

## Forest Carbon Partnership Facility (FCPF) Readiness Fund

### Readiness Package Content and Assessment Approach

#### Concept Note – Draft for Feedback

December 31, 2011

*This Concept Note proposes the content of the Readiness Package and a framework for assessing country progress towards REDD+ Readiness. The content and assessment approach build on the FCPF's experience to date, in particular the formulation and assessment of Readiness Preparation Proposals, and the UNFCCC developments. The assessment approach entails the setting of a standard and a benchmark to assess progress towards meeting the standard. The proposal reflects the discussions that have taken place so far within the PC and PC working group and with stakeholders.*

*The proposal consists of nine Readiness Package sub-components. For each of them, a standard is proposed, which defines critical achievements during the REDD Readiness Preparation phase. In addition, for each sub-component and standard, an intermediate point is proposed, allowing country progress to be gauged. Feedback is requested from Participants and Observers on the proposal by January 31, 2012. We anticipate providing a revised version of this concept note for discussion at PC11 in Paraguay in late March, 2012.*

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## BACKGROUND

The FCPF is a pilot program to promote REDD+ Readiness and is designed to provide funding and assistance to countries for REDD+ preparation. The program has two funds – the Readiness Fund that is designed to provide funding for early REDD+ action, including strategy development, technical preparatory work and basic capacity building; and the Carbon Fund that is designed to promote and test innovative programs designed to deliver emission reductions at a significant scale. Since the FCPF’s inception in 2008, the concept of readiness has changed as countries have started to prepare national Readiness Preparation Proposals (R-PPs). That is, the policy context under the UNFCCC has evolved and the contours of the eventual system are beginning to be known and countries are gaining practical experience translating the concept into action. However, while it was initially expected that the basic architecture of an international REDD+ regime would emerge from a few rounds of negotiations and provide countries clarity on what they have to be ready for, important technical aspects of the eventual system (e.g., modalities for reference levels or measurement, reporting and verification) still remain to be defined.

To date, the Conference of the Parties (COP) to the UNFCCC has made key decisions and defined the basic elements of REDD+ readiness, including safeguards, and the general phases in which the international system is to be developed at COP16 in Cancun. Specifically, the Cancun Agreements identify three basic phases to develop a comprehensive mechanism under the climate convention, starting with basic capacity building and formation of strategies and action plans (referred to below as ‘phase 1’), followed by implementation of demonstration activities (referred to below as ‘phase 2’), and the eventual international system with fully measured, reported and verified emission reductions (referred to below as ‘phase 3’).<sup>1</sup> Within this general timeframe, the FCPF Readiness Fund relates to phase 1, while the FCPF Carbon Fund relates to phase 2. The experiences to be gained from these piloting activities and associated capacity building are informing the process under the UNFCCC and how the eventual mechanism may be structured, but the objective and mandate of the FCPF is not to design the eventual systems for phase 3.

In parallel to the UNFCCC process, a number of important insights have been gained through early FCPF’s piloting activities, in particular through the generation and assessment of 26 R-PPs presented to FCPF Participants Committee (PC) to date. Specifically,

- Most countries have taken longer than anticipated to formulate R-PPs. This partly reflects the cross-cutting nature of issues related to REDD+ and, by extension, the number of stakeholders who need to be consulted, as well as the initial lack of capacity to make significant advances quickly;
- The estimated costs of Readiness are generally higher than originally assumed. This arises, among other factors, from the need to improve basic technical capacities (e.g., development of national forest monitoring systems) and establish a broad-based process (e.g., through awareness raising and outreach);
- Many of the activities promoted for Readiness are closely linked to ongoing development programs or investments as expressed, for instance, in national development strategies. This increases the need for coordination across sectors and institutions that have traditionally had limited interaction in many countries;

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<sup>1</sup> From Cancun Agreement: “73. Decides that the activities undertaken by Parties referred to in paragraph 70 above should be implemented in phases, beginning with the development of national strategies or action plans, policies and measures, and capacity-building, followed by the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and evolving into results-based actions that should be fully measured, reported and verified.”

- Some countries are moving faster than others as they have different pre-existing capacities and relevant ongoing programs or projects that inform the REDD+ process (e.g., forest sector reform programs, or community forestry projects). Also, countries' motivations to engage in Readiness vary depending on the potential (or perceived) benefits from REDD+;
- REDD+ is a complex concept and the five activities that it encompasses require very different actions and approaches that are tailored to specific countries. As a result, countries need to carefully prioritize and sequence activities to maintain a manageable scope for early Readiness actions in the short term (as supported through FCPF funding) and longer term.

Per the FCPF's Charter, the implementation of the activities in the R-PP is followed by the submission of a Readiness Package (R-Package henceforth) to the PC. Specifically, the Charter states that *"a REDD Country Participant, based on progress in implementing its Readiness Preparation Proposal, may submit its Readiness Package to the Facility Management Team and request the Participants Committee to endorse it"*.<sup>2</sup> The PC shall be responsible for *"upon request by a REDD Country Participant, taking into account the recommendations of the Ad Hoc Technical Advisory Panel that may be established for this purpose [...], endorsing some or all elements of the REDD Country Participant's Readiness Package"*.<sup>3</sup> Further, the basic scope and elements for the R-Package is defined as *"a package of activities designed to support a REDD Country Participant's capacity to participate in possible future systems of positive incentives for REDD, which includes the following elements: (i) a reference scenario; (ii) a REDD strategy; and (iii) a monitoring systems"*. As an intermediary step *"a REDD Country Participant shall report to the Participants Committee on the progress made with respect to implementation of the Readiness preparation proposal in accordance with the timeframe and requirements set forth in the Grant Agreement or the REDD Country Participation Agreement, as the case may be."*<sup>4</sup>

Country experience formulating their R-PPs over the past few years has allowed the R-Package elements originally defined in FCPF's Charter to be defined with more precision and a realistic timeline. The more recent R-PP submissions by countries to the PC clearly reflect an enhanced understanding of the crucial elements of REDD+ Readiness including the sequencing and necessary funding of activities. Also, the incremental improvement made to the R-PP template, including the guidance that is provided with it, reflects a more nuanced understanding of the Readiness concept and the lessons learned from early REDD+ Readiness preparation, and are now used by both the FCPF and the UN-REDD Programme.

One of the primary activities of PC to date has been the review and assessment of countries' R-PPs, and the subsequent allocation of grant funding for their implementation. In 2011, a total of four REDD Country Participants signed Grant Agreements for REDD+ preparation and began the implementation of their R-PPs. The R-Package, while generally defined in the Charter, was not discussed in any detail among Participants until the ninth meeting of the PC in Oslo (PC9) when the FMT organized a Knowledge Sharing Session on REDD countries presented their general views in its content and scope. At PC9, an informal working group was formed to discuss and define the purpose, scope and assessment approach for the R-Package in light of the lessons learned since the inception of the FCPF and the general evolution and progress on REDD readiness internationally over the past 3 years. This group had two teleconferences in July and September 2011, and extensive discussions at PC10 in Berlin.<sup>5</sup> At that meeting, the FMT reported on the work of the group in a Knowledge Sharing session, and the PC mandated the FMT to generate a Concept Note to define the purpose, scope and the general assessment approach of the R-Package.

On the basis of this mandate, the FMT generated the present Note to solicit feedback from Participants, REDD countries in particular, as well as members of the broader working group, including civil society organizations

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<sup>2</sup> Section 6.4 (a).

<sup>3</sup> Section 11.1 (e).

<sup>4</sup> Section 6.3 (b).

<sup>5</sup> See <http://www.forestcarbonpartnership.org/fcp/node/324>, agenda item #4.

(CSOs) and the general public. Comments are solicited both through a web-based platform and targeted calls to countries in early 2012.

## THE PURPOSE AND SCOPE OF THE R-PACKAGE

The R-Package is an important milestone in the overall REDD+ readiness process and follows a logical sequence and process that began with a country's initial Readiness Preparation Idea Note (R-PIN), followed the drafting of the R-PP (formulation phase), and the implementation of R-PP (preparation phase). The objective of the R-Package is to demonstrate that activities are tested within a transparent framework and social and environmental risks are mitigated, and as such provides confidence to national and international actors that the country is making progress on REDD+.

In many instances, R-PPs are not exclusively funded through the FCPF and a significant share (in some cases the majority share) of funding comes from other programs and partners (e.g., the UN-REDD Programme or bi-lateral collaboration). The scope of the R-Package, and its assessment by the PC, encompasses the complete set of activities performed in the context of readiness, not just FCPF-funded ones.

To provide a meaningful basis for determining whether a country is making progress, the R-Package addresses all the critical elements of Readiness and is presented towards the end of the preparation phase, when the majority of the activities proposed the R-PP have been implemented. Producing an R-Package provides an opportunity to take stock, draw on early lessons learned, document early results, assess remaining gaps and identify actions for the way forward. For a country to be ready to participate in a comprehensive system of measured, reported and verified emission reductions, components of this system need to be tested first (i.e., UNFCCC phase 2 demonstration activities). Such testing requires funding for continued capacity building (e.g., development of forest monitoring system) and the design and implementation of pilot programs that have the potential to have a net effect on emissions from forests.

Within the FCPF, the Carbon Fund is designed to pilot test emission reduction program. In the context of the FCPF, the R-Package has an important function to determine a country's eligibility to participate in the Carbon Fund. The Charter states that the "*REDD Country Participants whose Readiness Package has been endorsed by the Participants Committee may submit one or more Emission Reductions Programs to the Facility Management Team for consideration by the Carbon Fund Participants*".<sup>6</sup> The Information Memorandum states: "*Based on the advice rendered by the Technical Advisory Panel, the Participants Committee would endorse the Readiness Package and declare the REDD Country "ready." The endorsement would also clear the REDD Country for a potential purchase of emission reductions by the Carbon Fund.*"<sup>7</sup> That is, a positive assessment of a country's R-Package by the PC is required before signing an Emission Reductions Payment Agreement (ERPA) with the Carbon Fund (in addition to other criteria for countries to access the Carbon Fund).

Comprehensive, multi-stakeholder assessment of the R-Package allows countries to showcase their progress to investors or donors, and receive guidance for continued readiness work. A benchmark is needed against which achievements can be compared-- not the 'finish line' for readiness, but a reference point of forward progress.

The experience of the R-PP formulation phase shows that countries initiate their readiness activities from different starting points, and so R-Packages submitted to the PC are likely to reflect two general stages of readiness preparation:

1. "Significant progress towards Readiness, and eligible to enter into an ERPA with the FCPF Carbon Fund";

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<sup>6</sup> Charter Section 6.4 (b).

<sup>7</sup> From Issues Note: "The FCPF Participants Committee, based on the information available (Readiness Package and other relevant information such as readiness progress reports and the ER-PIN itself), and possibly using the assistance of a TAP, assesses whether the submitting country has made sufficient progress towards REDD+ Readiness to enter into an ERPA with the Trustee of the Carbon Fund;" (Section 2, Item 9).

2. “Significant progress towards Readiness but requiring further development of some key readiness components”

The assessment approach presented in this Note is designed to reflect such different country circumstances.

## THE R-PACKAGE COMPONENTS: BUILDING ON THE R-PP FRAMEWORK

The proposed structure for the R-Package presented in this Note builds directly on the components of the R-PP, now revised into version 6 for new submissions to the PC, which includes updated detailed guidance and good practices on all major components.<sup>8</sup> The work generally proposed in the R-PP focuses on analyses and capacity building as well as consulting on the core components of REDD+ Readiness with key stakeholders. R-PPs may include early implementation actions as part of the national preparation for REDD+ Readiness, e.g., enacted legislation or regulations defining carbon rights, establishment of monitoring plots, and creation of new funding mechanism.

The R-Package will report on and document the achievements during the preparation phase and it is logical to have the R-Package mirror the structure of the R-PP, recognizing country ownership and experience of 26 FCPF REDD Country Participants (out of 54 REDD+ Partnership countries), and providing continuity. For reference, the R-PP components and sub-components are presented in Box 1.

**Box 1: The components of REDD+ Readiness as reflected in the R-PP framework**

**Component 1: Organize and Consult**

- 1a. National Readiness Management Arrangements
- 1b. Information Sharing and Early Dialogue with Key Stakeholder Groups
- 1c. Consultation and Participation Process

**Component 2: Prepare the REDD-plus Strategy**

- 2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance
- 2b. REDD-plus Strategy Options
- 2c. REDD-plus Implementation Framework
- 2d. Social and Environmental Impacts during Readiness Preparation and REDD-plus Implementation

**Component 3: Develop a National Forest Reference Emission Level and/or a Forest Reference Level**

**Component 4: Design Systems for National Forest Monitoring and Information on Safeguards**

- 4a. National Forest Monitoring System
- 4b. Designing an Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards

**Component 5: Schedule and Budget**

**Component 6: Design a Program Monitoring and Evaluation Framework**

Four main components of the R-Package are proposed to include:

1. Readiness Organization and Consultation;
2. REDD+ Strategy Preparation;
3. Reference Emission Level/ Forest Reference Level; and
4. Monitoring Systems for Forests and Safeguards

<sup>8</sup> See R-PP template version 6 under ‘Latest Documents’ at [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org).

These are disaggregated into a total set of nine sub-components. This proposed structure for the R-Package is consistent with the four REDD+ 'elements' defined in the Cancun Agreements, where in paragraph 71 the COP "requests developing country Parties [...] to develop the following elements:

- a) *A national strategy or action plan*
- b) *A national forest reference emission level and/or forest reference level or, if appropriate, as an interim measure, subnational forest reference emission levels and/or forest reference levels, in accordance with national circumstances, and with provisions contained in decision 4/CP.15, and with any further elaboration of those provisions adopted by the Conference of the Parties*
- c) *A robust and transparent national forest monitoring system for the monitoring and reporting of the activities referred to in paragraph 70 above, with, if appropriate, subnational monitoring and reporting as an interim measure, in accordance with national circumstances, and with the provisions contained in decision 4/CP.15, and with any further elaboration of those provisions agreed by the Conference of the Parties*
- d) *A system for providing information on how the safeguards referred to in appendix I to this decision are being addressed and respected throughout the implementation of the activities referred to in paragraph 70 above, while respecting sovereignty".*

There is general but not perfect correspondence between the components and sub-components of the R-PP and the Readiness elements defined by the COP. For example, R-PP sub-components 1a-c and 2a-d can be generally associated "a national strategy or action plan" in the Cancun text. Sub-components 1b ("Information Sharing and Dialogue"), 1c ("Consultation and Participation Process") and 2d ("Social and Environmental Impacts") are also related to a "System for providing information on safeguards", and so is 4b ("Information Systems for Multiple Benefits, Other Impacts, Governance, and Safeguards"). Table 1 illustrates how the Cancun elements, the R-PP components and the proposed R-package components and sub-components map to one another.

The existing COP text, however, does not provide specific guidance on the sequencing and operational implementation of these elements, or on how to assess these elements of Readiness.

The fourth Readiness element as defined by the Cancun Agreements is a "System for providing information on safeguards". Appendix I in COP *Decision 1/CP.16* provides a general guidance on "how safeguards [...] are being addressed and respected throughout the implementation of the activities". In the context of the FCPF, safeguards are applied through the Common Approach, which is designed to provide the World Bank and other FCPF Delivery Partners (DPs) with a common platform for risk management and quality assurance in the REDD+ Readiness Preparation process, using the safeguard policies of the World Bank as a minimum acceptable standard. The implementation of the Strategic Environmental and Social Assessment (SESA) helps to ensure compliance with relevant safeguards by integrating key environmental and social considerations covered by the relevant safeguard policies and creates a platform for the participation of key stakeholders throughout the Readiness Preparation process. These safeguards are consistent with the seven Cancun safeguards, and go further in several important aspects. The FCPF approach is designed to generate data that could be captured in a system of information on how safeguards are being addressed and respected. The SESA has as a key output the preparation of an Environmental and Social Management Framework (ESMF), which is developed to manage and mitigate the environmental and social risks and impacts of future investments (projects, activities, and/or policies and regulations) associated with implementing a country's REDD+ strategy. Sub-component 2d in the R-Package provides a summary of the SESA process and has the ESMF as a key benchmark.

Table 1: Relationship among 4 Cancun elements, 12 R-PP (sub-)components, and 9 R-Package (sub-)components

| 4 Cancun Elements   | 12 R-PP (sub-)components   | 9 R-Package (sub-)components   |
|---|--|--|
| National strategy or action plan  | 1. Organize and Consult<br>1a. National Readiness Management Arrangements<br>1b. Information Sharing and Dialogue<br>1c. Consultation and Participation Process  | 1. Readiness Organization and Consultation<br>1a. Management Arrangements<br>1b. Consultation, Participation and Outreach  |
|   | 2. Prepare a REDD+ Strategy<br>2a. Land Use, Land Use Change Drivers, Forest Law, Policy, Governance<br>2b. Strategy Options<br>2c. Implementation Framework<br>2d. Social and Environmental Impacts                   | 2. REDD+ Strategy Preparation<br>2a. Land Use, Land Use Change Drivers, Forest Law, Policy, Governance<br>2b. Strategy Options<br>2c. Implementation Framework<br>2d. Social and Environmental Impacts |
| National forest reference emission level and/or forest reference levels | 3. Develop a Reference Level   | 3. Reference Emission Level / Reference Level  |
| Robust, transparent national forest monitoring system                   | 4. Design Systems for National Forest Monitoring and Information on Safeguards<br>4a. Emissions and Removals   | 4. Systems for National Forest Monitoring and Information on Safeguards<br>4a. National Forest Monitoring System   |
| System for providing information on safeguards                          | 1b. Information Sharing and Dialogue<br>1c. Consultation and Participation Process<br>2d. Social and Environmental Impacts<br>4b. Information Systems for Multiple Benefits, Other Impacts, Governance, and Safeguards | 4b. Information Systems for Multiple Benefits, Other Impacts, Governance, and Safeguards   |

Given the focus of activities during the Readiness preparation phase on analytical work, capacity building, consultation, and early implementation actions, the R-Package should generally contain:

- Results of studies, consultations and actions implemented in the context of the implementation of the R-PP;
- A forward-looking part that specifies remaining activities needed to further promote REDD+ Readiness and actions still being planned;
- Preliminary identification of potential emissions reduction activities (e.g., projects, programs or policies), which would entail an assessment of specific geographic areas or land use activities and practices, policies, institutional arrangements, as well as estimates of emission reductions potential and required financing and costs;<sup>9</sup> and

<sup>9</sup> It is important to note that the FCPF Readiness grant does not finance any pilot projects implemented on the ground. Those may be financed through co-financing arrangements with other development partners and donors.



- A summary of SESA activities and outcomes, and an ESMF that will serve as the framework for managing environmental and social risks and to mitigate potential adverse impacts of emission reduction programs, activities, or policies/regulations that may occur in the future, as the REDD+ strategy is funded and implemented on the ground.

## PROPOSED ASSESSMENT APPROACH

The proposed assessment approach is designed to focus on the countries' progress towards REDD+ Readiness, rather than set 'hard targets' for R-Package submission. It builds on a set of 'standards' that serve as a benchmark to assess the activities during the preparation phase, and to identify gaps to be addressed going forward. Standards are qualitative descriptions for each of the R-Package components that capture the progress and achievements throughout the Readiness preparation phase. A standards approach has been used by the FCPF to assess over 26 R-PPs submitted to the PC.<sup>10</sup>

The approach chosen to define a set of standards for the R-Package in the present Note is *not* to define a 'minimum' standard, i.e., a level of achievement that most countries could meet after the Preparation phase without having advanced substantively on critical aspects of Readiness. A minimum standard would not serve the purpose of providing a meaningful benchmark towards countries' participation in incentive payments for REDD+, which requires a solid strategic, technical, and policy framework, and meaningful engagement with key stakeholders. At the same time, an 'optimal' level of Readiness is impossible to describe as there is no 'blue print' for REDD+, and early piloting is inherently about learning-by-doing and requires flexible and adaptable solutions that are tailored to specific country circumstances. Also, the framework that early piloting activities are eventually supposed to feed into (i.e., a comprehensive system under UNFCCC phase 3) continues to evolve and cannot be exhaustively described at this time.

The standards proposed below describe a point at which the country can be considered 'significantly advanced' and serve as a set of benchmarks for the degree of progress towards Readiness at the time of R-Package assessment. The intention of these standards is to characterize a level of preparedness and maturity of the national Readiness process that would allow a REDD+ country to implement performance-based schemes on a pilot basis over, say, the next three to five years. The subsequent paragraph labeled 'partially met' represents a lower-level standard and describes a stage at which the country hasn't met the standard, and requires feedback on the next steps and more time to implement them. That is, REDD countries would strive to achieve the higher benchmark (standard) but may need to do so at an appropriate pace that reflects pre-existing capacities, funding, and the national political environment. A favorable assessment against the 'standard' is to be used as a necessary, but not sufficient requirement to sign an ERPA with the FCPF Carbon Fund. The lower standard, on the other hand, is intended to provide countries a point of reference as they continue to advance readiness preparations.

## General Characteristics of the R-Package

Five several aspects of Readiness preparation apply across all sub-components, in addition to the specific standards defined for each sub-component. These are:

- *Participatory approach is applied:* Most major preparation activities require meaningful participation of key stakeholders and experts, and a participatory approach helps build capacity and ownership of the REDD+ process. For instance, this entails participation of key stakeholders in major technical working

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<sup>10</sup> See version 5 of the R-PP Review Template at <http://www.forestcarbonpartnership.org/fcp/> under 'Templates & Guidance'.

groups, or of the technical expertise of national agencies in the development of a forest monitoring system;

- *Capacity building is promoted:* REDD+ preparation activities are undertaken in ways that benefit national stakeholders and institutional arrangements by promoting in-country training and the acquisition of new skills and technical capacity. REDD+ requires learning and technical skills that generally don't exist in most REDD+ countries (for instance, the development of reference levels requires the application of different analytical techniques in new and innovative ways);
- *Action plans are budgeted:* Forward-looking action plans are included in the R-Package and budgeted accordingly. Much of the early Readiness phase is about developing a framework and planning actions in the future. Costs (in relation to the expected benefits from REDD+) play an important role in the feasibility assessment of REDD+ actions;
- *REDD+ actions are monitored and evaluated:* National REDD+ management includes regular monitoring of activities to track implementation, and evaluation activities to identify lessons learned and to correct readiness work in order to benefit from such lessons; and
- *Consistency with UNFCCC emerging guidance:* Activities promoted through FCPF early action piloting are consistent with UNFCCC COP decisions to date, and countries document that their preparation activities are consistent with technical guidance (e.g., on reference levels, or forest monitoring) as it emerges over the next years.

## Component 1: Readiness Organization and Consultation

This component builds on the rationale and standard for R-PP component 1 ('Organize and Consult'), specifically sub-components 1a ('National readiness management arrangements'), 1b ('Information Sharing and Early Dialogue with Key Stakeholder Groups'), and 1c ('Consultation and Participation Process'). R-PP component 1b is focused primarily on awareness raising and information sharing and dialogue with representative groups of stakeholders during the formulation phase of the R-PP to prepare for later broad consultations during the preparation phase. R-PP component 1c, on the other hand, has a forward-looking perspective and provides a framework for engagement of stakeholders, during readiness preparation, in the development of REDD-plus institutional arrangements, policies and programs for REDD+. Since the R-Package is produced towards the end of the preparation phase, the sub-components related to 'Readiness Organization and Consultation' are simplified in two components: 'National REDD management arrangements' (1a) and 'Consultation, Participation, and Outreach' (1b).

### 1a. National REDD management arrangements<sup>11</sup>

*Rationale:* National REDD+ readiness management has three main functions: (1) manage implementation of FCPF grant-funded activities (e.g., studies), (2) co-ordinate REDD+ readiness activities as defined in the R-PP (e.g., including those funded through other sources), (3) integrate REDD+ into broader national or sector strategies (e.g., national development plan, low-carbon development strategies), (4) manage inquiries, complaints and potentially grievances by stakeholders that may arise during the implementation of preparation activities, and (4) organize information sharing and stakeholder consultation and participation.

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<sup>11</sup> R-PP Review Template – Component 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. 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."

Effective readiness management during the preparation phase is indicative of the country's capacity to manage emission reduction programs under REDD+ implementation in the future. This sub-component of the R-Package describes the national REDD+ management arrangements and their effectiveness in fulfilling required functions. As described above, meeting the standard indicates that the country has significantly advanced during the preparation phase, whereas 'partially met' indicates that the country has put essential elements in place to eventually meet the standard, but requires more time to do so. For clarity, the wording that distinguishes between a situation of 'fully meeting' and 'partially meeting' the standard is shown in italics.

**Standard:** National REDD+ institutions and management arrangements are *substantially and consistently engaging* key stakeholders<sup>12</sup>, and *consistently and transparently sharing* information; are *leading* the national readiness process, based on a *formal mandate and with sufficient budget*; and are *demonstrating* capacity to influence the design and implementation of national policies relevant to REDD+, including across sectors and different levels of government. Institutions and arrangements are *effectively supervising* technical preparations relevant to REDD+; and *have the capacity* to receive and manage REDD+ funds from various sources. A mechanism for feedback and grievance redress is *functioning*, and its relationship to the national REDD+ management arrangements is *clear*.

*'Partially meeting the standard' means:* National REDD+ institutions and management arrangements are *engaging* key stakeholders, and *sharing* information; are *significantly contributing to* the national readiness process, are *seeking a mandate to clarify their role* and are *developing* capacity to influence the design and implementation of national policies relevant to REDD+, including across sectors and different levels of government. Institutions and arrangements are *capable of supervising* technical preparations relevant to REDD+; and are *establishing the capacity* to receive and manage REDD+ funds from various sources. A mechanism for feedback and grievance redress is *being developed*, and its relationship to the national REDD+ management arrangements is *being defined*.

### 1b. Consultation, Participation, and Outreach <sup>13</sup>

**Rationale:** The national body responsible for leading the REDD+ process conducts consultations with relevant stakeholders and facilitates their participation in both stages of preparing the R-PP and implementing it, including activities related to national REDD strategy, reference levels, and monitoring systems. Consultation and participation of key stakeholders builds on early dialogues during the formulation of the R-PP, and the plan for consultation, participation, and outreach that was developed for the R-PP. This process results in a sustainable institutional structure that ensures meaningful participation in decision-making concerning REDD-plus strategies and activities beyond the readiness phase.

This component of the R-Package describes how consultation, participation, and outreach are conducted during the preparation phase and demonstrates that a sustainable platform for consultation with and participation of

<sup>12</sup> 'Key stakeholders' is defined as: government agencies that influence land use decisions, forest-dependent Indigenous Peoples and other forest-dependent local communities, civil society, and the private sector.

<sup>13</sup> R-PP Review Template – Component 1c (Consultation and Participation Process): Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders, and inclusiveness of effective and informed consultation and participation by relevant stakeholders, will be assessed by whether proposals and/or documentation on the following are included in the R-PP: (i) the consultation and participation process for R-PP development thus far; (ii) the extent of ownership within government and national stakeholder community; (iii) the Consultation and Participation Plan for the R-PP implementation phase; (iv) concerns expressed and recommendations of relevant stakeholders, and a process for their consideration, and/or expressions of their support for the R-PP; and (v) mechanisms for addressing grievances regarding consultation and participation in the REDD-plus process, and for conflict resolution and redress of grievances.

relevant stakeholders exists for future REDD+ programs. The R-Package presents evidence of how meaningful consultations with relevant stakeholders are performed to ensure participation of different social groups, transparency, and accountability of decision-making.

**Standard:** Consultations with key stakeholders at the national and local levels are *well-advanced*, efficient and transparent; facilitate timely access to information in a culturally appropriate form (including language); and *build* consensus, respecting Indigenous Peoples' traditional decision-making processes and *taking into account* gender issues. Outcomes of consultations with key stakeholders are publicly disclosed, and are *fully taken into account* in REDD+ management arrangements and REDD+ strategy development and implementation. Participatory approaches are being used throughout major Readiness activities and are *an integral part* of all nine R-Package components.

*'Partially meeting the standard' means:* Consultations with key stakeholders at the national and local levels are *relatively advanced*, efficient and transparent; facilitate timely access to information in a culturally appropriate form (including language); and *aim to build* consensus, respecting Indigenous Peoples' traditional decision-making processes and *analyzing* gender issues. Outcomes of consultations with key stakeholders are publicly disclosed, and are *taken into account* in REDD+ management arrangements and REDD+ strategy development and implementation. Participatory approaches are being used throughout major Readiness activities and are *a part* of all nine R-Package components.

## Component 2: REDD+ Strategy Preparation

A core component of REDD+ readiness is a national strategy. At the time of the submission of the R-PP to the PC, many countries have started work to draft a national REDD+ strategy, but the most substantive work on national strategy development is generally performed during the implementation of the R-PP activities (preparation phase). In short, the R-PP identifies important areas of work to develop a national strategy during the preparation phase, and the R-Package presents the achievements during the preparation phase, especially regarding the following sub-components:

- 2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance
- 2b. Strategy Options
- 2c. Implementation Framework
- 2d. Social and Environmental Impacts

### 2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance<sup>14</sup>

*Rationale:* The purpose of the assessment of land use, land-use change drivers, forest law, policy and governance, is to identify key drivers of deforestation and/or forest degradation, as well as activities concerning conservation,

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<sup>14</sup> R-PP Review Template – Component 2a (Land Use, Forest Law, Policy, Governance): “A completed assessment is presented that: identifies major land use trends; assesses direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD-plus; recognizes major land tenure and natural resource rights and relevant governance issues; documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation; identifies significant gaps, challenges, and opportunities to address REDD; and sets the stage for development of the country’s REDD strategy to directly address key land use change drivers.”

sustainable management of forests, and enhancement of forest carbon stocks. The assessment also addresses how shortcomings in current land use, and forest law, policy and governance contribute to the drivers of deforestation and forest degradation and develops potential solutions. Taking into account the country's past experience in addressing these shortcomings (including the issues that led to underperformance of previous programs), the assessment directly informs the country's REDD+ strategy and identifies ways to address the key deforestation and degradation drivers in a prioritized fashion.

This component of the R-Package provides a summary of the work performed during the preparation phase to understand and, to the extent possible, quantify patterns of land use change, deforestation and forest degradation, and the causal relationship between these changes and the economic, legal, policy setting of the country.

**Standard:** A *comprehensive* assessment building on work conducted during the R-PP formulation phase for this component is presented. A *complete* analysis of recent historical land use trends and assessment of relevant land tenure, natural resource rights and governance issues, is used to *prioritize* key direct and indirect drivers to be addressed by the programs and policies included in the REDD+ strategy, and *establishes systematic* links between key drivers and REDD+ activities. Action plans to make significant progress in the short-term towards addressing relevant land tenure, natural resource rights and governance issues in priority regions related to specific REDD+ programs, *outline steps and identify required resources*. The assessment identifies implications for forest law and policy in the long-term.

*'Partially meeting the standard'* means: An *advanced* assessment building on work conducted during the R-PP formulation phase for this component is presented. An analysis of recent historical land use trends and assessment of relevant land tenure, natural resource rights and governance issues, is used *for an initial prioritization of* key direct and indirect drivers to be addressed by the programs and policies included in the REDD+ strategy, and *identifies* links between key drivers and REDD+ activities. *Draft* action plans to make significant progress in the short-term towards addressing relevant land tenure, natural resource rights and governance issues in priority regions related to specific REDD+ programs, *are presented*. The assessment identifies implications for forest law and policy in the long-term.

## 2b. REDD+ Strategy Options <sup>15</sup>

**Rationale:** The REDD+ strategy forms the basis for the development of a set of policies and programs to reduce emissions from deforestation and/or forest degradation and enhancing carbon uptake from the other REDD+ activities. The strategy needs to address the drivers of deforestation and/or forest degradation identified in the assessment above, including drivers linked to other sectors competing for the same land resources, in the context of the national priorities for sustainable development.

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<sup>15</sup> R-PP Review Template – Component 2b (REDD+ Strategy Options): “The R-PP should include: an alignment of the proposed REDD-plus strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies, and a summary of the emerging REDD-plus strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD-plus strategy options. This summary should state: how the country proposes to address deforestation and degradation drivers in the design of its REDD-plus strategy; a plan of how to estimate cost and benefits of the emerging REDD-plus strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental aspects; socioeconomic, political and institutional feasibility of the emerging REDD-plus strategy; consideration of environmental and social issues; major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD-plus strategy; and a plan of how to assess the 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-plus strategy over time.”

This section of the R-Package presents a clear motivation and rationale for countries to engage in any or all of the five REDD+ activities, and the strategic options that were identified and analyzed during preparation to ascertain that actions taken on REDD+ are beneficial, feasible and cost-effective.

**Standard:** *Robust and vetted* REDD+ strategic options that address *prioritized* direct and indirect drivers of deforestation and/or forest degradation, are presented. Options are deemed feasible on the basis of a *comprehensive* assessment of their feasibility from a socio-economic, political and institutional perspective, costs and benefits in relation to people’s livelihoods and biodiversity, and major risks associated with the specific REDD+ strategy options (e.g., leakage, environmental and social risks identified through the SESA) and ways to manage and mitigate them. Options are *fully integrated with* relevant development policies and strategies and include *budgeted* action plans for implementation. Major inconsistencies between the objectives of the REDD+ strategy and policies or programs in other sectors (e.g., transport, agriculture) are *fully understood, and ways to address and work to resolve such cross-sectoral planning competition and incentives are identified*.

*‘Partially meeting the standard’ means:* REDD+ strategic options that address direct and indirect drivers of deforestation and/or forest degradation, are presented. Options are deemed feasible on the basis of an assessment of their feasibility from a socio-economic, political and institutional perspective, costs and benefits in relation to people’s livelihoods and biodiversity, and major risks associated with the specific REDD+ strategy options (e.g. leakage, environmental and social risks identified through the SESA) and ways to manage and mitigate them. Options *have synergies with* relevant development policies and strategies and include *draft* action plans for implementation. Major inconsistencies between the objectives of the REDD+ strategy and policies or programs in other sectors (e.g., transport, agriculture) are in the *process of being identified in order to address and work to resolve such cross-sectoral planning competition and incentives*.

## 2c. Implementation Framework <sup>16</sup>

**Rationale:** The implementation framework defines institutional, economic, legal and governance arrangements necessary to implement REDD+ strategy options, and reflects the lessons learned from the implementation of relevant programs in the past. The implementation of REDD+ strategy options is specific to a given country’s land uses and legal and social circumstances, and countries have flexibility to tailor their REDD+ interventions to their socioeconomic conditions, drivers of deforestation, and development objectives. Country-specific solutions need to be found to define the role of government, landowners, and other participants in REDD+ transactions, to share and deliver REDD+ benefits (e.g., to local communities), to clarify land tenure, and to mediate associated conflicts, and to manage carbon transactions through a transparent process.

**Standard:** Legislation and/or regulations related to REDD+ programs and projects have been *adopted*, which define, e.g., the process for participation in programs, carbon rights, distribution of benefits, financing modalities, and procedures for official approvals. *The system is transparent and equitable*. A national geo-referenced tracking system or registry *is operational and manages* information on the location, ownership, carbon accounting and

<sup>16</sup> R-PP Review Template – Component 2c (REDD+ Implementation Framework): “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. Identifies key issues involved in REDD-plus implementation, and explores potential arrangements to address them; offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package. 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.”

financial flows for sub-national and national REDD+ programs and projects. *Gaps still remaining in the framework, including legal and/or regulatory changes, have been clearly identified and the associated resource needs estimated.*

*'Partially meeting the standard' means: Legislation and/or regulations related to REDD+ programs and projects have been drafted, which are intended to define, e.g., the process for participation in programs, carbon rights, distribution of benefits, financing modalities, and procedures for official approvals. A national geo-referenced tracking system or registry is being developed, which is intended to manage information on the location, ownership, carbon accounting and financial flows for sub-national and national REDD+ programs and projects. A plan has been prepared for work still to be done.*

## 2c. Social and Environmental Impacts <sup>17</sup>

*Rationale:* The country receiving FCPF funding for Readiness preparation through the World Bank will be required to ensure compliance with the Common Approach. All countries will prepare a country-specific Environmental and Social Management Framework (ESMF). There also may be national legislative requirements related to safeguards or the management of social or environmental risks and impacts that should be identified and addressed. The readiness preparation phase is meant primarily for technical assistance and capacity building activities, with the objective to prepare the country for large-scale intervention yet to come. FCPF grants do not finance any implementation of REDD+ pilots on the ground (investments, pilot projects involving use of land or change in use of land and physical works), that hence could have adverse impacts on communities).<sup>18</sup>

This component of the R-Package describes the implementation of the SESA and the resulting outputs, including the stand-alone ESMF document. It includes a summary describing the public consultation and participation process in which the SESA was embedded, and the main findings and results of SESA. The SESA will be reflected in the preparation of the R-Package components in an integrated way (not as a stand-alone document), mostly in the form of the final REDD+ strategy and the documentation of the consultation and participation process carried out during the R-PP formulation and Readiness preparation stages.

**Standard:** All of the necessary institutional arrangements for coordinating the integration of environmental and social considerations into the REDD+ readiness process via the SESA are in place. Applicable safeguard issues are *fully addressed* via relevant studies or diagnostics. Key actions to address social and environmental impacts (both positive and negative) in relation to the most feasible responses to the identified drivers of deforestation and/or forest degradation are *prioritized and fully integrated* into the REDD+ strategy. An ESMF is in place for managing environmental and social risks and potential impacts during the REDD+ strategy implementation phase.

<sup>17</sup> R-PP Review Template – Component 2d (Social and Environmental Impacts during Readiness Preparation and REDD-plus Implementation): The proposal includes a program of work for due diligence to assess strategic environmental and social risks and impacts in the context of the SESA process. It also provides a simple description of how and when assessment is in compliance with the World Bank's or UN-REDD-plus Programme'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. For FCPF countries, a simple work plan is presented for how the SESA process will be followed, and for preparation of the ESMF.

<sup>18</sup> However, should it become necessary, on an exceptional basis, to finance the implementation of policies and projects during the preparation of the R-Package (e.g., piloting a specific approach to use a monitoring technology, or piloting a payment for environmental services approach at a given location as a way to test a REDD+ strategy option), the safeguard policies would have to be applied to that project or activity separately. This would occur as in standard World Bank-financed projects, so that the activity or pilot project will have no adverse impact on affected communities.

*'Partially meeting the standard'* means: Some of the necessary institutional arrangements for coordinating the integration of environmental and social considerations into the REDD+ readiness process via the SESA are in place. Applicable safeguard issues are *partially addressed* via relevant studies or diagnostics. Key actions to address social and environmental impacts (both positive and negative) in relation to the most feasible responses to the identified drivers of deforestation and/or forest degradation are *partially integrated* into the REDD+ strategy. An *advanced draft* ESMF for managing environmental and social risks and potential impacts during the REDD+ strategy implementation phase, is presented.

### Component 3: Reference Emissions Level/Reference Level <sup>19</sup>

**Rationale:** Estimates of changes in forest area and carbon content relative to other land uses over time and the corresponding emissions to and uptake from the atmosphere are used to measure the performance of REDD+ policy interventions relative to a forest reference emissions level (REL) or reference level (RL). Recent decisions under the UNFCCC requests countries to propose a level of emission reduction or conservation/enhancement of carbon stock that it considers achievable with the identified strategy options, at a national level, with subnational approaches as interim measures. Countries are free to define their specific national circumstances (e.g., socio-economic patterns, development plans and challenges), as arguments for adjusting their REL or RL. Given that reference level modalities have not been fully defined, countries are urged to pursue reference level work on a no-regrets basis, with later refinement to match eventual UNFCCC guidelines.

Information presented in the R-Package reflects the general approach used to establish a forest reference emission level/forest reference level. This includes compilation and analysis of relevant data, capacity building in the application of proven methods and fundamental techniques (e.g. mapping, field sampling), and assessment of different methodological choices. Preliminary results of this work generate fundamental inputs to allow first-order estimates of emission at the national or subnational level and the construction of a reference level.

**Standard:** A preliminary sub-national or national forest reference emissions level (REL) or reference level (RL) is presented using a clearly documented methodology *based on a step-wise approach*. Plans for additional steps and data needs are provided, and the relationship among sub-national and the evolving national reference levels is demonstrated, *using geo-referencing*. REL/RL is built to reflect *the priority identified drivers of deforestation and/or forest degradation, and forest carbon conservation and enhancement*<sup>20</sup> (if applicable), the main programs or policies of the REDD+ strategy, and the monitoring system; and *demonstrate a significant step towards an evolving operational system*. Relevant national circumstances (with supportive data and arguments) proposed as adjustments to the REL/RL are *credible and defensible*; and evidence is provided that the REL/RL has undergone public consultation and *peer review*.

<sup>19</sup> R-PP Review Template – Component 3 (Develop a Reference Level): “Present work plan for how the reference level for deforestation, forest degradation (if desired), conservation, sustainable management of forest, and enhancement of carbon stocks will be developed. Include early ideas on a process for determining which approach and methods to use (e.g., forest cover change and GHG emissions based on historical trends, and/or projections into the future of historical trend data; combination of inventory and/or remote sensing, and/or GIS or modeling), major data requirements, and current capacity and capacity requirements. Assess linkages to components 2a (assessment of deforestation drivers), 2b (REDD-plus strategy activities), and 4 (MRV system design). (FCPF and UN-REDD recognize that key international policy decisions may affect this component, so a stepwise approach may be useful. This component states what early activities are proposed.)”

<sup>20</sup> Forest carbon conservation and enhancement refers to the “plus” activities in REDD+, namely conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stocks.



*'Partially meeting the standard' means: A draft sub-national or national forest reference emissions level (REL) or reference level (RL) is presented using a clearly documented methodology. Plans for additional steps and data needs are provided, and the relationship between sub-national and the evolving national reference levels is demonstrated. REL/RL is built to reflect identified drivers of deforestation and/or forest degradation, and forest carbon conservation and enhancement (if applicable), the main programs or policies of the REDD+ strategy, and the monitoring system. Relevant national circumstances (with supportive data and arguments) proposed as adjustments to the REL/RL are *identified*; and evidence is provided that the REL/RL has undergone public consultation and review.*

## Component 4: Monitoring Systems for Forests and Safeguards

The purpose of this component is to design: a) a national forest monitoring system for emissions and removals of greenhouse gases due to avoided deforestation and forest degradation, enhancement of forest carbon stocks, conservation and sustainable management of forests; and b) a system for providing information on how safeguards are being addressed throughout the implementation of REDD-plus activities (UNFCCC decisions 1/CP.16 and 4/CP.15 UNFCCC COP decisions and negotiating texts and discussions offer a broad framework for consideration).

### 4a. National Forest Monitoring System <sup>21</sup>

*Rationale:* The national forest monitoring system needs to be designed to generate information that allows comparison of changes in forest area and carbon content (and associated GHG emissions) to the baseline estimates used for the *forest reference emissions level (REL) or reference level (RL)*. The development of an operational forest monitoring system is a long-term effort, generally serves multiple purposes (e.g. natural resource management more generally), and commonly entails a combination of remote sensing and field-based data collection from the national forest inventory or other sources. Countries may not be able to finalize the design of the national forest monitoring system for the emission reductions and removals in the absence of definitive guidelines from the UNFCCC, and thus use a step-wise approach to gradually develop the system (starting with data collection, analytic work, capacity building etc. with further refinements being made later as guidance becomes available).

A national forest monitoring system assimilates data collected nationally and locally (e.g., through sampling in community-managed forests), helps build trust among local constituencies via a participatory approach, and contributes to the national GHG inventory that countries report to UNFCCC in their National Communications.

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<sup>21</sup> R-PP Review Template – Component 4a (Monitoring System: Emissions and Removals): “The R-PP provides a proposal and workplan for the initial design, on a stepwise basis, of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation, and forest enhancement activities. The system design should include early ideas on enhancing country capability (either within an integrated system, or in coordinated activities) to monitor emissions reductions and enhancement of forest carbon stocks, and to assess the impacts of the REDD-plus 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-plus implementation. The proposal should present early ideas on how the system could evolve into a mature REDD-plus monitoring system with the full set of capabilities.”

The R-Package provides a summary of what has been achieved in designing and developing operational forest monitoring systems. It describes the approach of how the system is expected to be enhanced over time as capacity increases, more data become available, and guidance from the UNFCCC is provided. It describes the information that is generated and its use and application, and includes output from early work (e.g. mapping forest cover change in high deforestation areas). It provides clear institutional arrangements, including budgeted action plans and human resource needs.

**Standard:** The design and early implementation, on a stepwise basis, of an eventual coherent operational system of measuring and reporting changes in deforestation and/or forest degradation, and forest carbon conservation and enhancement activities is *documented*. The system's capability of monitoring the *specific* REDD+ activities prioritized in the country's REDD+ strategy is *demonstrated*; a *clear* rationale and *analytic* work defending the selection of methods *used or proposed*, and the system's resolution, coverage, and accuracy, and the carbon pools included, is provided. An action plan to *develop a full operational* system over time is presented, *including* institutional arrangements, required capacities, training, hardware/software, and budget. *The system includes the capacity to assess displacement of emissions (leakage), and early results are presented.* Relevant government agencies or institutes, local communities and/or civil society, and the private sector *are participating and* are consulted in the development and *implementation* of the system, as appropriate, *as well as any potential verification of its results.* Transparent means of publicly sharing forest and emissions data are presented *and are in at least an early operational stage.*

'Partially meeting the standard' means: The *initial* design of a system of measuring and reporting changes in deforestation and/or forest degradation, and forest carbon conservation and enhancement activities is *described*. The system's capability of monitoring the *main* REDD+ activities in the country's REDD+ strategy is *described*; a rationale and work defending the selection of methods proposed, and the system's resolution, coverage, and *intended* accuracy, and the carbon pools included, is provided. An action plan to *enhance* the system over time is presented and *addresses possible* institutional arrangements, required capacities, training, hardware/software, and budget. Relevant government agencies or institutes, local communities and/or civil society, and the private sector are consulted in the development of the system, as appropriate. Transparent means of publicly sharing forest and emissions data are presented.

#### 4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards <sup>22</sup>

**Rationale:** The R-Package specifies the non-carbon aspects prioritized for monitoring by the country (e.g., key quantitative or qualitative variables representing rural livelihoods enhancement, conservation of biodiversity, ecosystem services provision, key governance factors directly pertinent to REDD+ implementation in the country, and the impacts of the REDD+ strategy on the forest sector). The system should be capable of reporting how safeguards are being addressed and respected during the implementation of REDD+ activities, with due attention to the specific monitoring provisions included in the country's ESMF.

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<sup>22</sup> R-PP Review Template – Component 4b (Designing an Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards): The R-PP provides a proposal for the initial design and a work plan, including early ideas on capability (either within an integrated system, or in coordinated activities), for an integrated monitoring system that includes addressing other multiple benefits, impacts, and governance. Such benefits may include, e.g., rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD-plus implementation in the country. (The FCPF and UN-REDD Programme recognize 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.)

**Standard:** Country has identified *priority* non-carbon aspects of REDD+ implementation and *put in place* a transparent system for monitoring and *reporting consistent and periodic* information on these aspects. *Information is made available* for agreed national priorities, *covering, e.g., key quantitative and qualitative* variables about impacts on rural livelihoods, conservation of biodiversity, ecosystem services provision, key governance factors directly pertinent to REDD+ implementation, and the implementation of safeguards, *paying attention to the specific provisions included in the country's ESMF.*

*'Partially meeting the standard' means:* Country has identified non-carbon aspects of REDD+ implementation and *is developing* a transparent system for monitoring and *providing basic* information on these aspects. *This system is designed to provide information* on agreed national priorities *such as, e.g., key variables* about impacts on rural livelihoods, conservation of biodiversity, ecosystem services provision, key governance factors directly pertinent to REDD+ implementation, and the implementation of safeguards. *Gaps in the system have been identified and a work plan including budget to address these gaps has been prepared.*

## Practical Considerations

There are alternative ways to assess countries' progress on REDD+ Readiness in general, and to develop standards for the review of the R-Package. For instance, (i) a larger number of sub-components could be defined, (ii) the standard for each component could be set higher or lower, and (iii) the intermediate levels of Readiness below the standard could be defined using more detailed steps than just "partially meeting the standard".

The approach described here attempts to strike a balance to make the approach both implementable and rigorous. It describes Readiness in nine sub-components and defines a standard that describes 'significantly progressed' level of Readiness for each. Not all countries have the same initial capacity to prepare for REDD+, and so not all countries would meet the standard during a first assessment of their R-Package. To reflect these different country circumstances, the proposal also includes a description of 'partially meeting' the standard as an indicative intermediate step.

FMT considers this approach of defining a set of standards as practical for the following reasons:

- The proposed components for the R-Package build directly on the components used for R-PPs and maintains the logic and sequence of REDD preparation activities. The R-Package components define fundamental activities of Readiness, and the corresponding benchmarks are not meant to be used to assess whether the activities originally stated in the R-PP were actually implemented, but rather whether substantive Readiness progress is being made;
- Participants are familiar with the standards used to review R-PPs over the past three years (e.g., a committee of Participants assesses an R-Package leading-up to its review at a forthcoming PC meeting with technical input from a Technical Advisory Panel);
- A set of nine standards (one per sub-component) provides a manageable number of benchmarks to assess the progress on Readiness overall through a multi-stakeholder review process and the assessment by a TAP. A smaller number may not do justice to the complexity of Readiness. A much larger set of benchmarks increases the difficulty to maintain consistency across diverse review panels. Experience from the R-PP review process shows that experts work most effectively on standards that are sufficiently aggregate (high-level), easily understood by generalists, and limited in number;
- The set of standards with the level of detail described here provide a reasonable set of qualitative benchmarks that REDD+ countries can use as a reference in Readiness preparation and in drafting an R-Package, and sharing it prior to submissions via a process of consultation and national validation. An overly complex and detailed assessment framework would be difficult to operationalize and communicate to diverse groups of people in the country (often in multiple languages); and

- The purpose of the assessment is to review progress and to provide feedback to countries as they continue to prepare for REDD+, to identify remaining gaps to reach the standards and provide feedback on necessary actions to advance Readiness. The considerations made by the TAP and PC reviewers are to be documented and provided to countries as feedback and guidance. Working with a set of nine standards, which in themselves are indicative of a number of aspects, would provide a reasonably nuanced review that can be implemented by REDD countries as they move forward. Donors or investors may use the documented results of the assessment to, for instance, allocate more funding or accept countries' proposed programs into an incentive-based fund.

## SUBMISSION AND REVIEW PROCESS

There is no firm deadline for the submission of the R-Package and the FCPF Charter does not require an R-Package to be produced by each country. Whether or not a country chooses to generate an R-Package may depend on the country's progress and longer-term intention to participate in a performance-based system. For the R-Package assessment to be meaningful, the R-Package is best submitted at an advanced stage of Readiness preparation, i.e., at a time when the majority of the activities detailed in the R-PP have been implemented.

The R-Package needs to have a positive assessment before an ERPA can be signed and a country can enter into the Carbon Fund. The business process and methodological framework that would define rules for forest carbon accounting for emission reductions programs, for the Carbon Fund are currently being defined following the second meeting of the Carbon Fund Participants in Berlin in October, 2011

Per the Charter, countries are to submit a mid-term progress report. On the basis of the described structure (sub-components) and the assessment standards for the R-Package, the progress report would report on the same components at approximately the mid-point of implementation (as detailed in the Grant Agreements). A formal assessment by the PC would not be performed on the mid-term report. The assessment standards proposed in this Note are designed for the assessment of the R-Package, but also provide a benchmark against which progress can be assessed by the country at the time of mid-term progress report submission.

The implementation of FCPF-funded activities (as specified in the Grant Agreement) will be tracked by the operational monitoring system of the Delivery Partner (in the case of the World Bank, this is the Grant Reporting and Monitoring Systems, that requires annual reporting on grant implementation). Similar to how the process followed for the assessment of R-PPs, Delivery Partners provide input to the overall assessment, but confined to the activities funded through the FCPF. DPs would not be asked to assess progress on Readiness (possibly including activities co-financed by others), which is the role of the PC, with input from a TAP.

## NEXT STEPS

At this time, the FMT is seeking feedback on the proposed structure and assessment approach for the R-Package from Participants and Observers. A revised version of this Note is to be produced on the basis of the feedback received during the January-February time frame, in preparation for PC11. The table below contains the proposed schedule:

| <b>Task</b>  | <b>Date</b>                |
|--|----------------------------|
| Post Concept Note on web for public input                              | December 31, 2011          |
| Electronic comment period  | January 2012               |
| Calls to REDD Country Participants (tentatively 3, i.e., 1 per region) | January 2012               |
| Revise Note based on feedback  | February 2012              |
| 10-day comment Period on revised version                               | Starting February 25, 2012 |
| Submission of revised Note to PC for review                            | March 14, 2012             |
| Solicit Feedback from PC at PC11                                       | March 28-30, 2012          |