

Forest Carbon Partnership Facility (FCPF)

Readiness Plan (R-Plan) Template and Guidance

WORKING VERSION 2: October 16, 2008
(comments welcome)

Country submitting the R-Plan : [fill in]

Date submitted (or revised): [fill in]

Person Submitting: [fill in]

- 1. The purpose of the Readiness Plan (R-Plan)** is to assist a country in laying out and organizing the steps needed to achieve “Readiness” to undertake activities reducing emissions from deforestation and forest degradation (REDD), in the specific country context. The R-Plan should help a country to identify and then establish the capacity to establish a reference scenarios for emissions from deforestation and forest degradation, implement a REDD strategy (a set of actions to reduce deforestation and forest degradation), and measure and monitor the effect on land use activities of that strategy, in order to generate emission reductions and associated environmental and livelihood benefits. The R-Plan essentially defines a set of minimum requirements for Readiness, and urges a country to draw a roadmap from today toward achieving REDD Readiness. This roadmap should indicate how these activities will be undertaken (i.e., the approach or methods); what capacity building and resources are needed and who would provide them (e.g., domestic agencies, NGOs, private sector; international donors, etc.); how REDD will be organized, managed, and evaluated in the country; and the draft Terms of Reference (ToR) for each of these major activities.
- 2. To prepare an R-Plan, an FCPF REDD Country Participant can access an optional grant of approximately US\$200,000** from the FCPF for this purpose, if it desires, using the Application for a Grant to Prepare a Readiness Plan form, which is available at the FCPF website at www.forestcarbonpartnership.org. Countries could arrange for technical assistance to help formulate this R-Plan (or to begin execution of it), by using some of these grant funds from the FCPF to hire technical experts or companies, or via bilateral or NGO support (which is being provided to a number of countries outside the FCPF program).

Table 1 in the far right column lists what resources FCPF could provide at a given phase, subject to availability of funds. The REDD Country Participant needs to discuss its decision on what level of FCPF funding to seek, and at what time, with their FCPF Facility Management Team country or regional coordinator(s), and with the World Bank Task Team Leader responsible for supporting the readiness work in the country. A list of the staff members will be available on the FCPF website. A REDD Country Participant may decide to apply for a US\$200,000 grant to assist R-Plan formulation only, and then a larger grant for executing the R-Plan studies and activities. Alternatively, the country may prefer to apply for a larger grant (roughly US\$2 million) right away, which would cover both the R-Plan formulation and the execution phase, and which would be disbursed in two tranches (around US\$200,000 to assist the formulation and the remainder for the execution phase). Assistance may also be available from other sources of funding for R-Plan formulation, including potentially bilateral development assistance programs, the UN-REDD Programme, international conservation NGOs, or other sources.

- 3. The R-Plan builds and elaborates on the previous Readiness Plan Idea Note (R-PIN).** It generally does this by: a) requesting background information, and then b) directing you to both summarize in the body of the text and detail in a required annex the Plan or ToR for each of the nine R-Plan components listed in Table 1 under Phase II, e.g., a Consultation and Outreach Plan, or the framework ToR for how to design a monitoring system. These nine

components are the major building blocks of the R-Plan. The ToR describe the specific analytic, consultation, or other work to be undertaken for each component. The template and a set of guidance documents for most of the components (to be posted on the FCPF website, as available) also provide questions to guide your thinking on each component, draft tables to fill in or to stimulate your thinking and drafting of text addressing a component, and other resources like websites, reports, methods papers, etc.

- 4. Terms of Reference (ToR) are essentially contracts between a country and service providers (i.e., contractors, consultants, etc.) for a specific set of tasks** (say, coordinating and reporting on a series of REDD consultation workshops). ToR usually itemize the methods or tools to be used, the timeline for delivery of products, what those products are, and a budget. By generating ToR for each major R-Plan component, a country is encouraged to think through the whole set of activities needed to implement the R-Plan and REDD Strategy (below). ToR can be provided even if a government agency or other entity would organize most activities in a component (e.g., consultations) without contracting, by simply describing planned actions in detail.

Framework ToR can be provided, that outlines your best understanding of the analytic, institutional or other work to be performed, the methods to be used, delivery dates and estimated costs for a given body of work. Later, as work on other components, technical assistance, and consultations begin to help you clarify more precisely what is needed, more specific ToR can be developed for specific pieces of work within each component, that lay out more exact requirements, who will perform the work, the products to be delivered and payment arrangements. If you can provide specific ToR now, please do so; if not, then framework ToR are best.

To offer a hypothetical example, the framework ToR for a monitoring system might summarize the results of your consultations to specify all the major capabilities required of such a system, the agencies responsible for each element, capacity requirements, technical assistance necessary, due dates, and a rough budget. But individual ToR would then be written later, to issue contracts to specific entities for elements of the framework ToR. For example, ToR could be written later for the Magdalena Geographic Institute to add 320 new forest inventory permanent plots in the upland dry forest ecosystem undergoing degradation, and 75 new plots in the middle hills undergoing shifting agricultural practices, in order to supply carbon density data currently lacking.

- 5. Required attachments for a Readiness Plan are listed below** (use this numbering, which follows the component numbering):

Annex 1 (Required)	- Land use, Forest Policy and Governance Quick Assessment (the completed study)
Annex 2a (Required)	- National REDD Working Group (framework ToR or Plan)
Annex 2b (Required)	- REDD Consultation and Outreach Plan (full Plan required)
Annex 2c (Required)	- REDD Management and Evaluation System (framework ToR or Plan)
Annex 3a (Required)	- Assess Candidate Activities for the REDD strategy (framework ToR or Plan)
Annex 3b (Required)	- Evaluate potential Additional Benefits (framework ToR or Plan)
Annex 3c (Required)	- Trade-Offs Analysis (framework ToR or Plan)
Annex 3d (Required)	- Risk Assessment of Your REDD Strategy (framework ToR or Plan)
Annex 4 (Required)	- REDD Implementation Framework (framework ToR or Plan)
Annex 5 (Required)	- Assess Social and Environmental impacts (framework ToR or Plan)
Annex 6 (Required)	- Assess Investment and Capacity Building Requirements (framework ToR or Plan)
Annex 7 (Required)	- Develop a Reference Scenario (framework ToR or Plan)
Annex 8 (Required)	- Design Monitoring, Reporting and Verification System (framework ToR or Plan)
Annex 9 (optional)	- Design a system of management, implementation, and evaluation of Readiness preparation activities (optional):
Annex 10 (Required)	- Excel spreadsheet: Sheet 1) Summary of R-PLAN Implementation, Across Donors Sheet 2) Detailed Budget, using the template Sheet 3) Summary Budget.

- 6. Note: The FCPF expects the R-Plan formulation and implementation process to be a significant, inclusive, forward-looking and coordinated effort to consult all major affected parties in the country about their ideas and concerns regarding REDD.**

This process should produce a single plan for Readiness in a country, integrating the variety of analytic and preparatory work and funding sources. The R-Plan also should identify data, knowledge and capacity gaps that need to be filled by R-Plan activities and studies during phase III and later phases of the FCPF process towards Readiness.

This effort should include national consultation with stakeholders about REDD on a continuous basis for each component of the R-Plan, a review of previous efforts to change land use practices and patterns and their effectiveness or why they succeeded or failed, and a cooperative identification of a set of planned measures to change land-use behavior, policies, and implementation in the future (i.e., a REDD Strategy). These activities will need to be integrated into ongoing national and regional development planning processes in the forestry and other sectors.

This is a major undertaking, with little precedent in many countries. The FCPF will work with REDD Country Participants to support their development of such an R-Plan, to provide funding for that R-Plan and support funding appeals to other donors (including UN-REDD and bilaterals), and to provide technical assistance, as resources permit, for the design, implementation, and monitoring of such R-Plans.

7. **There are nine major components of the FCPF Phase II, the Readiness Plan phase, listed in Table 1.** Table 1 also illustrates the relationship of the R-Plan phase to other FCPF program phases (R-PIN, R-Plan implementation, etc.). This table may help a country to narrow the focus of its R-Plan development, and to draw the boundary between R-Plan formulation, and execution of the R-Plan studies and activities - which is the actual performance of the studies and capacity building and institutional arrangements outlined in the R-Plan.

Each of the components is likely to require three parts in your development of your plans for a component and of the ToR for it: 1) an analytic part (e.g., a study of the economics of land use in key areas to help select cost-effective REDD strategy activities - where best to target your interventions), 2) a consultation part (e.g., to make sure your consultations address that component, like discussing the role of local forest dwellers in a REDD strategy or in the monitoring systems as, say, data collectors), and 3) a management and reporting part (e.g., a way to manage the work in that component and to make sure it is integrated with the other components and with broader national development and land use policy goals).

8. **The R-Plan final product:** The final product that constitutes an R-Plan is essentially an integrated document with two parts for each R-Plan component:

- a) *one or more pages of text (and any tables or other information you choose to include) summarizing how you would address each R-Plan component, within this template in the space provided; and a brief summary of your ToR or plan for that component; and*
- b) *an attached annex that presents the framework or detailed ToR or your full plan for that component.*

NOTE: *Please use the separate template (soon on the FCPF website) entitled “FCPF R-Plan Template for Submission” to fill in your responses to this template’s questions and requests, and to attach your ToR or plans.*

The FCPF does not expect that the activities identified in the R-Plan and its ToR would actually occur at the R-Plan stage. Instead, the R-Plan consists of a summary of the current policy and governance context, of what activities would occur under each major R-Plan component, how they would be undertaken in the R-Plan execution phase, and then a framework ToR for each component as an attached annex. The activities generally would be performed in the next, R-Plan execution phase, not as part of the R-Plan.

A country may be ready to perform some activities now, based on having held stakeholder consultations and governmental deliberations. In this case, please complete the R-Plan, present your ToR or plans, and begin those activities you are ready to commence. The FCPF \$200,000 or larger assistance grant can be used to begin implementing one or more elements of your R-Plan, while the rest of the plan is being developed. A full plan would need to be submitted and reviewed, however, as detailed below.

9. **Submission and review of the R-Plan:** Generally, a country will complete its R-Plan over a number of months, if needed with technical assistance from its development partners. Some components are likely to be finalized more easily than others. Once the R-Plan is deemed complete, a country will submit its full R-Plan to the FCPF FMT.

Each country's submitted R-Plan is expected to be reviewed similarly to the review of R-PINs, by the FCPF Technical Advisory Panel expert members, the FCPF Facility Management Team, and the Bank's regional or country office. When deemed complete and consistent with the FCPF rules, the R-Plan will be forwarded to the FCPF Participants Committee, for its review and approval, or comments on how it could be enhanced.

R-Plan review criteria: The criteria that could be considered during review of an R-Plan are a subset of the review criteria used for review of R-PINs and for selection of REDD countries into the FCPF program, with some description of how they are pertinent to the R-Plan context. The criteria listed below are preliminary and may be modified from time to time.

Criterion (i): Ownership of the proposal by both the government and relevant stakeholders (defined in the R-Plan context as: inclusiveness of the consultation plan and national working group on REDD, in terms of including major stakeholders and key government agencies beyond the forestry department, and reporting on their discussions and decisions. In summary, does the R-Plan's REDD strategy early discussions, consultation plan, and terms of reference of the six R-Plan components seem likely to provide an adequate basis for the country's body of work needed to achieve readiness for REDD?);

Criterion (ii): Coherence between national and sectoral strategies and proposed REDD Strategy (defined in the R-Plan context as consistency with or clearly integration into a country's existing or proposed land use policy dialogue, and relative consistency across the proposed ideas for the REDD strategy, REDD implementation framework, and governance and existing programs, policies and development plans);

Criterion (iii): Completeness of information and data provided (defined in the R-Plan context as coherence of the initial ideas proposed for the REDD strategy, quality of consultation plan, ToR for all components and implementation budget and schedule);

Criterion (iv): Clear responsibilities for the execution of REDD activities to be financed (defined in the R-Plan context as a clear, inclusive, and functioning national REDD working group process and set of institutional arrangements for executing the R-Plan studies and activities);

Criterion (v): Feasibility of proposed activities to reduce deforestation and forest degradation and their likelihood of success; and

Criterion (vi): Variety of approaches (defined as approaches that can contribute to the learning objective of the FCPF), that: a) propose innovative and/or comprehensive strategies or programs and approaches on how to tackle deforestation and degradation; b) focus on innovative and/or advanced concepts of monitoring, reporting and remote sensing, including for forest degradation, biodiversity protection and social benefits; c) propose to test new mechanisms and distribution methods of REDD revenues; d) provide regionally important leadership in addressing REDD or in certain technical areas relevant to Readiness; and e) demonstrate approaches that are inclusive and focus on REDD in combination with poverty reduction, livelihood enhancement, and/or land tenure rights, including alternative forest sector or other governance arrangements.

10. Development of a Readiness Package, in FCPF Phase III: An FCPF REDD Country Participant is likely to need to undertake the steps included in the R-Plan components, plus others that vary by country context and existing capacity, to be able to turn its R-Plan into a Readiness Package during FCPF phase III (Conduct R-Plan Studies and Activities). The Readiness Package represents the final product of the Readiness process. It describes: (i) the REDD strategy and REDD implementation framework that have been prepared and vetted through a multi-stakeholder consultation process; (ii) the reference Scenario that has been adopted and published; (iii) the Monitoring System that has been designed.

The REDD Country Participant can submit the Readiness Package to the FCPF for endorsement. Based on the advice rendered by the Technical Advisory Panel, the Participants Committee would endorse the Readiness Package. The endorsement would also clear the REDD Country for a potential emission reduction transaction with the FCPF Carbon Fund.

11. R-Plan length: Please keep the length of your R-Plan under 50 pages, plus the required annexes.

12. Key definitions for the R-Plan:

Note: The definitions proposed in this R-Plan template are for illustration and may be adjusted from time to time. If there is any inconsistency between the terms defined in this template and those under the Charter, the Charter will prevail.

Additional Benefits: quantifiable and verifiable enhancement of conservation of biodiversity and/or improvement of local livelihoods realized as a result of implementation of the REDD activities;

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Annex: an attachment to the R-Plan that provides the Terms of Reference or a plan for how a country will address an R-Plan component;

Component: one of the six FCPF R-Plan major elements or sets of activities on a given REDD Readiness function;

Monitoring system: a nationwide monitoring, measuring and verification system, capable of monitoring emission reductions against an established reference scenario;

National and subnational activities: The scale of REDD activities in a country, likely to be implemented in a range of scales from fully contained projects on clearly identified parcels of land, to state-wide or island-wide policies or programs at a larger scale, on up to fully national-scale programs. An important REDD system design consideration is how these various scales of activity are managed, monitored, reported, and addressed from a policy perspective in each country, and internationally, in terms of methodological issues (e.g., reference scenarios, MRV system design), reporting to avoid double-counting in a national registry or other approach, etc.

Plan: a work plan laying out how a country would a set of identified tasks in order to achieve readiness to undertake REDD, for a specific R-Plan component (e.g., a consultation and outreach plan);

Readiness Plan or R-Plan: a plan submitted to the FCPF Facility Management Team by a REDD Country Participant, which builds on the Readiness Plan Idea Note and details the activities to be undertaken by that country to increase its capacity to address REDD;

Readiness Package: end product resulting from the execution of the R-Plan studies and activities;

REDD Strategy: a strategy prepared by the REDD Country Participant describing how the REDD Country Participant intends to reduce Emissions from deforestation and/or forest degradation.

REDD Strategy Implementation Framework: The set of institutional, carbon accounting or reporting, legal, and governance arrangements that enable a country to implement its REDD strategy, to market carbon assets from REDD activities, and to distribute REDD revenues. The combination of a country's REDD strategy, socioeconomic and governance context, and existing institutional capacity, may require it to revise some institutional arrangements or policies in order to implement its REDD strategy. The REDD implementation framework could include activities such as: definition of ownership and transfer of carbon rights; tracking implementation of REDD activities and payments in a national carbon registry; definition of the scale of REDD activities in a country (project, sub-national, and/or national level), and how activities at different scales will be implemented and monitored; the roles and responsibilities of government agencies, communities and the private sector in managing carbon assets; clarification or revision of specific land tenure or other legal arrangements or policies; etc.

Reference Scenario: a combination of recent historical data on emissions from deforestation and/or forest degradation and estimated future emissions resulting from forest carbon stock changes leading to a national scenario through time of emissions, in the absence of additional positive incentives for REDD;

Regional approach: An analytic, monitoring or other approach to REDD capacity building or implementation developed in common for use in more than one country, usually in a generally recognized ecosystem or geographic region. Countries may choose to jointly develop analytic or methodological tools (like economic models to assist in reference scenario development), reference scenarios, the design of a REDD monitoring and reporting system, or capacity building and training. Generally each country would need to report its own reference scenario, or other national portion of a common regional approach, however, to assure national ownership and consultation.

Reporting: country communications to domestic and international audiences information and data about its REDD or greenhouse gas emissions Reference Scenario, greenhouse gas emissions in a given year or period, monitored and/or verified REDD emission reductions, or payments associated with those emissions reductions;

Verification: the periodic ex post assessment by an independent third party, of the monitored emission reductions and/or additional benefits (e.g., rural livelihood, biodiversity conservation) arising from REDD Strategy activities during a specific period.

- 13. Resources and guidance for completing the R-Plan:** Some references to useful documents are listed. A Consultation Guidance document is available on the FCPF website. Other guidance documents or useful resource

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documents will be added to the FCPF website as they become available. Some draft tables are provided throughout the template that may help focus your ideas and presentation of material. They are optional, to stimulate your thinking and R-Plan preparation. (The tables can be modified in any way that seems useful to you, by changing the titles or adding or deleting columns or rows; by generating new organization charts, graphics or tables to present your work plans or thinking to date on an R-Plan component. Tables can be manipulated easily by right-clicking your mouse on a line (usually at the top or side of the table) and dragging it to wherever you want it; by going to Table or Layout in Word, and then highlighting a row or column to Merge (combining two cells) or Split (separating cells in half); changing the layout to Landscape; or whatever you find useful.) The UN-REDD website (<http://www.undp.org/mdtf/UN-REDD/overview.shtml>), GOF-C-GOLD, Winrock International, World Resources International, UNFCCC and other websites offer useful materials.

14. More information about the FCPF, as well as further guidance on what to consider including for the specific sections of the R-Plan template, is available at www.forestcarbonpartnership.org. Questions or comments about the R-Plan template can be directed to Ken Andrasko (kandrasko@worldbank.org, tel +1-202-473-8355) or Werner Kornexl (wkornexl@worldbank.org, tel +1-202-458-7916).
15. When complete, please submit the R-Plan to: 1) the World Bank Country Director for your country or the World Bank Country Manager in your country; and 2) the FCPF Facility Management Team at fcpfsecretariat@worldbank.org.

Table 1: R-Plan and the FCPF Program Phases

FCPF Program Phases	Country Eligibility	Potential Funding from FCPF
<p>Phase I: Submit R-PIN Outcome: R-PIN review and selection by FCPF Participants Committee</p>	<p>Eligible countries</p>	<p>\$0</p>
<p>Phase II: Formulate Readiness Plan: REDD Country Participant prepares the Readiness Plan (i.e., this phase), using this template Outcome: Country prepares and presents R-Plan to FCPF</p> <p>Nine major components:</p> <p>1. Land use, forest policy and governance quick assessment: Prepare an early analytic assessment of past experience to reduce deforestation, to identify promising approaches and lessons learned. Analyze governance and legal issues related to land use pertinent to REDD actions. Independent or external expert authors may be commissioned, to enhance objectivity and quick preparation. <i>Requirement: Quick, short analytic synthesis of past performance, potential opportunities to explore for REDD, and key barriers, to inform REDD strategy development.</i></p> <p>2. Management of Readiness:</p> <p>2a. Convene National REDD Working Group: Present the design of a national working group to coordinate Readiness activities and ultimately REDD implementation, its methods of operation, and how REDD will be integrated into the existing land use policy dialogue. The working group process should include internal and external stakeholders, and the coordination of donor efforts supporting REDD or land use activities. <i>Requirement: Summarize a work plan to synthesize and manage the REDD program; and prepare the framework ToR for that work plan.</i></p> <p>2b. Prepare a REDD Consultation and Outreach Plan: Prepare a REDD consultation and outreach plan, to ensure continuous, inclusive consultation during the development (and eventual implementation) of your REDD strategy, implementation framework, reference scenario, monitoring system, and other R-Plan components during the Readiness phases. Special attention should be given to discussion and assessment of potential social and environmental impacts of the evolving REDD strategy. <i>Requirement: Summarize the consultation and outreach plan, and attach that plan as an attachment (note: full plan required, not ToR).</i></p> <p>3. Design the REDD strategy:</p> <p>3a. Assess candidate activities for a REDD Strategy: Summarize the outlines of a REDD strategy and candidate activities, building on the land use policy assessment (above), stakeholder consultations, and analytic work. Summarize the knowledge and capacity gaps, and analytic activities needed to elaborate and define a REDD strategy. <i>Requirement: Summarize a work plan to reach a decision on REDD strategy design; and prepare the framework ToR for analytic work and studies needed to reach this decision and define capacity building needs.</i></p>	<p>FCPF countries with approved R-PIN or its equivalent</p>	<p>\$200k optional, via FCPF Preparation Grant</p> <p>Other sources: bilateral, foundation, NGO funding; UN-REDD for 9 countries</p>

FCPF Program Phases	Country Eligibility	Potential Funding from FCPF
<p>3b. Evaluate potential additional benefits of REDD, including biodiversity conservation and rural livelihood: Conduct an assessment of potential benefits of the REDD strategy for biodiversity conservation and rural livelihood, and other benefits deemed important by a country (e.g., water supply). <i>Requirement: Summary of your approach to assessing potential additional benefits of REDD, and potential negative impacts. Summarize your framework ToR and attach the ToR as an annex.</i></p> <p>3c. Trade-offs Analysis: Assess the trade-offs across candidate elements of your REDD strategy in terms of your broader land use policy dialogue and sustainable development policies, to help define an integrated REDD strategy. <i>Requirement: Summarize a work plan to make this selection; and prepare the framework ToR for that work plan.</i></p> <p>3d. Risk assessment of your REDD strategy Evaluate barriers to successful implementation of your REDD strategy, risks associated with the strategy elements you propose, and ways to reduce or compensate for those risks. <i>Requirement: Summarize a work plan to make this selection; and prepare the framework ToR for that work plan.</i></p> <p>4. REDD implementation framework: Assess the institutional arrangements and legal requirements needed to implement REDD activities, including design of equitable payment mechanism. Issues to be analyzed and addressed are likely to include ownership of carbon rights, equitable revenue sharing mechanisms, national carbon registry to manage different REDD activities and revenue streams, etc. <i>Requirement: Summarize a work plan to develop this framework; and prepare rough draft framework ToR for that work plan (recognizing these framework issues are complex and not well understood).</i></p> <p>5. Assess the social and environmental impacts of candidate REDD strategy activities: Assess potential impacts by performing an impacts assessment, using the Environmental Strategic Management Framework or another analytic approach (both explained in component 5 below). Feed this assessment into the consultation plan and ongoing consultations. <i>Requirement: Summary of proposed impacts analysis, using the Environmental Strategic Management Framework or other approach. Summarize framework ToR and attach the ToR as an annex.</i></p> <p>6. Assess investment and capacity building requirements: Assess candidate REDD strategy elements and the REDD implementation framework, in terms of capacity requirements, financial support needed, and gaps existing with regard to potentially available resources. <i>Requirement: Summary of rough estimates of investment requirements, capacity requirements, and gaps for your major REDD strategy elements. Summarize framework ToR and attach the ToR as an annex.</i></p> <p>7. Develop a reference scenario of deforestation and degradation: Develop objectives; a work plan to realize those objectives during the R-Plan implementation phase; and prepare the ToR for the majority of that work plan.</p>		

FCPF Program Phases	Country Eligibility	Potential Funding from FCPF
<p><i>Requirement: Summarize a work plan to develop a reference scenario; and prepare the framework ToR for that work plan.</i></p> <p>8. Design and implement a monitoring, reporting and verification system for REDD: Provide the capacity to monitor forest sector carbon emissions and other benefits over time, in relation to the Reference Scenario. <i>Requirement: Summarize a work plan to design and implement a MRV system during the R-Plan Implementation phase; and prepare a framework ToR for the majority of that work plan.</i></p> <p>9. Design a system of management, implementation, and evaluation of Readiness preparation activities (optional): Synthesize all R-Plan components into a REDD national program that is effectively and transparently managed, and regularly evaluated using pre-established indicators of performance and effects on development plans. <i>Requirement: We recommend you begin to develop a means to synthesize and manage the REDD program, including evaluation of progress at regular intervals. No ToR is required at this time.</i></p>		
<p>Phase III: Conduct Readiness Plan Studies and Activities:</p> <p>REDD country implements its Readiness Plan to produce Readiness Package, after its R-Plan has been approved by the FCPF.</p> <p>Outcome: Readiness Package outlined in the approved R-Plan is produced and, at country’s request, reviewed and assessed by FCPF FMT and Participants Committee.</p> <p>Components (draft):</p> <ol style="list-style-type: none"> 1. Manage implementation of REDD Readiness activities via the REDD working group and other appropriate entities. Continue the national REDD consultation process. Evaluate readiness progress, and report early findings, issues and insights regarding implementation. 2. Perform analytical work in-country needed to finalize selection of national REDD Strategy components, and the Reference Scenario: opportunity cost analysis of current and alternative land uses, targeting of policy interventions, legislative or regulatory changes, land cover change and carbon emissions in the reference period, etc. 3. Finalize the national REDD Strategy in consultations with stakeholders, and communicate it to broad audience. Conduct assessment of environmental and social impacts of REDD, additional benefits, trade-off analysis, and investment and capacity building requirements, and feed the results into finalization of the REDD strategy. 4. Refine the REDD Implementation Framework of institutional arrangements and legal requirements tailored to your country context (e.g., national accounting system or registry for emission reductions, tracking of REDD revenue distribution, etc.). 5. Determine how to integrate new investments required into existing REDD Strategy and management, and seek investment funding. 6. Present the Reference Scenario to stakeholders, reach government consensus on it, and publish the scenario and supporting data. 7. Design the Monitoring, Reporting and Verification system (e.g., assemble data, build capacity for analysis in country, establish permanent plots for 	<p>FCPF countries with approved R-Plan or its equivalent</p>	<p>Decision pending</p> <p>FCPF expected average: \$1-3 million</p> <p>Other donors expected as well</p>

FCPF Program Phases	Country Eligibility	Potential Funding from FCPF
<p>carbon density measurements, etc.) and, possibly, subject to resource availability, use it to begin monitoring REDD activities and their effectiveness, and additional benefits, relative to the Reference Scenario.</p>		
<p>Phase IV: Investment and Implementation Phase (generally outside of the FCPF program): Country identifies and solicits private and public sector investments and capacity building necessary to fully implement its REDD Strategy, REDD Implementation Framework, etc.</p> <p>Note: Phase IV and V do not need to be in that sequence; either could start first.</p>	<p>Any REDD country</p>	<p>Domestic, bilateral or private sources. Possibly Forest Investment Program (not yet decided)</p>
<p>Phase V: Payments for emission reductions:</p> <p>A country that has established a reference scenario, put in place a monitoring system and a REDD strategy may request to enter into a transaction with the Carbon Fund of the FCPF or another entity providing carbon finance.</p>	<p>About 5 countries with Readiness Packages approved by FCPF Participants Committee</p>	<p>Incentive per tonne of CO₂</p>

**R-Plan General Information:
Please Fill in**

1. General Information:

Briefly describe the R-Plan formulation process: Through what process was it generated, how was did stakeholder consultation take place, who wrote it and who was consulted, etc.?

a) Name of submitting institution and person:

Title:

Contact information

Address:

Telephone:

Fax:

Email:

Website, if any:

Affiliation and contact information of Government focal point for the FCPF:

b) List authors of R-Plan, contributors to the R-Plan, and others consulted, and their organizations:

c) Describe any technical assistance received from outside experts or organizations in producing this R-Plan. Is any technical assistance planned on REDD over the next year or so? (e.g., technical consulting, analysis of deforestation or forest degradation in country, etc., and by whom):

2. Current country situation: brief stand-alone summary.

Please provide a short (1-2 page?), stand-alone summary of the current situation regarding the forest and land use sector, deforestation and degradation of forests in your country. (Can be adopted from Question 3 in the R-PIN template, or expanded as needed.)

Questions to address include: Description of major forest types, number of hectares by region, and major trends in land use change; where do forest deforestation and forest degradation occur in your country, how extensive are they, and what are the major drivers of forest cover change? (e.g., number of hectares deforested per year, by region and forest type; differences across land tenure (e.g., national forest land, private land, community forest, etc.).

Requirement: Current country situation summary here:

3. Definition of objectives, approach, and responsibilities for the R-Plan process:

Note: FCPF expects the R-Plan process to be a significant, inclusive, forward-looking and coordinated effort to consult among all major affected parties.

Briefly define the major objectives of the R-Plan: What is it designed to achieve?

How would the result of the process change current land use and other sectoral behavior, policies, or governance, so that reductions in deforestation and degradation can occur?

For which aspects of the R-Plan does the country seek external support? (This builds on question 6 in the R-PIN template.)

Component 1: Land use, forest policy and governance quick assessment

Requirement: Prepare a quick, early analytic assessment of past experience with efforts to reduce deforestation or forest degradation in your country, and relative successes and shortcomings, leading to identification of major potential deforestation reduction approaches, by major cause and driver of deforestation and degradation.

This quick analytic roughly 10-15 page paper would also identify the major relevant knowledge gaps that would be needed to be analyzed more in detail. This paper should help set the stage for the R-Plan process, by pointing to what has failed and why, and what shows some promise from prior experience in your country context, thus helping to narrow the opportunity set to promising activities and approaches.

This analytic paper is likely to be more useful if it is an objective appraisal of policies and programs attempted to slow deforestation and forest degradation, governance issues, and the current national context for attempting to undertake REDD activities. Bear this need for objectivity in mind when selecting authors for this study.

Potential topics to address in this overview paper include:

- The paper should quickly summarize the currently available information on land use and forest policies and evaluate promising project, state, and national policy and pilot project efforts.
- Summarize the role of domestic and international technical and financial assistance in policies and projects tried to date, and lessons learned about what has worked or not, and why.
- Briefly summarize analyses available of the status of major governance and legal issues related to forest and land use rights in the country, the challenges faced, and actions attempted and still needed to address these challenges pertinent to REDD actions.
- Examples of potential governance issues could include: making progress toward addressing land tenure claims in specific areas and land tenure types where REDD activities are planned, enhancing efforts to define the rights to natural resource use, piloting equitable approaches to distribute subsidies, revenues and investments in the land use sector in ways that include the poor and forest dwellers; how public policy regarding land use issues is made; the effectiveness of forest and land use enforcement systems and authorities; etc.
- Is the infrastructure and institutional and other capacity utilized in previous policies or projects still available at this time, to rework it to use for REDD purposes?
- Could promising pilot projects be scaled up for REDD at a national scale?

- Review of institutional responsibilities: It may be helpful to review which agencies are responsible for: forest monitoring and forest inventories, forest law enforcement, forestry management and policy, forest conservation, and coordination across forest and agriculture sectors, and rural development generally. (R-PIN Question 2).
- Early REDD strategy review: A review of existing information, and assessment of knowledge gaps, may be helpful. You could continue your R-PIN assessment of what you currently know from previous studies, programs and their performance, and the experience of other countries.
- Identify gaps in knowledge, experience, etc., and identify how to fill those gaps. Incorporate this gap-filling into your R-Plan.

Requirements for Component 1:

1.1. Executive Summary of the quick assessment paper:

1.2. Partners and organizations involved (describe who wrote the paper, data sources, and the process):

1.3. Requirement: Attach your completed Land use, forest policy and governance quick assessment paper as Annex # 1.

Component 2: Management of Readiness

2a. Convene a national REDD working group to coordinate REDD activities, and how REDD will be integrated into the existing land use policy dialogue

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

2. Management of Readiness:

Organizing the REDD Readiness Plan and its wide range of activities requires careful management and continuous consultation with stakeholders. These moving parts need to be merged into a REDD national program that is effectively and transparently managed.

This effort has two major elements:

2a. Convene a national REDD working group to coordinate REDD activities, and how REDD will be integrated into the existing national forest policy dialog; 2b. Prepare a REDD Consultation and Outreach plan, to ensure continuous, inclusive consultation during the development of your Readiness Package;

2a. Convene a national REDD working group:

Present the design of a national working group that will coordinate readiness activities, its methods of operation, and how REDD will be integrated into the existing forest policy dialog. Demonstrate that this group has met, and is capable of effectively managing the complex Readiness process.

2a.1. Rationale:

Given the complexity and long timeframe involved, an entity is required to synthesize all R-Plan components into a REDD national program that is effectively and transparently managed, and regularly evaluated using pre-established indicators of performance and effects on development plans. A formal or informal national REDD working group or similar entity has been established in several countries (e.g., Lao, Ghana, Indonesia) to provide this coordination. This coordination body should be supported by some staff serving as a secretariat, either located together or dispersed across their home government agencies or other institutions, but in regular communication. In some cases, such working groups can also be supported by international NGO or bilateral technical assistance and funding.

2a.2 Design of the working group:

Since coordination of Readiness activities is crucial even to develop the R-Plan, please provide below the design of a national working group or other formal body to develop and coordinate REDD in your country. Provide the institutional organization chart or description of the organization, its members and how they communicate and function:

a) Which agencies or other institutions, NGOs, interest groups, private sector, donors, etc. will be involved? Which national government institutions will have the lead for the R-Plan process, and which will play other roles in that process? A REDD working group is likely to need active involvement of ministries and other entities beyond the forestry ministry or environment department, most likely including the agriculture, planning and probably treasury ministries at a minimum.

b) Which subnational, provincial government, civil society, or other organizations do you expect to be involved in the R-Plan process, and what will the role of each be in this process?

c) Will local community-based organizations, forest dwellers and/or indigenous peoples (IPs) be involved in the working group and planning process? If so, how and at which stage?

d) We understand that such a group or council may not have been fully developed yet in all countries, but strongly encourage its development as soon as possible. Please describe the objectives, authorities (i.e., source of its legitimacy as the entity coordinating REDD), methods of operation, and meetings to date. To demonstrate the

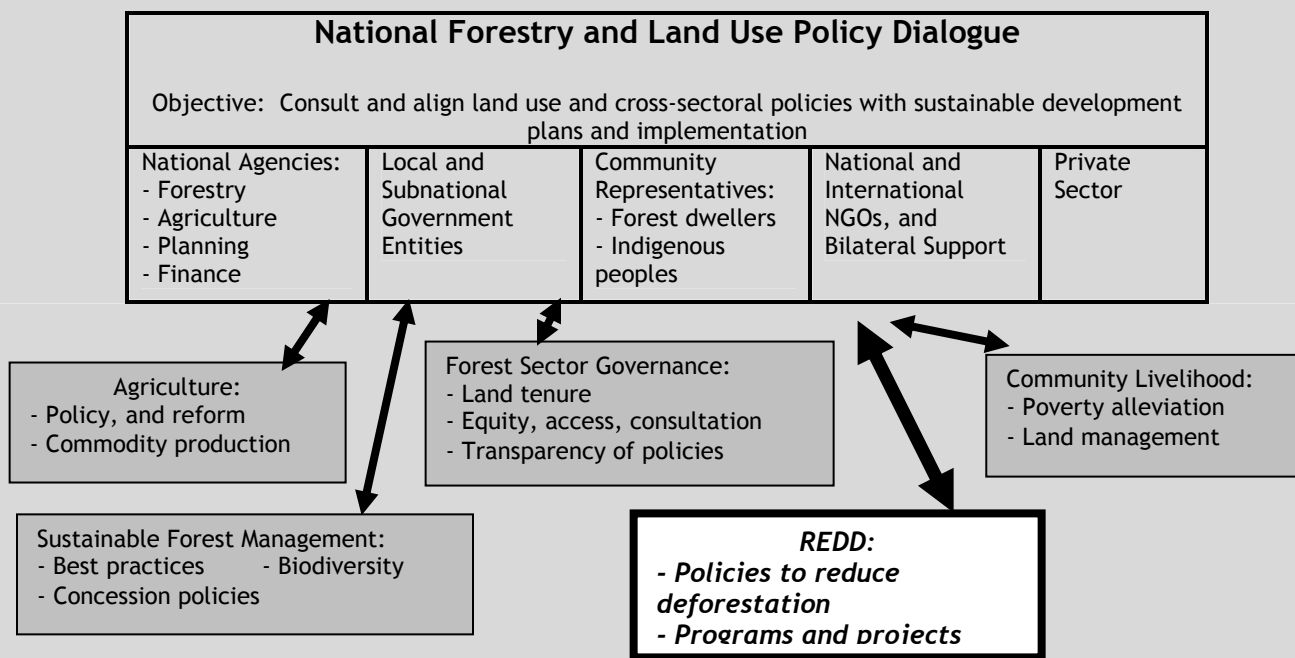
potential for it to successfully manage REDD in the national context, please describe at least one meeting of this body, and show how it has reported on its discussions, conclusions, and next steps as widely as possible at this stage of its existence.

e) REDD is a new potential opportunity to support sustainable development, but is not yet very well studied, nor has it been widely implemented. Therefore, REDD strategies needs to be seen within in the context of ongoing land use and forest polices and their stakeholder discussions. Please clearly describe how this working group is, or will be, fully integrated into the existing forest policy dialogue addressing a wide range of forestry and development topics (e.g., forest policy, land tenure, sustainable forest management, etc.). If any existing forest and land use policy dialogue is underway, describe how REDD will be integrated into this ongoing process. What new elements would be added by the REDD to the country’s land use practices and polices? Are there significant barriers to such integration, or challenges, and how could they be overcome?

If the existing policy dialogue is only just beginning, or is too centralized and does not provide for significant representation of major stakeholders in potential REDD activities, describe how the policy dialogue will be reorganized or expanded to accomplish the management and consultation functions necessary for REDD.

Resource: Figure 1 provides a generic process chart showing the potential relationship of the REDD issue to the broader forestry, sustainable development, and land use policy dialogue underway either formally or informally in each country. This may stimulate your own thinking or presentation in your R-Plan.

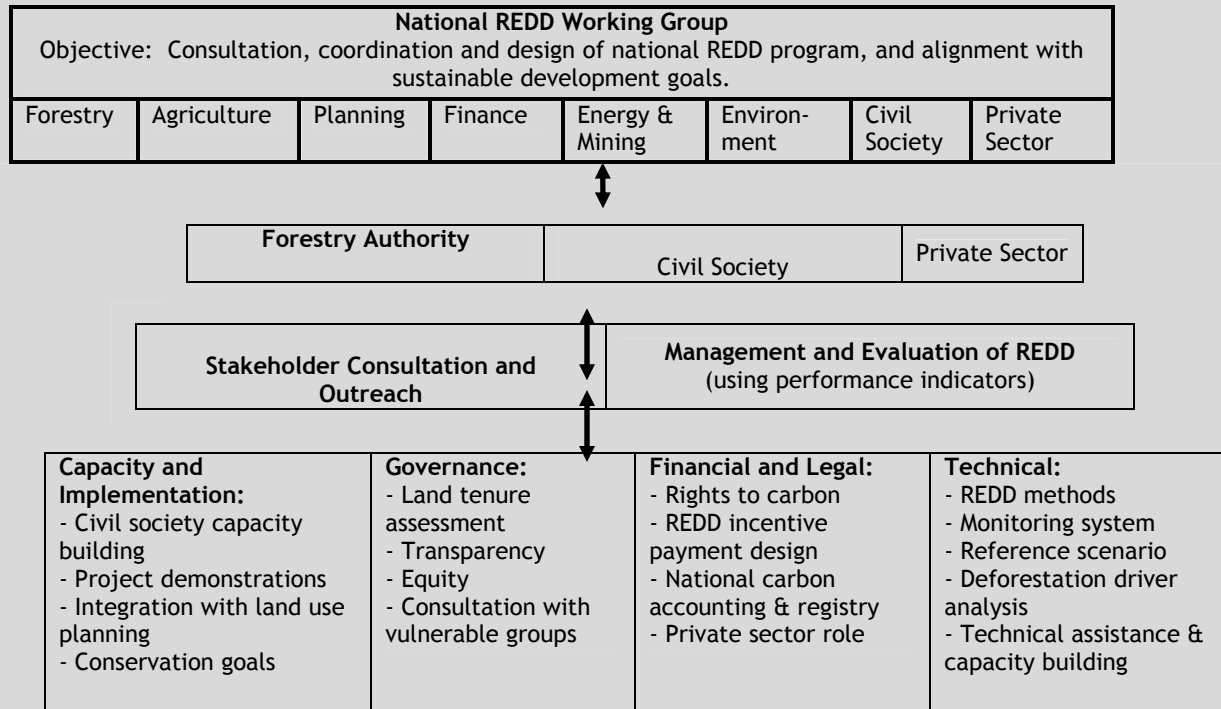
Figure 1: Potential Relationship of REDD Issue to National Forestry and Land Use Policy Dialogue



Resource: Figure 2 offers a generic design for a national carbon working group, summarizing the way existing working groups on REDD are organizing in several countries. This may stimulate your own thinking or presentation in your R-Plan.

Resource: Figure 2 offers a generic, potential design for a national carbon working group.

Figure 2: Resource: Generic Design for a National Carbon Working Group



Requirements for Component 2a:

By filling in the outline below, summarize the REDD working group and management design and process

2a.1. Design of the working Group:

Design and set up of the group, organization, members, communication:

2a2. How would the REDD debate be linked and integrated into the overall land-use and forest dialogue?

2a3. Type, schedule and sequencing of activities to be developed by working group:

- Describe at least one meeting of this group: attendees, agenda, and outcomes.

2a4. Requirement: Attach ToR or plan for component 2a as annex.

2b. Prepare a REDD Consultation and Outreach Plan

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

2b.1. Objectives of the Consultation and Outreach plan:

A national consultation with major stakeholders about a country's plans for exploring REDD -- and eventual implementation of the R-Plan -- should occur on a continuous basis for each component of the R-Plan. The basic purpose of such consultation is to make decision-making more inclusive, transparent and accountable, by achieving meaningful consultation at the early planning stages. This ultimately will not only enhance its benefits to local communities and other stakeholders, but also help introduce REDD activities, and ensure their long-term viability. Policies to promote REDD will only be successful with meaningful participation of relevant stakeholders, including vulnerable groups such as forest-dependent communities and Indigenous Peoples, women and youth. Some guiding principles of consultation include: the engagement of diverse and relevant stakeholders; making use of existing networks and local knowledge; using effective communication channels; information dissemination; and allowing for independent verification.

Consultation is essentially a cross-cutting, ongoing process. It needs to be woven into the fabric of each major component of the R-Plan, to encourage initial feedback to inform the design of a REDD system for your country. Consultation can provide regular assessment of how the evolving process of designing and later implementing REDD is progressing according to stakeholders. Lastly, consultation can help assure that issues discovered during performance or system design can be evaluated and corrected by programmatic adjustments.

The consultation plan should define how different stakeholders will be involved in the implementation process of each component of the Readiness Plan. Stakeholders for defining the REDD strategy can be different from stakeholders of the monitoring activities, of the reference scenario, and of the identification of financial mechanisms. Possible objectives of a Consultation Plan include:

- Educating stakeholders about REDD, including potential benefits, the climate negotiations process, and issues raised, to develop support for REDD activities,
- Establishing formal feedback channels, by reviewing potential REDD strategies for stakeholder inputs, consideration of their interests, implications for land use practices, etc.
- Designing effective policies and REDD activities that are responsive to stakeholders' concerns;
- Striving towards equitable outcomes of policies and REDD activities and ensuring that forest dwellers benefit from the revenues from REDD;
- Supporting improvements in forest governance;
- Improving the quality of decision-making process by giving voice to and capturing the experiences of civil society organizations, Indigenous Peoples and forest dwellers community and other vulnerable groups;
- Supporting the creation of regulatory frameworks and institutional arrangements for REDD that are socially inclusive, transparent and accountable.
- Finding ways to include vulnerable stakeholder groups like forest dwellers and indigenous peoples in the major R-Plan component (e.g., potential role in monitoring activities on communal forest lands, etc.).

2b.2. Resources available:

A guidance note is available on the FCPF website that assist REDD countries in preparing a Consultation and Outreach Plan. See http://carbonfinance.org/docs/Guidance_for_Consultation_and_Outreach_Plan_09-27-08.pdf

2b.3. Conduct a national REDD planning dialogue or workshop:

Countries are encouraged to conduct an initial R-Plan planning dialogue (a process over time) or workshop (an event) prior to submitting the R-Plan to produce inputs into the Consultation Plan, orient key stakeholders on REDD, assess current gaps in information, and discuss priorities for the REDD preparation process. Key elements of this consultation process might include: policy dialogue roundtables among diverse stakeholders, conflict recognition and resolution dialogues, permanent working groups on key issues, agreement on reporting and outreach processes and timing, etc.

Please briefly describe how and when such a process or event was organized, who was invited to attend, who

managed the process or workshop, and how interested and affected parties were involved. (Builds on Question 7 in R-PIN template.)

a) Outreach: How will (or how were, if already occurred) the results of this workshop or initial planning be communicated to interested parties, including local communities and IPs and to the FCPF?

2b.4. Summarize the Consultation Plan for the R-Plan process:

a) Please summarize your consultation Plan below. Attach the full plan as Annex 1, Consultation and Outreach Plan. A short description of the Consultation Plan potentially could address:

- Who developed the Plan?
- What methods would be used (e.g., workshops, survey, trainings, etc.)?
- Stakeholder identification: Who are the targeted potentially affected groups that will be involved in the consultations? What stakeholder group would be consulted on what component (monitoring, REDD strategy, reference scenario, etc.?) How attendees are selected?
- Stakeholder analysis: what are the potentially affected interests of various stakeholders?
- When and where will consultations occur? Does this Plan involve consultations outside the capitol or major cities, in areas where REDD activities are likely to occur?
- What will be the format of the consultations, and what topics will they cover?
- Outreach and Communication: How will results be disseminated? To whom? And how often?

b) Potential consultation topics include topics discussed in the consultation guidance document, including:

- what to consult on, and the process of consultation,
- how to select participants, and how they will participate,
- proposed REDD strategies, and institutional frameworks,
- how the reference scenario and monitoring system are being designed, what the latter should monitor, and how forest dwellers will be consulted,
- issues of forest laws, land rights and land tenure security, land governance and the interests of poor and marginalized forest dwellers including IPs,
- how any performance-based REDD payments would be equitably distributed, to guarantee that marginalized peoples participate in REDD revenues, etc.
- Stakeholder analysis and political economy risk: could benefits from REDD activities be captured by elites? What kind of opposition or distortion of activities by influential stakeholders are to be expected?
- Institutional risks: analysis of institutional capacities to include local level institutions and cooperation.

c) Please give special attention to how the consultation Plan will attract participation from indigenous peoples and other forest dwellers, and other vulnerable, affected peoples.

Requirements for Component 2b:

By filling in the outline below, summarize your Consultation and Outreach Plan. (Note: a full Plan is required here, not simply ToR.)

2b1. Summarize your Consultation and Outreach Plan under this component, under the headings provided:

a) Include all major components of your R-Plan (e.g., monitoring, etc.)

b) Who developed the Plan?

c) What methods would be used (e.g., workshops, survey, trainings, etc.)? What will be the format of the consultations, and what topics will they cover?

d) Outreach and Communication: How will results be disseminated? To whom? And how

often?

e) Stakeholder identification: Who are the targeted potentially affected groups that will be involved in the consultations? What stakeholder group would be consulted on what component (monitoring, REDD strategy, reference scenario, etc.). How are attendees selected?

Stakeholder analysis: what are the potentially affected interests of various stakeholders?

- What role would forest dwellers and indigenous peoples play?

f) When and where will consultations occur? Does this Plan involve consultations outside the capitol or major cities, in areas where REDD activities are likely to occur?

2b.2. Requirement: Attach your Plan as Annex 2b: Consultation and Outreach Plan

Component 3. Design the REDD strategy

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

3. Design an efficient, fair and sustainable REDD strategy:

This component is perhaps the most complex of the R-Plan process, and thus is divided into four major sub-components:

3a. Develop an efficient, fair and sustainable REDD strategy to reduce emissions, resulting from meaningful consultations with the full range of stakeholders, would be developed, complementing the existing national policy framework.;

3b. Evaluate potential additional benefits of REDD, including biodiversity conservation and rural livelihood; 3c. Trade-offs analysis; and

3d. Risk assessment of your REDD strategy.

Note: The R-Plan requirement is not to reach agreement on what your R-Plan is at this time (that may take consultations, analytic studies, etc. that are identified in the R-Plan, but have not yet been carried out). Instead, the R-Plan needs to present the ToR for the strategy component--how it will be undertaken, by whom, and when.

3a. Assess candidate activities for a REDD Strategy:

Definition: A national REDD Strategy is an economically effective, efficient and socially equitable set of national and subnational programs, policies, and land use practices capable of affecting land use behavior that reduces deforestation and degradation, and has been formulated and vetted through a meaningful policy and stakeholder consultation process.

National and subnational activities refer to the scale of REDD activities in a country, likely to be implemented in a range of scales from fully contained projects on clearly identified parcels of land, to state-wide or island-wide policies or programs at a larger scale, on up to fully national-scale programs. An important REDD system design consideration is how these various scales of activity are managed, monitored, reported, and addressed from a policy perspective in each country, and internationally, in terms of methodological issues (e.g., reference scenarios, MRV system design), reporting to avoid double-counting in a national registry or other approach, etc.

A regional approach may be used for elements of REDD Readiness that are agreed to be addressed in common by some countries. A regional approach is an analytic, monitoring or other approach to REDD capacity building or implementation developed in common for use in more than one country, usually in a generally recognized ecosystem or geographic region. Countries may choose to jointly develop analytic or methodological tools (like economic models to assist in reference scenario development), reference scenarios, the design of a REDD monitoring and reporting system, or capacity building and training. Generally each country would need to report its own reference scenario, or other national portion of a common regional approach, however, to assure national ownership and consultation.

3a.1. REDD strategy development:

a) Potential questions are offered below, to stimulate thinking about how to develop ToR to analyze your REDD strategy ideas:

- ✓ What are the drivers of deforestation and what are the links to other sectors?
 - Drivers of deforestation? Sectors, policies, behavior?
 - What are the Stewards of forest protection?
 - Strengths and Weaknesses of current public interventions and policies?
- ✓ What are the opportunity costs of current land use practices (i.e., the costs and internal rates of return financially for current land uses that a REDD strategy would need to change or displace in favor of less-deforesting land use practices or policies), versus the costs to implement strategies to reduce emissions?

- ✓ Analysis of the opportunity costs of existing and competing land uses can help provide a better understanding of the dynamics of deforestation and degradation, and can help you target which land uses, in which areas, for which deforestation drivers, are the most cost-effective to introduce or replace.
 - Resource: Presentations and publications are available: <http://go.worldbank.org/WGOVBCRCG0>
- ✓ What are the policy and regulatory changes that could be promoted?
 - Studies could be done by sector, region or country wide - starting with an assessment of the situation
 - Fiscal policies, removal of subsidies
 - Analysis of institutional capacity and cooperation
 - Land tenure security,
 - Forest law enforcement and compliance, and governance, corruption, etc.
- ✓ What are the key issues in law enforcement, and in forest sector governance, that may be important for the REDD strategies you are considering? (E.g., forest concession policies, contract enforcement, community participation in the decision making process, land tenure issues, etc.) What is your current and potential capacity to enforce forest laws?

3a.2. How would REDD activities at different scales be coordinated?:

The FCPF encourages exploration of a range of approaches to REDD, in terms of the scale of analysis and program implementation, but also encourages that any variety of approaches be clearly incorporated into the national REDD strategy and the monitoring and reporting systems. If subnational activities like existing or new land use management or carbon forestry projects or pilot programs are proposed, describe (in this component, or elsewhere in the R-Plan) how they would be managed, monitored and reported in the national context; how such activities will be tracked to avoid double-counting or under-reporting; etc.

3a.3. Summarize the outlines of a REDD strategy and candidate activities:

Develop and describe your initial ideas on the major potential activities, policies, programs, changes in land use practices, enhanced compliance with forest laws, etc. that could form the basis for your REDD strategy that would lead to lower emissions from DD over time. These activities or policies are likely to be ones tried before but that could be improved, new ideas that emerged from your consultations and analytic work, programs being experimented with in other countries or for other natural resource management issues (e.g., biodiversity conservation, or extension of agricultural productivity best practices). These activities would need to be designed to address the major direct and indirect causes, drivers, and regional conditions of deforestation and degradation. Take into account the land use policy assessment in component 1.

A draft table is offered below that may help focus your ideas and presentation, but it is optional, and can be modified in any way that seems useful to you.

Table 3a: Resource for Draft Table Summarizing REDD Strategies (optional)

Deforestation Cause or Driver, and Region	What regions or forest or land types are affected? Where would it be utilized?	REDD strategy to be introduced	Timeframe to introduce strategy, responsible entity (government agency, etc.), and cost estimate
[example: Shifting cultivation and persistent rural poverty]	[example: Middle highlands above 1000m elevation, in eastern Shyheese Province south of Yagung River...]	[example: Expansion of pilot community forestry and fuelwood plantations, combined with new cash crops using specially grown cultivar seed stock. Phased in over 3 years, on upper elevation villages with high erosion rates and high fuelwood demand. Improved access to urban markets for crops]	
Driver and region 2:			
Driver and region 3:			

3.b Evaluate potential additional benefits of REDD, including biodiversity conservation and rural livelihood:

Conduct an assessment of potential benefits of the REDD strategy for biodiversity conservation and rural livelihood, and other benefits deemed important by a country (e.g., water supply).

REDD programs should be designed to avoid harm to local people and the environment, and also, where feasible, to improve livelihoods and support local environmental conservation. REDD activities already have a positive impact on biodiversity by definition, as it reduced the deforestation rate. But, it also can actively enhance biological diversity by protecting and restoring natural habitat (e.g., by concentrating REDD emissions reduction programs on biodiversity hot spots) and preserving selected biodiversity hotspots as a matter of priority. REDD strategies should involve the improvement of livelihoods for local communities (e.g., by securing customary property or user rights to their forest land, and their land's timber and non-timber forest products). REDD revenues potentially could finance programs that would help forest communities to protect their immediate environment. In many cases, unless poverty is reduced, the real driver of deforestation and degradation will not be altered, and few if any REDD benefits will be sustained. Stronger resilience of ecosystems may enable a greater capacity for ecosystem adaptation to climate change, hence REDD may also enhance adaptation objectives.

Since there are likely to be limited REDD resources available, countries may want to explore ways of quantifying biodiversity and social benefits directly created by REDD programs, either by creating measureable indicators of biodiversity/social livelihood improvements or by targeting and directing financial resources to REDD activities that exhibit strong additional benefits for no, or only a marginal increase, in costs. Private and public investors in REDD have clearly indicated that reducing emissions from deforestation and degradation is a major objective, but would also expect that strategies involve forest dependent people, including indigenous and other forest dwellers.

Analysis of multiple benefits by overlaying data layers in GIS systems (e.g., biodiversity hotspots, potential for land conversion, proximity to communities) or other approaches may facilitate identification of the most promising, low-cost and multiple-benefits locations for a given REDD strategy element. Some elements in some locations may achieve cost-effective emissions reductions as well as creating additional livelihood benefits, provided that emission reductions from forest degradation are considered, that local stakeholders (in particular forest-dependent indigenous people and other forest dwellers) are properly consulted, and that they be able to benefit from incentive payments.

3c. Trade-offs and risk assessment for sustainable development:

a) Methods to consider trade-offs between elements of the REDD strategy another development or environmental goals:

The selection of one objective or development strategy, like implementing REDD activities, may entail implications for other development or environmental objectives, Thus, it is likely to be important in the final selection of the REDD strategy to evaluate the trade-offs across candidate elements of your REDD strategy in terms of your broader forest and land use policy dialogue and development policies. Please, consider following questions as you prepare your REDD strategies and integrate if possible in the dialogue or in the TORs for consultants:

- How would the proposed REDD strategies involve changes to existing or proposed development Plans and priorities in the major REDD strategy approaches and regions you envision? How would REDD strategies be integrated with existing or proposed forest sector and other sector policies, programs and trends?
- Are there conflicts between REDD strategies and other development or other goals that need to be resolved? Which stakeholders are involved, and how can they be brought into the REDD consultation process?
- What options exist to modify proposed REDD strategy elements, locations, or to compensate affected institutions or interest groups, via compensatory policies? What are the costs and feasibility of such modified approaches, and how do they alter the effectiveness and costs of the REDD strategy?

Resource: You can use the draft conceptual framework below for ideas for organizing your REDD strategy within the context of existing development plans, potential Governance issues and feasibility and costs (optional), or offer similar information.

Table 3c: Resource for Conceptual Framework for REDD Strategy Implications for Development, Across Sectors (optional)

REDD Strategy Element to be Introduced	Potential Consistency with Current Development Plans or Policies (Agriculture, Transport, Land Use Sectors)	Potential Interactions of Element with Land Use Practices and Governance (issues, and potential to mitigate)	Feasibility, and Cost, of Addressing Issue via REDD Design, Compensatory Policies, or Other Approaches
Element and region 1: [example: Reduce rural poverty in Central Highlands via fuelwood plantations and enhanced community forest management			
Element and region 2: [example: Review existing logging concession terms, and introduce forest certification, over 4 years, for 23 largest concessions totaling 500,000 ha, by December, 2012]			
Element and region 3: [example: Intensify cash crop productivity and access to urban markets in Namchel province shifting agriculture lands			
Element and region 4:			

How will you design the REDD Strategies so that they encourage integration across development and local sustainable development objectives, rather than their being introduced independently without reference to such objectives?

Have you considered the relationship between your potential REDD strategies and your country’s broader development agenda in the forest and other relevant sectors? (e.g., agriculture, water, energy, transportation).

Resource: The table below offers one simple conceptual approach for considering and presenting some of these trade-offs. Adapt such an approach to meet your own needs, if it appears useful.

Table 3d.1: Resource for Factors To Be Considered in Development Process of a REDD strategy (optional)

REDD Strategy Element Options (illustrative examples)	Potential Factors To Be Considered in R-PLAN Development Process (illustrative examples)					
	Capacity Assessment; Time for Implement	Social, Environmental Benefits and Impacts	Political Feasibility in Development Plan	Carbon Efficiency (estimated tones CO ₂ avoided)	Cost estimate (rough)	Cost efficiency (rough estimated \$ / t CO ₂ avoided)
Forest policy governance campaign						
Increase of protected areas						
Community forestry program						
Improvement of law enforcement						
Forest industry best practices, or certification campaign						

Enhance reforestation						
Intensification of soy bean or commodity crop productivity						
Indigenous land tenure clarification						
Regulatory approaches						
Etc.						

3d. Risk assessment of your REDD strategy

Both traditional and new barriers to program performance and investments will be associated with development of your R-Plan, your stakeholder consultation Plan, and the implementation of your REDD strategy. There also will be risks associated with development activities and policies-- political, economic or financial, socioeconomic and performance risks. These barriers and risks need to be identified, mitigated wherever possible, or the REDD strategy elements and implementation re-designed to minimize them. As you prepare the options and elements of your REDD strategy please consider to address following questions and issues to better understand the risks

a) As part of the REDD Strategy discussions, please list the most likely barriers to and risks associated with your strategies, and how you plan to address them: to avoid them, to involve the right constituencies adequately to address the barrier, or to develop new approaches to overcome the barrier. Then explain how you plan to address these barriers and risks during the implementation of the R-Plan in the months or years ahead.

Typical barriers could include: lack of trained technical experts; community resistance to new policies introduced from the national government; inadequate data or analytic capabilities in use of remote sensing data. Typical risks could include: domestic political risks of introducing a new policy; market uncertainties (e.g., potential changes in crop commodity prices, and hence of land values and agricultural patterns in the country; the price paid for deforestation emissions reductions); international policy process uncertainties (e.g., UNFCCC negotiations end up not allowing some activities you had planned). (Note that standard investment risks are treated in the investment discussion.)

Resource: Table 3d.2 below offers one way to begin organizing your assessment of barriers and risks. It is provided to stimulate your thinking and is optional.

Table 3d: Resource for Quick Risk and Barrier Assessment of REDD Strategies (optional)

Major REDD Strategy Elements Planned	Major Barrier or Risk	How Barrier or Risk Could be Addressed	Resource Requirements, etc.	Probability of Overcoming Risks and Barriers
Element and region 1	Barriers 1-2: Risks 1, 2, 3:			[example: low success likely unless spend \$300,000 per province]
Element and region 2	Barriers 1-2: Risks 1, 2, 3:			
Element and region 3				

Requirements for Component 3:

By filling in the outline below, summarize the framework ToR and attach the ToR as an annex, for each of the four parts of component 3:

3a.

3b.

3c.

3d.

3.1. REDD Strategy:

Objectives of the REDD Strategy:

Expected Outcome:

Who will lead and coordinate the design and organization of the REDD-Strategy:

Explain the process how the REDD strategy will be developed, what elements will be analyzed and what stakeholders will be involved::

Schedule and Sequencing of activities:

3.2. Attach ToRs for this component as separate Annexes # 3a, 3b, 3c, and 3d.

Component 4: REDD Implementation Framework

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

4.1 Background:

The REDD Implementation Framework is the set of institutional, carbon accounting or reporting, legal, and governance arrangements that enable a country to implement its REDD strategy, and manage REDD at a national level, to market carbon assets from REDD activities, and to distribute REDD revenues. The combination of a country's REDD strategy, socioeconomic and governance context, and existing institutional capacity, may require it to revise some institutional arrangements or policies in order to implement its REDD strategy.

This REDD Implementation Framework consists of activities that are the most unique to REDD, and the least well-developed in concept and in practice in countries. Significant new work is needed by the analytic and REDD country communities to adapt existing methods and program delivery approaches to the REDD opportunity. FCPF offers a pilot phase chance to experiment, assess performance, and refine the various elements of an implementation structure for each country context and REDD strategy.

The REDD implementation framework could include activities and issues such as:

- ✓ definition of ownership and transfer of carbon rights;
- ✓ selection of a national approach selected for the country (national boundary) or also subnational or project approaches (regional or project boundaries);
- ✓ definition of who would be entitled to sell Emission Reductions or receive payments for Emission Reductions;
- ✓ who would be managing the interaction with international buyers and investors;
- ✓ how any payments to local communities, agencies, or other entities would be structured and managed (i.e., how payments would occur, and to whom, for precisely what deliverable?);
- ✓ tracking implementation of REDD activities or projects and payments in a national carbon registry;
- ✓ definition of the scale of REDD activities in a country (project, sub-national, and/or national level), and how activities at different scales will be implemented and monitored;
- ✓ the roles and responsibilities of government agencies, communities and the private sector in managing carbon assets;
- ✓ clarification or revision of specific land tenure or other legal arrangements or policies; etc.

REDD will be implemented in different ways in each country, and probably for each major strategy element. Each combination of strategy and country socioeconomic and governance context could require some variation in the institutional structure, or perhaps a single institutional approach will work for a whole country. Using a hypothetical example, the implementation framework that might be necessary for communally held lands in an indigenous peoples reserve might include defining that the community holds any rights to sales of emissions reductions; that individuals cede their rights to a community cooperative for this purpose; that a community monitoring program be developed; that traditional forest management practices (say slash and burn agriculture) be modified into new best practices for the reserve; that an existing community cooperative could be used to distribute REDD payments; etc.

4.2 Tracking REDD activities and emissions reductions, in a national registry:

a) Countries may consider establishing a national accounting system or registry for emissions reductions, for tracking of REDD revenue distribution, resolution of ownership of REDD reductions, etc. This is likely to be a registry or system that is an addition to, or compatible with, existing national GHG inventory and tracking systems reported to the UNFCCC; or it may be new, but compatible with any UNFCCC reporting, perhaps in more detail with additional information such as geographic ownership of lands producing emissions reductions; land tenure information; revenues flows; etc..

b) Topics you may consider addressing in this component include:

- ✓ What kind of REDD implementation framework will be needed to manage specific REDD policy interventions, in specific land tenure and land use contexts?
 - Define roles and responsibilities (who generates, who sells, who receives, who monitors, who reports, who controls and who decides)

- What institutional setting is needed to manage REDD in a country?
 - Coordination, reporting, participation,
 - Are multiple institutional arrangements necessary, to handle different land tenure and land use situations?
 - How will the range of government, regional, community and private entities involved be coordinated?
- How can ownership of emission reductions be defined in each country, and its subnational units?
 - What is the scale of implementation, and accounting? Regional, local projects, national, large islands, or a combination?
 - Is there a legal framework in place that already defines ownership of “environmental services” or “carbon emission reductions”?
- How can potential future revenues be used and distributed?
 - What are the current experiences with existing programs in the country and abroad? - Can we scale up?
 - Are additional mechanisms needed? Individual payments - finance of programs?
 - Who manages, coordinates and controls distribution of revenues? Need for transparent, effective, equitable system.
- What is the relationship between a national accounting system, and specific programs and actions? Does there need to be clear linkage between specific actions on a given piece of land, and REDD payments? Or can more aggregate, regional approaches be used, with a monitoring system designed to capture such forest changes?
- Is there a need for a National GHG Registry that tracks emissions reductions activities? How would specific activities link up to a National Accounting System?

Requirements for Component 4:

By filling in the outline below, summarize your proposed approach, methods, etc, for addressing REDD implementation framework issues and activities. Summarize the framework ToR, and attach the ToR as an annex.

4.1. Objectives and activities: Summarize your approach on how to plan for and implement work under this component, and the work called for in your framework ToR. Fill this in here, under the headings provided:

Objectives for this component:

Expected Outcome:

Activities to achieve outcome:

Partners and organizations involved:

Schedule and Sequencing of activities:

Indicators of performance for this objective:

4.2. Requirement: Attach your ToRs for this component as a separate Annex # 4.

Component 5. Assess the social and environmental impacts, and potential additional benefits, of candidate REDD strategy activities

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

5.1. Assess the social and environmental impacts, and potential additional benefits (including biodiversity and rural livelihood), of candidate REDD strategy activities:

The overall purpose of this component is to assess potential impacts by performing an environmental and social impact assessment, using established methods in your country, the ESMF approach discussed below, or a comparable approach. Evaluate potential additional benefits of REDD, including biodiversity conservation and rural livelihood, and other benefits deemed important by a country (e.g., water supply). Feed this assessment into the consultation plan and ongoing consultations.

5.2. REDD-Strategy potential impact assessment:

a) What positive or negative potential impacts of the proposed R-Strategies could occur, in terms of specific REDD strategies being introduced in specific regions to address specific drivers of deforestation? For example, if changes in logging concessions are under consideration, then who will win or lose under revisions to current logging concession terms? If enhancing agricultural productivity on marginal lands near forests is envisioned, how will local communities, land use practices and traditions, the private sector, etc. be affected?

b) Readiness activities should be analyzed for their environmental and social impacts during the planning process, and/or the R -PLAN should clearly define how such assessment will take place during the R-Strategy design phase (by providing framework ToR or a Plan). Regular and meaningful consultation is essential. It is not only a requirement under the World Bank Safeguards policies, if Bank funding is involved, but also is likely to be a precondition for success. Information on potential negative impacts must be made available to stakeholders and decision takers, and potential mitigation actions for such impacts should be evaluated.

c) Issues to consider:

- ✓ What are the political, social and institutional risks and trade offs of proposed actions?
 - What methods should be used to assess impacts?
 - Who are the affected social groups, and how are they affected?
 - Would the actions planned enhance or affect biodiversity protection, and rural livelihoods?
 - Is an institutional capacity assessment needed?

5.3. Application of World Bank Environmental and Social Safeguards during the Readiness Process:

The World Bank uses a well-known set of environmental, rural, social and legal safeguard policies and procedures for their implementation, for any. The Operational Policies include Environmental Assessment, Natural Habitats, Forests, Pest Management, Safety of Dams, Physical Cultural Property, Involuntary Resettlement, and Indigenous Peoples.

During the Readiness process, the scope of application of World Bank safeguard policies¹ and corresponding instrument to identify and mitigate eventual environmental and social impacts will depend on the nature of the readiness activities.

A key feature of the safeguards policies relevant to the Readiness Process is their emphasis on consultation and impact assessment. The Readiness process should ensure that activities and strategies will not cause adverse social and environmental impacts, while also striving to enhance benefits for local communities and the environment.

As the readiness process will only identify the REDD strategies and policy and project interventions and investments, but not finance the implementation of the forgoing (unless, the FCPF Carbon Fund will be involved in a subsequent

¹ FCPF will provide an overview of World Bank safeguard policies and other relevant operational policies on its website under the R-Plan support section.

carbon transaction with the country) a complete environmental and social assessment would not be needed nor desirable at this point. For this reason, the country may choose from a variety of instruments consistent with Bank Policy, such as EA, Strategic EA, Regional EA or Environmental and Social Management Framework (ESMF).

An ESMF may be an appropriate instrument in several cases where there is limited information about potential adverse environmental and social impacts. Its main goal is to describe the process of how safeguard concerns will be addressed once REDD activities are implemented. This process will describe, for example: (i) how adverse impacts will be identified and mitigated; (ii) how information will be disclosed; (iii) how local communities will be consulted; (iii) what kind of capacity building will be provided and how they will be included in the decision making process once projects are implemented. Sample TORs will be provided to the REDD country on how to prepare for such a Framework.

The process set out in paragraph above will only be followed if the World Bank plans to enter into a Grant Agreement with the REDD Country Participant.

Resources: The FCPF website will eventually offer sample ToR for preparation of EAs, Regional EAs, SEAs and ESMFs.

Requirements for Component 5:

By filling in the outline below, summarize how you would evaluate potential implications of your Readiness activities on social and environmental impacts. Summarize the framework ToR and attach the ToR as an annex

5.1. Objectives and activities: Summarize your approach on how to plan for and implement work under this component, and the work called for in your framework ToR. Fill this in here, under the headings provided:

Objectives of Environmental and Social Assessment of readiness Activities:

Expected Outcome:

Methods to be used to achieve outcome:

Activities :

Schedule and Sequencing of activities:

5.2. Attach your ToR for this component as a separate Annex # 5.

Component 6: Assess investment and capacity building requirements

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

6.1. Assess investment and capacity building requirements:

Assess candidate REDD strategy elements and the REDD implementation framework, in terms of capacity requirements, financial support needed, and gaps existing with regard to potentially available resources.

Capacity building, training, development of institutional capabilities are likely to be required to implement your REDD strategies. New resources, via private sector investments, grants or other bilateral support, government or private sector initiatives, or REDD positive incentives, will be necessary to *implement* the REDD PLAN, and to achieve Readiness to engage in REDD compensation systems.

a) The R-Plan may include at least an initial, rough estimate of the capacity and investment requirements of the R-strategies being considered, and how alternate strategy candidates compare in terms of capacity and investment needs per potential REDD benefit. Even a crude initial assessment would allow comparison of the investment costs for candidate REDD strategy elements, their cost per tonne of carbon or other benefit, to gauge their relative efficiency. It would also allow early identification of potential partners who could provide technical assistance, capacity building, and investments.

b) Review your REDD strategy and REDD implementation framework proposals (above). Then describe your initial estimates of what kinds of investments or funding in some form would be required to implement your REDD strategies, by strategy.

Some questions that might be helpful to consider include:

- What priority investment programs could be promoted? What are their costs? What is the planning horizon?
 - Institutional capacity building and strengthening (e.g., remote sensing receiving station, or analysis capabilities)
 - Community forestry, fuelwood management projects
 - Training in alternatives to slash and burn practices, and increased productivity of existing agricultural systems to take pressure off forest
 - Land use, ecological and economic zoning: targeting land uses to specific land classes (e.g., new Plantations to degraded lands rather than forest lands)
 - Progressive forest industry best practices, concession policies, regulations
 - Enhanced protection forest management, reserve expansion, or law enforcement
 - Demonstration and promotion of economic alternatives to inefficient land use practices, tax exemptions, subsidies.

Resource: The table below may be helpful, or provide similar information. Table 6 offers ideas for an assessment of investment needs for REDD. It can be used, if you wish, to help you start thinking about what investments are needed, but is not required to be submitted. Consultations with potential government agencies, bilateral or other donors, or the private sector as well as affected communities may prove helpful here.

**Table 6: Resource for Preparing your ToR:
Conceptual REDD Strategy Investment Needs Assessment (optional)**

REDD Strategy and Activities to be Introduced (by deforestation cause, and/or region or land tenure type)	Tentative Description of Funding Need, Institution(s) Involved in This Work, and Potential Source of Funds	Estimated Investment Needed (in US\$) Potential Sources of Investment	Investment Required per 1,000 Tonnes of CO2 Emissions Reduction (or \$/tCO ₂) (crude estimate)
Strategy element 1: [hypothetical example: Reform Logging Concessions: a] Complete review of existing logging permits or concession terms, and b) introduce forest certification requirements over next 4 years, for 23 largest concessions totaling 500,000 ha, by end of 2009....]	[example: 1) Complete review of existing logging permits and concession terms and contract periods. Forestry Agency will conduct, with 2 subcontracts to specialized private sector firms, by July 2009. 2) Train concession companies in logging best practices]	[example: Review: \$ 130,000 for additional staff, legal assistance, travel \$85,000 subcontract for training of companies]	
Strategy element 2: [example: Extension service for training in enhanced cash crop productivity, and land tenure reform, in Tabula Hills]	[example: 1) Triple number of extension offices in the Tabula region; 2) conduct land title review and law enforcement in lands with rapidly expanding large cattle ranches]		
Strategy element 3:			
Strategy element 4: etc.			

Requirements for Component 6:

By filling in the outline below, summarize your proposed work and the framework ToR under this component, and attach the ToR as an annex.

6.1. Objectives and activities: *Summarize your approach on how to plan for and implement work under this component, and the work called for in your framework ToR. Fill this in here, under the headings provided:*

Objectives for this component:

Expected Outcome:

Activities to achieve outcome:

Partners and organizations involved:

Schedule and Sequencing of activities:

Indicators of performance for this objective:

6.2. Requirement: *Attach your ToR for this component as a separate Annex # 6.*

Component 7: Develop a Reference Scenario

7. Develop a reference scenario of deforestation and forest degradation:

A reference scenario is defined as a combination of recent historical data on emissions from deforestation and/or forest degradation and estimated future emissions resulting from forest carbon stock changes leading to a national scenario through time of emissions, in the absence of additional positive incentives for REDD.

The challenge of setting a reference scenario is significant and the subject of considerable policy and methodological debate, especially since: 1) it is counterfactual, in that any projected such scenario cannot be directly measured, and should take into account development and macroeconomic trends; and 2) REDD emissions levels and hence any reduced emissions (and any payments for them) are to be estimated against this reference scenario.

The development of a reference scenario for REDD is likely to involve the following elements:

1. Assessment of data available on forest area, land cover change, carbon density
2. Identification of gaps in these data that need to be filled
3. Analysis of historical trends in land cover change, and in forest carbon density change
4. Development of a historical trend reference case for forest are change, and for carbon density change (thus covering deforestation, and forest degradation)
5. For reference case projection forward in time:
 - a. Development plan, trends, and macroeconomic trends forecasting
 - b. Development or adaptation of historical trend projection and/or computer modeling methods
 Development of a forest cover change and carbon density projection for deforestation and forest degradation
6. Review, consultation, and approval of a national reference scenario by the national REDD working group or other authority in a country.
7. Review by independent experts.

These generic elements are illustrated in Figure 3 below, which also shows the relationship of this component to the national REDD working group process.

7.1. Current estimates of deforestation and forest degradation, and greenhouse emissions:

Summarize any estimates of carbon dioxide or other greenhouse gas emissions from deforestation and forest degradation in your country (Question 2b of R-PIN).

7.2. Review data available for estimating deforestation and/or forest degradation, and identify data gaps and needs (Question 2c of R-PIN).

Potential topics to consider:

- Assess availability of national data sets and capacity:
 1. Land cover and land cover change historic data
 2. Remote sensing and forest inventory interpretation and reporting capacity
 3. Current and potential GHG national accounting and reporting capabilities
 4. Identify gaps in current systems

7.3. Reference case development using historical trends, and projection into the future via historical trend extrapolation or computer modeling:

Several key decisions to make, probably after rough analysis, consultation with experts, and technical assistance over some time, are:

- 1 Will the reference case be developed for deforestation only?
- 2 If so, will a country use historic analysis of land-use change trends over the past say 10-20 years?
- 3 Or would it use the projection into the future of historical trend data, and/or modeling of development , economic and other trends, for the next 10-30 years?
5. Will and degradation of forests be included in the reference scenario or not?

6. If so, for what types of forest lands: All forests? Only some managed or production forests?

More specific questions to consider include:

- 1 What methods will be used, by which institutions?
- 2 How many data points, developed using roughly comparable methods, are available for historic analysis?
- 3 Is a reference scenario map of land use and carbon density available; if so, for what date, using what data? If not, do you plan to generate such a map?
- 4 Are carbon density data available for major forest and other land use types pertinent to developing a reference scenario?
- 5 How will projections be done, and for how many years?
- 6 What additional data or capacity building is required to perform this work? Is technical assistance available, desired, or under consideration to support this work?
One way to begin is to perform an inventory of data availability, capacity (e.g., remote sensing analysis, modeling, etc.), access to development plans, etc.

7.4. Potential topics to consider in the design phase:

1. What role do forest communities play, if any, in data collection of forest inventory, land-use change, etc. relevant to reference scenario development? Does the data collected include or address impact of land use deforestation by IPs and other forest dwellers?
2. Links to monitoring system design: What reference scenario parameters or indicators need to be built into the monitoring system, to ensure that comparable data are available in future years to compare to the reference scenario data?
3. The decision to include degradation or not in the reference scenario and in your REDD strategy. A quick analysis of the potential carbon benefits of including it, for some or all forest lands, versus the potential rough estimated costs and feasibility of doing so, should reveal if including degradation seems feasible and cost effective—in terms of potential REDD revenues net of monitoring costs.
4. The reference scenario carbon levels using historical and projection approaches could be compared, using first-order (rough) estimates for this purpose, to help make this decision.
5. Promote dialogue with national, international, and IPCC experts on methods, data, and reporting standards.
6. Consult with national experts and stakeholders, including indigenous peoples.
7. Build on UN IPCC Guidelines for National GHG Inventories, and IPCC good practice guidance for LULUCF.

7.5. Relationship of national development plans to projections in the reference scenario into the future:

Many countries have development plans that imply the planned or unplanned conversion of forest or other lands into roads, settlements, commodity agriculture, etc. These plans can be taken into account in projections via modeling approaches or via adjustments to the extrapolation of historical trends. Indonesia has undertaken a major exercise in assessing its development plans for oil palm, plantation and biofuel development, and alternatives to them for REDD, which was reported on extensively at the Bali UNFCCC COP in December 2007, and elsewhere. This experience may be useful to review. FCPF will work to add references to available literature on its website under the R-Plan support section.

Resources: e.g. IPCC Good Practice Guidance for LULUCF; GOLFC-GOLD remote sensing Sourcebook: www.gofc-gold.uni-jena.de/redd. FCPF will work to add references to available literature on its website.

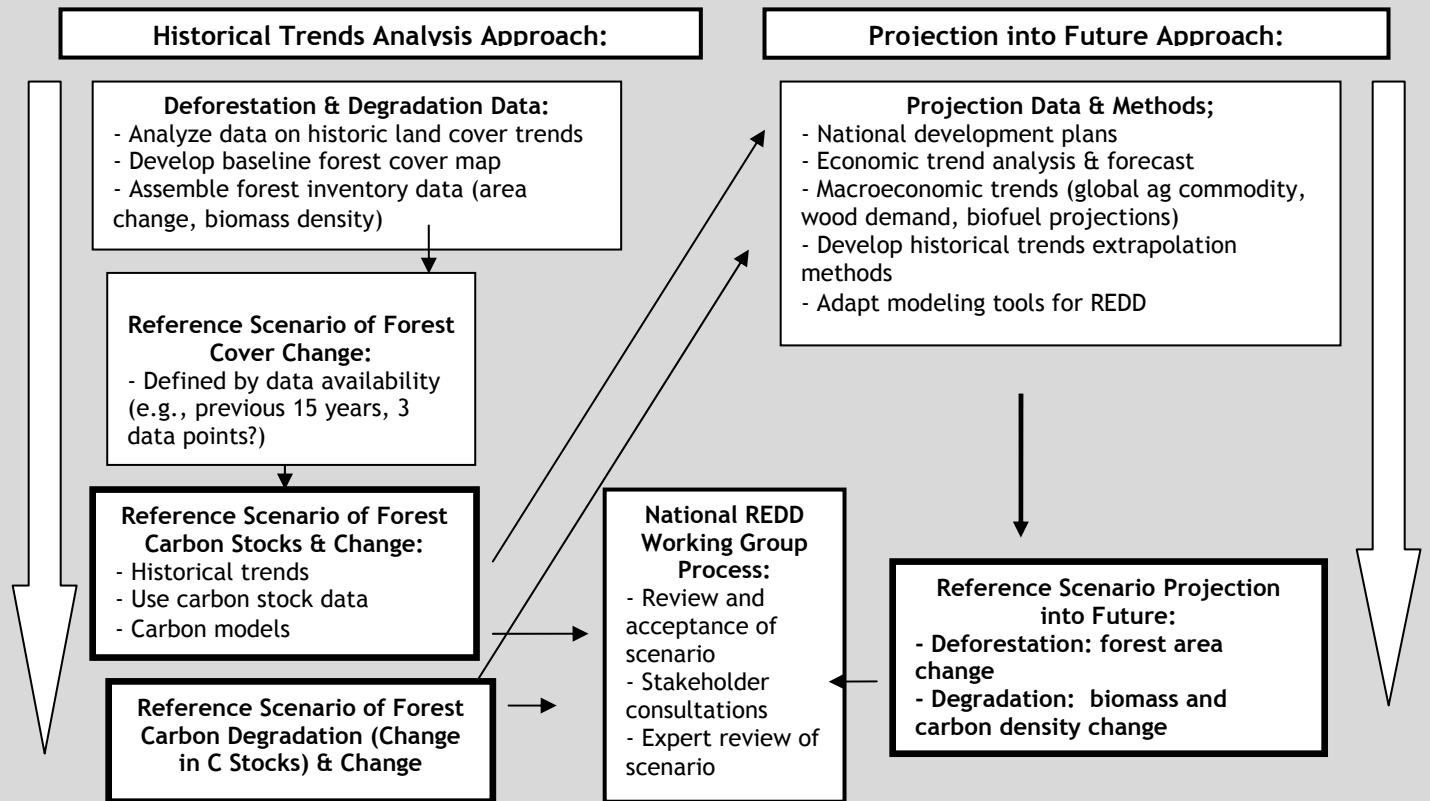
The draft table below may provide ideas, but is optional.

Table 7: Resource for Reference Scenario Development (optional)

Major Deforestation Cause and Driver. Land Types and Regions Affected	Regional or National Historical Data Available (type, dates available).	Potential for Doing Projection into Future: Methods to be used	Time Required & Estimated Cost
[example: Logging concessions in lowland accessible forest]		- Historical trend extrapolation - Modeling approach	
Driver and region 2: [ex.: Immigration from conflict zone into forest]			
Driver and region 3:			
Driver and region 4:			

Resource: Figure 3 offers a graphic overview of how the reference scenario development process could proceed.

Figure 3: Potential Elements of Reference Scenario Development



Requirements for This Component:

By filling in the outline below, summarize the framework ToR and attach the ToR as an annex.

7.1. Objectives and activities: Summarize your approach on how to plan for and implement work under this

component, and the work called for in your framework ToR. Fill this in here, under the headings provided:

Objectives for this component:

Expected Outcome:

Activities to achieve outcome:

Partners and organizations involved:

Schedule and Sequencing of activities:

Indicators of performance for this objective:

7.2. Attach your ToR for this component as a separate Annex # 7.

Component 8: Design and Implement Monitoring, Reporting, and Verification System for REDD

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

8.1 Rationale of the monitoring system (this section builds on R-PIN Question 9):

The rationale for this component is to design a monitoring, reporting and verification (MRV) system for REDD that can provide the capacity to monitor forest sector carbon emissions and other benefits over time, in relation to a country's Reference Scenario. Countries undertaking REDD will need to demonstrate credible reductions in deforestation and degradation in comparison to this scenario, and a reasonable level of resolution for the REDD strategy activities selected.

No clear, internationally agreed guidance on monitoring for REDD is yet available, but major pieces exist upon which to build (discussed below). There is agreement on the five carbon pools to monitor in forest systems (e.g., aboveground biomass, belowground biomass, dead wood, litter, and soils), while a sixth pool of harvested wood products (crucial for production forests) is still under discussion in the UNFCCC negotiations and analytic communities. A monitoring system for REDD is likely to build on a set of widely agreed criteria, including: credibility, transparency, accuracy with high certainty, a foundation in good science, and compliance with whatever REDD framework and guidance emerges in the UNFCCC or other context.

The IPCC guidelines contain three general approaches to estimation of area change; and three tiers or methods approaches. Tier 1 requires no new data collection; Tier 2 employs country-specific data and finer-detailed forest strata; while Tier 3 improves on the other two as the most rigorous approach, relying on forest inventories or other direct measurement of biomass and/or modeling approaches. Several countries interested in participating in any eventual REDD regime have determined that they could undertake at least a Tier 2 approach within a year or so of concerted effort and technical assistance, and may aspire to undertake Tier 3 methods if the carbon cost:benefit ratio warrants it.

Generally a monitoring system for emissions from deforestation and degradation is comprised of two main elements: 1) change in forest cover, and 2) change in carbon stocks (from carbon density of the changing forest types), and in emissions of non-CO₂ gases associated with them (especially from biomass burning during clearing, disturbance of soils, and the alternative land uses introduced, including agriculture and livestock grazing).

8.2. Key questions and issues to address in the design of an MRV system include:

1. Describe what the monitoring system will be designed to accomplish: what specific data will it collect and report for trends in land use, land use change, biodiversity, rural livelihoods, etc.?
2. Who will be responsible for design and development this monitoring system? What technical assistance, for what purpose, will be required, or has already been discussed?
4. Will forest dwellers have a role in the monitoring system?
5. What carbon pools will be included? Will other greenhouse gases be monitored as well? (e.g., CO, N₂O, and CH₄ from biomass burning, land clearance, soil disturbance, and introduced agricultural or grazing practices).

8.3. Steps and issues to consider in designing monitoring system:

1. Promote dialogue with national, international, and IPCC experts on reporting standards.
2. Consult with national experts and stakeholders, incl. IPs
3. Build on UN IPCC Guidelines for National GHG Inventories, and IPCC Good Practice Guidance for LULUCF (available on the IPCC website), and a widely used handbook of methods: the REDD Sourcebook by the GOLFC-GOLD consortium (at: www.gofc-gold.uni-jena.de/redd).
4. Assess availability of national data sets and capacity:
 - a. Land cover and land cover change historic data
 - b. Assess inventory data to assess carbon stocks in different forest types

- c. Remote sensing and forest inventory interpretation and reporting capacity
 - d. Current and potential GHG national accounting and reporting capabilities
 - e. Identify gaps in current systems
 - f. Design MRV system to fill in gaps, or to introduce enhanced approach
5. Integrate MRV with GHG accounting and reporting system
 6. Identify costs and possible partners for cooperation and implementation of system.

8.4. Potential Principles for Design of MRV System:

- Build on existing national systems
- Support multi-country MMV approach as feasible
- Help design MMV system to meet acceptable levels of uncertainties
- but flexibility in standards and approaches:
 - To encourage participation
 - To encourage variety of approaches
 - To promote cost effective systems
- Principle of conservatism in GHG accounting and reporting
- Seek consistency and complementary with other non- GHG (i.e. forest) monitoring and reporting systems
- Collect socioeconomic and other data as needed to support monitoring of the reference scenario, REDD activity implementation, impacts of REDD activities on local communities, biodiversity, rural livelihood, etc., as outlined in the monitoring plan.
- Third party assessment of MMV system performance, and verification of REDD benefits
- Coordination across REDD initiatives and support.

8.5. Reporting Monitored Forest Area Change and Emissions:

A country will need to assess how to report its REDD activities and the measured and monitored forest area change and emissions reductions. General principles and issues to address include:

- Follow IPCC Good Practice Guidance and other inventory methods as much as possible
- Consistency with national reporting to the UNFCCC on greenhouse gas inventories
- Potential use of a national registry of REDD activities, emissions reductions, sales or payments, etc. to avoid double-counting and to ensure credible reporting
- Transparency in reporting
- The potential for establishing a linkage between specific REDD activities on the ground in a specific location, and payments for those emissions reductions, at adequate resolution to allow this linkage.

8.6. Verification of Monitoring system:

The principle of third-party verification of greenhouse gas benefits has been well-established by the private sector market, and by government regulatory agencies. Numerous companies and institutes provide certification and verification services for a fee. Countries are likely to want to include a verification step in their monitoring plans, to ensure the credibility of their carbon assets offered to bilateral funders or emerging markets.

Resources: e.g. GOLFC-GOLD remote sensing Sourcebook: www.gofc-gold.uni-jena.de/redd. FCPF will work to add references to available literature on its website.

Requirements for Component 8:

By filling in the outline below, summarize your approach to work under this component, the framework ToR, and attach the ToR as an annex.

8.1. Objectives and activities: Summarize your approach on how to plan for and implement work under this component, and the work called for in your framework ToR. Fill this in here, under the headings provided:

Objectives for this component:

Expected Outcome:

Activities to achieve outcome:

Partners and organizations involved:

Schedule and Sequencing of activities:

Indicators of performance for this objective:

8.2. Attach your ToR for this component as a separate Annex # 8

Component 9: Design a System of Management, Implementation, and Evaluation of Readiness Preparation Activities

BACKGROUND, QUESTIONS TO CONSIDER, AND RESOURCES FOR YOUR USE:

9. Design a system of management, implementation, and evaluation of Readiness preparation activities:

The synthesis of all R-Plan components into an integrated, well-managed REDD national program that is effectively and transparently managed is a necessary element of REDD. This is up to the country to organize and manage. However, when World Bank funds are used, the usual Bank fiduciary and other funds management systems, and social safeguards, will apply.

Regularly evaluation of pre-established indicators of performance and the effects on country development plans is strongly encouraged. A section on evaluation of REDD programs, and of the FRCPF program generally, is included in the Information Memorandum on the FCPF website that might be useful. It provides general principles of evaluation that can form the foundation of a country-designed evaluation program.

There are two primary purposes for organized evaluation of REDD activities in a country under FCPF:

- 1) to encourage efficient, transparent management of Bank resources and the country resources and capacities;
- 2) to immediately put in place a system to provide feedback to the government and other stakeholders of how well the REDD program is performing -- on a real-time basis. Programmatic feedback from the field, using pre-established performance indicators, would help program managers and affected parties see problems as they develop, and allow managers to address these issues via changes in management, new resources brought in, additional studies to understand the issues better, etc.

9.1. Requirement: *We recommend you begin to develop a means to synthesize and manage the REDD program, including evaluation of progress at regular intervals. No ToR are required at this time—but we strongly encourage you to develop a management and evaluation system.*

This can be done in many ways. Some ideas to consider include:

- ✓ For each R-Plan component and major work element under it, identify several indicators of performance to be evaluated as work progresses. Typical indicators might include:
 - Number of times and the quality of consultation dialogues, and their outcomes
 - Design of the consultation process, in terms of inclusiveness of stakeholders
 - Do the ToR or plans contain transparent, equitable review and consultation processes that reach down beyond the capital city?
 - Is there an outreach and dissemination plan for each major component?
 - Are products produced (e.g., analytic studies, reports, consultations) peer reviewed by third party experts or others? Are they widely available?
 - Has social and environmental impact analysis been performed using standard methods, and disseminated?
 - Have standard, equitable and transparent processes been followed in hiring consultants?

Resource: An Excel spreadsheet template has been developed to assist your management of the budget, donor commitments, and a timeline for activities. This template is provided on the FCPF website. It has three parts, shown below.

9.2. Requirement for component 9:

Fill in the provided spreadsheet in Excel, including the three sheets listed below:

- | | |
|---------------------|--|
| Annex 10 (Required) | - Excel spreadsheet: (see template for this provided on FCPF website)
Sheet 1) Summary of R-PLAN Implementation, Across Donors
Sheet 2) Detailed Budget, using the template.
Sheet 3) Summary Budget. |
|---------------------|--|

Attachments: Annexes with ToR or Plans, and Schedule and Budget

Attach Required Attachments listed below: (numbering follows the component numbering):

- | | |
|---------------------|--|
| Annex 1 (Required) | - Land use, Forest Policy and Governance Quick Assessment (the completed study) |
| Annex 2a (Required) | - National REDD Working Group (framework ToR or Plan) |
| Annex 2b (Required) | - REDD Consultation and Outreach Plan (full Plan required) |
| Annex 2c (Required) | - REDD Management and Evaluation System (framework ToR or Plan) |
| Annex 3a (Required) | - Assess Candidate Activities for the REDD strategy (framework ToR or Plan) |
| Annex 3b (Required) | - Evaluate potential Additional Benefits (framework ToR or Plan) |
| Annex 3c (Required) | - Trade-Offs Analysis (framework ToR or Plan) |
| Annex 3d (Required) | - Risk Assessment of Your REDD Strategy (framework ToR or Plan) |
| Annex 4 (Required) | - REDD Implementation Framework (framework ToR or Plan) |
| Annex 5 (Required) | - Assess Social and Environmental impacts (framework ToR or Plan) |
| Annex 6 (Required) | - Assess Investment and Capacity Building Requirements (framework ToR or Plan) |
| Annex 7 (Required) | - Develop a Reference Scenario (framework ToR or Plan) |
| Annex 8 (Required) | - Design Monitoring, Reporting and Verification System (framework ToR or Plan) |
| Annex 9 (Required) | - Component 9: Design a system of management, implementation, and evaluation of Readiness preparation activities (optional): |
| Annex 10 (Required) | - Excel spreadsheet: (see template for this provided on FCPF website) |
| | Sheet 1) Summary of R-PLAN Implementation, Across Donors |
| | Sheet 2) Detailed Budget, using the template. |
| | Sheet 3) Summary Budget. |

15. List any other Attachments included.