

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

### Guidelines for Reviewers:

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

1) Country submitting the R-PIN: **BOLIVIA**

2) Date of Review: **June 28-July 4, 2008**

### I. Summary Assessment of the Quality and Completeness of the R-PIN:

*Note with value of 1 – 5*

**Mark  
(score):**

**Criterion (i): Ownership of the proposal by both the government and relevant stakeholders:**

**4**

**Criterion (ii): Consistency between national and sectoral strategies and proposed REDD Strategy:**

**4**

**Criterion (iii): Completeness of information and data provided:**

**4**

**Criterion (iv): Clarity of responsibilities for the execution of REDD activities to be financed:**

**3**

**Criterion (v): Feasibility of proposal and likelihood of success:**

**3**

**SUMMARY SCORE: add scores above and enter sum into box on right**

**SUM: 18**

### Improvements the country could make to R-PIN, and any TA needs for it:

More specificity and better presentation of available information is needed. It is also necessary to fully explain how the different stakeholders would participate in REDD, how the initial phases of readiness could be financed and the institutional mechanisms that would be put in place to distribute payments. There is not a very clear how deforestation will actually be reduced. The lack of a cadastral system for communities and property holders is worrisome.

In the two main areas, Amazon forest and the dry Chiquitano, forest indigenous peoples are the main players, and their participation needs to be secured through better stakeholder consultation during the whole readiness process, not only in the implementation of a REDD mechanism.

## II. Participants Committee Selection Criteria: Information

**Relevance of country in REDD context:** Priority to countries with: (i) substantial forest area and forest carbon stocks; and (ii) relevance of forests in economy, including livelihoods of forest dwellers and Indigenous Peoples:

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

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

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

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

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

The strong ownership of the R-PIN was highlighted by one reviewer as the strongest feature of the R-PIN. There is not a single focal point but three in the Planning Ministry, Vice Ministry of Land Use and Environmental Planning and the National Climate Change Program. This may however create problems for focusing future coherent REDD assistance. There was ample interagency consultation in the preparation of the R-PIN. However, there is little indication that there was consultation with community groups and indigenous peoples, and institutions of the private sector (although in all probability, there was. If so, this needs to be stated clearly). NGO Conservation International, Friends of Nature Foundations also contributed to the preparation of the R-PIN.

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

The Forest Superintendence is responsible for forest monitoring; the Forest Superintendence, the Legal Affairs Ministry and the Courts for forest law enforcement; and the Forest Superintendence, the Forest Department and the National Protected Areas Service in forest management and forest conservation. The Vice-ministry of Biodiversity, Forestry and Environment, the Forestry Department and the Vice-ministry of Rural Development are responsible for inter-sector coordination.

Hence, there is a fairly clear identification of responsibilities, but potentially a problem of conflicting policies and institutional roles that could undermine the success of REDD.

### 3. Current country situation:

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

The report includes relevant quantitative information regarding deforestation, segregated by WWF Ecoregions since 1976 and up to 2004. There is no data regarding deforestation in the various tenure and ownership types. There is however information related to deforestation in Indigenous Communal Lands although details are not included in the R-PIN (such as magnitudes, location). Around three-quarters of the deforestation takes place in the Department of Santa Cruz. There is not much knowledge of who is doing the clearing, beyond Santa Cruz. One reviewer suspected that large amounts of deforestation and degradation are taking place on a small scale, which is difficult to detect with remote sensing.

There are some estimates of forest degradation for Pando, Ascencion and Chiquitania. There is no information on the criteria used in these assessments, though.

Main causes of deforestation have been well identified by a number of analyses. A main one is the expansion of the agricultural frontier driven by large agro business. This driver explains as much as 40% of total deforestation in the country. Small-scale slash and burn agriculture is also important. The expansion of mining activities is another, although relatively minor, cause of deforestation. Illegal logging is a main contributor to deforestation. Various economic underlying

factors such as the relatively low cost of land and the increasing financial profitability of some agricultural crops are behind deforestation pressures. In addition there are various legal, policy and institutional weaknesses that create incentives to deforestation and forest degradation.

There are estimates of GHG emissions resulting from LULUCF for 1990-1994-1998 and 2000. There is no indication whether these assessments contain any kind of geographical or tenure or eco regions information.

Key issues in the context of law enforcement include inconsistencies in the legal framework, administrative confusion related to powers and responsibilities of various government agencies, deficient coordination of government action and the lack of effective monitoring and prosecution mechanisms and capacity. Lack of financial resources has prevented periodic forest resources assessments as mandated by Law 1700. There are conflicting land claims between indigenous communities, forest dwellers, peasant unions, concessionaires and private land owners that need to be resolved to prevent further deforestation and degradation. While the revised land titling process started more than a decade ago, under the responsibility of the National Land Reform Institute, the process is behind schedule and the cadastral data are not accessible to other agencies.

Very little knowledge of who is doing the clearing, beyond Santa Cruz. I suspect that large amounts of deforestation and degradation are taking place on a small scale, difficult to detect with MODIS or even Landsat.

**4. Data available on indigenous peoples and forest dwellers?**

The National Land Reform Institute registers indigenous lands. About 50% of all indigenous lands have been already legalized and this process has generated a wealth of information on indigenous groups and forest dwellers. However, the R-PIN does not give a clear indication of what kind of data is available beyond the legalization process, such as types of lands involved and their forest coverage.

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

This part of the R-PIN really does not address the features and principles of the current strategy to reduce deforestation and forest degradation, focusing instead on what may be done in the future. Hence, the section needs more work. The R-PIN does not address the question of what stakeholder processes were used to arrive at the strategy to address deforestation and forest degradation. As mentioned above, 50% of indigenous lands still need to be legalized.

The National Development Plan does address Carbon Sequestration and GHG reduction policy that recognizes the role of avoiding deforestation and GHG emissions.

As an aspect of considerable interest, Bolivia hosted the world's largest pilot project on reducing emissions from deforestation and timber harvesting, the Noel Kempff project in Santa Cruz.

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

There are a number of ideas but no coherent plan is presented of how to address the direct and underlying causes of deforestation and forest degradation. A generic list of activities is presented and also a discussion of how these activities would effectively lead to reduced deforestation and forest degradation. These aspects of the R-PIN are weak. FCPF readiness financing could be a good and productive avenue to support analytical work on this important theme.

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

The proposal simply states that the REDD strategy would fit into the National Development Plan. More elaboration is needed. The participation of Indigenous Peoples should be secured along the whole REDD value chain, not just during implementation.

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

There are several programs and projects that are relevant to the implementation of a REDD Strategy. Various research organizations funded by Europe and the USA support remote sensing to monitor deforestation and the improvements of national capacities. In addition, the Bolivian Government through PNCC-ODL is carrying out estimates of the opportunity costs of land uses and a training process on Climate Change and REDD for indigenous peoples.

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

It is apparent that in the past several consultations were carried out in developing various actions related to the forest sector. The REDD process would follow well-established consultative processes. It is notable that consultations make up a very small portion of the indicative budget to be requested.

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

The main challenges are related to the defects of the legislative system and the weaknesses of public institutions and the difficulty in assign responsibilities and authority to different levels of decentralized government. The R-PIN does not present ideas on how these various constraints could be overcome, a situation that, as mentioned above, FCPF could help to improve. The R-PIN does not offer ideas on whether performance based payments would be a factor of enough strength to generate large incentives to avoid deforestation and forest degradation. It is worrisome that the cadastral system was not identified as a priority for getting to Readiness.

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

Broad measurements of deforestation could be developed for the periods 1990-2000- 2005 and 2006. Detection of forest degradation can be technically achieved provided that the purchase of the necessary imagery could be financed. The Forest Superintendent monitors deforestation using INPE methodology (Brazil) but this activity is geared towards illegal interventions and not to detect area changes.

Current MODIS approach not suitable for area change in forest. Bolivia knows this constraint and is hoping to use high resolution CBERS or Landsat.

Given the high diversity of the forests of Bolivia the range of biomass is very broad. It has not been possible to carry out an inventory of biomass for the country.

It is proposed to carry out annual monitoring. Real time large scale deforestation would be carried out twice annually to provide data for timely enforcement. Capacity to monitor forest cover change is limited, but this is not mentioned in the proposal.

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

Various benefits are expected to be derived from reductions in deforestation and degradations rates. Also, several benefits would accrue to indigenous populations and poor communities, including the recognition of local knowledge. Biodiversity is currently monitored at the national, regional and local levels as well as in some timber concessions and protected areas. Thus, REDD would merely strengthen biodiversity monitoring mechanisms already in place.

Rural livelihoods are currently monitored by several institutions and with international assistance. However there is a need to integrate these efforts into a coherent national information system and to adjust them to serve the needs of a REDD mechanism.

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

The country is likely to need broad support in setting up a REDD mechanism. A list of components and their approximate costs is presented in the report. It follows the logic of the REDD structure and of the creation of a REDD value chain. The country is likely to also request support in establishing a REDD training program. It is proposed that all activities be designed on the basis of broad consultations and participation of various stakeholders. The proposal, although it is still very tentative, translates into assistance totaling some \$6 million between 2008 and 2012 to achieve a satisfactory level of readiness at the end of the period.

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

Several donors are involved in various projects, some of which have direct relevance to REDD. Other activities with donor support are specifically targeted to REDD, including training on Climate Change and REDD for indigenous peoples, the calculation of the opportunity cost of various types of forest lands, and various technical workshops on the REDD process in Bolivia. Given all this it is not clear where the main gaps are that would require additional donor support.

**13. Country's Potential Next Steps and Schedule:**

As mentioned in 11 above, a rough list of elements in constructing a REDD mechanism is proposed, including tentative estimates of costs and timetable.

**14. Attachments and their usefulness:**

"Introduction to the Forest Sector of Bolivia" is mentioned as ANNEX 1 but could not be found.