



Bäaistel

30 Years Promoting
Sustainable Development

FOREST CARBON PARTNERSHIP FACILITY (FCPF)

Third Program Evaluation

CF28 Meeting

Summary of Key Findings, Lessons and Recommendations

19 June, 2024



General structure of the presentation

- Scope and methods
- Lessons learned and main conclusions
- Key recommendations

Evaluation purpose, scope and methods



Evaluation purpose and scope

- The **objective** of the evaluation is to assess the FCPF's progress and achievements and to identify lessons learned while providing accountability to financial contributors and other stakeholders.
- The evaluation is global in **scope**, covering Africa, Latin America and the Caribbean, and Asia to include the 32 countries of the Readiness Fund portfolio as well as the 15 countries of the Carbon Fund portfolio.
- The evaluation builds on prior evaluations of the FCPF and other relevant studies and will specifically look at the FCPF's performance **from 2018 to present**.

Data collection methods for triangulation

- In depth desk review
- Portfolio analysis
- Interviews with key informants at the program level
- E-survey for country-level stakeholders
- 7 in-depth country case studies
- 5 light-touch case studies
- 4 thematic studies

Key Achievements



Key achievements:

- FCPF occupies an important niche in the REDD+ and results-based climate finance landscape, and has demonstrated flexibility to adapt to key global and country changes.
- Activities are consistent with countries' forest-related climate change and biodiversity commitments, policies, and actions, as well as compatible with other REDD+ activities.
- FCPF is on track to mostly achieve its target for ERs generated and contracted through ERPAs.
- The evaluation documented emerging behavioral changes amongst forest communities and governments, as well as positive impacts on livelihoods, biodiversity, and private sector engagement.
- FCPF has built the readiness capacity to deliver and access REDD+ finance, triggered an interest in jurisdictional results-based payments, and strengthened access to carbon markets. It has introduced tools and methods that serve as a foundation for securing support from initiatives such as the LEAF Coalition and the Green Climate Fund, as well as broader carbon market participation.
- FCPF has effectively engaged Indigenous peoples, local communities, women, and civil society, thereby advancing the integration of diverse groups in REDD+ processes.
- Additional impacts identified include enhanced and broader decision-making at global and national levels, as well as the initiation of legal and regulatory reforms.



Key results supported by FCPF across country programs

(as of August 2023)

- 34 country readiness packages endorsed; FCPF countries mobilized a total of \$2.3B in additional non-FCPF readiness funds
- 91M tCO₂e ERs reported by FCPF Carbon Fund countries, with 23M tCO₂e as excess or additional ERs
- \$94M in emission reductions payments have been provided to six FCPF Carbon Fund countries; expected to increase to \$327.7M in payments to 13 countries based on current ongoing or completed validation and verification processes
- 11.4 million ha of forests protected or conserved
- 68 partnerships with private sector created in the context of Carbon Fund emission reductions programs
- 121 stories/blogs and 114 knowledge seminars or exchanges delivered, along with 79 knowledge products



Conclusions and lessons learned



High integrity credits:

- Need to balance demands, on one hand, for “high integrity” emission reduction credits, and, on the other, the complexity of MRV and carbon accounting in the context of existing country capacity in forest-rich nations.

Finance and capacity:

- Very real need to maintain financial support following the closure of readiness phase funding as countries prepare plans for and begin implementation of results-based financing activities.
- Need to develop/maintain sufficient capacity in the more technical related aspects of REDD+

Balancing equity and effectiveness in jurisdictional-level benefit sharing:

- Need to reward or compensate actors for driving down deforestation and managing forests has to be balanced with need to have benefit sharing systems that are effective and efficient.
- Given the high expectations from forest owners and managers, critical to ensure that payments (or non-monetary benefits) are targeted and effective in reaching the right people at the right time.

Non-carbon benefits:

- Non-carbon benefits critical to the effectiveness and sustainability of ER-P results, but clear guidance is needed to identify and achieve results.
- To secure engagement of IPs, it is necessary to address some of the more fundamental priorities of these groups.

Global governance structures:

- Broad-based participation within global governance structures is critical if transparency and effective representation is to be achieved.
- Self-selected observers who are provided with a voice and a seat in decision-making forums is effective, particularly when decisions are made on a consensus basis.

Effective capacity development:

- Effective capacity development takes time, to internalise knowledge and skills within government agencies. Initial timetables and workplans often unrealistic, given the time taken to institutionalise new skills, tools, and methods.
- Outsourcing of tasks (MRV, SIS) to specialist providers may deliver fast results but less government control and agency.
- Hybrid models may offer solutions, with retainers allowing work alongside government to fill gaps and capture expertise.
- Highlighted importance of building capacity not only at national level, but also at sub-national levels.

Private sector engagement:

- If interests of private sector engaged in value chains that drive deforestation can align with the objectives of jurisdictional REDD+ programs, significant opportunities exist for collaboration.
- When companies are producing forest-risk commodities for domestic or regional markets with few if any sustainability requirements, incentives provided by ER programs may not be sufficient. Effective regulation may be the most appropriate action, in conjunction with financial incentives.
- WB's comparative advantage is in supporting governments with investment finance with technical assistance. May be most appropriate to leave better placed actors to engage with private sector, and instead focus mostly on supporting governments in the creation of an effective regulatory and enabling policy environment.

Recommendations



Main areas of recommendations with respect to both current and future programming

1. Addressing the financing and capacity gap:

- a) Helping countries with limited finance make the transition from readiness to RBP
- b) Strengthen capacity building support to countries with the roll out of BSP schemes and ERP monitoring reports, in particular to help speed up ERPA early tranche payments (FCPF and eventually other future programs).
- c) Continue to provide support and assistance to facilitate the access of countries to forest carbon markets, including for the sale of their expected excess credits (FCPF and future programs).
- d) Support flexible carbon pricing schemes, as promoted under SCALE, and ISFL (for example in terms of floor price) to take into account the dynamic and evolving nature of forest carbon markets, to optimize benefits for the countries while guaranteeing access to a fair price for high integrity ER credits (future programs).

Main areas of recommendations with respect to both current and future programming (2)

2. Strengthening engagement of participating countries and non-state actors at global and country level (national and sub-national):

At global level:

- a) Strengthen representation of participating countries, but also of women, Indigenous Peoples, the private sector and CSOs as observers in the CF meetings, building on positive lessons from the FCPF PA/PC governance.
- b) Continue to actively follow consensus-based decision making in CF meetings.
- c) Consider introducing a principle of rotation (for a maximum of three one-year cycles per observer) to increase the representativeness of non-state actors and their visions.

At national and sub-national levels:

- a) Seek opportunities to strengthen Indigenous Peoples' land and forest rights, including IP territorial rights.
- b) Document ongoing, and in particular best practices, piloted through FCPF and other REDD+ interventions at the country and local levels in using traditional knowledge and rights to foster sustainable and land forest management, so as to scale up the implementation of such good practices in future REDD+ related programs.
- c) Strengthen co-ordination and oversight mechanisms and processes through the direct involvement of civil society actors in the management of ER-Ps, also with a view to improve coordination of activities implemented at the sub-national and local level by a wide array of local and non-state actors, to limit duplication of efforts and improve overall program implementation efficiency.
- d) Provide support to countries in meeting these requirements through the relevant trust funds, making use of targeted TA.

Main areas of recommendations with respect to future programming beyond FCPF (such as SCALE)

3. Meeting the needs of high forest - low deforestation (HFLD) countries:

Recognising the need of HFLD countries – and identifying some form of support mechanism that rewards ongoing protection and conservation of forests experiencing low deforestation

4. Applying theory of change tools, particularly with regard to country-level programming:

Supporting TOC approaches to:

- a) Inform more tailored programming at the country level.
- b) Strengthen and validate program design.
- c) Develop monitoring and evaluation tools (including baselines at the program design stage) to assess changes in behavior, impact pathways for transformative change, as well as carbon and non-carbon benefits.
- d) Adapt country programming efforts and support to better align to the desired impact pathways in rapidly changing national and global contexts.

Main areas of recommendations with respect to future programming beyond FCPF(2)

5. Effective capacity development:

Offer more tailored entry points for support (in terms of scope, focus, timeline and the consequent budget envelope) to address specific capacity stages and needs of participating countries, taking into account in particular:

- a) Existing financial, human and technological capacity of the government at both national and sub-national (jurisdictional) levels,
- b) Existing national budgeting capacity, track record in managing recurrent management costs and functions,
- c) The trade-offs in terms of timeline required between ensuring internalization of capacities and the delivery of REDD+ readiness milestones
- d) Current political commitment to REDD+,
- e) Coherence of existing policies around SFM and REDD+,
- f) Coordination of support from different donors on REDD+,
- g) Track record in accessing and managing RBPs.

Develop and support a clear strategy and action plan by each country government not only on how it will develop and acquire its internal capacity in the public sector for REDD+ and RBP management and operationalization, but also on the concrete steps it will take to sustain such capacity in the long run.

Main areas of recommendations with respect specifically to future programming beyond FCPF (3)

6. Strengthening private sector engagement:

This will include the following actions:

- a) Supporting participating countries in better aligning and bringing coherence to their legal and regulatory environment for the engagement of the relevant private sector actors in value chains that drive deforestation and forest degradation (e.g. palm oil, cocoa buyers, beef producers, etc.),
- b) Avenues are explored both in-country, but also at the global level (including on value chain standards and markets) to create the momentum for additional business-related (financial or non-financial) incentives for the engagement of such actors in ERPs, including the alignment of co-financing schemes.
- c) Coordination is strengthened with voluntary standards (e.g., VERRA) and other forest carbon market initiatives (e.g., ART-TREES).
- d) Ensure that such efforts are made within the spirit of strengthening high integrity forest carbon markets and using the best positioned support channels and vehicles to engage with the private sector (FCPF and future programs).

Main areas of recommendations with respect specifically to future programming beyond FCPF(4)

7. Gender Mainstreaming:

In future global programs, reinforce and consolidate the reporting and monitoring efforts on gender, with the aim to report on gender-related impacts and better capture gender changes. Operationally, this will involve the following for future programs:

- a) Support capabilities to track and monitor implementation of gender action plans and commitments at the country level to track key gender outcomes and impacts.
- b) Collect and communicate about best practices and experiences from countries with gender-sensitive ERPD and BSP.
- c) Reinforce the monitoring of impacts generated through knowledge-sharing and capacity building activities.

8. Benefit sharing arrangements:

Complete the review of the lessons around BS approaches and mechanisms in the FCPF portfolio and beyond and communicate them through relevant channels (for future programs and countries). In doing so:

- a) Assess trade-offs between effectiveness and equity in BSPs, and the related options for roll out of BS schemes (for instance: using existing systems for transferring resources to community level (as suggested by FCPF BSP guidance and already done in some FCPF countries), or creating new, parallel ones).
- b) Assess the effectiveness of BSP schemes in enabling the continuation and expansion ERPs in countries, clarifying for instance the extent to which BSP schemes are used to promote larger participation in ERPs and adequately support the objective of the permanence of ERs.
- c) Develop more detailed guidance for countries on how to develop and roll-out sound, effective, impactful and sustained BSPs.
- d) Develop and use clear messaging at the global, national and local levels to avoid raising expectations and to clarify further the vision of “additional investments at the community level” balanced with “benefits” for local stakeholders, as relevant.

Main areas of recommendations with respect specifically to future programming beyond FCPF(5)

9. Supporting non-carbon benefits:

- a) Standard approaches and tools for the gender sensitive and socially inclusive assessment of biodiversity conservation options, climate change vulnerability and resilience potential, and livelihood options right from the design stage of programs.
- b) Promote the systematic use of non-carbon benefits in dialogue and consultation with Indigenous Peoples to increase sustainability of investments through higher levels of buy-in and ownership of forest conservation/restoration efforts. These non-carbon benefits should include bottom-up governance, bio-cultural and ecosystem benefits.
- c) Strengthen and standardize approaches and requirements for defining, measuring and reporting non-carbon benefits, including for the setting of baselines and outcome targets, right from the design stage of ERPAs.
- d) Ensure that non-carbon benefits are clearly embedded in the result frameworks of future ERP programs (including in relation to setting proper baselines and targets to enable the sound assessment of progress).

THANK YOU!

