

**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 of *(fill in country name)*: Tanzania

Reviewer (fill in): Australia, Argentina and Denmark (Lead)

Date of review (fill in): 25 Sep. 2010

Standards to be Met by R-PP Components

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

General comments

First and foremost the Government of Tanzania (GoT) should be complemented for having developed an elaborate and very comprehensive R-PP. The R-PP details a very ambitious approach to establishing new and upgrading existing organizations to implement REDD activities. It provides valuable information on the history of forest policy in Tanzania and, on the whole, it provides a clear picture of how Tanzania intends to approach REDD readiness. Donor financing will likely assist in meeting establishment costs during the scheduled four year REDD readiness phase (2010-2013). Options for long-term financial sustainability will need to be considered further going forward.

Strengths:

- The proposed involvement of all key agencies in the National Climate Change Council Steering Committee and Technical Committee
- Good understanding of requirements for MRV, carbon accounting and the establishment of a reference scenario

Areas of Improvement:

- Consider elaborating on how Tanzania intends to transition from the REDD Task Force to the proposed national governance structure
- Consider identifying and further elaborating on strategies that might be used to address identified drivers of deforestation
- Some replication of information provided in the R-PP in the annexes
- Useful to more clearly distinguish between the coordination of readiness activities (component 1) and the ongoing REDD+ implementation framework (component 2c). At times these functions are mixed up.

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:

It is very positive that there is a Presidential mandate on climate change. The R-PP indicates that steps have been taken to establish national institutions and governance arrangements for REDD that can facilitate engagement of the entire government. The National Climate Change Steering Committee (NCCSC) as the "top decision making body", may indeed provide a strong governance structure and include all relevant government agencies at the national level. Furthermore, it appears that *all* REDD payments to Tanzania are to be channeled through a fund/or trust fund under the National Climate Change Technical Committee (NCCTC).

In establishing a national REDD+ framework, it will be important to consider how this can be supported and aligned with the decentralized approach taken to forest management in Tanzania through the participatory forest management (PFM) program. Since a substantial part of Tanzania's forest cover is already under PFM and since the GoT is deliberately and actively promoting the expansion of PFM to include most of the country's forest resources, reductions in deforestation and forest degradation will to a very large extent rely on the active participation of local governments and ultimately individual rural people. This is also reflected in the R-PP's section 2b, "REDD Strategy Options", where acceleration of PFM is mentioned several times as a strategic option to counter deforestation and forest degradation (table 2b-1, pp. 30-31). Thus the PFM need to play a key role in the Tanzanian REDD framework and to achieve an efficient and social balanced REDD approach GoT at the at central and decentralized level need ensuring that adequate incentives are delivered to local communities.

It is, therefore, critical that the GoT explicitly considers issues of equity, accountability, as well as conflict resolution *between levels of government* when elaborating the national REDD framework as this framework will define the resulting distribution of costs (including opportunity costs) and benefits among actors. In this respect it should be considered how decentralized forest authorities, e.g. village governments may participate in REDD activities. Also useful to clarify the degrees of freedom that village governments and other forest and landscape managers will have in choosing to participate in REDD activities. Accordingly, it is recommended that the responsibility of the REDD Task to "propose and facilitate a transparent system of institutional arrangements for implementing REDD" (p. 7) is made to explicitly include a process where local governments and as far as possible representatives of PFM environmental committees as well as NGOs are not merely consulted but given genuine opportunities to *influence* the institutional arrangements and thus directly influence the associated distribution of costs and benefits.

Standard is met. Recommendations:

- Important to provide greater clarity on the role, level of participation and influence of local governments, NGOs and private entities in defining the proposed national governance structures.
- Useful to clarify how the transition from the existing REDD Taskforce to the new National Climate Change Steering Committee will occur, including the timeframe for this transition.
- Consider providing further details of the roles and responsibilities of different agencies, including specifying which government agencies are engaging directly on REDD+ issues, as opposed to climate change more broadly.
- Consider providing greater detail of the proposed REDD fund, including any initial findings from the in depth study described in Annex 2b.4.
- Need to make a clear distinction between the preparation for REDD - REDD readiness - and

the implementation of REDD. The REDD fund is related to REDD implementation not for readiness management and would fit better under the component 2C.

- The civil society participation is mentioned in several of the proposed structures, but there is not a clear channel to include civil society interests in a broad and participatory way. More clarification about the role and participation in the readiness management would be useful.

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.

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).

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

Consultations were held at the village, regional and district level during the R-PP formulation process. These helped to identify strengths and weaknesses relating to the implementation of REDD+ in Tanzania, which are briefly presented in table 1b.2 (p. 15). In the summary report on the outcome of the consultations (Annex 1b) it would be useful to elaborate on the subjects of consultations, issues discussed and concerns raised by stakeholders. This would strengthen the R-PP.

It is good to see that experience from Participatory Forest Management and Wildlife Management Areas in Tanzania is being captured to inform development of the REDD strategy. Furthermore it is positive that there are explicit criteria to select villages for local level consultations. It would be useful to consider whether and how the selected villages are representative of broader interests of other villages in that zone. Going forward, it may be useful to consider how other villages in each of the 8 consultation areas could be engaged, perhaps on a rotating basis.

Going forward, the proposed consultation and participation plan, including the intention of facilitating non-state organizations (pp. 15-16), is well developed. However, the overall purpose of this planned process could be further clarified. The last paragraph on p. 16 signals apparent positive intentions of involving all relevant stakeholders. It would be useful to further elaborate on how and by whom key decisions on REDD implementation will be made, including the scope for full and effective participation by forest dependent peoples and local communities.

Standard is partially met.

- Useful to include further information on how pilots were selected and how they will feed back into the REDD+ framework.
- R-PP includes further studies that will lead to the development of a forward looking consultation plan.
- Useful to elaborate on consultation within the national government during the R-PP formulation phase, noting that not all relevant ministries are represented on the REDD Taskforce.
- The R-PP identifies that stakeholder consultation and participation of forest dependant and local communities will be an important component of REDD implementation in Tanzania. It would be important to specify what methods will be used to facilitate stakeholder consultation and participation in the design and implementation of REDD.
- The R-PP notes that a detailed stakeholder analysis will be conducted to identify key stakeholders, interests and responsibilities to inform stakeholder consultations in the implementation phase. Building on this process, it would be useful to develop a detailed schedule of when consultations will occur and what themes or issues they will address.

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:

The R-PP provides a comprehensive, honest and balanced analysis of the existing knowledge on deforestation rates and direct as well as indirect drivers of deforestation and forest degradation. However, the discussion on the current political economy of deforestation and forest degradation, (i.e. description of relationships between identified drivers) could be strengthened. "Corrupt conditions" and lack of adequate financial and managerial capacity are often mentioned as underlying drivers. Strategies to improve salaries and equipment should also be supplemented with other actions i.e. institutional reforms with the build in of checks and balances and general improved institutional capacity. Land forest and tree tenure as well as market regulations and accountability relations are also part of the structures that promote corruption in forestry services, and hence, promote deforestation.

It is commendable that the R-PP recognizes the need for further analysis into drivers and underlying causes of deforestation (p. 22 last para.) and that the country's forest policy has been revised (but not yet approved by the Parliament) to accommodate a scaling up of PFM while incorporating issues of climate change mitigation and adaptation (p. 21, 4th para.).

Past experiences with reducing deforestation generally conclude that centralized management has not worked. Yet, PFM (JFM and CBFM) is still facing a number of challenges in terms of 'delivering' on the dual objective of forest conservation and improved livelihoods (p. 25). It is correctly pointed out that addressing inequitable cost benefit sharing mechanisms under CBFM at village level and unclear benefit sharing mechanisms between villages and higher levels of government under JFM arrangements would be critical to address before REDD is implemented 'on top of' PFM (p.25, 4th and 5th para.).

Standard is met. Additional recommendations:

- Useful to further elaborate on some of the competing policy objectives, particularly in relation to industry and agriculture.
- Land tenure is identified as an issue and it would be useful to further elaborate on this, e.g. as a key issue under the identified need for further analyses.
- Good discussion on the merits of existing policies. Through the proposed studies, it would be useful to further consider how these policies might be modified to better support REDD implementation.
- Consider distinguishing between drivers of deforestation and drivers of degradation. Further explore efforts made in the past in addressing drivers of deforestation and forest degradation and what are the prospects for promoting success in the 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:

In this section of the R-PP, the REDD strategy is clearly aligned to address the identified drivers of deforestation and forest degradation. Table 2b-1 (pp. 30-32) provides an excellent overview of planned activities and several further studies are proposed to inform the development of a national REDD+ strategy. Pilot activities have also been initiated in Tanzania to inform the strategy development and implementation processes. However, as mentioned, the list of activities is very ambitious and a prioritization of these would make the document more operational. Such a prioritization could be combined with a sequencing of planned activities and if possible stating expected timing and who will be responsible/involved in carrying out the activity. Furthermore, it would be useful to explore the linkages between different drivers of deforestation and forest degradation.

Standard is partially met. Further work on the following is recommended:

- Include early estimates of the short as well as long-term costs and benefits of the proposed strategic options and prioritize activities accordingly.
- Elaborate on the political economy, i.e. the socioeconomic, political and institutional feasibility, of the proposed strategic options.
- Synergies with existing programs are identified, but it would be also useful to identify inconsistencies with other sectors.
- Consider the risk of domestic leakage in Tanzania as a result of the strategic options.
- Themes for studies need to be linked to identified drivers of deforestation and their potential solutions.

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:

The R-PP includes an overview of the institutional framework at the international, national and local level. It clearly identifies intended lead institutions for each component of the REDD strategy. It is proposed that organizations outside the government sector (NGOs, CSOs, research institutions) would lead on a number of components of the strategy.

The Government is identified as the lead institution/facilitator of a number of key areas that will define the governance and cost benefit sharing structure of REDD (ref.: "2. Financial Mechanisms and Incentives", pp. 38-39 and "6. Governance for REDD". pp. 40-41). While it is appropriate for the government to lead on this at the national level, the deliberate and active involvement of other relevant stakeholders (local governments, NGOs and research organizations) is recommended.

Further research is identified as required on a number of issues, including, inter alia, land tenure and capacity building, before a comprehensive REDD strategy can be finalized. This is very sensible, provided the timing of such research allows for the results to actually influence the R-PP strategy and the institutional set-up of REDD implementation.

Standard is partially met. Further work on the following is recommended:

- Elaborate on how local governments, NGOs and other legitimate stakeholders will be able to influence the REDD framework and the associated economic incentive structure.
- Elaborate on the roles and responsibilities of lead institutions and organizations outside the government sector, including how these organizations will be held accountable.
- Useful to also identify which ministries might take the lead in government where this is known. It would be useful to merge the UNREDD Program implementation table in the Annexes with component 2c. This would help identify which elements are already covered (such that duplication is prevented) and where assistance is still required.
- Further clarify if and particularly *how* key decisions on REDD implementation will be done with full and effective participation of all relevant stakeholders (ref. comments to 1a on how the GoT intends to establish the national REDD framework).

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:

The R-PP includes a proposed SESA study that will be undertaken in collaboration with the Government of Norway. A full program has not yet been developed, but will be developed following the completion of this study. The program of work will also consider the World Bank

safeguard policies.

Standard is partially met. Recommendations:

- The proposed study should identify any capacity gaps in Tanzania to be undertaken by SESA.

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:

The R-PP demonstrates that Tanzania's development of a reference scenario has been well thought-through, planned and initiated. The National Forest Resources Monitoring and Assessment (NAFORMA) has been adopted as the national framework for MRV of REDD related activities, data and information which is expected to deliver training on national forest inventories and remote sensing; determine land use cover changes for the past; determine the rate of deforestation; identify drivers of deforestation; produce a map showing different forest types and their detailed stocking parameters; conduct case studies to quantify emission factors for different forest types; design a forest monitoring system using permanent sample plots.

In comparison to the main text, Annex 3a (pp. 103-105) provides a clearer and sufficiently comprehensive description of objectives and methodology for developing a reference scenario. The approach to assess literature and previous studies to determine gaps that can then be supplemented by ground field data is commendable. The use of past and current project data to assist in obtaining carbon data for the development of the MRV is also a good approach. In particular, the experiences on carbon stock and biodiversity measurements from the Valuing the Arc project in the Eastern Arc Mountains, that has applied high resolution satellite imagery and ground measurements to assess carbon levels from above and below ground carbon pools, appear useful to map out carbon levels in different forest and woodland regimes in the country. This is indeed a very fortunate point of departure for developing a robust estimation of carbon currently stocked in biomass and a future MRV system.

Standard is met. Recommendations:

- The R-PP could elaborate on how consistency will be applied when compiling data from various sources to develop the MRV system.
- The R-PP could provide further detail on the methods of conversion from tree measurements to carbon estimates.

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:

The R-PP demonstrates that Tanzania's design of a monitoring system (and development of a national carbon accounting system) is very ambitious but indeed well thought-through and well planned. The work that is required and what information (data) is needed for developing a MRV system is also well considered and the R-PP clearly illustrates the national institutional linkages formed under NAFORMA. Tanzania prepared a comprehensive and detailed proposal for how they will design a monitoring system.

The design of the MRV will be based on two components, a biophysical component and a socioeconomic component. The biophysical component is based on direct measurements and observations and to provide information on extent and condition of the forest and Trees Outside Forests (TOF) resources; and capture deforestation and forest degradation through re-measurements of Permanent Sample Plots (PSPs). The socioeconomic component is based on interviews of key informants, households and walking along transects; and to provide knowledge about the human factors that affect changing forest conditions in a country, i.e., driving forces for forest change.

The inventory design will be a systematic stratified cluster sampling covering the entire country (stratified by vegetation types). The R-PP details clear information on how the plots will be established and how the sampling will be conducted.

Tanzania have identified that verification of measurements is to be undertaken by an independent verifier who will undertake ground spot measurements to check the accuracy of the field measurements by the villagers.

Given the level of ambition, the currently low capacity for participatory monitoring (ref. p. 60 last para.) and hence the considerable initial as well as recurrent costs of this MRV system, it seems appropriate to develop a staged approach. In this respect it also seems relevant to consider the degree of intensity with which to monitor carbon stocks for different forest types instead of distinguishing between forest and agricultural land only (ref. p. 60, last line).

Standard is partially met. Recommendations:

- Re-measuring PSPs will only provide information on rates of deforestation and forest degradation if they are representative for the various forest types in which they are established, i.e. they should not enjoy special protection. Accordingly, it should be clarified whether PSPs are to be used for ground truthing of satellite images only (in which case they need not be permanent) or also intended to provide on-the-ground time series of the biomass development in different forest and landscape types (in which case they must not be subject to special protection measures). Re-measurement of sample plots will not account for leakage either.
- Useful to include further explanation of how the NAFORMA, NCAS-T and community level forest monitoring systems relate to each other

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:

Note that no funds are requested from the FCPF, as most of the funding will be provided by NORAD.

Standard is met.

- The budget is well filled in and clearly identifies other sources of funding.

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:

Table 6.1 presents a very good high-level framework for Monitoring and Evaluation.

Standard is met.

- The indicators are clearly described for each of the target years and suggested methods of verification are included.