

Forest Carbon Partnership Facility (FCPF) Readiness Mechanism

Review and Assessment of Readiness Preparation Proposals

DRAFT - October 23, 2009

This Program Document updates Program Document FMT 2009-1-Rev.2 and proposes a review and assessment process for Readiness Preparation Proposals (R-PPs) submitted by REDD Country Participants to the Participants Committee. The FMT is provisionally operating under this draft process until a process is approved by the PC. The R-PP replaces the R-Plan. The companion Program Document FMT 2009-2 provides a draft description of the R-PP review process, and Terms of Reference for Technical Advisory Panel experts selected to review R-PPs and provide technical assistance. Note that Resolution PC3/2009/1 confirmed the role of the PC in the reviewing and assessing R-PPs.

Objectives of a Readiness Preparation Proposal

1. The purpose of the Readiness Preparation Proposal (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)³ in the specific country context. The R-PP should help a country to identify and put in place, over the medium term, core components of REDD readiness, namely: (i) an assessment of the situation with respect to deforestation, forest degradation, and relevant governance issues; (ii) a reference scenario (a scenario of forest cover change and greenhouse gas emissions over time); (iii) a new or refined strategy for REDD (a set of actions to reduce deforestation and/or forest degradation); and (iv) a monitoring system for measurable, reportable and verifiable (MRV) emission and removals of greenhouse gases, and other benefits and impacts over time
2. The R-PP provides a framework for a country to present the following: (i) an early diagnosis of its deforestation and forest degradation problems; (ii) preliminary ideas for addressing these issues and for establishing a reference scenario and designing a monitoring system; (iii) a plan for how to organize and consult on the core components of REDD readiness; and (iv) and a proposal for how to fund those efforts. The document is therefore a 'proposal' of actions envisaged to be undertaken and issues that a REDD country would address in order to become ready for implementing REDD, rather than an actionable plan, hence the replacement of the "R-Plan" designation with "R-PP."
3. The FCPF expects the R-PP formulation phase to be a significant, inclusive, forward-looking and coordinated effort to consult relevant parties in the country about their ideas and concerns regarding REDD.
4. The FCPF does not expect that the activities identified in the R-PP 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 will generally consist of a summary

³ REDD is understood as REDD plus, i.e., reducing emissions from deforestation and forest degradation, conservation, sustainable management of forests and enhancement of forest carbon stocks through afforestation, reforestation and restoration.

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 Readiness Preparation phase when the analytical work contained in the R-PP is carried out, and then a ToR or work plan for each component.

5. This process should produce a single proposal for REDD readiness in a country, integrating the variety of analytic and preparatory work and funding sources. The R-PP should also identify data, knowledge and capacity gaps and the means to fill them. The R-PP should clearly identify activities for which FCPF funding is requested, in the context of the broader R-PP activities and budget for a country, including requests to other donors.

6. The R-PP final product is essentially an integrated document using the FCPF *R-PP Template for Submission* that summarizes how and in what timeframe a country would address each REDD Readiness component, and the companion ToR or work plans for the various components.⁴

R-PP Formulation

7. To formulate its R-PP using the FCPF template, a REDD Country Participant may seek technical assistance (e.g., design of consultations or a national carbon registry, or identification of potential biodiversity monitoring methods) from domestic or other experts. The FMT and Bank task teams will review requests from countries for technical assistance, and share information and provide assistance as feasible, for example through joint country visits with donors.

8. The FMT will make available any draft and final guidance or resource documents that are developed on various aspects of the R-PP, as they become available. A draft guidance note on the consultation process, for example, is available on the FCPF website.

9. The REDD Country Participant submits its completed R-PP in English to the FMT⁵, which then follows the review schedule below or as amended by the PC.

10. The FMT will convene a small Technical Advisory Panel from its Roster of Experts to develop a resource document on considerations for development of an R-PP, based on experience in reviewing the first three country R-PPs. Such a resource document will be made available on the FCPF website to assist countries in their efforts to begin or finalize an R-PP.

R-PP Review

11. The FMT checks the R-PP for completeness and content. In consultation with the submitting country, the FMT determines whether the R-PP is in full draft or final version and is ready to be forwarded to the Technical Advisory Panel (TAP) for R-PP independent external review.

⁴ The *R-PP Template for Submission* is available from the FCPF website homepage at www.forestcarbonpartnership.org (under Templates and Guidance).

⁵ A REDD Country Participant may submit its R-PP in French or Spanish, and request the FMT to order an English translation. However, additional lead times then must be built into the timeline to allow for translation into English and review of the translation by the REDD Country Participant. The FMT or the Bank would not endorse any responsibility for the quality of this courtesy translation. The cost of translation is expected to be deducted from a future grant from the FCPF to the REDD Country Participant.

12. A country may provide nominations to the Roster of Experts, which is a living document. Countries may suggest names of experts to serve as country expert reviewers of that country's R-PP or other R-PPs or for general technical assistance work. The FMT will consider a country's nomination, ascertain that the nominated experts have not been involved in the writing of the R-PP, and may select one or two country experts so nominated as part of the 6-10 members of a typical TAP R-PP country review team.

13. A phased review process for R-PPs will be used. The FMT may facilitate exchange of comments and inputs between selected TAP experts and the country focal point responsible for development of an R-PP prior to formal submission of the full draft. Informal comments will be offered on early drafts or draft components of an emerging R-PP, preceding formal submission of the R-PP by the country. To this end, the REDD Country Participant may present the draft R-PP to the PC members, FMT, TAP, and World Bank—on an informal basis—for discussion and feedback. This could take the form of a presentation during a PC meeting, or a videoconference, teleconference, or in-country presentation if resources and timing allow. The purpose of such interaction will be for PC members, the TAP, the FMT, and the World Bank to provide early comments and to help clarify issues or methods relevant for REDD or respond to provisional R-PP text or activities, so that many issues are addressed prior to formal submission of the R-PP draft. The formal review will be undertaken by the TAP once the country formally submits its R-PP. Once the TAP synthesis review or its equivalent (e.g., a conference call or videoconference with TAP members) has been shared with the country, the country has at least two weeks to incorporate the TAP's suggestions in its R-PP.

14. In parallel with the TAP review, the World Bank task team⁶ will identify those activities in the R-PP where FCPF has been requested to allocate grant resources to assist the REDD Country Participant in formulating and/or implementing its R-PP. The task team may already have been in contact with the country and provided technical advice on the R-PP. In addition to providing technical advice, the task team conducts due diligence by assessing how the Bank's applicable policies and procedures on safeguards, procurement and financial management will apply during the preparation of the R-PP and in the Readiness Preparation phase, and if activities expected to be funded by the FCPF are in compliance with said policies. The Bank task team will write a *Readiness Preparation Proposal Assessment Note* summarizing this review. The Bank's assessment is shared with the submitting REDD Country Participant with a view to allowing the country to enhance the quality of its R-PP, to be informed about the Bank's views regarding proposed R-PP activities and their compliance with the Bank's policies and procedures. The assessment must be completed before the World Bank can sign the grant agreement to support the execution of the studies and activities provided for in the R-PP. This assessment also may help alert the REDD Country Participant to potential issues that may emerge regarding other, non-FCPF-funded activities included within its R-PP.

15. If the FMT determines the R-PP to be complete, the FMT posts the revised R-PP and the TAP synthesis review on the public website of the FCPF and notifies the PC and Observers at least two weeks prior to the scheduled PC discussion. The FMT also provides the Bank's Assessment Note to the PC prior to the PC discussion. The submitting country should clearly indicate how the revised R-PP has been modified to address prior comments, via a cover letter or within the revised R-PP.

⁶ A World Bank task team is a team of Bank staff and consultants providing preparation and implementation support to the REDD Country Participant, in addition to supervising any FCPF grants.

16. Annex 1 gives a tentative schedule for R-PP submission, review and assessment for the next year or so.

R-PP Consideration

17. The PC reviews and assesses the R-PP, taking the TAP synthesis, the Bank Assessment Note, and other comments into account. The FMT produces a Summary Report outlining the key issues that are identified during the PC discussion of the R-PP, and that the PC recommends the country consider in its R-PP activities and address in a Progress Report submitted at the end of the first phase of FCPF-funded R-PP activities. The Bank task team may choose to revisit its Assessment Note following PC discussions.

18. A REDD Country Participant are allowed three submissions of an R-PP to the PC for consideration.

19. Resubmissions follow the same procedure as original submissions in terms of FMT, TAP, Bank and PC review, although the process would be streamlined by the FMT as appropriate in order to avoid duplication of previous efforts and to encourage timely review. Only the lead TAP reviewer and selected TAP members would be tasked with reviewing the resubmitted R-PP and reporting to the PC through the FMT. The Bank's Assessment Note of a resubmission will indicate the progress made in meeting the issues identified in the Bank's assessment of the previous version of the R-PP.

20. The TAP may continue assisting a country after the R-PP review has been completed. It may be available for limited specific requests for technical assistance from a country whose R-PP has been assessed by the PC, subject to resource and staffing constraints.

R-PP Review Criteria

21. The criteria proposed for R-PP review build directly on the review criteria for R-PINs and for selection of REDD countries into the FCPF program. The previous two sets of criteria have been adapted to the R-PP context, based on the discussion of the criteria during PC2 in Panama, and of their application to specific R-PP during PC3 in Montreux, and the TAP's experience in trying to apply the numerous, overlapping criteria. As a result, the previous cross-cutting review criteria have been explicitly merged into the component standards to form a single set of 10 standards, as presented in the table below.

Standards to be Met by R-PP Components

(by R-PP Component Number, and Standard to be Met;

TAP reviews and World Bank Assessment Notes will review R-PPs according to these standards)

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; and

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 far⁷, the extent of ownership within government and REDD coordinating body, as well as in the broader national stakeholder community; and
- ii. 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.

2. Prepare the REDD Strategy

Standard 2a: 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.

⁷ 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).

Standard 2b: 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.

Standard 2c: 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.

Standard 2d: 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.

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.)

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.)

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.

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.

Annex: Tentative Schedule for R-PP Submission for PC 5 and beyond
Indicative Schedule: all dates vary with the final date set for a PC meeting

R-PP Draft Received by FMT	Revised R-PP Posted on Website (following completion of TAP review) & R-PP Bank Assessment Note sent to Country	PC Meeting: Tentative Dates ^a
PC - 10 weeks	PC - 4 weeks	PC
January 11, 2010	Feb 22	March 22-24, 2010 <i>PC 5, Gabon</i>
April 19, 2010	May 31	June 28-29, 2010 <i>PC 6, Location TBD</i>
August 16, 2010	September 27	October 25-27, 2010 <i>PC 7, Location TBD</i>

^a Additional R-PP assessment sessions could be organized by other means, e.g., videoconference, teleconference, or virtually by electronic discussion.