effective strategic options for REDD+, including the mainstreaming of REDD+ into different sectors of the economy; and (b) an implementation framework for REDD+; (2.4) Preparation of a Strategic Environmental and Social Assessment (SESA) Work Plan and carrying out of SESA in accordance with the terms of such Work Plan, including diagnostic studies to assess the key risks of the strategic options under Component 2.3(a) above; and (2.5) Preparation of an environmental and social management framework (ESMF), including, if applicable, an Indigenous Peoples Planning Framework (IPPF), a Resettlement Policy Framework (RPF) and a Process Framework (RP), all in accordance with the World Bank's Safeguards Policies.

¹⁴ REDD/CCAD-GIZ is a program by Germany and the Central American Commission for Environment and Development (CCAD) to assist the Central American countries in implementing compensation payments, strengthening REDD+ processes, and reducing the destruction of tropical forests.

18. **Component 3: Development of a National Forest Reference Emission Level and a Forest Reference Level** (US\$420,000). This component will support designing a national reference emissions level for the forest sector in the Belizean territory through (3.1) designing and establishing a reference scenario model; and (3.2) developing reference models.

19. **Component 4: Design of National Forest Monitoring and Safeguards Systems** (US\$438,000). This component will support designing and implementing at the national level: (4.1) a forest monitoring system for the measuring, reporting, and verification (MRV) of greenhouse gases (GHGs) emission reductions; and (4.2) an information system for non-carbon benefits from REDD+ activities, safeguards and governance in relation to REDD+.

20. **Component 5: Design of Monitoring and Evaluation Framework** (US\$180,000). This component will support designing and implementing a framework to monitor and evaluate the Readiness Preparation Activities under Components 1 through 4 above.

2. Overall Risk and Explanation

21. The overall risk rating for the project is Substantial. The REDD+ Readiness process presents a substantial level of risk, particularly because there are a large number of Maya people residing in and around the forests in the south, and their land tenure rights have not been formally established. Mayan communities in the Toledo districts have been seeking legal recognition and protection of their land rights in domestic courts, most recently by seeking recourse from the highest appellate court Caribbean Court of Justice (CCJ). On April 25, 2015, the CCJ issued a consent order as negotiated by the Maya Leaders Alliance *et al.* on the one hand and the GOB on the other. Among others, the consent order confirmed the existence of customary land tenure in Maya villages in Toledo District and the need for the GOB to take affirmative legislative or administrative measures to protect the Maya rights related to land tenure.¹⁵ The Government has since assessed its implications and is seeking to draw a roadmap to take the steps necessary to implement the consent order. While the proposed Project will not directly address the land regularization process for the Maya people, the potential implications of the implementation of the consent order, or the lack thereof, on the Project are significant. Experience from other REDD projects in the region indicates that the issues of capacity enhancement in local institutions and the inclusive participation of the full range of stakeholders, especially indigenous people and forest dwellers, can present major risks to successful outcomes if not addressed upfront and at the very beginning of the program. In preparing the R-PP, extensive consultations with the indigenous groups in Toledo have been undertaken by the GOB on the Readiness process and activities. The proposal and opinions expressed by the Maya People have been discussed and reflected in the proposed Readiness activities as appropriate.

22. The existing capacity of the governmental agencies in charge of forest management poses moderate risk. The agencies are often understaffed to perform extra duties on top of the basic functions. Historically, environmental civil society organizations (often co-management organizations in PAs) have been very strong in Belize and have played a crucial role in complementing the existing Government capacity to manage PAs and formulate environmental policies. To address the issue, the Government has been carrying out several projects, including

¹⁵ See Section D.1 for a more detailed account of the CCJ consent order.

the KBAs Project (WB/P130474), to increase the institutional capacity of those agencies and co-managers of PAs.

23. It is also a moderate risk to achieve an effective coordination and participation of various sectors in the Government and the society, including private and civil organizations, in the REDD+ processes. Of particular importance is the involvement of the agriculture sector as a main driver of deforestation and forest degradation. To mitigate this risk, earlier consultations involved the agriculture sector. And key personnel of the Agriculture Department participated to design the proposed Readiness activities to reflect the needs expressed from the agriculture sector. In addition, the REDD Readiness Project Steering Committee (PSC) will be established with the participation of the relevant ministries including the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce (MEDPITC) to promote the country's REDD+ initiative and coordinate inter-sectoral policies and commitments from the Government and other stakeholders at the highest level.

B. Implementing Agency Assessment

24. **The Ministry of Agriculture, Fisheries, Forestry, The Environment, Sustainable Development (MAFFESD)** will lead and coordinate the REDD+ initiative in the country by ensuring that national development plans and strategies are mainstreamed and that REDD+ will be considered at a macro level. The Project will finance the REDD+ Program Director who will directly support MAFFESD in fulfilling these responsibilities. MAFFESD is also responsible for the day-to-day implementation of the proposed Project with the fiduciary assistance of The Protected Areas Conservation Trust (PACT). MAFFESD houses key units for the implementation of the Project, including Forest Department (FD), National Protected Areas Secretariat (NPAS), and the Department of the Environment (DOE). The Forest Department in particular is in charge of forest planning and monitoring, forest carbon assessment, participation in international REDD+ events, and has been leading the development of the REDD+ R-PP for Belize. They possess the necessary training and understanding of forest policies and governance issues and have established working relationships with relevant government departments, non-governmental organizations (NGOs) and community-based organizations (CBOs), with which there exists co-management arrangements. The Forest Department will lead the technical implementation of the proposed Project.

25. The Government of Belize has taken initiatives to mainstream climate change into its national development processes and mechanisms. These initiatives include the establishment of a **Belize National Climate Change Committee (BNCCC)** in 2009 and re-configured in 2015. It is chaired by MAFFESD with the participation of a cross-section of members from all related governmental bodies, private sector, civil society and academia.¹⁶ The BNCCC also has the direct participation of the Office of the Prime Minister and is able to advise the Government through the Cabinet. Meetings of the BNCCC are held every quarter at minimum. The BNCCC is charged with the responsibility of coordinating and implementing all climate change policies, programs and

¹⁶ The BNCCC members include: MAFFESD (Chair), MEDPITC (Vice Chair); Ministry of Natural Resources and Immigration; Ministry of Health; Ministry of Works; Transport and National Emergency Management Organization; Ministry of Tourism and Civil Aviation; Ministry of Labor, Local Government and Rural Development; Ministry of Finance, Public Service, Energy and Public Utilities; a representative of the private sector (Vice Chair); a representative from the NGO/CBO umbrella group; and a representative from the University of Belize.

activities for the GOB. It is tasked with advising the Government on matters relating to national responsibilities with respect to climate change, including relations with the UNFCCC and the Kyoto Protocol. It is also in place to guide the implementation of appropriate policies and strategies to address climate change while ensuring economic development. Three functioning sub-committees are the Mitigation Sub-committee, Vulnerability and Adaptation Sub-committee, and the Public Education and Outreach Sub-committee. The BNCCC will be the principal vehicle to mainstream REDD+ into broader national strategies as well as overseeing the coordination of REDD+ activities through the Mitigation Sub-Committee. The National Climate Change Office (NCCO) under MAFFESD will serve as the Secretariat of the BNCCC.

26. **The REDD+ Readiness Project Steering Committee (PSC)** will be established to support general Project implementation by providing guidance on national policy and on strategic approaches for successful implementation of Readiness activities. The PSC will be chaired by the Chief Executive Officer of MAFFESD, and comprising representatives of key ministries/departments including MEDPITC, Ministry of Natural Resources and Immigration (MNRI); Ministry of Labour, Local Government and Rural Development; and Ministry of Tourism and Civil Aviation. The PSC will play a key role in promoting the country's REDD+ initiative by coordinating inter-sectoral policies and commitments from the Government and other stakeholders at the highest level. MEDPITC's participation in particular is critical as it will lead the implementation of the Growth and Sustainable Development Strategy (GSDS)(2016-19) which is the Government's new official development strategy. MEDPITC will be closely involved with the REDD+ project to ensure that the REDD+ activities are aligned with the GSDS.

27. **The REDD+ Readiness Technical Expert Group (TEG)** will be established to provide sound scientific and technical guidance for the successful implementation of REDD+ in Belize based on inclusive and sustainable social, environmental, and economic development principles. The TEG will be chaired by Chief Forest Officer of the Forest Department (MAFFESD) and comprising Climate Change Coordinator (National Climate Change Office) as Vice Chair, Head of Department of Agriculture (MAFFESD), Head of Department of Lands and Surveys (Ministry of Natural Resources and Immigration), Director of Terrestrial Program (Environmental Research Institute, University of Belize), President of Association of Protected Areas Management Organizations (APAMO), President of Belize Livestock Producers Association, a representative of Mennonite Farmers, Sustainable Forest Management Licensees, President of National Association of Village Councils (NAVCO), President of Toledo Alcaldes Association (TAA), and REDD+ Technical Coordinator.

28. **A REDD+ Coordination Unit (R+CU)** will be established and administered by MAFFESD. It comprises a REDD+ Program Director, Technical Coordinator, Social Specialist, Environmental Specialist, Administrative Officer, and Procurement Officer. PACT will form part of the R+CU as the fiduciary agent of the proposed Project. The REDD+ Program Director will head the R+CU and will report directly to Chief Executive Officer of MAFFESD. The R+CU will be the permanent operational secretariat for REDD+ nationally.

29. **Protected Areas Conservation Trust (PACT)** is a body established pursuant to Belize's Protected Areas Conservation Trust Act of 1995, revised 2003, and currently is the fiduciary manager for NPAS. As part of the R+CU, PACT will be responsible for ensuring sound fiduciary management of the Project's resources in accordance with the Grant Agreement, the Subsidiary Agreement between the GOB and PACT, the Project Operational Manual, and any other policies employed by PACT relevant to project management. PACT is also providing fiduciary support for

the KBAs project (WB/P130474/TF016773) and the Marine Conservation and Climate Adaptation project (WB/P131408/TF018449), both under implementation.

C. Project Stakeholder Assessment

30. The key REDD+ stakeholders were identified during the early dialogues on REDD+ led by the GOB as follows, and the critical issues to be addressed in REDD+ with each group are described in the R-PP (Annex III):

(i) **Government ministries and agencies** whose work is directly related to the initiative or maybe impacted or have an impact on the implementation of the initiative. This includes the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development (MAFFESD), the Ministry of Economic Development, Petroleum, Investment, Trade and Commerce (MEDPITC), and other government agencies who have a role in the management of Belize's forest both in terms of conservation and development;

(ii) **NGOs and CBOs** which includes the co-managers of terrestrial protected areas and organizations working in forest conservation and rural development. This also includes agencies and organizations that focus on gender issues;

(iii) **Private Sector** which is primarily in the agri-business but also includes tourism, forestry and local enterprises. There are several major agriculture industries in the country that have a large footprint in terms of land use. This includes the sugar, citrus, bananas and livestock sectors. This also includes large-scale Mennonite farmers in western and northern Belize who are dominant in agricultural production especially cattle and grain;

(iv) **Rural Communities** including those occupy forested areas or buffer and utilize forested areas based on their reliance on subsistence and small scale agriculture as their primary means of livelihoods. There are 192 villages in Belize each having its own system of local governance through Village Councils which are the legal authority to govern rural communities under the Village Councils Act (VCA) in 1999, Chapter 88 of the Laws of Belize, revised in 2003. Village Councils are elected by community members for a period of three years as long as there is a minimum of 200 eligible voters. All village councils belong to a District Association of Village Councils (DAVCO) corresponding to the administrative district where they are geographically located. The six district associations form the National Association of Village Councils (NAVCO);

(v) **Indigenous Communities** are some of the most forest-dependent groups with the use of natural resources intertwined in the social and cultural lifestyles. Alcalde Councils are elected in most indigenous communities separately from the Village Council. The Alcalde system is officially recognized is recognized under Chapter 77 of the Laws of Belize. The Alcalde system is currently mostly practiced among the Mopan and Ketchi Maya groups in the Toledo and Stann Creek Districts. The primary focus of the Alcade Council is to act as an inferior court to oversee judicial matters within a determined judicial district (normally within the boundaries of the community) and to manage community lands, call for communal cleaning of the village (fajina), perform duties as school officers and even decide who can live in a village. The Toledo Alcaldes Association (TAA), composed of the elected Alcaldes and convened in 1992, is the central authority and representative body of the Maya people as a whole and is also the arbiter and defender of Mayan customary law and practices. Indigenous people are mostly residing in the Toledo District. There are approximately 39 Maya villages in Toledo led by the customary

Alcalde System. The Alcalde Assembly forms the Toledo Alcalde Association which is run by an Executive Board.

(vi) **Academia** which has to do with tertiary level institutions that incorporate natural resource management and sustainable development in their programs. They participate in and provide support to initiatives such as the REDD+. Their role in a REDD+ program will need to be further defined so as to build on their strength as centres of learning and training.

IV. Proposed Team Composition and Resources, including Technical Assistance Provided by Bank Staff to Date

31. The REDD+ Readiness covers wide-ranging areas such as sustainable forest management, climate change mitigation and adaptation, disaster risk management, carbon financing, biodiversity, ecosystem services, protected area management, environmental policy, community-based development, environmental management, social development, communications, and knowledge management. To proceed with the formalization of the Readiness Preparation Project, a multidisciplinary team from the Bank began its due diligence process following the acceptance of the R-PP by the FCPF's PC in July 2014. Three due diligence missions to Belize took place in March, July, and September in 2015 to assess the portion of the R-PP to be financed by the FCPF including: assessments of technical financial management, procurement, social and environmental capacity; institutional capacity and arrangements for REDD+ Readiness Preparation; compliance with the Bank safeguard policies; and risks.¹⁷

32. The Bank continues to assess the risks and mitigate those with close supervision and training efforts integrated in the operations. An emphasis will be placed on developing an effective implementation structure and monitoring program. The Bank will work closely with the GOB and the R+CU to: (a) provide necessary inputs early in the process of preparing technical and procurement documents according to the Annual Operating Plan and Procurement Plan; (b) support and follow up the review process of approving such documents on the client's side; and (c) review and provide no objections or comments efficiently.

V. Assessment Summary

A. Technical

33. The final R-PP presented by the GOB in March 2015 (see Annex III) demonstrates that Belize is prepared to advance to the Readiness Preparation phase. In the final R-PP, the technical comments provided previously by the members of the PC of the FCPF and the independent Technical Advisory Panel were addressed. Of those described in the R-PP, the priority activities that are essential in preparing various sectors of the country to participate in a future large-scale REDD+ activities have been identified and are proposed in this Assessment Note to be financed by the FCPF Readiness Fund. These activities are prepared in consultation with German Agency for International Cooperation (GIZ), indigenous people (IP) groups, and other initiatives led by the GOB in order to align and complement with existing and planned REDD-related activities in the country.

¹⁷ Mission documents including the list of meeting participants are available in the project files.

34. **Deforestation, Forest Degradation, and REDD+ Strategy Options.** The R-PP documented main direct drivers of deforestation, but less has been done on the indirect drivers and understanding those of forest degradation. Understanding the dynamics associated with the reduction of forest cover requires rigorous analysis and a review of what worked and did not in the past. Land use and tenure studies envisioned under the proposed Project will complement the previous finding on the drivers of deforestation and forest degradation, leading to a set of specific targeted and documented REDD+ Strategy options.

35. **National Forest Reference Emission Level and Reference Level (REL/RL) and Monitoring System (NFMS).** During due diligence, the Bank had satisfactory technical discussions with MAFFESD on the development of the National REL/RL and NFMS proposed in the R-PP. With the support of CCAD-GIZ, MAFFESD has developed a solid understanding of its strengths and weaknesses with respect to their capacity in these areas, as well as the opportunities that may arise during REDD+ readiness. The R-PP shows a good level of familiarity with relevant UNFCCC guidelines and IPCC Good Practice Guidance, and the right institutions have been identified and involved so far. As part of the R-PP formulation, a Technical Advisory Group to look after MRV and REL level issues will be established and consolidated during the preparation phase. FCPF resources will be critical in complementing and providing continuity to the support the GOB has received from CCAD-GIZ. A key deliverable will be the provision of technical support in order for the country to submit a REL/RL to the UNFCCC. In summary, the approach seems reasonable, is consistent with UNFCCC guidelines and the R-PP outlines the necessary analytical work.

36. The proposed MRV system requires substantial investments in equipment such as remote sensing and ground-based inventories to produce transparent and consistent reporting, accurate estimates, and transparent verification. For the sustainability of these investments, a long-term maintenance plan including budget will be in place. Furthermore, the Project will address limited transportation capacity of those entities who will be engaged in REDD+ monitoring activities. In addition, there is limited expertise in the country to design and adopt integrated indicators that go beyond specific tree species or forest ecosystems and that will be required to monitor REDD+ activities ranging from carbon emissions reduction performance to the impact of socio economic benefits and perverse impacts on communities. A large scale and multi-sectoral training program will be carried out to address these shortages.

37. Monitoring is expected to take place in Belize through multi-stakeholder/participatory arrangements. It is proposed that at the high level of data analysis and verification, a partnership is required between government and academia. In particular, it is expected that the Environmental Research Institute (ERI) of the University of Belize cooperates in overseeing REDD+ monitoring activities with the help of stakeholders. It is envisioned that in the case of monitoring activities occurring in and around community forests, that villagers will be engaged actively in carrying out field work. The National Biodiversity Monitoring Programme (NBMP) spearheaded by ERI represents an ideal opportunity to engage a stakeholder driven approach to monitoring biodiversity in the monitoring of REDD+ activities, as they are intricately related. The implementation of NBMP will be supported under the on-going Management and Protection of Key Biodiversity Areas (KBAs) Project (GEF/WB P130474).

38. The KBAs project will also support other relevant monitoring activities including: an assessment of the existing forestry standards for monitoring and evaluation, existing tools and program to reduce illegal logging; development of management plans for selected PAs;

establishment of Forest Information System (FIS) to collect and manage information on change in forest cover, degradation, fire, etc.; data sharing with EIAs; and establishment of an additional PSPs in different forest types in the selected PAs.

39. The Third National Communication to the UNFCCC Output 2 proposes the development of procedures to validate and improve national data for land-use, land use change and forestry (LULUCF) at the national level. This will involve work with national counterparts in the adoption of procedures to improve activity data for LULUCF, given that past communication exercises have shown this sector as being the most important source of emissions in Belize. Working alongside the Forest Department, the Caribbean Community Climate Change Center and key NGO groups, the Project will attempt to validate the biomass values of the various (predominant) forest types or classes in Belize and deforestation rates by forest types. Data improvement will focus on reserve areas where the forest types are represented, in order to obtain national biomass values that should improve the quality of the estimates of emissions and sinks.

40. Experience from on-going REDD Readiness projects in the region has been reflected in the design of activities and principles of the proposed Project. These include: (i) a clear governance mechanism that all participating agencies and committees accept for setting priorities and adjudicating on outputs and decisions; (ii) a mechanism for regular consultations and stock taking among the many stakeholder agencies and committees, especially face-to-face meetings in order to build into the governance and operational modality of the institutional framework; and (iii) use of the institutional framework to integrate capacity enhancement activities that build upon the emerging results of the Readiness program, for example, the consultants who develop the reference level also conduct a training workshop on the methodologies and discuss the outcomes with the national agencies. This would also be instrumental in achieving local buy-in for the deliverables and in resolving any uncertainties or difference of opinion regarding the outputs.

B. Financial Management

41. The Bank performed a financial management assessment of this proposed project in accordance with OP/BP 10.00 and the Financial Management Practice Manual (issued by the Financial Management Sector Board in March 1, 2010). In the FM team's opinion, the implementing agency (PACT) has in place a financial management system that would be able to provide, with reasonable assurance, accurate and timely information on the status of the funds as required by the Bank. PACT is currently implementing two Bank-financed grant projects, the KBAs project (P130474) and the Marine Conservation and Climate Adaptation Project (MCCAP) (P131408). PACT is conversant with the Bank's financial management processes and requirements.

42. **Disbursement.** The PACT will open a Designated Account (DA) denominated in US\$ at the Central Bank of Belize and an operating account denominated in BZ\$ at a Belize commercial Bank. Both Bank accounts will be segregated. The entity will process disbursements through Statement of Expenditures (SOEs) as supporting documentation and record of project funds. Disbursement methods will be advance, reimbursement, and direct payment.

43. **Reporting.** PACT will prepare unaudited interim financial reports (IFRs) for the project; each calendar quarter which will be due no later than 45 days after each reporting period. PACT will also be required to submit annual audited financial statements for the project due no later than six (6) months after the PACT's fiscal year.

C. Procurement

44. The capacity assessment of the Implementing Agency (PACT) was carried out from desk in September 2015 for the Project by the Bank's procurement accredited staff in the team in line with the Checklist for Assessing Procurement Capacity (Simplified Form) as in Annex VII. PACT strengthened its capacity of project procurement under KBAs and MCCAP. The project teams are functioning effectively in preparing and implementing the Procurement Plan, preparing bidding documents and managing contracts.

45. The World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" shall be followed for the procurement activities included in the Procurement Plan, which is subject to update during the project implementation. Administrative procedures acceptable to the Bank shall be agreed for PACT to manage Operation Cost (OC), which are not included in the procurement plan.

D. Social and Environmental (including Consultation, Participation, Disclosure and Safeguards)

46. The World Bank safeguard policies apply to the FCPF Readiness Preparation grants. As part of the Readiness Preparation, the proposed Project will support the identification of the potential environmental and social risks associated with the implementation of REDD+ activities and mitigation options. To this effect, the Project will support the preparation of a Strategic Environmental and Social Assessment (SESA). The SESA allows: (i) social and environmental considerations to be integrated into the REDD+ Readiness process, in particular the REDD+ strategy options; (ii) stakeholder participation in identifying and prioritizing key issues, assessment of policy, institutional and capacity gaps to manage these priorities and recommendations, and disclosure of findings in Belize's progress reports on Readiness Preparation; and (iii) an Environmental and Social Management Framework (ESMF) to be put in place to manage environmental and social risks and to mitigate potential adverse impacts from the future activities during the REDD+ implementation.

D.1. Social (including Safeguards)

47. **Indigenous Peoples.** The indigenous peoples who may be impacted by the proposed Project are Maya Mopan, Maya Kekchi and Maya Yucatec communities mostly in the Toledo District and, to a certain extent, in Cayo District. Other ethnicities that could be impacted are the Creoles, Mestizos, and Mennonites. The indigenous Mayas of southern Belize are heavily reliant on the land and forests surrounding their communities. Consultations with indigenous peoples have been and continue to be conducted in accordance with an agreed consultation protocol between the TAA and the Forest Department with the principles of free, prior and informed consultations to obtain broad community support. The consultation protocol outlines the role of the TAA, and on making contact, information sharing and decision-making.

48. Women have significant influence over the use and status of the forests and protected areas, particularly in forest dependent areas and among indigenous communities, and can possibly face negative effects if they are not included. The consultation process will therefore work with the Toledo Maya Women's Council and other appropriate CBOs in rural areas to engage women effectively.

49. **Indigenous Land Rights.** Two categories of land ownership are recognized in Belize: public and private lands. The majority of land is owned by the Government and can be leased or sold to private holders or owners pursuant to the National Lands Act of 1992. Private land ownership is recognized and protected by the Constitution of Belize. The Constitution also establishes that natural resources beneath the land, irrespective of the ownership category, belong to the State. The Constitution is silent, however, on the issue of collective land rights of indigenous communities or other forest dependent communities.¹⁸ Also, there is no specific legislation addressing the issue of collective land rights. However, a recent ruling by the Caribbean Court of Justice (CCJ) on April 25, 2015, the highest appellate court of Belize, clarified the level of protection of indigenous land rights. The CCJ confirmed the existence of customary land tenure in Maya villages in the Toledo district and the need for the GOB to identify and protect the rights of the Maya communities arising from customary tenure, as well as to take affirmative legislative or administrative measures to protect Maya rights related to land tenure. In addition, the consent order of the CCJ makes clear that the GOB may not grant or tolerate the award of leases, concessions, etc. in Maya villages without previous consultation with the Maya communities with the objective to obtain their informed consent. The GOB has since been assessing its implications and is seeking support to develop a roadmap to take the steps necessary to implement the consent order.

50. The proposed Project is not the vehicle to directly address the land regularization process for the Maya people. Recognizing the link between land tenure and equity, the GOB with the support of the Inter-American Development Bank (IDB) is implementing a Land Administration project to: (i) clear the backlog of un-surveyed leases; (ii) unify the land titling system; (iii) improve the land registry system; and (iv) initiate a land adjudication system for granting secure land tenure. The proposed Project will attempt to integrate social considerations into the REDD+ Readiness process by identifying and prioritizing key issues; assessing policy and legislative framework to determine land tenure and carbon rights; and developing a framework (ESMF) to manage social risks and to mitigate potential adverse impacts from the future activities during the REDD+ implementation. The ESMF will ensure continuous dialogue and engagement of indigenous peoples pending the final legal airing of their claims to land rights and other land tenure issues. The ESMF will provide guidance regarding the management of social safeguards during the implementation of the REDD+ activity. This includes issues such as sharing of benefits, access to resources, likely social and environmental impacts of REDD+ strategy options. The development of the ESMF will ensure that there is informed participation and consultation. Also a Feedback and Grievance Redress Mechanism will be established and accessible by those affected one way or the other by REDD+ strategies and actions.

51. **Equitable Benefit Sharing.** REDD+ calls for changes in business as usual scenarios in land and forest resource use and management. Currently carbon rights do not exist in the Belizean legislation and will therefore need to be defined. Carbon rights undoubtedly tie in closely with current land tenure systems and will inevitably need to take customary and traditional land use and rights issues into consideration. Currently there is no existing legislation which mandates equitable benefit sharing from any activity in any sector. The proposed Project will support the development of an equitable benefit sharing mechanism in Belize by engaging cross-sectoral stakeholders, including community representatives (e.g. NAVCO, DAVCO, TAA).

D.2. Environmental (including Safeguards)

¹⁸ The Constitution mentions “community ownership” without providing a definition of it.

52. The proposed Project is classified as a Category B project as the environmental impacts are expected to be mostly positive. There might be some risks in the event that REDD+ strategic options fail to achieve their objectives thereby creating unintended incentives to clear forests for other purposes. This could occur, for example, from failure to address land tenure security, leading to lack of commitment to maintain land with forest cover for a long period. Environmental benefits and risks of the National REDD+ Strategy will be documented in the Strategic Environmental and Social Assessment (SESA) to be prepared under the proposed Project. Also an Environmental and Social Management Framework (ESMF) will be prepared under the proposed Project in order to screen, manage and mitigate any potential environmental and social risks and adverse impacts during the implementation phase.

53. MAFFESD which houses the Department of Environment is responsible for, and has an overall capacity and experience on, environmental screening of activities within the framework of the national legislation and the World Bank safeguards policies. MAFFESD is also the implementing agency for other natural resource management projects supported by the World Bank (KBAs/P130474 and MCCAP/P131408). For the proposed Project, the REDD+ Coordination Unit (R+CU) will be established under MAFFESD and support the SESA process, preparation of the SESA and the ESMF, and to ensure compliance with the World Bank social and environmental operational policies applicable to the Project. Also staff from relevant governmental agencies/departments and PACT will receive training on World Bank social and environmental safeguards at an early stage of the Readiness Preparation. Similarly to the existing projects, a Steering Committee will be established to facilitate the coordination among different ministries and agencies on policies and strategic approaches to balance interests of various stakeholders and manage environmental and social risks during the implementation of the Readiness activities.

D.3. Consultation, Participation and Disclosure

i. Experience to Date

54. The consultations for the development of the R-PP were led by the Forest Department in an engaging approach, contributing to establishing sound relationships with the network of stakeholders in Belize. The early dialogue process on REDD+ and the R-PP started in August 2013 with the support from the REDD/CCAD-GIZ program and the facilitation by The Nature Conservancy (TNC). A total of four workshops with (i) NGOs, government departments, and the private sector, and (ii) rural communities (from the Northern zone, Central zone, and non-indigenous community leaders in the Southern zone) and additional three workshops with indigenous communities in Toledo were held to present the R-PP and to receive feedback from stakeholders, making the process transparent and participatory. The consultations were conducted with a total of 239 individuals representing 71 organizations/GOB departments and 91 villages. (See Annex III: R-PP, Annex 1b: Information Sharing and Early Dialogue with Key Stakeholder Groups.)

55. To establish clear channels for engagement with the indigenous peoples' representatives and to give prior notice, an initial information sharing session was held with the executive body of the Toledo Alcaldes Association (TAA). TAA is the recognized representative body for the 38 Maya communities of the Toledo District and parts of Stann Creek. Each of the Maya communities has two traditional leaders, Alcaldes, who make up the membership of the association and a village council Chairperson. An outcome of the initial session produced the consultation protocol to engage the recognized leaders of the Maya people based on Maya traditional form of leadership.

Two subsequent workshops were held with the Alcaldes and Chairpersons of Mayan communities. The first was to introduce to provide an orientation on climate change and the concept of REDD+ and the second was to discuss the content of the R-PP. These two workshops were held on September 13th and 25th 2013 respectively. A separate workshop was held for Maya women and youths on October 12th, 2013 with the assistance of the Toledo Maya Women's Council and the Maya Youth Coalition. The central goal of the dialogue process was to ensure that Belize's R-PP was developed in a transparent and participatory process with the principles of Free, Prior and Informed Consent (FPIC), and the rights of the indigenous communities and their views and ideas informed Belize's REDD+ initiative. All workshops were conducted in English, Maya Q'eqchi and Mopan to ensure that all participants can fully and actively engage.

56. The R-PP also benefited from the work done by the GOB under preceding initiatives which had extensive consultations such as the National Land Use Policy and Planning Framework (2010); the National Protected Areas System Policy and Strategy (2014); the National Assessment of Drivers of Deforestation (2013); and the National Forest Policy workshop under the National Forest Program (NFP) Facility (2011/12).

ii. Proposal Going Forward

57. A REDD+ Consultation and Participation Plan will be developed in the first year of Readiness and implemented in the subsequent years. The Plan aims to increase transparency, public awareness, and citizen participation in the implementation of REDD+ initiatives as well as to improve the quality of decision-making process and promote sustainability of proposed reforms and programs to advance readiness. The Consultation and Participation Plan will include, but not limited to: (i) target stakeholder groups, including indigenous peoples, women, and youth among others; (ii) information sharing, public awareness and capacity building; (iii) lines of communication; (iv) consultation methodology; (v) implementation plan; and (vi) Feedback and Grievance Redress mechanism (FGRM). The FGRM is expected to be permanent mechanism throughout Readiness activities and REDD+ implementation.

58. Importantly, the Consultation Plan will seek to maintain and even increase dialogue with indigenous peoples not only over sustainable land use and forest management but also in considering the issues related to land tenure and other relevant rights. To advance this interest, the Project will support establishing and opening an Indigenous Peoples REDD+ Roundtable, which is a forum that will (i) ensure continuous information sharing and updating between the program and indigenous peoples, (ii) facilitate the consultation process with indigenous peoples, (iii) feedback on the design and implement of key strategies, (iv) monitoring of social safeguards relevant to the rights of indigenous peoples and (v) address benefits to indigenous peoples under the REDD+ initiative. The Roundtable will meet on a quarterly basis especially for the first year of readiness activities and will have the participation of the TEG, PSC, R+CU and representatives of indigenous peoples. The consultation protocol established with the TAA will be updated if necessary during the first 6 months of project implementation. This protocol will be used exclusively for any participation and consultation with the Maya and will be incorporated into the consultation plan for the Readiness Preparation activities, particularly the development of the National REDD+ Strategy and the SESA process.

D.4. Others (including Safeguards)

59. Projects under Disputed Areas OP/BP 7.60. This policy is applicable to the proposed Project because of the longstanding territorial dispute between Belize and Guatemala. The Project

will finance preparatory activities related to the forest areas which extends throughout the country. Some of these forest areas that may be included in future carbon transactions fall within the general area known to be in dispute. The proposed Project does not prejudice the position of either the Bank or the two countries involved. It is emphasized that by supporting the Project, the World Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties' claims. In line with OP/BP 7.60, the World Bank is ensuring compliance with the requirements of the policy. The Bank has determined that given that the Project activities entail preparatory activities including capacity building, the Project is not harmful to the territorial interests of Guatemala.

D.5. Safeguards Policies Triggered

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This project is classified as a Category B project. Since the explicit goal of the National REDD+ Strategy is to promote the reduction in rates of deforestation and degradation by rewarding measures to protect and conserve forests, the environmental impacts of the REDD+ strategy are expected to be mostly positive. As forest cover improves, the associated benefits will increase. Not only as a sink for carbon but also for the many environmental services forests provide such as watershed protection, provision of important habitats, sustainable source of NTFP and other forest based livelihoods. The REDD+ strategy itself would not finance the harvesting or conversion of forests so there is little to no direct adverse impact associated with activities planned as part of the strategic options. However, there might be some safety and health risks and impacts involved in the implementation of REDD+ strategic options. The principal economy-wide risk from REDD+ would arise in the event that the strategic options fail to achieve their objectives thereby creating unexpected indirect adverse impacts through the unintended creation of incentives to clear forests for other purposes. This could occur, for example, if lack of land tenure security were to undermine commitment to maintain land under forest cover for long time periods. For these reasons, and due to the critical nature of strategic options and choices being considered, OP 4.01 will be applicable to the proposed activities. The principal output to document the environmental benefits and risks of the National REDD+ Strategy will be the Strategic Environmental and Social Assessment (SESA). SESA will assess key social and environmental potential risks and impacts associated with REDD+, and the country will prepare an Environmental and Social Management Framework (ESMF) to screen, manage and mitigate any potential environmental and social risks and impacts during the implementation phase. A SESA report will be also prepared.
Natural Habitats OP/BP 4.04	Yes	Given that the REDD+ strategy will likely work both within existing protected areas as well as other forest habitats of varying significance, OP 4.04 will apply. If the REDD+ strategic options are successful, the impacts on critical forest habitats and biodiversity are expected to be positive. Nevertheless, SESA will evaluate the potential risks and impacts associated with strategic options on forest habitats within protected areas as well as other sensitive forest habitats under private or communal control. During the formulation of the REDD+ strategy and throughout its implementation

		consultations will be carried out with key stakeholders to identify potential issues of concern associated with natural habitats and their constituent ecological function, flora and fauna species and genetic resources pool. During the implementation phase monitoring activities will be established to ensure that critical and non-critical natural habitats are not adversely affected. The ESMF will include procedures, principles and provisions to assess and mitigate possible impacts prior to any actions being undertaken on the ground.
Forests OP/BP 4.36	Yes	Due to the importance of REDD+ as part of Belize's long term forest and natural resources management programs and due to the importance forests play in the livelihoods of many communities, this policy will apply. Development and implementation of a National REDD+ Strategy and corresponding strategic options will require successful implementation of actions consisting of, for instance, recovering of degraded forest lands, introduction of sound forest management plans, the establishment and maintenance of PAs, and the development of a national forest fire response team, among others. The National REDD+ strategy itself would not finance the harvesting or conversion of forests. It is expected that the REDD+ strategy would promote the use of third-party forest certification.
Pest Management OP 4.09	Yes	It is likely that the National REDD+ Strategy would finance or lead to an increased use of pesticides or other agricultural chemicals. For instance, it is conceivable that some forest management practices used in the promotion of agro-forestry systems or in restoration of abandoned agricultural lands could utilize pesticides. The SESA will evaluate the potential for such use of chemicals in forest management and agro-forestry systems and appropriate guidelines and instruments would be defined in the ESMF. Based on the above, the policy will be triggered.
Physical Cultural Resources OP/BP 4.11	Yes	Given the existence of Mayan sites in Belize's forest areas targeted in the National REDD+ Strategy, this policy will be triggered. Moreover, some forests or landscapes concerned by the National REDD+ Strategy have historical or cultural significance such as spirit forests, sacred valleys or other features of the natural landscape. Implications of this policy will be assessed as part of the SESA and appropriate measures to mitigate those impacts will be included in the ESMF.
Indigenous Peoples OP/BP 4.10	Yes	This policy is triggered as there are Indigenous peoples living in the project area. During the Bank's due diligence process, there were several meetings with the Maya leaders of the 39 communities in southern Belize in order to share information about the FCPF process and hear their comments and concerns. Specific inputs regarding activities to be financed by the FCPF grant that are intended for their benefit or in which they have a material interest were gathered during a technical mission in July 2015 and incorporated into the project design and reflected in the budget. A follow up meeting to share how their inputs were incorporated was held by the Forest Department in October 2015. A consultation protocol has been submitted by the TAA and will be validated and updated if necessary during the first 6 months of project implementation. This protocol will be used exclusively for any participation and consultation with the Maya and will be incorporated into the consultation plan for the National REDD+ Strategy that is also being financed by this grant. In addition, the Maya will be key

		stakeholders for the SESA process and will play an important role in both the analytical work that concerns their land as well as providing feedback throughout the readiness process. An Indigenous Peoples Planning Framework will be prepared as part of the ESMF.
Involuntary Resettlement OP/BP 4.12	Yes	This policy is triggered as several of the strategic options currently under consideration may impact access and use of natural resources in protected areas. A study on land tenure and land use will be undertaken as part of the SESA process and forest land users and owners will be consulted regarding the strategic options. Depending upon the results of the SESA process, a stand-alone Process Framework will be prepared or screening guidance will be included in the ESMF prepared for the R-package. A Process Framework will be prepared as part of the ESMF to address potential impacts from access restrictions. The SESA will assess potential impacts from investment options identified under the REDD+ Strategy in terms of involuntary taking of land, and if needed a Resettlement Policy Framework will be prepared as part of the ESMF.
Safety of Dams OP/BP 4.37	No	This policy is not triggered as the project will neither support the construction or rehabilitation of dams nor will it support other investments which rely on services of existing dams.
Projects on International Waterways OP/BP 7.50	No	The Project will not support any types of activities that are envisioned in paragraph 2 of this policy and will therefore not support any activities that may affect the quality or quantity of water flowing through any International Waterways in Belize. As a result, this policy is not applicable to the Project.
Projects in Disputed Areas OP/BP 7.60	Yes	This policy is applicable to the proposed Project because of the longstanding territorial dispute between Belize and Guatemala. Given that Readiness Preparation Activities will occur on a national scale and the program area will comprise all of the country's districts, some of them will almost inevitably take place or be found in geographical areas within the general area known to be in dispute. In line with OP/BP 7.60. The proposed Project does not prejudice the position of either the Bank or the two countries involved. It is emphasized that by supporting the Readiness Preparation Activities, the World Bank does not intend to make any judgment on the legal or other status of the territories concerned or to prejudice the final determination of the parties' claims. The memo to Managing Director and the letter to Executive Director for Guatemala are being processed pursuant to the provisions of OP/BP 7.60.

Annex I: Systematic Operations Risk-Rating Tool (SORT)

Risk category	Rating
1. Political and Governance	S
2. Macroeconomic	L
3. Sector Strategies and Policies	S
4. Technical Design of Project or Program	M
5. Institutional Capacity for Implementation and Sustainability	M
6. Fiduciary	M
7. Environment and Social	S
8. Stakeholders	S
9. Other	N/A
OVERALL	S

Ratings: High (H), Substantial (S), Moderate (M) and Low (L)

Note: Comments and explanations are included in Section A. 2. Overall Risk and Explanation.

Annex II: Preparation Schedule and Resources

Preparation Schedule				
Milestone	Basic	Forecast	Actual	
AIS Release			10/4/2014	
Concept Review		02/22/2016		
Readiness Preparation GFR approved			12/15/2015	
Readiness Preparation Grant signed		04/01/2016	03/14/2017	
Sector Unit Estimate of Resources Required from Preparation through Approval				
Source of Funds	Preparation Expenses to Date (USD)	Estimate of Resource Requirements (USD)		
		Fixed	Variable	
Bank Budget	0	0	0	
Trust Funds	118,493	168,000	72,000	
Team Composition				
Bank Staff				
Name	Title	Specialization	Unit	UPI
Keiko Ashida Tao	Environmental Specialist	TTL	GENDR	107150
Enos Esikuri	Sr. Environmental Specialist	co-TTL	GENDR	186909
Rodrigo Martinez Fernandez	Carbon Finance Specialist	Carbon Finance	GCCFL	467066
Julius Thaler	Sr. Counsel	Legal	LEGEN	335926
Shafick Hoossein	Environmental Specialist	Environmental Safeguards	GENDR	479587
Arelija Jacive Lopez Castaneda	Social Development Specialist	Social Safeguards	GSU04	483552
Leonel Estrada	Procurement Specialist	Procurement	GGO04	394618
Eduardo França	Financial Management Specialist	Financial Management	GGO22	288271
Non Bank Staff				
Name	Title	Office Phone	City	

Annex III: Readiness Preparation Proposal

<https://www.forestcarbonpartnership.org/sites/fcp/files/2015/March/BELIZE%20FINAL%20RPP%20March%202015.pdf>

Annex V: Results Framework

Project Development Objectives

To assist Belize in carrying out key Readiness Preparation Activities¹⁹ in order to strengthen their capacity to participate in future REDD+ carbon payment transactions

These results are at Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values			
		YR1	YR2	YR3	End Target
Development of a National REDD+ Implementation Framework (Yes/No)	No	No	No	No	Yes
Government institutions provided w/ capacity building to improve management of forest resources – (Core)	0	TBD	TBD	TBD	TBD
Direct project beneficiaries (Number) - (Core)	0	TBD	TBD	TBD	TBD
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0	30%	30%	30%	30%

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values			
		YR1	YR2	YR3	End Target
1a. Multi-stakeholder participatory platform for REDD+ (Yes/No)	No	Yes	Yes	Yes	Yes
1b. National REDD+ Communications Strategy (Yes/No)	No	Yes	Yes	Yes	Yes
1c. National REDD+ Consultation and Participation Plan (Yes/No)	No	Yes	Yes	Yes	Yes

¹⁹ Readiness Preparation means that the country prepares itself to participate in a future, large-scale system of positive incentives for REDD+. This includes developing the necessary policies and systems, in particular adopting national REDD+ strategies; developing reference emission levels; designing measurement, reporting and verification (MRV) systems; and setting up REDD+ national management arrangements, including the proper safeguards.

1d. Feedback and Grievance Redress Mechanism (Yes/No)	No	Yes	Yes	Yes	Yes
2a. Determination of carbon rights and preparation of supporting legislation (Yes/No)	No	Yes	Yes	Yes	Yes
2b. Development of a benefit sharing mechanism (Yes/No)	No	Yes	Yes	Yes	Yes
2c. Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF) (Yes/No)	No	Yes	Yes	Yes	Yes
3. National Forest Reference Emission Level and Forest Reference Level (Yes/No)	No	Yes	Yes	Yes	Yes
4a. National Forest Monitoring System (Yes/No)	No	Yes	Yes	Yes	Yes
4b. Non-carbon Monitoring System (Yes/No)	No	Yes	Yes	Yes	Yes
5. Readiness package (Yes/No)	No	Yes	Yes	Yes	Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Development of a National REDD+ Implementation Framework	A REDD+ Implementation Framework, including a National REDD+ Policy, Carbon Rights and supporting legislation, capacity building for the REDD+ Strategy options, a benefit sharing mechanism, is developed.	Annual	Progress reports; Mid-term Review; Final Evaluation	R+CU; PSC; TEG
Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention (e.g., relevant government officials, the private sector, NGOs, rural communities and indigenous peoples who are consulted on and participated in the REDD+ Readiness process). Supplemental Value: Female beneficiaries (percentage).	Annual	Consultation reports; Progress reports; Mid-term Review; Final Evaluation	R+CU; PSC; TEG
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.	Annual	Consultation reports; Progress Reports; Mid-term Review; Final Evaluation	R+CU; PSC; TEG

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
1a. Multi-stakeholder participatory platform for REDD+	A multi-stakeholder participation platform for REDD+ includes establishment and operationalization of a cross-sectoral government coordination body and planning and capacity building for key stakeholders (government agencies, private sector, civil society, IP groups).	Annual	Progress reports	R+CU
1b. National REDD+ Communications and Information Dissemination Strategy	A REDD+ Communications and Information Dissemination Strategy at the national level has been developed and implemented.	Annual	Progress Reports;	R+CU

1e. National REDD+ Consultation and Participation Plan	A REDD+ Stakeholder Consultation and Participation Plan at the national level has been prepared following the FCPF/UN-REDD “Guidelines on Stakeholder Engagement in REDD+ Readiness.”	Annual	Progress Reports;	R+CU
1d. Feedback and Grievance Redress Mechanism	Feedback and Grievance Redress Mechanism has been established and operational.	Annual	Progress Reports;	R+CU
2a. Determination of carbon rights and preparation of supporting legislation	Carbon rights associated with land tenure have been clarified both at the local and national levels and legislation supporting the carbon rights has been drafted.	Annual	Progress Reports;	R+CU
2b. Development of a benefit sharing mechanism	An equitable benefit sharing mechanism has been developed with the engagement of various sector stakeholders, including community representatives.	Annual	Progress Reports;	R+CU
2c. Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)	A National SESA Work Plan has been prepared and carried out. ESMF has been prepared as part of the SESA process, including applicable safeguards documents in accordance with the World Bank’s Safeguards Policies.	Annual	Progress Reports;	R+CU
3. National Forest Reference Emission Level and Forest Reference Level	A national forest reference emissions level and forest reference level have been developed through designing and establishing a reference scenario model; and developing reference models.	Annual	Progress Reports;	R+CU
4a. National Forest Monitoring System	A National Forest Inventory System (NFIS) has been developed with standards, new and existing relevant data, and trained personnel in the use of software.	Annual	Progress Reports;	R+CU
4b. Non-carbon Monitoring System	A non-carbon monitoring system with protocols for selected non-carbon benefits and assessment plans has been developed.	Annual	Progress Reports;	R+CU
5. Readiness package	The Readiness Package has been prepared with an exit strategy.	EOP	Final evaluation	R+CU; PSC; TEG

Annex VI: Detailed Project Description

Proposed Development Objective

60. The **Project Development Objective** is to assist Belize in carrying out Readiness Preparation through a participatory and inclusive process in order to strengthen their capacity to participate in future REDD+ carbon payment transactions.

Key Results

61. The key results expected from the proposed Readiness Preparation activities are presented below. These results reflect the key elements to achieve the country's Readiness to be able to tap into any future REDD+ mechanism under the United Nations Framework Convention on Climate Change²⁰ (UNFCCC) or others. The indicators to measure these results as well as the intermediate (output) indicators are presented in the Results Framework (Annex V).

- 1) Development of a National REDD+ Implementation Framework, including a National REDD+ Policy, carbon rights, capacity building for the REDD+ Strategy options, and a benefit sharing mechanism;
- 2) Government institutions provided with capacity building to improve management of forest resources (Core Sector Indicator for Forestry); and
- 3) Multi-stakeholders including indigenous peoples participating in the consultations and capacity building activities for REDD+, of which 30% are female (Core Sector Indicator for Project Beneficiaries).

Project Description by Component

62. The R-PP of Belize identifies a broad set of activities aimed at strengthening the technical and institutional capacities for Belize to participate in a future REDD+ mechanism. Among these, the activities to be financed by the FCPF REDD+ Readiness Preparation Project (Project) were selected jointly with the GOB, key stakeholders including indigenous peoples, and in coordination with other donors such as the German Agency for International Cooperation (GIZ). Key criteria for consideration include: (i) activities needed to strengthen the immediate institutional capacity of the GOB to conduct participatory and consultation processes for REDD+; (ii) fundamental Readiness activities for which Belize had specific financial needs, not covered by other sources of funding; (iii) a discrete set of activities that would generate a specific outcome; and (iv) activities that complemented those of other sources of funding and the government, and that could serve to strengthen the achievement of the project objective. The Project would be financed by a US\$3.80 million FCPF Readiness grant and US\$0.283 million in-kind counterpart financing by the GOB. In addition, the Project would be supported by parallel financing from complementary investments, including the REDD/CCAD-GIZ Regional Program for Belize (US\$0.38 million) and the Management and Protection of Key Biodiversity Areas (KBAs) Project (WB/P130474/TF016773)(US\$6.09 million). The proposed Project contemplates the following five components:

63. **Component 1: REDD+ Organization Framework, Consultation and Grievance Redress** (US\$1,597,000). This component will support: (1.1) Establishing and operationalizing of: (a) a multi-stakeholder participatory platform for REDD+ implementation, and (b) a REDD+

²⁰ See Cancun Agreements, UNFCCC Decision 1/CP.16 Section C and Appendix I to that Decision.

coordination unit (R+CU) within MAFFESD to coordinate the implementation of Readiness Preparation Activities; (1.2) Designing and carrying out of: (a) a communications and information dissemination strategy at the national level, and (b) the Stakeholder Consultation and Participation Plan at the national level; and (1.3) Designing and implementing or, if applicable, strengthening existing feedback, grievance and redress mechanisms to meet the needs of people who might be affected by REDD+.

64. ***Sub-component 1.1a - A Multi-stakeholder Participation Platform for REDD+ Implementation.***²¹ The proposed Project will support the establishment and operationalization of a cross-sectoral government coordination body and a multi-stakeholder participation platform for REDD+, specifically: (i) planning and capacity building for key stakeholders, including the Belize National Climate Change Committee (BNCCC), key ministries and government agencies, private sector, civil society, indigenous people groups; and (ii) establishment of and capacity building for the REDD+ Readiness Project Steering Committee (PSC) and Technical Expert Group (TEG).

65. *Planning and capacity building for key stakeholders, including the Belize National Climate Change Committee (BNCCC), key ministries and government agencies, private sector, civil society, IP groups.* In June 2010, the Government of Belize (GOB) with the support from CCAD-GIZ hosted a REDD+ planning workshop in Belize as the first concrete step to develop a REDD+ national program. The proposed Project will continue a series of planning workshops for REDD+ with the private sector and civil society throughout the duration of the Readiness Preparation. The proposed Project will also support strengthening of the BNCCC to mainstream REDD+ into appropriate strategies and to oversee the coordination of REDD+ activities. The BNCCC was established in 2012 with a cross-section of members from relevant government ministries and agencies, private sector, civil society and academia. The BNCCC is responsible for advising the GOB on matters relating to national responsibilities with respect to climate change, including relations with the UNFCCC and the Kyoto Protocol. The BNCCC also guides the implementation of appropriate policies and strategies to address climate change while ensuring economic development.

66. *A REDD+ Readiness Project Steering Committee (PSC).* Key stakeholders will be involved and participate via a proposed REDD+ Readiness Project Steering Committee (PSC) which will provide direct oversight and support to the implementation of the Readiness Preparation activities. The PSC will be composed of senior personnel from the relevant ministries, private sector, civil society, local communities and indigenous peoples. There will also be representation of women's organization on the PSC.

67. *A Technical Expert Group (TEG)* will be established to provide sound scientific and technical advice for the successful implementation of Readiness activities based on sustainable social, environmental, and economic development principles. The TEG will be comprised of technical experts with different areas of specialization and includes representation from the government departments, civil society, local communities, academia and the private sector. The composition of the TEG will be based on the following expertise: agriculture economist; land use planning specialist; carbon finance specialist; natural resource management biodiversity specialist; social specialist/anthropologist; and legal and policy specialist.

²¹ Corresponds to R-PP Component 1a: National Readiness Management Arrangements.

68. ***Sub-component 1.1b - A REDD+ Coordination Unit (R+CU).***²² A REDD+ Coordination Unit (R+CU) will be established for the coordination and day-to-day management of Readiness activities. The R+CU is envisioned to be the permanent operational unit for REDD+ nationally. The REDD+ Program Director will head the R+CU and will report directly to the Chief Executive Officer of the Ministry of Agriculture, Fisheries, Forestry, the Environment and Sustainable Development (MAFFESD). Other members of the R+CU include REDD+ Technical Coordinator, Social Expert, Environmental Expert, Administrative Officer (in-kind contribution from the GOB), and Procurement Officer, and the fiduciary staff from PACT. The office space for R+CU will be provided by the GOB. An interim R+CU comprising the Chief Forest Officer, REDD+ Focal Point, and several Forest Officers has been operational under the Forest Department, which contributed to the development of the R-PP. These officers in the Forest Department will continue to play a key role in coordination efforts with stakeholders and local communities during the implementation of the proposed Project.

69. ***Sub-component 1.2a – A National REDD+ Communications and Information Dissemination Strategy.***²³ Communication, public awareness, and consultation with relevant stakeholders are key factors of the success in the Readiness process. The proposed Project will support the development of a REDD+ Communications and Information Dissemination Strategy at the national level and the hiring of a qualified specialist in communications and public awareness in order to implement such strategy. This individual will have responsibility to develop the Communications Strategy and accompanying activities and also to ensure an efficient implementation and delivery of these.

70. ***Sub-component 1.2b – A National REDD+ Stakeholder Consultation and Participation Plan.***²⁴ A REDD+ Stakeholder Consultation and Participation Plan at the national level will be prepared following the FCPF/UN-REDD “Guidelines on Stakeholder Engagement in REDD+ Readiness”, specifically using the methodologies presented in the “REDD+ Social and Environmental Standards for Consultation.” The proposed activities to be included in the Plan are (i) dissemination of informational materials through a stakeholder consultation web page; (ii) workshops with various stakeholder groups, especially forest-dependent and indigenous peoples who may not have easy access to information; (iii) community meetings to allow greater access to information by community members without having to leave their communities; (iv) informal community planning groups, primarily with women from local communities in order to provide training, orientation on REDD+ topics, and to gather women’s feedback into key studies and assessments; and (v) media outreach for a wider dissemination on REDD+ to the general public, as well as training to be provided to the local media on REDD+ as part of capacity building. These consultation activities will engage all stakeholders participated in the early dialogue as well as additional groups that have not been reached before.

71. Indigenous Peoples will continue to be a focal point of consultation going forward. All dialogues with these groups will follow the “IP Consultation Protocol” developed by TAA during the early dialogue. This protocol follows the principles of free, prior, informed consultations to obtain broad community support and has been tailored to the Belize situation and approved by village Alcaldes. During the Readiness phase, consultations with indigenous peoples will focus on

²² Corresponds to R-PP Component 1a: National Readiness Management Arrangements.

²³ Corresponds to R-PP Component 1b: Information Sharing and Early Dialogue with Key Stakeholder Groups.

²⁴ Corresponds to R-PP Component 1c: Consultation and Participation Process.

REDD+ strategies to be in harmony with cultural practices and traditions in respect to forest management.

72. ***Sub-component 1.3 - Feedback and Grievance Redress Mechanisms (FGRM).***²⁵ As part of the initial activities during the readiness phase, a FGRM for the REDD+ initiative will be designed and operationalize or, if applicable, strengthen existing FGRM to meet the needs of people who might be affected by REDD+. The FGRM supported is intended to be the permanent mechanism from the Readiness phase through the implementation phase. Information on the FGRM and its procedures will be disseminated widely through the communication and consultation activities. The FGRM will allow to identify concerns and conflicts arising from REDD+ Readiness activities and to increase accountability, transparency, and responsiveness to the needs of various stakeholders.

73. **Component 2: Preparation of REDD+ Strategy** (US\$1,165,000). This component will support: (2.1) Identifying and analyzing the main direct and indirect causes of deforestation and forest degradation in the Belizean territory; (2.2) Assessing land tenure, natural resource rights and land use patterns as part of Belize's Integrated Planning Framework for Land and Resource Management with a particular focus on Indigenous Peoples, both at the local and national levels; (2.3) Designing of: (a) effective strategic options for REDD+, including the mainstreaming of REDD+ into different sectors of the economy; and (b) an implementation framework for REDD+; (2.4) Preparation of a SESA Work Plan and carrying out of SESA in accordance with the terms of such Work Plan, including diagnostic studies to assess the key risks of the strategic options under Component 2.3(a) above; and (2.5) Preparation of an environmental and social management framework (ESMF), including, if applicable, an Indigenous Planning Peoples Framework (IPPF), a Resettlement Policy Framework (RPF) and a Process Framework (RP), all in accordance with the World Bank's Safeguards Policies.

74. ***Sub-component 2.1 – Identification and Analysis of the Main Direct and Indirect Causes of Deforestation and Forest Degradation in the Belizean Territory.***²⁶ There have been a series of analyses on drivers of land cover change and deforestation across Belize. A 2005 technical report by Cherrington concluded that the main drivers of land cover change in Belize to be agricultural expansion, establishment of aquaculture farms, coastal development, and expansion of urban areas. In 2011, Garcia *et al.* further examined the drivers of deforestation in Belize. The results indicated that, prima facie, the preeminent drivers of deforestation and forest degradation are the conversion of forests to agricultural lands, illegal and unsustainable logging, and forest fires. It also revealed that government policies may negatively impact on forest conservation and there may be a need to revise such policies and enact legislation to reduce these drivers. In 2013, the Forest Department conducted additional analysis of the results of the Garcia report (2011). The list of deforestation drivers was ranked utilizing the Drivers of Deforestation and Forest Degradation Guidelines, adapted from the Conservation Action Program of The Nature Conservancy (See Annex 2a of the R-PP). The identified drivers of deforestation were placed into categories of direct drivers and underlying causes. The proposed study is an in-depth analysis of synergies and/or conflicts among various sector policies and strategies, including an analysis of conflicting legal frameworks. An emphasis will be on forest degradation, taking into account the country's past experience in

²⁵ Corresponds to R-PP Component 1a. National Readiness Management Arrangements.

²⁶ Corresponds to Component 2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance.

addressing the shortcomings including the issues that led to underperformance of previous programs, knowledge gaps, etc.

75. ***Sub-component 2.2 – Assessment of Land Tenure, Natural Resource Rights and Land Use Patterns.***²⁷ Land use, natural resource rights and land use patterns will be assessed both at the local and national levels to clarify carbon rights associated with land tenure. The study will include an assessment of potential risks related to land tenure insecurity in the context of REDD+. Currently carbon rights do not exist in the Belizean legislation and will therefore need to be defined. Carbon rights tie in closely with land tenure systems. The tenure of private land in Belize is regulated and protected by several laws including those that regulate certain modalities of land ownership, titling, sale, taxation, and registration. However, at present there is no legislation that recognizes communal forms of land ownership such as indigenous owned lands. Mayan communities in Toledo District have been seeking legal recognition and protection of their land rights in domestic courts, most recently by seeking recourse from the highest appellate court Caribbean Court of Justice (CCJ). On April 25, 2015, the CCJ issued a consent order which, among others, confirmed the existence of customary land tenure in Mayan villages in Toledo District and the need for the GOB to take affirmative legislative or administrative measures to protect the Maya rights related to land tenure. While the FCPF Grant will not directly address the land regularization process for the Maya people, the GOB with the support from the IDB, is implementing a Land Administration project which aims to: (i) clear the backlog of un-surveyed leases; (ii) unify the land titling system; (iii) improve the land registry system; and (iv) initiate a land adjudication system for granting secure land tenure.

76. ***Sub-component 2.3a – Effective Strategic Options for REDD+.***²⁸ The integration of REDD+ into other sector policies will be sought through developing effective strategic options for REDD+. The country's national development framework—*Horizon 2030*—establishes a set of long-term development goals, targets, and indicators that will guide concerted actions by all stakeholders involved. The Horizon 2030 Framework is consistent with the goals and objectives of REDD+. Within the Horizon 2030 Framework, the REDD+ strategy options for various sectors of the Belizean economy, such as agriculture, infrastructure, forestry, and protected areas, will be defined and detailed.

77. ***Land Use Planning.*** An implementation plan with priorities will be developed for the Land Use Planning Framework which is the means to implement the Land Use Policy.²⁹ The management of different forms of land use, housing, agriculture, infrastructure, hotel licensing, mineral extraction, leasing of National Land, and environmental clearance are required to adhere the Land Use Policy. The Policy aims at providing a participatory platform for the people of Belize to partake in decision making regarding the use of and equitable access to land resources through an accountable and transparent process. It also seeks to establish a firm and consensual basis on which development can take place and provide maximum local and national benefit.

²⁷ Corresponds to Component 2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance.

²⁸ Corresponds to R-PP Component 2b: REDD+ Strategy Options.

²⁹ The Land Use Policy, the National Integrated Planning Framework for Land and Resource Development, and the Land Suitability Mapping System for Belize (Meerman, et al. 2011) was funded by the Global Environmental Facility (GEF) through the Sustainable Land Management project and in the context of Belize's commitments to the UNCCD. Cabinet endorsed the National Land Use Policy and Integrated Planning Framework during a regular cabinet session in November 2011.

78. *Agriculture Sector.* In the agriculture sector, training and toolkits will be provided first to extensionists to promote and mainstream sustainable agricultural practices and climate-smart agriculture into daily agricultural practices of large and small scale farmers. Such practices may include: promoting crop rotations, inter-cropping, and companion planting; using hedgerows, insectary plants, cover crops, and water reservoirs to attract populations of beneficial insects, bats, and birds; planting off-season cover crops; agroforestry and silvopastoral production; and solar driven electric fence and solar driven cold storage.

79. *Infrastructure Sector.* In the infrastructure sector, the land use zoning process is a critical factor for success in reducing deforestation from infrastructure expansion. The zoning process is based on the demand for land, location, meeting policy requirements and land suitability. REDD+ strategy options may consider addressing the issues contained in the National Level Zoning Strategy, such as (a) the need to reserve land for a proposed highway or the up-grading of an existing one, (b) the need to protect an extensive area of land for watershed protection, or (c) the suitability of an area for a planned settlement.

80. *Forest Sector.* In the forest sector, a National Forest Program within the framework of the National Forest Policy will be developed, including an analysis of impact of proposed "wood tax" on market value of lumber and competition with imported lumber, and an update of salvage logging requirements. Also, in collaboration with the KBAs project, forest fire and degradation management and capacity building in pest management and control in forests will be provided to key stakeholders such as the Forest Department staff, CBOs and NGOs involved in forest management.

81. *Private Sector.* Investments necessary to implement REDD+ in the private sector will be analyzed through the activities financed by CCAD-GIZ. These activities include (i) a study to identify a mechanism to integrate REDD+ strategies into business planning for natural resource use (Beltrade) and preparation and delivery of manuals and capacity building tools that integrate sustainable use in productive activities; (ii) design and develop a mechanism for REDD+ investments/businesses in Belize, and REDD+ financing modalities; and (iii) support the design of REDD+ pilot projects with the private sector in the identified degradation/deforestation hotspots in Belize.

82. ***Sub-component 2.3b - A REDD+ Implementation Framework.***³⁰ The proposed activities for the development of a REDD+ implementation framework involve (i) evaluating costs and benefits of jurisdictional and nested REDD+; (ii) developing a national REDD+ Policy (e.g., institutional capacity and coordination, fiscal transparency, law enforcement, corruption, etc. and identifying any reforms required for REDD+; (iii) determining carbon rights and preparing supporting legislation; (iv) capacity building for the REDD+ strategy options; and (v) developing a benefit sharing mechanism nationally and locally with a focus on Indigenous Peoples, including an analysis of existing benefit sharing mechanisms nationally and internationally (e.g., PROFOR Options Assessment Framework).

83. ***Sub-component 2.4 - Strategic Environmental and Social Assessment (SESA).***³¹ A National SESA Work Plan will be prepared and carried out. The SESA process includes an assessment and mapping of the stakeholders, evaluation of possible social and environmental

³⁰ Corresponds to R-PP Component 2c: REDD+ Implementation Framework.

³¹ Corresponds to R-PP Component 2d: Social and Environmental Impacts during Readiness Preparation and REDD+ Implementation.

impacts associated with the REDD+ strategic options, a gender analysis and a plan on enhancing women's participation in forest management (with in-kind analytical support from GIZ experts), and a comprehensive consultation and participation process.

84. **Sub-component 2.5 – Environmental and Social Management Framework (ESMF).**³² An ESMF will be prepared as part of the SESA process, including, if applicable, an Indigenous Planning Peoples Framework (“IPPF”), a Resettlement Policy Framework (“RPF”) and a Process Framework (“RP”), all in accordance with the World Bank’s Safeguards Policies.

85. **Component 3: Development of a National Forest Reference Emission Level and a Forest Reference Level** (US\$420,000). This component will support designing a national reference emissions level for the forest sector in the Belizean territory through (3.1) designing and establishing a reference scenario model; and (3.2) developing reference models.

86. **Sub-component 3.1 - Designing and Establishing a Reference Scenario Model.**³³ The proposed activities include (3.1a) creating forest cover technical task force comprised of forest management and GIS experts which will oversee forest inventory management and data collection in various forest types and agricultural land cover types, and establish a program for the development and improvement of allometric models for the assessment of forest volume and biomass and carbon stocks; (3.1b) acquiring computer hardware and software, imagery acquisition.

87. **Sub-component 3.2 – Developing Reference Models.**³⁴ The proposed activities include (3.2a) adopting mapping and validation methodology, including ground truthing, hardware, and forest and land cover mapping and validation; and (3.2b) designing a national forest inventory and capacity building on reference levels for key government officials. These activities will be complemented by co-financing from CCAD-GIZ. Data improvement will focus on protected areas where the forest types are represented, in order to obtain national biomass values that would improve the quality of the estimates of emissions and sinks. Long-term concessionaires and other partners (e.g., large private land owners and park managers) will also be consulted to validate field plots established across the country.

88. **Component 4: Design of National Forest Monitoring and Safeguards Systems** (US\$438,000). This component will support designing and implementing at the national level: (4.1) a forest monitoring system for the measuring, reporting, and verification (MRV) of greenhouse gases (GHGs) emission reductions; and (4.2) an information system for non-carbon benefits from REDD+ activities, safeguards and governance in relation to REDD+.

89. **Sub-component 4.1 – A National Forest Monitoring System for the Measurement, Verification and Reporting (MRV).**³⁵ The proposed activities include (4.1a) evaluating and/or expanding permanent sample plots (PSPs) including re-measuring the existing network³⁶; (4.1b) strengthening the GHG inventory process by incorporating forest emission and removals into the

³² Corresponds to R-PP Component 2d: Social and Environmental Impacts during Readiness Preparation and REDD+ Implementation.

³³ Corresponds to R-PP Component 3: Develop a National Forest Reference Emission Level and a Forest Reference Level.

³⁴ Corresponds to R-PP Component 3: Develop a National Forest Reference Emission Level and a Forest Reference Level.

³⁵ Corresponds to R-PP Component 4a. National Forest Monitoring System.

³⁶ The KBAs project will also support in establishing additional PSPs in different forest types.

national GHG inventory and standardizing the practice for measuring carbon stocks; (4.1c) providing training for the personnel of the Forest Department, CBOs, and NGOs, in the MRV methodology and data gathering. The strengthening of the GHG inventory process involves revision or adjustments to the database for estimating carbon stocks and carbon emissions. It will also strengthen the capacity in IPCC methodologies for the compilation of GHG inventories for LULUCF. The parallel financing from CCAD-GIZ and KBAs will support developing a National Forest Inventory System (NFIS) including developing standards, providing training for REDD+ Coordination Unit in the use of software, and gathering and populating existing relevant data in NFIS.

90. ***Sub-component 4.2 – A National Information System for Non-carbon Benefits.***³⁷ Non-carbon aspects such as multiple benefits, other impacts that may be emanating from future REDD+ activities, safeguards and governance will be disseminated through the proposed information system at national level. Given the limited capacity for monitoring, this system will attempt to include community-based monitoring depending on their capacity, especially to monitor and verify benefit sharing and livelihood impacts. The proposed activities include (4.2a) the pre-design preparation, such as the establishment and operationalization of the Standards Monitoring Group, including administrative and logistical support, and capacity building; (4.2b) the development of a non-carbon monitoring system and the development of monitoring protocols for selected non-carbon benefits and assessment plans; and (4.2c) the implementation of the non-carbon monitoring system, such as data collection and analysis, acquisition of equipment for monitoring, and IT development (standardization and integration of databases), and reporting.

91. **Component 5: Design of Monitoring and Evaluation Framework**³⁸ (US\$180,000). This component will support designing and implementing a framework to monitor and evaluate the Readiness Preparation Activities under Components 1 through 4 above. Specific activities include (5.1) annual audits; (5.2) design and implementation of a monitoring and evaluation plan, including establishment of the M&E working group, a mid-term review, and a terminal evaluation; and (5.3) development of the Readiness Package.

³⁷ Corresponds to R-PP Component 4b: Designing an Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards.

³⁸ Corresponds to R-PP Component 6: Design a Program Monitoring and Evaluation Framework.