Forest Carbon Partnership Facility (FCPF):
Readiness Plan Idea Note (R-PIN) – <u>External </u>Review Form

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Guidelines for Reviewers:

1) *This review form is a record of your review, which may be disclosed for transparency. Please bear that in mind when filling it out.*

2) *Please summarize your comments-- address whatever you feel is important.*

3) *Please evaluate and mark (score) each of the 5 Summary Assessment review criteria from the FCPF Information Memorandum, the Participants Committee Selection Criteria, and the numbered R-PIN major topics, as requested in the right-hand column. Select a mark from the following scale: NA: Not Addressed. 1: Inadequately addresses criterion. 2: Barely addresses criterion. 3: Average, or adequately addresses criterion. 4: Good job of addressing criterion. 5: Excellent job of addressing criterion.*

	Mark
1) Country submitting the R-PIN: Papua New Guinea (PNG) *2) Date of Review:* 14 September 2008 **I. Summary Assessment of the Quality and Completeness of the R-PIN:** *Note with value of 1 – 5*	
Criterion (i): Ownership of the proposal by both the government and relevant stakeholders:	
Criterion (ii): Consistency between national and sectoral strategies and proposed REDD Strategy:	
Criterion (iii): Completeness of information and data provided:	
Criterion (iv): Clarity of responsibilities for the execution of REDD activities to be financed:	
Criterion (v): Feasibility of proposal and likelihood of success:	
SUMMARY SCORE: *add scores above and enter sum into box on right*	
Improvements the country could make to R-PIN, and any TA needs for it:	
II. Participants Committee Selection Criteria: Information **Relevance of country in REDD context**: **Priority to countries with: (i) substantial forest area and forest carbon stocks; and (ii) relevance of forests in economy, including livelihoods of forest dwellers and Indigenous Peoples:**	

Geographic and biome balance: **across the world's main forest biomes.**

Variety of approaches: Proposed innovative approaches to tackling deforestation and degradation; methods; testing new mechanisms and distribution of REDD revenues; and/or regionally important leadership.

III. Detailed Review of R-PIN Responses to Template Questions:

Please review the R-PIN quality and completeness in terms of addressing the major questions in the FCPF R-PIN template.

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1. Government focal point, and ownership and consultation in producing the R-PIN:

a. Government focal point is noted as Secretary, Dept. of Environment and Conservation (DEC).
b. Four authors from DEC, PNG Forest Authority, OCC&ES have authored and/or contributed to the writing of the R-PIN document. Staff from other government agencies – Agriculture, Trade and Industry, and the Prime Minister's office were consulted in drafting the document.

Comment:
1. There was no consultation process organized in the preparation of the R-PIN, neither forest owners, NGOs nor private sector representatives have been involved in the preparation of the R-PIN.
2. The "donor engagement partnership forum" that has been established to support CC activities in PNG is not listed as having been consulted. The authors should consult one or more financing agencies since they can offer advice on appropriate ways to channel REDD funds to key stakeholders.
3. Representatives of rural communities who own local resources, and academic institutions who can help with inventory and monitoring activities are not listed as having been explicitly consulted in the process.
4. To conclude, it is difficult to know to which extent the proposal is owned by a variety of stakeholders.

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2. Identification of institutions responsible for: forest monitoring, law enforcement, conservation, and coordination across forest, agriculture and rural development:

Key national institutions including PNG National Forest Authority and DEC, and academic institutions have been identified as responsible institutions. DEC has developed a Management Arrangements and Strategy Development Framework for coordination across forest and agricultural sectors.

Comment:
1. The information provided is very general and the figures presented only have limited information value. More details should have been given on the REDD Policy initiatives that are mentioned in the text and on the REDD Enabling Environment Activities mentioned in Figure 1.
2. Local and regional institutions, and forest communities that DEC would coordinate and/or channel REDD funds through, should be listed here. How will the risk of rivalry among the recipient institutions be adequately managed?

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3. Current country situation:

Where do deforestation and forest degradation occur, main causes, estimates of greenhouse gas emissions, data available? Key issues in forest law enforcement and forest sector governance?

This section provides information about the state of the forests in PNG. Two data sources from 1996 and 2002 are cited. Percentage of forest area by type is noted. About 57% of the area is lowland rainforest, and another 27% is lower montane rainforest. Major deforestation areas are found in the mainland, the New Britain Island, and in the Western Province. Main drivers for deforestation have been logging (48.2%) and subsistence agriculture (45.6%). The studies provide information about PNG forests, but did not use the IPCC GPG methodologies, and hence are considered to be only indicative of the change in carbon stock and emissions from deforestation.

Comment:

1. There are limited studies of PNG forest status and carbon implications of deforestation. The Swamp Forests should be further studied with respect to their carbon holding capacities and be included in future carbon accounting work. It is not clear if the oil palm and large agriculture land clearing is included under the subsistence agriculture component. This requires a national consensus of sorts to address these two forces under REDD

2. The lack of consistent data sets and national level analyses will pose a challenge to the REDD program and will require additional resources to build up a complete measurement, monitoring, and evaluation system. Information on the existing effort to monitor carbon stocks is well presented but not the limitation of the existing laws and policies in the forest sector.

3. As noted in the proposal, capacity will need to be strengthened for REDD management and for research, corporate leadership, financial administration, seeking reliable input from resource owners and investors, and the creation of a institutional structure that can attract and retain private investment.

4. Data available on indigenous peoples and forest dwellers?

About 97% of the total land area is legally owned and controlled by indigenous communities, who are responsible for management of their land.

Comment:

1. It is encouraging that PNG has a legal structure that fully accounts for local ownership of the lands.

2. From the proposal, however, the extent to which these owners have or are being consulted in the process of REDD proposal development is unclear since no individuals or institutions are explicitly listed in the proposal. An explicit inclusion of these stakeholders will strengthen the validity of the proposed process of readiness for implementing the R-PIN.

5. *Current* strategy in place to address deforestation and forest degradation. What stakeholder process was used to arrive at it?

DEC developed three strategies for reducing deforestation, one in 2006 and two in 2007. The PNGNFA has developed guidelines and a framework for action (2008-2015). These are awaiting clearance from the government cabinet. Two DEC strategies were developed in consultation with key stakeholders through public workshops and meetings. Key stakeholders included NGOs, institutions and private sector.

Comment:

 1. PNG has instituted several strategies including guidelines and plans for REDD but these actions are very recent.
2. The proposal does not report results of experience from these strategies to date.
3. More information is needed in the proposal on how the land owning majority would be consulted or organized within the existing REDD Framework or some other mechanism.

6. What would be needed to reduce deforestation and forest degradation?
Has country considered the potential relationship between REDD strategies and country's broader development agenda?

Has any technical assistance been received, or is planned on REDD?

DEC has developed a REDD program framework that identifies 5 key areas. Budgets, milestones, and timeframes are being identified for these sub-activities. The proposal notes that integration of strategies across departments will be critical for minimizing conflicts, and will be coordinated through the Prime Minister's office.

Comment:

1. It is encouraging that the proposal recognizes the need for coordination across all relevant ministries. It notes that DEC has a Management Arrangements and Strategy Development Framework in Figure 1, but it appears not to include the ministries of finance, and trade, which will be essential given the extensive export of timber and other natural commodities.
2. The proposal does not note whether PNG has received technical assistance to date under a REDD program.
3. The R-PIN relates here to a developed "REDD programme framework" and to a "climate change framework for actions" but does not inform on the how these two framework documents tackle the issues of REDD.

7. What stakeholder consultation process would country use for developing and implementing REDD under FCPF support?

DEC and PNGNFA are holding meetings with government line agencies, radio talk back sessions, and workshops to share information and obtain a variety of perspectives. They will establish a multi-stakeholder consultative process and continue to hold workshops and meetings that will engage all the key stakeholders.

Comments:

1. The proposal needs to clarify the phrases NEC and PEC submissions -- to whom and what would these contain?

2. What will be the role of the National and Provincial Forest Boards that are noted in the proposal, and how will the consultations be carried out?

8. Implementing REDD strategies: challenges to introducing effective REDD strategies, and how might they be overcome? Would performance-based payments though REDD be a major incentive for implementing a more coherent strategy to tackle deforestation?

PNG plans to alter its definition of deforestation and forests to match the FAO definition. It also notes ways that it would address the issue of additionality, national-level leakage, carbon banking for permanence, satellite and field monitoring of changes in carbon stocks, development of reference scenarios, monitoring all five land-based carbon pools, and compensatory mechanism for REDD. REDD development will be a component of the government's Environment Sustainable Economic Growth (ESEG) policy initiative. It will be coordinated from the Department of the Prime Minister.

Comments:

1. The plan as laid out in the proposal has all the key elements of a REDD program. The compensatory mechanism, however, should also account for any non-carbon monetary or other benefits such as eco-tourism that might arise from the program.
2. The section needs to provide information about challenges to enforcement and whether current legal systems are adequate to overcome them without requiring new laws.

9. REDD strategy monitoring and implementation:
How forest cover and land use change are monitored today, and any constraints in this approach?

No information is provided about how forest cover is currently monitored in PNG. PNG proposes to emulate the Brazilian approach and experience. It will create two laboratories for this purpose – one for forest and another for soil carbon inventory.

Comment:
An entire new monitoring system would need to be put in place. REDD resources will be needed to put together, perhaps with other funding, to establish a monitoring system that can rely on aerial measurements coupled with ground truthing in order to track changes in land use and land cover.

10. Additional benefits of potential REDD strategy, and how to monitor them: biodiversity and rural livelihood?

This section is not well covered. The proposal includes only a statement about the topics that will be covered under protected areas, and environmental services for communities. No information is provided about current approaches, nor about how the additional benefits will be monitored.

11. What assistance is country likely to request from FCPF Readiness Mechanism?

The document lays out five components: stakeholder consultation mechanism, assessment of historical emissions, development of a national REDD strategy, system to monitor emissions, development of payment system to REDD participants. These are linked to the DEC REDD strategy. These would cost US $1.3 million.

Comment:
These items are appropriate for a REDD strategy.
1. What is the duration of the program?
2. The $54K amount set aside for monitoring seems very small. It will be a critical component for measuring the benefits of a REDD program, and can range up to 10% of a program budget.

12. Donors and international partners already cooperating with country on REDD.

The government has established a donor engagement partnership forum that is chaired by UNDP. Other donors include World Bank, FAO, GEF PAS, AusAID, and the Japanese government.

13. Country's Potential Next Steps and Schedule:

Six next steps are noted in the document.

Step 1 Carbon assessment and monitoring

Step 2. Policy, legal and planning

Step 3. Communication, education and awareness

Step 4: Capacity Development

Step 5: Demonstration activities

Step 6: Monitoring and evaluation needs to be put in place:

Comment: These seem appropriate and consistent with the DEC plan and steps noted in Section 11. What is not clear is if this is the request for a Readiness Plan to the FCPF or if this is in the general framework of REDD with involvement of a multitude of donors, including the FCPF. This needs to be further specified.

14. Attachments and their usefulness:

Annexes are cited and but not provided as attachments.