

Forest Carbon Partnership Facility (FCPF)

Readiness Fund

Strategic Direction of the FCPF: Activities to be supported through the Readiness Fund Additional Information

June 28, 2012

This additional note has been prepared to aid the decision of the Participants Committee (PC) regarding the requested approval of the \$1.6 million budget for Additional Activities as outlined in the FY13 Readiness Fund budget presentation and in FMT Note 2012-9.

Introduction

1. The proposed additional activities are based on a number of different factors, which are outlined in the original FMT Note on the subject and include predominantly the FMT's experience and the findings of the draft Country Needs Assessment (CNA) report recently prepared jointly by the UN-REDD Programme and FCPF. The FMT recognizes that the CNA report is still in draft stage and that, given the timing of this PC12 meeting relative to the distribution of the draft report, it has not yet been possible to coordinate a joint FCPF/UN-REDD response to the report. Despite this, the FMT believes that some of the findings can already be drawn from the data and the draft report and is aware of the urgency of many of the requests for additional assistance.
2. The FMT therefore proposes that the PC approve the budget for FY13 for the additional activities of \$1.6 million as outlined in the FMT Note and in the budget presentation. This would enable the FMT to progress with these activities in the short term before the finalization of the CNA report and before the FCPF and UN-REDD Programme can prepare a coordinated response to the report.
3. When the final CNA report is made available, the FCPF and UN-REDD Programme will coordinate a response. The UN-REDD Programme Secretariat will present its budget to the Policy Board in October 2012. Should the final CNA report indicate a need to revise the FCPF responses and thus the additional activities, the FMT would prepare an appropriately revised proposal for the PC's consideration, in coordination with the UN-REDD Programme's budget proposal. The FMT and UN-REDD Secretariat will hold a joint planning session in preparation for the October 2012 meetings in Brazzaville.
4. The proposed additional activities and associated budgets for FY13 are outlined in Table 1 below. Additional information is provided below to further support these proposed activities. Note that the proposal regarding private sector engagement in REDD+ is covered in Annex 2 to the FMT Note. The additional information provided below should be read in conjunction with the original FMT Note and the budget presentation. The numbers are estimates which will need to be confirmed as the plans are refined, terms of reference are written, etc.

Table 1: Proposed additional activities and associated budgets for FY13

Proposed Additional Activities	FY13 Proposed Budget (\$000s)
MRV/Reference Levels	309
Capacity Building for Social Inclusion	501
Linking Local Initiatives to REDD+ Strategy	253
Piloting Forest Governance and Grievance Redress Mechanisms	217
Legal Readiness for REDD+	106
Private Sector Engagement in REDD+	150
Registries for REDD+	88
Total	1,624

Proposed Activity: MRV/Reference Levels
Proposed Budget for FY13: \$309k

Motivation

5. The CNA showed that RL and MRV are key areas where countries identified needs for technical assistance and guidance appropriate for national capacities. Early implementation of activities related to RL and MRV shows that technical capacities are limited and guidance and support are needed to initiate the work (e.g., development of terms of reference, evaluation of technical proposals, supervising technical work). There is a rich body of ongoing work being performed internationally, but the information is not readily accessible or available in a format that is useful for REDD+ countries.

Scope of the proposed work

6. Develop a set of materials that facilitated the application of key concepts and methodological approaches related to forest mapping and carbon accounting. This includes:
- i. A series of short tutorials that can be presented on their own (e.g., in the form of a 1-2 day workshop), or be part of longer topically-related workshops. The tutorials would be fully documented so they can be easily used by others (e.g., technical advisors in REDD+ countries). The tutorials would build on existing guidance material, such as the GOFC-GOLD sourcebook, which is based on the IPCC Good Practice Guidance and a standard reference in R-PPs for REL and MRV. However, much of this material is not available in a practically-focused and user-friendly fashion (lengthy and detailed technical documents). Modular tutorials (possibly accompanied with case studies and exercises) are expected to be more appropriate to advance in-country capacity.

- ii. Compile data, develop a database, and document publically available sources that are immediately relevant to REDD+ countries' work on REL and MRV (e.g., recent biomass maps derived from satellites). The information and data sources would be accompanied by a focused set of workshop materials that can be used and applied by technical experts in countries. The use of such data should facilitate and inform the design of early technical work on REL and MRV (e.g., to identify key areas of forest cover changes). These activities would be coordinated and build on other related international or regional initiatives (such as the Global Forest Observation Initiative or the Lowering Emissions in Asia's Forest LEAF program).
- iii. Develop, based on earlier work, decision-support tools for RL and MRV. In developing RL and designing an MRV system, countries need to make important decisions that have both policy and technical implications, e.g., related to the definition of forests, the inclusion of different carbon pools (e.g., soil) in carbon accounting, setting a reference period, etc. Building on earlier work by Winrock and the FMT, a decision-support tool would be further developed to provide countries a practical tool to guide technical experts and decision makers in making these decisions. An improved version of these decision tools would be piloted in a small number of (3-4) FCPF countries, training interested users and assisting with capacity building.

Implementation

7. The bulk of the budget (estimated at \$150k) would be used for consulting contracts supervised by the FMT (in coordination with the relevant agencies of the UN-REDD Programme, depending on the division of labor to be decided). Technical assistance would be provided specifically to a small number of FCPF countries on MRV (about 5). Some of the funds would be used to support workshops (e.g., at the regional level). As for previous workshops, other development partners are likely to co-finance workshops. A smaller share of the budget may be used to support missions during which the developed material and tools would be presented or tested with REDD+ countries.

Proposed Activity: Capacity Building for Social Inclusion

Proposed Budget for FY13: \$501k

- 8. This covers three inter-related topics:
 - i. Safeguards (with an emphasis on SESA/ESMF);
 - ii. Stakeholder consultations; and
 - iii. Feedback and grievance redress mechanisms.
- 9. In response to the need identified via the CNA and other recent activities—including World Bank missions in support of Readiness Preparation grant formulation or implementation—the FMT proposes to undertake a more comprehensive and synergistic approach to capacity building for REDD+. The chief means of doing this would be a series of four regional training workshops (three in FY13, one in FY14) planned and implemented in conjunction with other previously scheduled FCPF events (such as a PC meeting or an Indigenous Peoples dialogue), in order to save on travel costs. By actively “decentralizing” training and covering several major themes in the same event, the aim would be to build the technical capacities of several key stakeholder groups at once: Government officials,

consultants, World Bank and delivery partner staffs, in-country CSOs, and indigenous peoples and other forest-dependent people.

10. Casting such a wide net would provide those who already have some understanding of the topics at hand with the knowledge and tools needed to train others, thereby creating a “cascade effect” whereby vital knowledge on REDD+ is transferred downwards from higher levels (in administrative jurisdictions, or in organizational structures), reaching lower-level actors who can use it.

11. The topics that we propose to cover in these 3-4 day workshops respond to the expressed desire of REDD+ countries, donors, and others to make REDD+ more socially inclusive and environmentally sustainable. Training on SESA/ESMF, as a means to promoting both social and environmental sustainability and safeguards compliance under the Common Approach, is very timely given the number of Readiness Preparation grants that are expected to be signed in the next few months. Consultation and participation processes for REDD+ Readiness, which are closely related to SESA, have long required effective capacity building at every level. Finally, feedback and grievance redress mechanisms (or FGRMs, as they are referred to in the latest version of the R-PP template), are not only linked to SESA and consultation processes, but are also becoming recognized as integral to the Readiness Preparation process as a whole. This was shown most recently by the PC’s decision to make additional resources available to recipient countries (up to \$200k per country) to assist them in the design and implementation of effective FGRMs.

12. Proper implementation of these workshops would involve expenses for the refinement of existing training resources and the production of new ones, the hiring of consultants to help with this task or to serve as workshops facilitators, etc. For example, part of the funding request would cover the costs associated with the production of an eLearning course on Safeguards for REDD+, which has been designed to combine a number of tools and techniques that could be useful in conducting a SESA. The workshops themselves would also make use of the guidance document on setting up FGRMs for REDD+ that are proposed to be developed under pilot activities (below), once it is available, bringing these two additional activities into close alignment.

13. It is envisaged that the outcomes of these workshop would lead to better guidance on consultation and participation processes, learning on safeguards for REDD+, and guidance on setting up effective FGRMs at the country level.

14. The workshop, travel and accommodation costs are estimated at \$330k for the three workshops planned for FY13, with an estimated 50 participants attending each.

Proposed Activity: Linking Local REDD+ Initiatives to REDD+ Strategy

Proposed Budget for FY13: \$253k

Objective

15. The activity is intended to facilitate the sharing of lessons drawn from the design and implementation of local REDD+ initiatives of relevance to the preparation of a national REDD+ strategy. The support would be extended through targeted technical assistance and 2 regional workshops, each with 4 to 5 countries, tentatively both of which would be held in Africa based on requests received to date. Countries with experiences of REDD+ Pilots and other programs relevant for REDD+, including non-FCPF countries, would be invited to share knowledge generated, lessons learnt, challenges faced and possible solutions that would provide useful insights for REDD+ strategy development and its implementation at sub national/national scales. This activity will reach out to sub-national stakeholders in REDD+ countries, to contribute to sharing knowledge beyond national capitals.

Rationale

16. One of the key outputs of the readiness process is a draft REDD+ Strategy. The R-PPs and CNA confirm that national REDD+ strategy development is a priority activity where REDD+ countries need to ensure that the strategy is cross-sectoral, inclusive in approach and achieves the desired impact for reducing deforestation and forest degradation.

17. Several REDD+ countries are beginning to pilot REDD+ initiatives, which generate important lessons such as: i) what activities can address the existing drivers of deforestation and forest degradation; ii) how to distribute benefits with local communities and ensure incentives for new land use types; iii) how to ensure meaningful consultations with local communities; iv) how are environmental and social safeguards being handled in the initiatives; v) how are emission reductions being calculated and monitored; among others.

18. Although several approaches for addressing drivers of deforestation have been tried at different scales, and through initiatives such as natural resource conservation programs, establishment of nature reserves, carbon sequestration activities and use of renewable energy, the challenge in the development and implementation of REDD+ strategy is twofold: (i) ensuring that selected REDD+ strategy option/intervention is workable at a sub-national/national scale; and (ii) the strategy option is consistent with the safeguards and addresses the social and environmental risks, and provides positive incentives at the local level in order to achieve the desired impact on REDD+.

19. The experiences from these on-the-ground activities provide valuable lessons that should feed into the strategy for REDD+. A strong interest in South-South face-to-face exchanges focused on concrete activities was expressed at recent regional dialogues on benefit sharing held with Africa (Anglophone and Francophone) and Asia, at a South-South exchange organized in Mozambique; and in the CNA. Topics to be covered would include issues such as benefit sharing, safeguards, institutional arrangements and whether the piloted strategy options are viable for addressing address drivers of deforestation and forest degradation at sub-national/national level.

Proposed Steps

20. **Selection of countries for regional workshop:** The proposal is to include countries from within a region as there are similarities in forest types, demographics, drivers of deforestation and forest degradation and challenges encountered overall. Further, within each group, countries with sufficiently advanced experiences with piloting REDD+ strategy will be included and complemented with participation of experts from non-FCPF countries with experience in REDD+.

21. The list of countries would be finalized based on expressions of interest by countries and feasibility considerations.

22. **Preparation for the regional workshop.** Countries and the FMT would identify case studies/local initiatives within the REDD+ framework and outside that have been implemented successfully. Analysis of case studies: Each case study would be documented against set criteria (scope of program/initiative; objective, incentives for communities, which driver is being targeted; implementation framework and institutional arrangements used; transaction costs; benefit sharing arrangements, how tenure issues have been tackled, role of government and private sector, monitoring system used etc.). Video conferences would be organized to discuss workshop details ahead of the workshop.

23. **Regional Workshop.** A two-day workshop with about 30 participants each would be organized in one of the countries, followed by a one-day field visit. It would include presentations and topical working sessions. Travel costs will be minimized as participants would travel within a geographic region. Participants would include members of the REDD+ Working Group/ those leading the strategy development, SESA and FIP focal points as relevant; representatives from other Ministries, leads on REDD+ pilot projects, and community representatives benefitting/participating in local initiatives targeting drivers of deforestation.

Proposed Budget and Timeline

24. The cost associated with the two regional workshops is estimated at \$140k (\$70k each). A consultant and/or expert/s would be engaged to prepare background notes, including documentation of case studies, to facilitate workshop sessions and to synthesize a report from the workshop discussions. Total costs for the activity, including preparation of background papers, FMT time and costs for assistance with logistical support, would be approximately \$253k.

25. The first workshop is proposed for around November 2012 and the second for around February 2013 (to be confirmed). The February workshop would be held in conjunction with the proposed workshop on social inclusion. The outcomes from the workshops would be made available to all FCPF countries. Additional workshops can be considered in other regions in FY14.

Proposed Activity: Piloting Forest Governance and Grievance Redress Mechanisms
Proposed Budget for FY13: \$217k

Piloting Forest Governance: Utilizing PROFOR's Forest Governance Diagnostic Tool in REDD+

Rationale and Approach

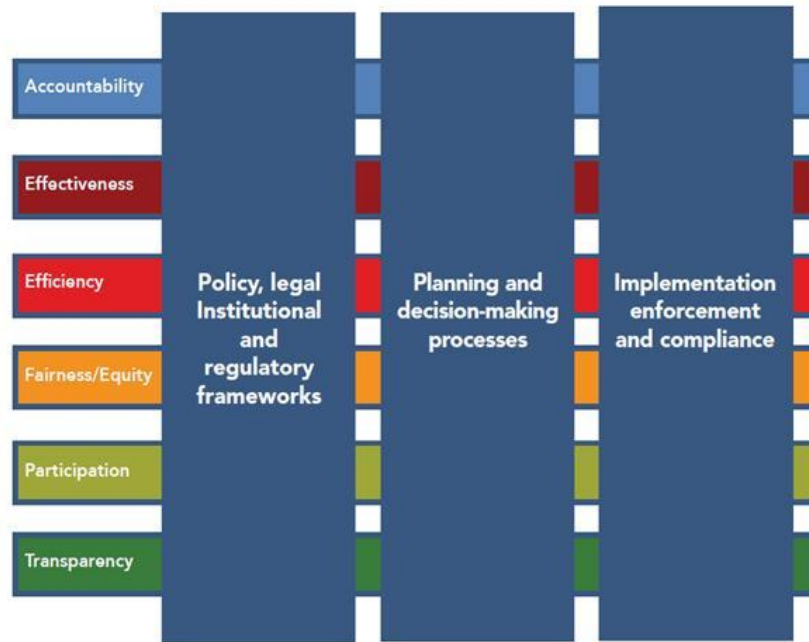
26. A practical approach for improvement of governance for forests is necessary to the successful implementation of REDD+ strategies. The "User's Guide for a Forest Governance Diagnostic Tool" developed jointly by PROFOR and FAO offers a practical tool for the assessment and monitoring of forest governance. The tool organizes the scope of forest governance under three pillars which are themselves underpinned by six principles of good governance (see Figure 1).

27. Briefly, the tool consists of a set of indicators and a protocol for scoring the indicators which relies on structured multi-stakeholder inputs. Piloting experiences, from Burkina Faso, Kenya and Uganda, have confirmed the feasibility of using the results to design forest governance reforms for REDD+. The case of Burkina Faso is noteworthy, as governance gaps have been well integrated into the "drivers of deforestation" analysis, in their R-PP (equivalent) document.

Activities

28. The PROFOR tool would be applied to identify the connections between the underlying drivers of deforestation and degradation and the governance gaps. For FY13: 2 countries (to be identified in consultation with countries). Tentatively: 1 country in Africa (national workshop in Sept); 1 country in Asia (national workshop in Jan.). For FY14: 1 country. If time and budget allow we will organize regional dissemination workshops to create awareness of the tool and its potential use, and to establish a community of practice and a clearing-house for information. To the extent possible, the activities would be carried out jointly with FAO.

Figure 1: Pillars and Principles of Forest Governance



Key expected outputs for FY13

- a) Forest governance baseline measures for two countries; identification of the highest priority governance issues requiring improvements in the context of the underlying drivers for deforestation and degradation, and concrete proposals for improvement; indicators to monitor progress in governance reforms;
- b) Case-study based learning and dissemination material; and
- c) Creation of a REDD+ governance community of practice.

29. **Piloting Grievance Redress Mechanisms.** In conjunction with the two pilots of the PROFOR/FAO governance tool, the national level workshops would also be used to review existing feedback and grievance redress mechanisms (FGRMs) at the national level and engage in a discussion with key stakeholders. Following these workshops, an approach paper outlining options for a possible redress mechanism at the country level for each country would be prepared. Piloting in this way would enable the production of guidelines on how to set up FGRMs for use more widely, particularly in the capacity building workshops proposed under the 'Capacity Building for Social Inclusion' activity above.

Proposed Activity: Legal Readiness for REDD+
Proposed Budget for FY13: \$106k

30. The draft CNA report revealed that development/strengthening of a relevant legal framework is one of the areas in which the REDD+ Countries have expressed interest in receiving support. This is unlikely to change in the final report. A robust legal framework is fundamental to address some of the pressing environmental, social and governance issues. In response, FMT proposes to hire an external consultant to conduct a study of relevant legal framework for REDD+ in a number of countries. The study is expected to help guide the pilot countries' REDD+ activities.

31. In order to keep costs for FY13 to a minimum the FMT is proposing that these studies are initially carried out in only two countries. The FMT has selected Nicaragua and Liberia as initial potential pilot countries for this study. This selection has been based on various factors, including the different stages of REDD+ readiness activities in the REDD+ Countries, availability of relevant information, and expertise of the World Bank and of the proposed external consultant. The scope and number of pilot candidate countries may expand later, subject to time and budget availability and budget approval by the PC. This work would complement the work planned under the UN-REDD Programme.

32. This work will involve desktop review of relevant legislation in Nicaragua and Liberia, discussions and consultations with relevant stakeholders in these countries (governments, IPs, CSOs, academia, and private sectors), and at least one in-country workshop in each of the two countries to validate the consultant's findings. The final outputs will be country-specific reports for the two countries, summarizing the key findings of the consultant on the relevant legal framework, together with recommendations.

Proposed Activity: Private Sector Engagement in REDD+
Proposed Budget for FY13: \$150k

33. Please refer to Annex 2 to the FMT Note for more detail regarding this proposal.

34. The FMT is seeking the PC's approval to launch the proposed country dialogues and allocate a budget in FY13 of \$150k to undertake one full country dialogue or begin two dialogues. The FMT and partners would seek additional funding of \$450k from other partners outside of the FCPF budget to allow four country dialogues over FY13-14 (totaling \$600k).

Proposed Activity: Registries for REDD+
Proposed Budget for FY13: \$88k

35. Some REDD+ countries are already beginning to develop registries for REDD+, aiming to register approved activities, emission reductions generated by, and financial flows to, these activities. Many other countries recognize the need for setting up registries. In order to avoid duplication of work by REDD+ countries on the development of individual national registries (with the attached high cost and effort), the FMT is proposing to engage a registry provider to develop a basic initial framework for a national registry system which can then be adapted to individual country needs. Detailed terms of reference for this work would be developed.