

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism
Readiness Preparation Proposal (R-PP) External Review Template**
(interim, January 14, 2011 based on Program Document FMT 2009-1, Rev. 5)

For use reviewing R-PPs submitted using version 4 R-PP template in January 2011

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 of R-PP of (fill in country name): PERÚ

Reviewer (fill in): Cristina García

Date of review (fill in): 11-February-2011

Standards to be Met by R-PP Components

Note: This uses FCPF version 4 template standards. Since the new R-PP template version 5 revises these standards, potential upgrade to meet version 5 are also noted.

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;

Version 5 standard text not included in version 4 standard:

Capacity building activities are included in the work plan for each component where significant external technical expertise has been used in the R-PP development process.

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

The current draft takes into account most of the comments and recommendations made during the last review of the R-PP.

Some comments:

- The coordination of funds and donors should be further clarified: it is said that UGP is going to be the only implementing unit of different funds, but it is also mentioned that FONAM will manage the funds. It is not explained how the FIP funds are going to be managed and who will manage them. It is also confusing the relation of the Donors Committee with FONAM and UGP, and the role, if any, of PROFONANPE and FONDEBOSQUE. In conclusion, the subsection on funds and donors coordination should be clarified to facilitate the understanding of the structure, hierarchy and attribution of funds to different actors. The role of the Ministry of Finance in this coordination should be explained. Are these funds only for national actions or regional activities are also financed?
- The composition of CNCC is not detailed. Who are the "relevant public and private institutions" involved?
- When the "mesa REDD" is described, it would be useful to have more details of the roles and mandates of the 3 subgroups established: technical, economic and legal.
- Still unclear who will implement the REDD+ actions on the ground.
- Although there is a broad reference to relevant stakeholders, including indigenous peoples, it is necessary to ensure that the process is really participatory and overcome the risk that the talks will be dominated by technical experts. Further clarification on how this will be achieved.
- As the Ministry of Energy and Mines (MINEM) is the competent authority for concessions for mining and extraction of hydrocarbons, its role as a member of the OCBR should be further clarified. (see also under standard 2a)
- In generally there is still necessity to define clearly the roles and responsibilities of actors.

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

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

- 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.

Version 5 standard text on 1c Stakeholder Consultation and Participation, not included in version 4 standard:

R-PP should include mechanisms for addressing grievances regarding consultation and participation in the REDD-plus process, and for conflict resolution and redress of grievances.

(Standard 1c (version 5): This standard is very similar to version 4 standard 1b.)

Standard 1b in version 5: Information Sharing and Early Dialogue with Key Stakeholder Groups (This is a new text and standard called 1b that did not exist in previous versions)

The R-PP presents evidence of the government having undertaken an exercise to identify key stakeholders for REDD-plus, and commenced a credible national-scale information sharing and awareness raising campaign for key relevant stakeholders. The campaign's major objective is to establish an early dialogue on the REDD-plus concept and R-PP development process that sets the stage for the later consultation process during the implementation of the R-PP work plan. This effort needs to reach out, to the extent feasible at this stage, to networks and representatives of forest-dependent indigenous peoples and other forest dwellers and forest dependent communities, both at national and local level. The R-PP contains evidence that a reasonably broad range of key stakeholders has been identified, voices of vulnerable groups are beginning to be heard, and that a reasonable amount of time and effort has been invested to raise general awareness of the basic concepts and process of REDD-plus including the SESA.

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

Most of the comments made to the last version of the RPP were included.

Comments:

- more information could be provided on the "Plan de Desarrollo Amazónico"
- Private sector could be included as key actor in "appropriate methodologies and technologies for the development of reference scenarios", if they are involved in activities in the forest sector, its experience could be very useful. Consider the wider participation of the private sector throughout the process and not just at certain times.
- In the third phase of implementation of the information, participation and consultation plan (subsection 4.2.) the evaluation of results and the feedback should be described. These phases are included in subsection 5 (component activities) but are not described in subsection 4.2.
- Further clarification on how Peru will meet its international obligations stemming from the ratification of ILO 169 (which is also a necessary part of SESA) while the "Ley de Consulta Previa" is being assessed should also be further clarified.
- Important that indigenous communities and indigenous representative organizations as AIDSEP are involved and consulted both in the process of assessing the R-PP and the REDD+ strategy and on the

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).

MRV of different REDD-activities in their territories.

The Standard had been met before and now has improved considerably.

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.

(Version 5 standard: no significant changes from version 4)

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

- In relation to overlapping rights, Table 2a-2 needs to be explained, is not very clear the example.
- The legal framework for indigenous land and territories in Peru could be strengthened. The current territorial legislation should be brought up to date to be able to function as a basis for a REDD readiness process. Some activities on how this can be addressed will be helpful.
- Some of the drivers of deforestation mentioned in the RPP are new roads or access roads to the jungle region (such as highway Olmos - Marañon - Saramiriza, and IIRSA North, South and Central), as well as hydroelectric projects. As the Ministry of Energy and Mines (MINEM) is the competent authority for concessions for mining and extraction of hydrocarbons, it is of great importance to further elaborate on governance issues and challenges related to concessions/authorization of such large-scale infrastructure projects, and MINEM's role as a member of the OCBR. This is particularly relevant concerning the present negotiations between Brazil and Peru concerning hydroelectric projects in the Peruvian Amazon, and the presidential agreement made between the two countries 11. December 2009. We recommend that studies are conducted to address what can be perceived as a contradictory policy in the forest area.
- Regarding coordination with the FIP process:
 - Explicit mentioning that the FIP funds will implement the REDD+ strategy (p66) - this is very good. In Table 2b-3, however FIP is described as "implementación del R-PP" - this should be the REDD+ strategy that will come out of the R-PP implementation process?
 - Further clarification on the role of OCBR in the implementation of FIP should be included, and the relationship between the various ministries involved with the FIP investment strategy.
 - It is stated that FIP will aid the implementation of the REDD+ strategy (which is not yet developed but will be a result from the R-PP implementation), and at the same time, a FIP investment strategy will be developed and the first scoping mission by the FIP to Peru has already taken place. More clarity about the link between the two processes in the first half of 2011 is necessary.
- The document does not clarify how policies that cause deforestation will be assessed and how it will strengthen the dialogue with these other sectors of government.
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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.

Version 5 standard text not included in version 4 standard:

For point ii (cost benefits), and point iv (risk of domestic leakage), R-PPs should present only a plan, not the actual work.

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

The text has improved, nevertheless, there are pending issues:

Comments:

- Before establishing subnational REDD+ activities, national MRV criteria should be developed, in order to ensure the harmonization and consistency of activities at different levels
- Subsection 2 could be revised to incorporate the progress made in REDD+ in Cancun:
 - with regard to the relationship between results-based actions and national monitoring systems
 - with regard to control, monitoring or reporting of leakage or emission displacement when implementing REDD+ actions at local and regional levels
- When developing local, regional or national reference levels, the same methodology should be followed. In subsection 3.1.c (page 65), it is said that the same reference level should be used at the regional and local level. If a regional RL is used at the local level, and deforestation rate in that region is not uniform, this could create "green hot air" in some local areas and penalize other areas. What shall be consistent is the methodology for the establishment of these RLs.
- Information is missing on policies implemented in other sectors with effects (positive and/or negative) on forests.
- JICA, USAID, CAF and FAO funds are mentioned in this section, but not in Section 1.a., where coordination of different funds and donors is explained. This could help to avoid the problem of duplication of efforts mentioned in page 69. A "mesa de donantes" is proposed as an idea, but this could duplicate the efforts with the Donors Committee to be established following subsection 3.4. in Section 1.a. (page 26). In summary, consistency shall be provided on funds coordination in sections 1.a. and 2.b.
- If regional governments are receiving specific funds for REDD+ actions, they should be mentioned and coordination with funds at national level should be explained.
- In table 2b-2, it would be good to include a line on public awareness.

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.

Version 5 standard text not included in version 4 standard::

- i) *Describes activities (and optionally provides ToR in an annex) and a work plan to further elaborate institutional arrangements and issues relevant to REDD-plus in the country setting.*
- ii) *Key issues are likely to include: assessing land ownership and carbon rights for potential REDD-plus strategy activities and lands; addressing key governance concerns related to REDD-plus; and institutional arrangements needed to engage in and track REDD-plus activities and transactions.*

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

Comments:

- As mentioned before, when developing local, regional or national reference levels, the same methodology (not the same RL) should be followed.
- Not clear who is the owner of the carbon. Could it be understood that, following article 66 in the Constitution, the Government is the owner of the carbon? If this is the case, would this ownership be transferred to individuals or companies in the case of auction or concession of lands? Are there cases where the owners of the carbon are local communities or indigenous peoples? This is a crucial issue to be clarified.
- Much weight is placed on the forthcoming Ley Forestal y de Fauna Silvestre, which is still at a draft level and which could still be improved in aspects related to indigenous peoples rights and forest management.

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.

Version 5 standard text not included in version 4 standard:

For countries receiving funding via the World Bank, a simple work plan is presented for how the SESA process will be followed, and for preparation of the ESMF.

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

Peru will implement SESA during the R-PP implementation. It will incorporate the World Bank Safeguard policies.

Comments:

- Details on the chronogram would be useful, and an explanation on how local and regional REDD+ actions that are already taking place are assessing the environmental and social impacts.
- In subsection 3, a definition of social impacts is mentioned, but, are the environmental impacts going to be defined?
- In SESA products (subsection 5), possible or foreseen solutions to eliminate or mitigate the identified environmental and social impacts should be included.

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.)

Version 5 standard text not included in version 4 standard:

i) The work plan also needs to include, besides deforestation and forest degradation, conservation, sustainable management of forest and enhancement of carbon stocks.

ii) Assess current capacity as well as future capacity needs.

iii) Assess linkages to components 2a (assessment of deforestation drivers), 2b (REDD-plus strategy activities), and 4 (MRV system design).

iv) A stepwise approach.

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

Comments:

- How early action and ongoing policies will be included in the reference level.
- Methodological framework, or at least, guidelines, should be provided beforehand to ensure consistency in the development of local and/or regional reference levels.

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.)

Version 5 standard text not included in version 4 standard:

Provide proposal and workplan for the initial design, **on a stepwise basis**.

Monitoring other benefits and impacts is broken into a separate subcomponent 4b in version 5, but the substance is consistent.

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

It is important to note that some of the comments below are new, and not related to the previous round.

Comments:

- MRV system can be flexible, but there is the necessity of ensuring consistency between different subnational MRV systems.
- It could be detailed what MRV systems would be apply at local level, are these actions using regional MRV?
- In 4.b. it is specified that there will be monitoring of socio-economic factors. How is this linked to SESA?
- The R-PP provides a broad overview of ongoing and planned MRV-activities. However, very little detail is provided that allows judgments on the adequacy of the single elements or the comprehensiveness of the total package of MRV-activities. Most of the necessary activities (national forest inventory for Emissions factors. Activity data) seems to be collected through a set of activities that need to be well coordinated.
- The RPP identifies the challenge of designing an MRV system that is adapted to local or regional information needs, while at the same time ensuring compatibility with the national system. We would recommend that input and experiences from Mexico is sought on how to tackle this challenge.
- Given the role of the Carnegie-project in the Madre de Dios region for Peru's national MRV-process, and the potential value of the projects experiences for other countries, we would recommend that the methodologies applied and results achieved be subject to an evaluation or peer review. Particularly the use of LIDAR for estimation of forest carbon stocks is an interesting and promising development, but where a critical look on methodologies and assumptions would probably be merited.
- Little information is provided as to how the gathering of data from the different sources for

reporting purposes will be organized (institution in charge, reporting lines, etc.) but there are indications that this will be an outcome of the activities. More clarity on this would be helpful.

- Monitoring of other benefits and impacts is recognized as necessary, and funding is allocated to develop this further. The text in the RPP is embryonic and does not allow any assessment of quality, relevance and comprehensiveness of such monitoring in Peru. There is no necessity to include exactly in the MRV system, but the document needs more detail on how it is going to be addressed, as reads on Cancun decision.

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.

Version 5 standard text not included in version 4 standard:

Any gaps in funding, and sources of funding, are clearly noted.

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

Comments:

- A more detailed chronogram of components apart from the budget tables would be useful.

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:

No comments to this section. Standard already met in previous version of R-PP.