

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

May 10, 2008

Guidelines for Reviewers:

- 1) This review form is a record of your review, which may be shared 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 criterion from the FCPF Information Memo, the Participants Committee Selection Criteria, and the numbered R-PIN major topics, as requested in the right-hand column. Select a mark from the scale below:
NA: Not Addressed. 1: Inadequately addresses criterion. 2: Barely adequately addresses criterion. 3: Average, or adequately addresses criterion. 4: Good job of addressing criterion. 5: Excellent job of addressing criterion.

<p>1) Country submitting the R-PIN: Cambodia</p> <p>2) Date of Review: January 31, 2009</p> <p>3) Name and affiliation of R-PIN Reviewer: TAP Synthesis Review</p>	
<p>I. Summary Assessment of the Quality and Completeness of the R-PIN: <i>Note with value of 1 – 5; internal Bank reviewers do not score.</i></p> <p>Criterion (i): Ownership of the proposal by both the government and relevant stakeholders: No local communities have been consulted or listed. Needs more input from the environment ministry since it jointly manages forests.</p>	<p>Mark (score): :</p>
<p>Criterion ii): Consistency between national and sectoral strategies and proposed REDD Strategy: Good consistency between the existing forest law and REDD strategy. Consistency between non-forest development strategies and REDD is not described in the proposal</p>	
<p>Criterion (iii): Completeness of information and data provided: Biophysical and institutional information provided is quite complete but socio-cultural information is generally lacking.</p>	
<p>Criterion (iv): Clarity of responsibilities for the execution of REDD activities to be financed: This is not explicitly noted in Section 12, but there is a presumption that REDD will be implemented by the forestry ministry.</p>	
<p>Criterion v): Feasibility of proposal and likelihood of success. Success of existing programs and activities is not noted in the proposal, which makes evaluation of the success of proposed activities challenging. Some of the more technical activities proposed can be handled with high probability of success; however, the reviewer has some doubts that the concept of community forestry can be handled at a larger scale in the relative short time frame that is on disposal for the implementation of the Readiness Plan (in particular considering the introduction of a functional incentive mechanism)</p>	
<p>Improvements country could make to R-PIN, and any TA needs for it: Provided that the existing information from previous program and projects can be captured and consolidated, the proposal may be improved (biophysical) and added (socio-economic and cultural aspects). Government needs to identify the forest dwellers, indigenous peoples and minorities and their territories</p>	

<p>and facilitate to organize them for their meaningful participation in the process of participatory decision making before reaching into the agreement of REDD to ensure their rights as ensured by the ILO Convention No. 169 and UNDRIP.</p>	
<p>How well do proposed activities fit into existing Bank-supported or other country development plans?</p> <p>REDD initiative could be treated as gluing factor, not only for the development plans but also for enhancing institutional and social capitals.</p>	
<p>II. Participants Committee Selection Criteria: Information</p>	
<ul style="list-style-type: none"> • Relevance of country in REDD context: Priority to countries with: (i) substantial forest area and forest carbon stocks; and (ii) relevance of forests in economy, including livelihoods of forest dwellers and Indigenous Peoples: <p>REDD scheme should implemented in the context of national sustainable development objectives. Increasing timber demands from neighboring countries could potentially jeopardize REDD market. Putting a broad range of beneficiaries, including local community/forest-dependence people, in the entire REDD picture is unfortunately lacking.</p>	<p>•</p>
<ul style="list-style-type: none"> • Geographic and biome balance: across the world’s main forest biomes. <p>Relatively wide range of biomes found in the country. This gives opportunity to negotiate with other stakeholders regarding opportunity costs in producing goods and services from forest landscapes. This proposal of Cambodia is complementary to the proposals of Vietnam and Lao Rep. The three proposals together would allow to build a comprehensive representation of the upper Mekong forest biomes.</p>	
<ul style="list-style-type: none"> • Variety of approaches: <p>Proposed innovative approaches to tackling deforestation and particularly degradation are not obvious; methods; testing new mechanisms and distribution of REDD revenues need to be developed while implementing projects during readiness phase; leadership could be further explored and shared.</p>	
<p>III. Detailed Review of R-PIN Response to Template Questions:</p>	
<p><i>Please review the R-PIN quality and completeness in terms of addressing the major questions in the FCPF R-PIN template.</i></p>	
<p>1. Government focal point, and ownership and consultation in producing the R-PIN:</p>	
<p>a. Government focal point is noted as a the Head of Forestry Administration of the government of Cambodia. b. Several authors from the above agency, the wildlife protection agencies, and an international expert wrote the RPIN. Others from government agencies, JICA, research institutes, and local NGOs were consulted in drafting the document.</p>	
<p><u>Comment:</u></p> <ol style="list-style-type: none"> 1. The authors should consult one or more financing agencies since they can offer advice on appropriate ways to channel REDD funds to key stakeholders. 2.. A strong and direct link with Ministry of Environment (and probably Home Affairs) is lacking. 3. Only international NGOs appear to have been consulted in drafting the document. Consultations with local NGOs and community organizations are not listed, and do not appear to have been consulted in the drafting process. 4. See item 1 below in Section 2. 	
<p>2. Identification of institutions responsible for: forest monitoring, law enforcement, conservation, and coordination across forest, agriculture and rural development:</p>	
<p>The significant institutions engaged in above activities have been identified in this section.</p>	
<p><u>Comment:</u></p> <ol style="list-style-type: none"> 1. The Technical Working Group on Forestry and Environment (TWGF-E) which is listed as a mechanism for consultation across all stakeholders could play a key role in ensuring that all communities are engaged in the above process. They or their participants should be consulted in the drafting of the proposal. 	

3. Current country situation:

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

Cambodia had about 73% forest cover in 1965, which has deteriorated to about 10.7 Mha or 59% (still a large share) by 2006. About 8 Mha of forests have been classified into protected areas, protected forests, forest concessions and community forestry. The country suffers most of the common causes of deforestation – fuel wood collection, property rights, illegal timber harvesting, rapid (1.7% annually) population growth, land alienation, lack of enforcement, and regional dynamics.

Since 1989, there have been four major land atlases using LANDSAT imagery at least up to a resolution of 1/250,000. The Forestry Administration is currently in the process of doing a harmonized national forest land cover mapping over 18 years with external quality assessment.

Cambodia also completed a national communication in 2002 based on 1994 national statistical data without distinguishing between deforestation and degradation. The total 1994 emissions were 67.9 MtCO_{2eq.}. Between 1993 and 2003, emissions from logging and deforestation are estimated to have been about 13.7 Tg C (50.2 Tg CO₂) /yr.

All forest land in Cambodia belongs to the state; there is no private ownership of land. Cambodia is shifting its forest management system from a commercial concession system to community forestry and an annual bidding coup system. Remaining forest resources will be considered as Permanent Forest Estate.

Comment:

1. A successful community forestry system was initiated in 2003 but its size is tiny, about 330 thousand ha or 3.3% of total forest cover and is focused on degraded forest areas. As noted in the proposal, secure and adequate returns will need to be ensured to local communities to ensure its continued success.
2. Both Thailand and Vietnam have turned to Cambodia to satisfy their demand for timber. Having them as part of the REDD process will clearly benefit the development of a regional strategy to reduce leakage.
3. The data collection activities are superior to those in many other developing countries and would significantly aid in the writing of the RPIN.
4. *Concession System* is in place but there is no mechanism to enforce the system. As a result illegal logging (and probably transboundary illegal trading) still occurs.
5. *Permanent Forest Estate* could potentially trigger tensions between government and local community if access is blocked.

4) Data available on indigenous peoples and forest dwellers?

Most (85%) of Cambodia's population lives in rural areas. National statistics do not distinguish indigenous (ethnic) groups from others. Estimates suggest that 87-90% of Cambodians are Khmer people. As in many other countries, rural populations are concerned about lack of effective rights, resources for sustainable services, demarcation of property, voice and organization, and opportunity to market forest and other land products. Cambodia is experimenting with a REDD project that borders Thailand in order to reduce illegal logging and poaching from across the border.

Comment:

1. Bulk of the rural population is of Khmer origin and no statistics exist on distinctive groups among them.
2. The thrust of REDD will need to be on rural populations particularly as they are affected by loggers from neighboring Thailand and Vietnam.

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

The Cambodian government started to restructure the forestry sector, and suspended all logging activities in concessions in 2001 until a new management plan was put in place. Many companies and illegal saw mills were closed, which affected a total area of 3.4 Mha. The RGC adopted a forest policy that promoted sustainable management, involvement of the private sector and local people in a multi-stakeholder process and to promote forestation on arable lands and farms. A major objective of the 2002 law is to ensure sustainable forest management and customary user rights of forest products for local communities. Forestry and Environment are the two ministries responsible for management of forest lands and in 2005 the government decentralized ministerial functions to four regional forest inspectorates. In addition, the TWG-FE and the National Forest Programme (NFP) were created to strengthen the forest management process.

Comment:

1. The forestry and environment agencies of the Cambodian government appear to have taken significant steps to enhance its management of forests through the creation of a multi-stakeholder regionalized process and the creation of appropriate agencies to achieve a goal of sustainable management of forest lands. Specific REDD activities can make use of this extensive framework.

2. *Forestry Law – 2002*: It was not clear how the 14-year old Decree was revised in terms of consultation processes but the new law allow the local community to access forest and utilize non timber forest products. This could be further promoted by establishing the markets of the products. In addition, co-benefits in terms rewarding environmental services could be further explored.

3. *Forestry Reform Program (FRP)*: Supported by the World bank. Resulted in logging moratorium and suspensions and new forestry policies. However, neither the implications on employment/job opportunity nor further forest encroachment were mentioned.

4. It is essential to engage wider stakeholder consultations, involving local community, civil society, and industry (private sector). Legislators should probably be approached regarding the possibility of establishing legal arrangements.

5. There have been several consultation processes including national and sub-national levels. However there is yet no real tradition in stakeholders consultation processes in the sector and existing processes are heavily driven by outside donor support. Relevant issues as e.g. land tenure and land use regulation still need to be tackled in the process of REDD readiness and should have a priority in the requested support to FCPF.

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

Have you considered the potential relationship between REDD strategies and your country's broader development agenda?

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

Despite the 2002 law, closing of illegal saw mills and associated companies deforestation has continued in Cambodia. Better enforcement, capacity building, and monitoring are clearly needed to slow and halt deforestation, which will require consultation across other ministries and stakeholders.

Cambodia has received project and programmatic technical assistance from many international agencies for development of baselines and other forestry management activities. The proposal lists six other activities that are continuing through international assistance.

Comment:

1. As noted in the proposal, a REDD program can play a critical role in ensuring coordinated efforts across ministries which currently are absent and difficult to implement given the government structure.

2. Sustainable forest management, forest conservation, and poverty alleviation are considered to be broad development agenda. However, there is no clear link with for example (i) how forest would be governed, (ii) would REDD activities enhance biodiversity conservation, (iii) how financial benefits would be equally shared with local community whose livelihoods dependence on forest resources.

3. Small scale REDD pilot project was implemented in Oddar Meanchey Province. No report is provided concerning the process and challenges.

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

The proposal notes several mutli-stakeholder institutions that are active in the process of forest management. These include the Government Donor Coordination Committee, TWG-F&E, and the Cambodia Development Corporation Forum. The participation of rural communities is however limited or non-existent in these organizations.

Comment:

Despite the existence of the aforementioned organizations, deforestation has continued in the country. It is unclear from the writeup as to the critical reason for this continuance. In a later section, the proposal hints at the lack of government enforcement as a critical reason (Section 8.5). If that is the case, then the role of these committees may be limited. A new system that engages local rural communities may be needed to strengthen the implementation of existing rules and

regulations. It will also be important to engage the private sector in this process.

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 proposal lists an array of challenges that are not uncommon to REDD implementation. Lack of capacity and financial resources, fight against illegal exploitation, development of agricultural sector to support a growing population etc. are all important barriers. It also notes that before implementing performance based payments much analytical work is needed to develop and/or adapt this system to existing systems for carbon payment.

Comment:

1. The list of challenges is appropriate but overcoming these will require more innovative approaches than those stated in the proposal. No information has been reported regarding the capacity of civil society and private sector.

2. It is not clear how performance-based concept is perceived by the proponent. It should ideally transpire rights and responsibilities of the stakeholders are designed and implemented.

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

As stated earlier, there is already an existing system of measurement and monitoring in place. Constraints include those on forestry degradation, scale of data, estimation difficulties, and difficult access to satellite images. REDD funds would be used to sustainably finance forest cover monitoring, modeling of future changes, clarification of biomass and carbon data, and valorization of existing community platforms.

Comment:

1. The planned REDD strategy can rely on historical data for deforestation and baseline scenarios can be developed. What is lacking is information on forest degradation (as defined as long term reduction of carbon stocks of anthropogenic origin without a change in land-use).

2. Independent verification of the collected data will help in improving its reliability and credibility.

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

The proposal notes several areas – biodiversity, forest population structures, eco-tourism, and fighting erosion that would benefit from a REDD program. Biodiversity conservation is currently not being monitored in Cambodia. Rural livelihoods are monitored through the CF projects and programs.

Comment:

Biodiversity and livelihood monitoring will need to be instituted during the REDD program.

11. What assistance are you likely to request from FCPF Readiness Mechanism ?

The proposal lists an array of activities that are appropriate to the REDD program. The total budget is \$5.5 million.

Comment:

1. Judging from the lack of effectiveness of current programs' involvement of local communities and ensuring that the revenues are transferred transparently to local communities will have to be one of the key features of such a program.

2. It would be important to define the roles of the existing bilateral donors present and interested in REDD and their acceptance to work under an overall REDD strategy developed through the FCPF mechanism.

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

A list of key donors and international partners is included in the proposal.

Comment:

The REDD proposal will need to build on these activities and should clarify the additionality of the resources being requested compared to those being provided by other international donors.

13. Country's Potential Next Steps and Schedule:

The next steps and schedule have not been provided except to note that Cambodia will build on existing activities such as the pilot REDD project in Oddar Meanchey.

14. Attachments and their usefulness:

Attachments, particularly the maps, and list of acronyms were very useful.

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