

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism  
Readiness Preparation Proposal (R-PP) External Review Template**  
(interim, September 10, 2009, from Program Document FMT 2009-1, Rev. 3)

**Review of R-PP Costa Rica**

Lead Reviewer (Alfred N. Gichu) and PC Team ([Gerald Jones Kamwenda and Keshav Prasad Khanal](#)):

Date of review (June 1st 2010):

**Standards to be Met by R-PP Components**

**General Comments**

The document provides a detailed account of the state of forest resources in Costa Rica and its management. The document also gives a good account of existing REDD related projects and programmes in the country and particularly those relating to payment of environmental services. Information contained in the document is supported by relevant data that has been generated within the country over the last 20 years. There is a clear demonstration of capacity within the country for establishing a reference emission level and a monitoring system.

**Strengths of the Document:**

- The RPP provides a clear grasp of state of management of forest resources in Costa Rica and the strategy options necessary to deliver REDD+ benefits.
- The Involvement of key stakeholders in REDD programme development process
- It presents a good understanding of what will be done to set up a reference scenario and a monitoring system
- The MRV and Monitoring sections are clearly written

**Areas for Improvement**

- The document should have a list of acronyms and abbreviations and remove the guiding text from the main body of the RPP submission
- There is no mention of linkage of the proposed REDD strategy to the overall national climate change strategy.
- Consider revising the executive summary as it does not seem to present the summary of the RPP

- The composition of the Board of Directors of FONAFIFO and the REDD Working Group should be indicated rather than say that most of stakeholders will be included.

## Component 1. Organize and Consult

### Standard 1a: National Readiness Management Arrangements

The cross-cutting nature of the design and workings of the national readiness management arrangements on REDD, in terms of including relevant stakeholders and key government agencies beyond the forestry department, commitment of other sectors in planning and implementation of REDD readiness;

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

##### Observations

The document provides an elaborate structure for managing REDD activities that is quite inclusive of stakeholders outside the forestry department. There is however no reference on how this process is related to the overall national climate change response process.

##### Recommendations

- composition of the Board of Directors of FONAFIFO and the REDD Working Group should be indicated rather than say that most of stakeholders will be included. The Proposal details several strategy options and the Working Group could propose other sub-groups to address specific components.
- *The functional relationship between these levels and their reporting lines* are not clear and perhaps a graphic presentation would have assisted in showing the linkage of various management arrangements.
  - It is not clear from the document in which ministry or level of Government that FONAFIFO is housed.
  - Rationale of leaving Indigenous people develop a parallel REDD+ scheme/event should be stated by pros and cons i.e. is stated that "Indigenous people shall be left to create their own Participation scheme" assisted by International organizations, National ownership/support need be part and parcel of this autonomy. It is necessary to ensure effective coordination mechanism with indigenous people and local communities in the REDD management arrangements.

*By clarifying the above issues, this sub-section to meet the standard*

### Standard 1b: Stakeholder Consultation and Participation

Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders: Inclusiveness of effective and informed consultation and participation by relevant stakeholders, assessed in the following ways:

the consultation and participation process for R-PP development thus far<sup>3</sup>, the extent of ownership within government and REDD coordinating body, as well as in the broader national stakeholder community; and the Consultation and Participation Plan included in the R-PP (which looks forward in time); and the inclusion of elements in the R-PP that adequately document the expressed concerns and recommendations of relevant stakeholders and propose a process for their consideration, and/or expressions of their support for the R-PP.

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

#### Observations

- The initial consultations that informed the RPP were quite elaborate and covered a wide spectrum of stakeholders. *RPP indicates that wide range of consultations was made during the preparation process. However, the consultations with private sector, indigenous peoples and institutions of the civil society seem to have been limited.*
- The process was transparent and aimed at generating wide acceptance of the process.

#### Recommendations:

1. The Consultation/ outreach plan could be diversified, to bring in new ideas outside ongoing Payments for environmental Service Programme (PPSA), the FONAFIFO & MINAET spheres
2. Consider designing a consultation and participation plan that allow involvement of indigenous people, forest companies, electrical companies, environmentalists, NGOs and other relevant interested parties.
3. Consider developing extension material and effective awareness package program for indigenous people
  - 
  -

*this sub-section meets the standard.*

---

<sup>3</sup> Did the R-PP development, in particular the development of the ToR for the strategic environmental and social assessment and the Consultation and Participation Plan, include civil society, including forest dwellers and Indigenous Peoples representation? In this context the representative(s) will be determined in one of the following ways: (i) self-determined representative(s) meeting the following requirements: (a) selected through a participatory, consultative process; (b) having national coverage or networks; (c) previous experience working with the Government and UN system; (d) demonstrated experience serving as a representative, receiving input from, consulting with, and providing feedback to, a wide scope of civil society including Indigenous Peoples organizations; or (ii) Individual(s) recognized as legitimate representative(s) of a national network of civil society and/or Indigenous Peoples organizations (e.g., the GEF Small Grants National Steering Committee or National Forest Program Steering Committee).

**Component 2. Prepare the REDD Strategy**

**Standard 2.a: Assessment of Land Use, Forest Policy, and Governance:** A completed assessment is presented that identifies major land use trends, direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD, and major land tenure and natural resource rights and relevant governance issues. It documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation, and identifies significant gaps, challenges, and opportunities to address REDD. The assessment sets the stage for development of the country's REDD strategy to directly address key land use change drivers.

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

**Observations**

- Section 2 (a) demonstrates a good understanding of forest resource management issues and where opportunities obtain for maximizing carbon benefits. While carbon stocks are currently increasing there are still opportunities for reducing emissions arising from conversion of forests to pastures.
- The policy section recognizes all forms of tenure / forest ownership systems, baseline measurements, verification of measurements, financial mechanisms, stakeholder engagements and governance issues.
- 

**Recommendations**

- The RPP does not indicate how revenues currently generated from the sale of environmental services are shared among various stakeholders. This might inform how carbon benefits are likely to be distributed in future.

**Standard 2.b: REDD strategy Options:** Alignment of the proposed REDD strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies: the R-PP includes a summary of the emerging REDD strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD strategy options. This summary states:

- i. how the country proposes to address deforestation and degradation drivers in the design of its REDD strategy;
- ii. early estimates of cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental benefits;
- iii. socioeconomic, political and institutional feasibility of the emerging REDD strategy;
- iv. major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and
- v. risk of domestic leakage of greenhouse benefits. The assessments included in the R-PP eventually should result in an elaboration of a fuller, more complete and adequately vetted REDD strategy over time.

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

**Observations:**

- The RPP has a very comprehensive strategic intervention proposals for REDD strategy development linked to PRSP
- It has recommended a set of quite worthwhile in-depth studies .

**Recommendations**

- *The recommended studies should include a detailed analysis of costs and benefits of proposed REDD+strategies.*

**Standard 2.c: REDD implementation framework:** Describes activities (and optionally provides ToR in an annex) to further elaborate institutional arrangements and issues relevant to REDD in the country setting that identifies key issues, explores potential arrangements to address them, and offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package.

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

**Observations**

- The section is very comprehensive and recognizes that a lot of issues that still need to be resolved prior to achieving a comprehensive REDD+ strategy.

**Recommendations**

- Harmonize intervention by all actors including Indigenous People at a holistic national approach, this will add value to participatory methods for monitoring and reporting on socio-economic effects of REDD implementation in addition to that of MRV for carbon

This section would readily meet the standard since all the key information is in the annex

**Standard 2.d: Assessment of social and environmental impacts:** The proposal includes a program of work for due diligence for strategic environmental and social impact assessment in compliance with the Bank's safeguard policies, including methods to evaluate how to address those impacts via studies, consultations, and specific mitigation measures aimed at preventing or minimizing adverse effects.

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

**Observations**

- The RPP states that the areas that will benefit from a SESA process.
- It has made reference to World Bank Safeguards which it will also use to guide its work

**Recommendation**

- It would be useful to show the presence or absence of capacity gaps to undertake SESA in Costa Rica. More work is to elaborate on SESA under the section and add value to whatever could be annexed under 2d and its ToR

the component largely meets the standard.

**Component 3. Develop a Reference Scenario**

**Standard 3 Reference scenario:** Present work plan for how the reference scenario for deforestation, and for forest degradation (if desired), will be developed, including early ideas on feasibility of which methods to use (e.g., scenario of forest cover change and emissions based on historical trends in emissions and/or based on projections into the future of historical trend data), major data requirements and capacity needs, and linkages to the monitoring system design.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

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

**Observations:**

The RPP has presented process for developing reference scenario and that includes review of historical data; gap identification and assessing feasible options for developing reference scenario based on historical trends and forecast for changes in forest cover. It has also identified the capacity need for developing the reference scenario. Costa Rica is trying to develop reference

scenario and carbon stock until 2030 using various tools and techniques. Based on historical tendency of carbon here is a Presentation of a strong work plan on how the reference scenario for deforestation, and for forest degradation, will be developed, including early ideas on feasibility of which methods to use (e.g., scenario of forest cover change and emissions based on historical trends in emissions and/or based on projections into the future of historical trend data), major data requirements and capacity needs, and linkages to the monitoring system design.

- It has been stated that some data on carbon stocks/MRV already exist but not clearly presented or discussed in the main text

#### Recommendations

This section meets the standard

#### Component 4. Design a Monitoring System

**Standard 4: Design a monitoring system:** The R-PP provides a proposal for the initial design of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation. The system design should include early ideas on including capability (either within an integrated system, or in coordinated activities) to monitor other benefits and impacts, for example rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD implementation in the country, and to assess the impacts of the REDD strategy in the forest sector.

The R-PP should describe major data requirements, capacity requirements, how transparency of the monitoring system and data will be addressed, early ideas on which methods to use, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers. It should also address independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD implementation. The proposal should present early ideas on how the system could evolve into a mature REDD monitoring system with this full set of capabilities.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

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

##### Observations

The government institutions responsible for monitoring forest change are SINAC and FONAFIFO. Cost and capacity to monitor are not mentioned as constraints, but they may be very real obstacles. While additional benefits will surely vary from location to location, it is envisaged that REDD would generate, as associated effects, a number of environmental benefits, including, inter alia, the conservation of biodiversity, protection of water resources, the maintenance of recreational values. In addition, important social benefits are foreseen, as the resource base supporting rural livelihoods would be more effectively sustained. This part of the report would benefit from a deeper analysis of how these other benefits are expected to materialize and what their relative importance may be.

**Recommendations**

- Consider incorporating the issues raised in suggestion
- 

**Component 5. Schedule and Budget**

**Standard 5: Completeness of information and resource requirements**

The R-PP proposes a full suite of activities to achieve REDD readiness, and identifies capacity building and financial resources needed to accomplish these activities. A budget and schedule for funding and technical support requested from the FCPF, as well as from other international sources (e.g., UN-REDD or bilateral assistance) are summarized by year and by potential donor. The information presented reflects the priorities in the R-PP, and is sufficient to meet the costs associated with REDD readiness activities identified in the R-PP, or gaps in funding are clearly noted.

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

The budget is well filled in. However, some key activity lines have been much lumped, such as the legal and institution studies. They could provide separate budget lines for e.g:

- Development of Carbon fund
- Legal & institutional framework etc

**Component 6. Design a Program Monitoring and Evaluation Framework**

**Standard 6:** Adequately describes the indicators that will be used to monitor program performance of the Readiness process and R-PP activities, and to identify in a timely manner any shortfalls in performance timing or quality. The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule.

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

**Observation:** Not done at all to describe how the country will monitor program performance of the Readiness process and R-PP activities, and identify any shortfalls in performance timing or quality.

**Recommendation:**

This section needs to be completed to enable the RPP meet the standard.