

**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)

Guidelines for Reviewers:

- 1) *FCPF REDD Country Participant R-PPs will be reviewed and assessed by the FCPF Participants Committee, the FCPF's governing body, taking TAP comments into account. External (Technical Advisory Panel or other) and Bank reviewers may provide recommendations on how a draft R-PP could be enhanced, using this template on a pilot basis until a process is approved by the PC.*
- 2) *One set of criteria should be used for review: specific standards each of the current 6 components of an R-PP should be met.*
- 3) *Your comments will be merged with other reviewer comments (without individual attribution) into a synthesis document that will be made public, in general, so bear this in mind when commenting.*
- 4) *Please provide thoughtful, fair assessment of the draft R-PP, in the form of actionable recommendations for the potential enhancement of the R-PP by the submitting country. A REDD Country Participant would be allowed three submissions of an R-PP to the PC for consideration.*

Objectives of a Readiness Preparation Proposal (condensed directly from Program Document FMT 2009-1, Rev. 3)

The purpose of the R-PP is to build and elaborate on the previous Readiness Plan Idea Note (R-PIN) or a country's relevant comparable work, to assist a country in laying out and organizing the steps needed to achieve 'Readiness' to undertake activities to reduce emissions from deforestation and forest degradation (REDD), in the specific country context. The R-PP provides a framework for a country to set a clear roadmap, budget, and schedule to achieve REDD Readiness. The FCPF does not expect that the activities identified in the R-PP and its Terms of Reference (ToR) would actually occur at the R-PP stage, although countries may decide to begin pilot activities for which they have capacity and stakeholder support. Instead, the R-PP consists of a summary of the current policy and governance context, what study and other preparatory activities would occur under each major R-PP component, how they would be undertaken in the R-PP execution phase, and then a ToR or work plan for each component. The activities would generally be performed in the next, R-PP execution phase, not as part of the R-PP formulation process.

Review Synthesis of R-PP of ETHIOPIA

Lead Reviewers Harrison Ochieng Kojwang and 5 other TAP experts

Date of review : March 8th 2011

Standards to be Met by R-PP Components

(from Program Document FMT 2009-1, Rev. 3:)

Summary of Assessment

- 1 a Meets the standard*
- 1 b Meets the standard*
- 2 a Meets the standard*
- 2 b Largely meets the standard*
- 2 c Largely meets the standard*
- 2 d Meets the standard*
- 3 Meets the standard*
- 4 a Meets the standard*
- 4 b Meets the standard*
- 5 Largely meets the standard*
- 6 Meets the standard*

This synthesis report was based on the comments of a number of independent reviewers on the RPP

General Comments

Strengths of the RPP

- The TAP takes note of the Federal Structure of Ethiopia and commends the Government for proposing appropriate federal institutions to govern REDD+ processes Ethiopia. In this regard, the TAP notes that the Environmental Council (EC) will be appropriately chaired by the Prime Minister and will provide guidance to a Federal Steering Committee. The revised organogram is clearer and the functions of the various bodies have been sufficiently explained.
- The TAP has also noted that more stakeholder groups have now been included in discussions pertaining to development of the R-PP, and appreciates the clear summaries of the main outputs of the consultative processes. Furthermore, the R-PP now recognizes the need for more sub-national consultation processes and the need to continue consultations during the implementation stages of the R-PP. In this regard, the use of stakeholder maps indicating their respective interests, likely influence and power is useful.
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- The R-PP has correctly identified the revision and harmonization of forest related policies, and the need for an institution dedicated to the delivery of forestry services, among others, as critical requirements in the implementation and realization of REDD+ objectives in

Ethiopia.

- . The section on the drivers of deforestation and forest degradation has been substantially re-written, and as opposed to earlier versions, wood fuel harvesting is now recognized as a major driver
- The R-PP has clearly elaborated on the existing gaps in data sources and has made sensible decisions to build upon a recent woody biomass inventory, to fulfill the requirements for setting reference scenarios (Component 3) and a system for monitoring, reporting and verification (Component 4). Significantly, the results of a new study by the Ethiopia Development Research Institute (ERDI 2010) has made projections on carbon emissions up to 2030 using a non-linear model, and in the process improved component 3 in particular.

Weaknesses

- Despite assurances to the contrary, Ethiopia's federal structure still requires the duplication of structures such as steering committees and technical working groups at the Regional Levels. In the absence of an institution dedicated to forestry matters, managing such complexity is viewed by the TAP as a formidable challenge. While the need for such an urgency is now well recognized in the RPP, the absence of a clear vision to provide a dedicated forestry institution remains a major worry. In fact the TAP would have hoped that Ethiopia would use the R-PP Process to reach a decision in this regard.
- The TAP is of the impression that the Federal Environmental Protection Agency (FEPA), with virtually no history of implementation and also considering its 'thin' presence in the regions, seems poised to oversee the implementation of REDD+ from national to local levels. In addition, the role of the Ministry of Agriculture and Rural Development (MoARD) still remains unclear in the R-PP.
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- The issue of capacity of both individuals and institutions particularly of proposed partners such as community groups is not very comprehensively treated in the R-PP. This in fact, should be a core consideration targeting both federal and regional bodies that are needed to implement and monitor REDD+ activities.

While the proposed REDD+ strategy options are sensible, the RPP is still weak on policy level interventions that is required to safeguard forest resources from forces from outside the sector. In fact the Climate Resilient Green Economy (CRGE) Initiative, is a potential mechanism to address this and the R-PP could advocate for it.

- **Key Recommendations**
- *The R-PP should consider the presentation of a clear and possibly time bound vision to improve the country's capacity to provide dedicated services to the forest sector, particularly at the federal level. Such a development would complement and strengthen*

regional forestry institutions that have been initiated in the country and which will be crucial in the implementation of REDD+.

- *The REDD+ strategy should include high level policy work to deal with the drivers of deforestation and forest degradation. The TAP recognizes that much effort will be needed to create new and innovative mechanisms to deal with drivers from outside the sector.*
- *Since the implementation of some aspects of REDD+ will involve and include partner institutions, including local communities, their empowerment and assistance to improve their capacities to participate in REDD+ and their representation in both federal and regional REDD+ bodies should be seriously addressed.*

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 Federal Environmental Protection Agency (FEPA), which has a rather limited national institutional presence will oversee REDD+ from national to local levels in REDD+. In addition it still chairs both the National Steering Committee and the REDD+ Technical Working Group.
- It is good to note that membership of the Regional Steering Committee (RSC) will include at least one parliamentarian.
- Nearly half of the team (20 out of 48) contributing to the R-PP are staff of the EPA. This perhaps is a sign of the difficulties of making the process both interdisciplinary and inclusive.
- The role of the Ministry of Agriculture and Rural Development (MoARD) is still minimal despite the impact of agricultural activities on the forest sector that drive deforestation and forest degradation. Its current relationship and coordination with the EPA has not been sufficiently clarified.

Recommendations:

- *The role of key government institutions such as the Ministry of Agriculture and Rural Development and other agencies who have direct responsibility for, or strong influences on forest management, should be highlighted both in this section and also 2 (c).*
- *The organogramme in Fig.4 still shows that the EPA is to chair both the RTWG and RSC,*

which in turn is supposed to supervise the work of the RTWG and the REDD Secretariat. (while this has its pitfalls, an explanation has been offered that this is likely to change).

- *A plan for the enhancement of capacities of regional and sub-regional bodies (such as forestry, wildlife enterprises, regional research institutions and universities etc) to implement REDD+ and the monitoring of progress thereof should be made more explicit (here and in 2c).*

In general, the sub-component meets 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:

- i. the consultation and participation process for R-PP development thus far³, 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 Observations:

- The RPP clearly recognizes the importance of free, prior and informed consent as an operating principle in the consultation process.
- The results arising out of the consultations (stakeholder expectations, understanding the causes of D&D, issues of governance, choice of pilot areas etc) are well laid out and are later used to design strategy options (2b) and also components 3 and 4.
- Based on earlier comments by the TAP, more regional consultations have now been recommended and further consultations will continue during the implementation process.

³ 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).

- The characterization of the various stakeholders (Table 5) in terms of their power, how they are likely to be affected by REDD decisions, and their desired status at REDD+ Readiness, is quite useful.

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

Recommendations

- *While appreciating the recommendation of further consultations and the development of stakeholder maps, the ownership of the R-PP among other stakeholders is not obvious in the document. Some evidence in this regard could be provided.*

This sub-component meets the standard.

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.

Reviewers Observations:

- The section clearly describes the 9 land cover classes and makes reference to past land cover mapping and woody biomass inventory projects both of which are relevant to REDD+.
- A brief description of past estimates of deforestation rates has now been provided with recommendations to use the MRV process to set more solid historical and current baseline figures. However, the TAP notes that the text here and data in the annex for other wooded lands do not match. For example the text mentions other wooded lands as being a constant area of about 0.4 m ha, whereas table 48 suggests that this class is constant at exactly 44.65 million has from 1990-2010. The Panel appreciates that Ethiopia recognizes the problem with the available data on the state of forests; this will be addressed further in component 3 and 4 of the R-PP.
- The matrix on Table 9 gives a very useful description on the challenges and knowledge information / knowledge gaps that need to be addressed.
- Information on forestry related policies, including forestry use rights have been provided and forestry related institutions, both national and sub-national have been described.

- A useful description of 11 approaches to deal with issues of sustainable forest management including ongoing REDD+ projects has been provided. Each description critically examines the role of the approach in dealing with deforestation and forest degradation

Drivers of deforestation and forest degradation have been clearly described, with the result that two major drivers namely, Agricultural Expansion and Unsustainable Fuelwood Consumption stand out and strongly reflected in the proposed strategy options in 2c. Reviewer's assessment of how well R-PP meets this standard, and recommendations:

Recommendations

While the R-PP has correctly identified the issues or tenure (carbon rights) and benefit sharing as important for REDD+ programmes, no clear strategy or plan to deal with them has been proposed. This should be addressed since it is important for REDD+ and it could very well benefit from stakeholder discussions, the types of which have been described in 1b.

The standard has now been met

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.

Reviewers Observations

- The section emphasizes an experimental approach to building and testing strategy options which is rational.
- The proposed strategies are still largely reliant on interventions within the forest sector (CDM, Pas, PFM, REDD Pilots, Area enclosures, plantations, AF systems), which are relevant but not sufficient to deal with policies and programmes outside the forest sector. In fact it appears that not much attention has been paid to policy advocacy outside the forest sector.
- Based on the work of the EDRI, a cost curve depicting the strategy options to reduce deforestation and forest degradation and to increase carbon sequestration has been

presented and the TAP appreciates its value in estimating the potential worth of each strategy option

- The matrix of challenges and proposed solutions in table 11 are useful.
- The critical analysis of past and current programmes and their relative successes to reduce deforestation and forest degradation is interesting and useful.
- The proposal to use existing CDM and REDD+ projects to pilot and learn lessons on benefit sharing, carbon accounting and MRV and so on, is sensible
- The need for a dedicated federal institution to implement forestry matters in general and the suggested REDD+ strategy options has been duly emphasized.

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

Recommendations

- *Despite the impressive proposals including the cost-curve further thought should still be given on how to deal with the policies outside the forest sector that underlie Deforestation and Forest Degradation. In fact a strategy on strategic policy advocacy is worthwhile*
- *The R-PP should recognize the fact that in some cases federal and regional policies, may contradict each other and in a REDD+ context the possibilities of such contradictions need to be examined and mitigating strategies proposed as necessary.*
- *The link between the proposed strategy options and the Climate Resilient Green Economy Initiative remains weak.*

With the exception on policy work, The sub-component largely meets the standard

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 constraints for REDD+ implementation have been identified and described (e.g. unclear tenure / carbon rights, conflicting federal and regional policies, and the traditional regulatory mode of operation of the forestry authorities).
- At this point in time there appears to be no clear vision on the required institutional structure for the forest sector; the implementation of REDD+ would offer an opportunity to improve the situation.

Recommendations

- *A clear vision for an institutional structure for the forest sector (in addition to the proposals made in table 15) should be provided to enable the government of Ethiopia to manage REDD+ and SFM Programmes, since this has been identified in the R-PP as a major impediment to the performance of the forest sector.*

The issues of benefit sharing and a framework for conflict resolution have not been addressed.

In the present state, the section largely meets the standard.

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

This is the best treatment of the ESMF that a number of TAP members have ever seen, even though it is comparatively expensive.

Ethiopia has had large projects in which EIA and SESA principles have been applied and the R-PP has sufficiently treated this section.

This sub-component 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.)

Reviewers observations

- The R-PP provides comments on the existing forest inventory data, including the quality standards needed for their use in the scenario building process.
- Forest definitions (despite some outstanding issues) have been proposed and the chosen carbon pools are stated, including below ground biomass which will be estimated.
- Substantial reference has been made on the work of the Ethiopia Development Research Institute (ERDI), which has modeled future emissions based on various economic development pathways. The use of drivers in building reference scenarios has been applied in the ERDI 2010 report. The projected emissions up to 2030 have used biomass data that was already generated from a World Bank funded study.
- In general, this is a much clearer and more systematic depiction of the steps needed to develop reference scenarios and the estimates by ERDI can be improved upon.

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

Recommendation

The component now 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:

4 (a) Reviewers Observations

- The Monitoring system will adopt and build upon the sampling design that was used on the World Bank funded Wood Biomass Inventory Project.
- An analysis of institutions that could participate in the MRV within a collaborative institutional framework has been given.
- The choice of remote sensing techniques suitable for Ethiopia have been presented and discussed.
- The choice of emission factors is clear and the R-PP has suggested that it will test methods to estimate below ground biomass, rather than using only default values.
- The component has now clearly included drivers of deforestation and forest degradation (agriculture, fuel wood, infra-structure, settlements) in the MRV System and has included non carbon variables such as governance, benefit sharing, water, flood protection. These are major improvements
- The issue of stratifying the forests and adjusting monitoring frequencies and intensity has been incorporated.

Recommendations

4(a)

Earlier comments have been addressed on 4a and b

The MRV section now meets the standard.

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.

Observation:

This is one of the most expensive proposals we have seen; but without any indication of counterpart funding from Government, or of parallel funding from other agencies. This is important, since the FCPF contribution cannot exceed approximately 18.7% of the requested total, where is the rest going to come from? Is the proposal otherwise viable, or too ambitious?

The component has clearly improved and funding from other sources (UN-REDD, Nordic Climate Facility-NCF, French AFD) has been provided

Recommendation

The budget table should clearly state others sources of funding, including counterpart funding from Government, and indicate what is requested from the FCPF.

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

The component largely meets the standard.

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:

Observations

- It is now clearly stated and indicated that the R-PP will use indicators to track progress.
- The need for baseline data on all programmes is now made sufficiently explicit, as is the need for information sharing and feedback mechanisms to all stakeholders.
- In general, the component is well articulated.
- Significantly, the monitoring system is designed to ensure the transparent management of financial and other resources.

Recommendation

The component now meets the standard