

Forest Carbon Partnership Facility (FCPF)

Proposed Evaluation Framework

Revised DRAFT ⁱ

March 7, 2010

The FCPF Charter (Article 17) requires that the Facility be subject to periodic evaluations including a first evaluation no later than two years after the Facility is declared operational. The proposed evaluation framework laid out in this Note contains (i) key evaluation questions to be considered for the first FCPF evaluation and likely to feed into future evaluations; (ii) other information relevant to the conduct of the evaluation itself. The proposed framework does not cover the monitoring of the FCPF operations. Monitoring of the FCPF operations is the responsibility of the FMT (paragraph 8 of this note) and further steps to facilitate this will be undertaken by the FMT.

Recommendation: The PC is requested to consider and approve the draft note to serve as the basis for FCPF evaluation. The FMT, on the basis of this note, shall prepare detailed Terms of Reference to be used for hiring independent consultants to undertake the first evaluation in accordance with World Bank procurement policy and procedures.

Objectives and Scope

1. This framework has two objectives, which are intended to improve FCPF performance during the early stages of its implementation and to increase accountability to stakeholders:
 - a. To establish a systematic framework for the first evaluation of FCPF; and
 - b. To be comprehensive enough to provide a basis for periodic evaluations, with each subsequent evaluation adding value to the previous one.
2. This framework is developed keeping in view the two main functions of the FCPF, namely: (i) providing resources to enable countries to achieve REDD plus; and (ii) providing insights into the challenges of implementing a REDD plus mechanism, particularly regarding the institutional functions performed by oversight institutions.
3. In light of these objectives and functions, the scope of the proposed evaluation framework includes progress made by the FCPF in directing resources to the activities that are most likely to contribute to reducing emissions from deforestation and forest degradation in the future, and some lessons for future REDD plus regimes.
4. The framework is proposed to be concurrently implemented at three levels:
 - a. At the global level. This would review the structure, functions, processes and impact of the FCPF program as a whole;
 - b. At the country level, i.e., review of the conduct of REDD plus readiness activities in-country. The evaluation would assess the formulation of Readiness Preparation Proposals (R-PPs) and the country context of the proposals (though not the proposals themselves), namely the structure, functions and processes of each country's 'forest-relevant' system. A forest-relevant system is more comprehensive than the forest system and covers analysis of underlying causes

of deforestation and degradation inside and outside the forest sector including the structure of incentives provided by international trade, aid and investments and governance; and

- c. At the interface between the global and country levels, i.e., evaluation of the interactions between the FCPF's global processes and implementation at the country level, with a view to determine how the global processes have affected country capacity on the one hand, and how the country has contributed to international norms and standards on the other hand.
5. An evaluation of the FCPF's knowledge sharing at the country, regional and global levels shall also be conducted.
 6. **Methodology:** The evaluation will cover ongoing as well as completed activities, comprising both desk studies, questionnaires, interviews and fieldwork in REDD Country Participants. The evaluation approach is a 'real-time' one, which is designed to facilitate rapid learning, give advice at an early enough stage for changes in implementation still to be feasible, and provide timely information for REDD issues. The detailed methodology will be formulated by the evaluation team conducting the evaluation.
 7. The framework questions are based on the standard OECD/DAC Results Based Management, Monitoring and Evaluation Framework (RBM MEF) consisting of inputs, outputs and outcomes. Impacts are perhaps too early to assess but the causal chain leading up to them would be investigated. OECD/DAC Standard Evaluation Criteria include relevance, effectiveness, efficiency, impacts and sustainability.ⁱⁱ
 8. **Responsibilities:** Evaluation is the responsibility of the governing body, in this case the FCPF Participants Committee (PC) on behalf of the Participants Assembly (PA).ⁱⁱⁱ The PC would formally commission the first evaluation. The Facility Management Team (FMT) would facilitate the evaluation process in accordance with the guidance provided by the PC, and report progress to the PC as appropriate. In addition, the FMT is responsible for monitoring FCPF operations and undertaking regular assessment of the progress achieved in relation to annual work plans, to identify reasons for divergence from the plans, and to take necessary actions to improve performance.^{iv}
 9. **Audience:** The evaluation is of interest to the PA of the FCPF (which regroups REDD Country Participants, Donor Participants, Carbon Fund Participants and Observers), the World Bank Management, and other stakeholders outside the PA.
 10. **Timeline:** It is expected that the 'first evaluation', will be completed by October 2010. The timing of the subsequent evaluations would be decided by the PC after the completion of the first evaluation.
 11. **Budget:** The budget for the evaluation will be provided by the FCPF itself.
 12. **Procurement:** The evaluation will be outsourced to independent consultants or firms with relevant skills and experience in accordance with World Bank procurement policy and procedures. A competitive quality and cost-based selection method will likely be used.

Guidance for Evaluation

13. The evaluations should review the relevance and clarity of the objectives, identify constraints that make achievement of specific objectives difficult or impossible, and recommend adjustments. The purpose of the first evaluation is primarily to assess the appropriateness of the program design and to review the governance and management

arrangements. Subsequent evaluations should develop into more impact oriented assessments.

14. Below are suggested areas to be evaluated:

- a. Progress achieved since establishment of the FCPF in relation to stated objectives. The goal is to develop an inventory of outputs and outcomes in relation to original objectives as well as unintended effects (positive or negative):
 - i. Number of REDD Country Participants compared to the original plan;
 - ii. Number and quality of R-PINs;
 - iii. Number and quality of R-PPs;
 - iv. Number and contents of Readiness Grant Agreements;
 - v. Methodological and other outputs produced, including the clarity, transparency and accountability of the processes for formulating these methodologies and outputs, as well as their effectiveness towards achieving their intended aims;
 - vi. Processes established, including their clarity, transparency, and accountability, as well as effectiveness in achieving their intended aims;
 - vii. Quality of the monitoring conducted by the FMT, including operational monitoring and facilitation of auditing of the Readiness Fund's and Carbon Fund's financial statements; and
 - viii. Knowledge generated and disseminated by the FCPF including country advisory services and, where available, its impacts.
- b. Roles and responsibilities:
 - i. FMT's roles and functions;
 - ii. PC's roles and responsibilities, composition, number of meetings, briefing material for the PC, decisions made;
 - iii. Roles and contributions of Observers;
 - iv. TAP functions;
- c. Resources used to achieve the outputs and outcomes. An overview of FCPF financial and human resources would include:
 - i. Donor financial commitments and disbursements;
 - ii. FMT staffing levels and skill mix;
 - iii. TAP staffing, reports, resources;
 - iv. Key FCPF stakeholders inside and outside the Bank, including specifically civil society and indigenous peoples and other forest-dependent communities.
- d. Impact on, including the design of REDD plus strategy in REDD Country Participants and the capacity to participate in future REDD plus regimes:

- i. In the readiness phase, the sorts of indicators of performance that could be evaluated include the setting of reference scenario, a robust MRV system for emission reductions and for co-benefits of REDD plus; formulation and implementation of appropriate governance reforms following adequate consultation for equitable benefit sharing, compliance with safeguard policies.
- ii. Beyond the readiness phase, the performance indicators would be actual emission reductions achieved through participation in demonstrative emission reduction/ conservation programs, transparency in reporting such emission reductions, impacts on forest-dependent communities, etc.

Indicative Issues to Be Addressed by First Evaluation

15. For the first evaluation, overarching evaluation questions with regard to OECD/DAC criteria of relevance, efficiency, effectiveness, impact and sustainability, may include the following:

- a. Relevance of FCPF objectives:
 - i. Have FCPF objectives, design and activities evolved since the FCPF was announced at CoP13 in December 2007, based on the consultations undertaken and experience gained since CoP13? How have they evolved and what considerations have driven this evolution?
 - ii. Are the current objectives realistic in relation to the capacity of REDD countries, time frame, resources for REDD plus readiness and bridge finance likely to be available before large-scale systems of performance-based payments, e.g., through the Forest Investment Programme and other multilateral and bilateral initiatives?
 - iii. How do participating countries perceive the costs and benefits of readiness mechanisms, including timeliness and magnitude of resources?
- b. Effectiveness of learning and knowledge sharing:
 - i. What lessons and implications does the FCPF experience offer for REDD plus readiness, scaling up and likely impacts on REDD plus outcomes?
 - ii. What steps has the FCPF taken to ensure that these lessons are appropriately conveyed to the broader REDD plus community?
 - iii. How can successes be replicated, or failures avoided, in a wide range of country conditions, including in the operationalization of the Carbon Fund?
- c. Building capacity in-country for REDD plus:
 - i. What has been the impact on countries' capacities for REDD plus readiness? Do the lessons learnt and experience from preparation of the R-PPs, the TAP reviews, country advisory services by FMT and Bank regional staff, support at the country level on consultations, SESA and safeguards, etc., assist countries capacities in achieving REDD readiness?

- ii. How do the impacts differ across countries and what were the reasons for these differences?
- d. Long-term sustainability of REDD plus:
 - i. Has the readiness preparation increased country ownership for REDD plus?
 - ii. How do different stakeholder groups directly working with the FCPF view FCPF objectives and activities? For example, do they also consider the focus of FCPF on emission reduction measurement, or do they consider that sufficient attention has been given to the more holistic approach that takes into account country specific determinants of forest cover loss and its estimation and its likely future developments, the multi-sectoral nature of the impacts on forest cover, governance issues including risk of elite capture, biodiversity conservation, inclusiveness and ownership of the participatory processes and outcomes, role of carbon finance in poverty reduction, role of safeguards?
- e. Efficiency of resource use:
 - i. To what extent has the FCPF used its resources (funds, time and expertise) economically to maximize its outputs and provide early lessons for REDD plus?
 - ii. How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account view Bank Operational Policies and Procedures?
 - iii. Are the resources enough to meet the country needs? Were the countries able to use the resources provided in a timely manner? If not, why?
- f. Efficiency of governance arrangements:
 - i. Are the governance arrangements provided for in the Charter clear and implemented, in particular are the decision processes clear?
 - ii. How has the governance structure affected implementation of the FCPF?
 - iii. To what extent have these arrangements helped the REDD plus agenda?
 - iv. How efficient, transparent and accountable have these arrangements been for delivering on the FCPF objectives?
- g. Coherence with other World Bank programs:
 - i. What are the advantages and disadvantages of locating the FCPF within the World Bank? What are the tradeoffs in accountability (e.g., with regard to financial management, procurement, safeguards), and efficiency in achieving outputs and outcomes between the multiple roles of the Bank in the FCPF (trustee for the Readiness Fund and the Carbon Fund, FMT, and exclusive 'implementing partner' providing readiness support and fiduciary and safeguard support)?

- ii. To what extent has REDD plus been mainstreamed in World Bank activities?
- h. Coordination and cooperation with other processes:
 - i. How is the FCPF coordinating with other processes at the program level?
 - 1) UN-REDD Programme: Does the FCPF take into account possible synergies and overlaps? What are the complementarities, joint learning and impacts produced by the FCPF on UN-REDD (and vice versa), with special emphasis in countries where both initiatives are working?
 - 2) UNFCCC process: To what degree has the FCPF informed the UNFCCC process, and has been successfully informed by the UNFCCC process? How can the FCPF take into account progress made in the UNFCCC process in the establishment of a REDD plus regime?
 - ii. Donor coordination at country level: How is donor coordination for readiness support manifesting itself in FCPF countries? For example, has bilateral/multilateral assistance to FCPF countries for REDD plus readiness changed? If so, how? In particular, how do these partners relate to the REDD Country Participant's R-PP?
- i. Impact of REDD plus readiness processes:
 - i. What have been the key impacts of REDD plus readiness at the country and global levels? What has worked and what has not worked? How can it be improved?
 - ii. Will the REDD plus readiness management arrangements and consultative processes instituted at the country level (e.g., working groups, steering committees and consultative mechanisms, including those for engaging indigenous peoples and forest-dependent people) have a lasting impact and be sustained over time?
- j. Impact of FCPF program: Although it is too early to evaluate the long-term impacts and sustainability of the program, the information from the first evaluations may help in developing evaluation questions around this criterion for future evaluations.

Annex 1: Potential Questions on Specific Topics

The Annex includes list of topics and potential questions that can be included in the evaluation. These will be developed further by the evaluation team in response to the FMT's request for competitive proposals.

a. REDD plus readiness:

- a. Are the definition of "REDD plus readiness", the procedures for formulation, procedures for assessment and review of R-PPs, the guidance notes on consultations, SESA, etc., clear, broadly shared and understood by the REDD Country Participants?
- b. How has the FCPF ensured a common understanding amongst stakeholders of the readiness processes and the changes as they happened?
- c. What were the learning gaps in the development of the FCPF and steps taken (or not) to address those gaps?
- d. Has the FCPF provided a knowledge sharing platform for the FCPF countries? How has this been facilitated? To what extent has this been effective? How could this be improved? Has the information been disseminated and adopted at the country level?
- e. Do the procedures favor high quality R-PP?
- f. Is the sequence of steps clear to all stakeholders?
- g. Is the role of the FMT clear?
- h. Is it well executed?
- i. Is the Bank's country department's role (in receiving and commenting on R-PIN/R-PP) clear?
- j. Is Bank/PC guidance for improvement clear and effectively exercised?
- k. Have countries set up approaches to test ways for sustaining or enhancing livelihoods of local communities and to conserve biodiversity? Are they informative?

b. **Ad Hoc Technical Advisory Panels:** The credibility of FCPF depends on the quality, timeliness and independence of the Technical Advisory Panels (TAPs). These ad hoc panels perform a range of functions including assistance in the development of REDD methodologies, methodologies for pricing of Emission Reductions, assessment of incremental benefits, review of R-PINs, technical assistance to member countries, review of R-PPs, and review of Readiness Packages.

- a. Are their compositions adequate in terms of skill mix and experience?
- b. Has the size and composition of TAPs been appropriate for the circumstances?
- c. Have TAPs been adequately resourced?
- d. Are the reporting arrangements appropriate?
- e. Have the Panels performed their review function well?
- f. Have the Panels performed their advisory function well?
- g. Have they been independent of the FMT, PC and the World Bank?

- h. Is the role of TAP vis-à-vis the Bank's technical review clear?
 - i. Are Bank and TAP reviews carried out in a timely manner?
 - j. Do countries find them useful?
 - k. Are they helping to develop country capacity?
 - l. Are the advice and recommendations of the TAPs incorporated or reflected in the R-PPs, and accepted/applied by the PC?
 - m. Is the FMT ensuring that TAP recommendations are understood by the countries?
 - n. Is the FMT providing continuing guidance to countries to address TAP recommendations?
- c. **Country-level REDD plus strategies:** Describe the structures and functions of the forest-relevant systems in each of the three countries in which REDD plus strategies have been prepared:
- a. Are the guidelines for country analysis adequate?
 - b. Do they take into account domestic as well as international factors, e.g., agriculture, energy and commodity markets, exchange rates?
 - c. Is the step wise approach clearly articulated and widely understood particularly in the client countries' key stakeholders and FCPF interlocutors?
 - d. Are implications of a stepwise approach clear in terms of REDD Readiness Preparation time table?
 - e. What are the lessons of experience so far?
 - f. Is the consultation process being carried out effectively? Is it a one off process or are consultative mechanisms being put in place? Is it comprehensive in its coverage of stakeholders?
 - g. Are fair, efficient and sustainable strategies to protect forests and biodiversity, support local livelihoods and reduce emissions likely to result from prior consultations and other safeguard measures?
 - h. Do the R-PPs sufficiently address land tenure, land rights issues and recognize the respect for traditional knowledge and traditional livelihood practices, the role of safeguards in particular on the rights of indigenous peoples and other Forest Peoples as enshrined in the FCPF Charter?
 - i. Does the process involve a full range of stakeholders (indigenous and other marginalized populations) as well as all relevant sectors (urban, transport, agriculture, mining, energy, planning and financial sectors) to put in place effective national strategy frameworks?
 - j. Does the legal framework include forests, land use, customary rights and address cross-sectoral issues of community forest management and or macroeconomic drivers of deforestation and degradation in a comprehensive way?
 - k. Are cost-effective options being developed?

- l. Are institutional responsibilities, ownership of emission reductions, future regulation of the distribution and use of future revenues from REDD plus and rights and responsibilities of various actors being identified?
- d. **Reference scenarios:**
- a. What are the strengths and weaknesses of the Reference Scenarios prepared so far? Are they realistic in terms of historical pressures and drivers of deforestation, models that can accommodate likely future pressures on forests, the current and expected increase in domestic policy, institutional and fiscal capacity to manage them?
 - b. Are the reference scenarios presented in the pilot countries credible in terms of “without” intervention scenarios and can they be expected to contribute to setting international norms and standards?
 - c. Over what time period and with what set of domestic and international resources were they prepared?
 - d. Are there lessons for capacity building?
 - e. Are there tradeoffs between delivery of output and capacity development?
- e. **MRV Systems:**
- a. Do reliable data on levels of deforestation and degradation exist?
 - b. Is a credible system for monitoring and verifying REDD plus being designed and implemented?
 - c. Are governance reform aspects of the readiness process being included in the MRV systems? Is monitoring of REDD plus financed?
 - d. Are national institutions being trained?
 - e. Is the implementation of safeguards monitored (particularly regarding consultation, protection of the rights of indigenous peoples, governance reform, and biodiversity protection)?
 - f. Are forest data reviewed and adapted to meet REDD plus standards?
 - g. With the capacity building being provided by FCPF are countries going to be able to report on emissions from deforestation, evolving toward the use of an IPCC tier 2 and eventually to a tier 3 approach? Will countries be able to report on activity data in line with IPCC approach 3, which requires explicit land conversion information? What are the resources required to attain this level of reporting?
 - h. Are all components of an MRV system being put in place and indicators relevant for national law enforcement activities being developed, e.g.,
 - i. Data from remote sensing and inventories to upgrade data on stocks and stock changes of forest carbon and biomass to raise accuracy of reporting to a higher IPCC reporting Tier;
 - ii. Data on forest degradation and additional benefits (in particular on biodiversity and livelihoods).
- f. **Participants Assembly (PA):**

The PA, the highest political body, provides general guidance to the PC, reviews the decisions made by the PC (e.g., on pricing methodologies for Emission Reductions Payment Agreements, guidelines on Additional Benefits, General Conditions of the Emission Reductions Payment Agreements; and on evaluation of operation of the PC) and is a forum for information exchange.

- a. Are the composition of the assembly, the frequency of its meetings, and the agenda for the meeting appropriate?
- b. How and by whom are policies and strategies developed?
- c. Do stakeholders have enough access to Assembly members?
- d. Do the Assembly members benefit from access to technical experts as needed?
- e. Has the Assembly been effective in steering FCPF, providing strategic direction and allocating resources commensurate with agreed objectives?
- f. Has it been monitoring the implementation of governance decisions?

g. Participants Committee (PC):

The PC has the largest operational role with a range of responsibilities and functions.

- a. Are its size and composition appropriate? Does the FCPF governance structure give equal weight to developing and industrialized countries? Does it have the right skill mix?
 - b. Is the frequency of meetings appropriate to the needs?
 - c. Does the PC perform the necessary strategic steering function?
 - d. Or is it a rubber stamping body?
 - e. Are the decisions taken by the PC based upon consistent application of agreed performance standards, criteria and indicators?
 - f. Is there trust between developed and developing country members?
 - g. Does chairing of the PC by a World Bank Vice President pose conflicts of interest given the Bank's multiple roles in the FCPF?^v
- h. Carbon Fund Participants Committee:** The Carbon Fund Committee is not operational as yet, and will not be analyzed in the first evaluation.

i. Facility Management Team (FMT):

The FMT is responsible for the day-to-day management of the FCPF involving a range of responsibilities.

- a. Is the FMT staffed with appropriate skill mix?
- b. Is it effective in carrying out its various functions?
- c. It is efficient?
- d. Is it accessible?

Annex 2

List of Potential Interviewers for Evaluation

The stakeholders/beneficiaries whose perspectives would need to be reflected in FCPF evaluation include:

- REDD Country Participants, including REDD plus focal ministries, members of the REDD working groups or equivalent;
- Stakeholders in REDD Country Participants – various ministries and departments with impacts on deforestation (agriculture, mining etc.), forest ministries or equivalents, land tenure authorities, Ministry of finance, political bodies concerned with legislation, policy and national planning, private sector representatives, indigenous and forest-dependent people’s representatives, civil society representatives;
- National research organizations working on forest surveys, monitoring, remote sensing, mapping units, national strategies;
- Donor Participants;
- Carbon Fund Participants;
- Observers (NGOs, indigenous and forest-dependent peoples; UNFCCC Secretariat, UN-REDD Programme, private sector);
- FMT;
- TAP members;
- International organizations engaged in REDD plus issues;
- Other evaluation bodies, e.g., those involved in the evaluation of Norway’s Climate and Forest Initiative; and
- World Bank units concerned with the design, management and activities of the FCPF.

ⁱ The Facility Management Team (FMT) acknowledges the inputs from its consultant Ms. Uma Lele in drafting this note, and comments of many Participants and Observers. The latter can be made available to the evaluators. The framework has benefited from the findings and lessons of the World Bank’s Independent Evaluation Group (IEG) pertaining to the assessment of global programs and related Bank forest policies, spanning a decade. The World Bank works of the Independent Evaluation Group drawn upon include the following: *The Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards*, IEG-World Bank, Washington, D.C. 2007; *Annual Review of Development Effectiveness: Shared Global Challenges*, 2008; *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank’s Approach to Global Programs, Phase 2 Report*, Washington, D.C. 2004; *The World Bank’s Approach to Global Programs: An Independent Evaluation, Phase 1, Report*, Washington, D.C. 2002; *Striking the Right Balance: An Independent Evaluation of the World Bank’s 1991 Forest Strategy*, World Bank, Washington, D.C. 2000; *The Mid Term Evaluation of the World Bank’s 2002 Forest Strategy*, World Bank, Washington, D.C. 2006.

ⁱⁱ The World Bank’s Internal Evaluation Group (IEG) has adapted these OECD/DAC criteria to meet the needs of global programs. Despite these improvements, the prevailing evaluation methodologies for the assessment of global programs have several known shortcomings. These would need to be addressed in

the evaluation framework for FCPF, when the evaluation methodologies are drafted by the evaluation team. For example, the relevance of a global activity is considered, not simply in terms of international consensus in support of that activity, but also in terms of the extent of country ownership. The latter takes into account, among other things, the subsidiary principle, i.e., the extent to which an activity is being carried out at the most appropriate level, and the actual or likely winners and losers among stakeholders using the so-called horizontal considerations.

ⁱⁱⁱ The Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards, IEG-World Bank, Washington, D.C. 2007, recommends that evaluation is the responsibility of the governing body or other unit separate from management. In most of these programs, evaluations are commissioned by part-time governing bodies and conducted by independent teams of consultants or independent experts. In either case, the body commissioning the evaluation takes responsibility for the quality of the final report and for disseminating the findings and recommendations, in different formats for different audiences, as appropriate.

^{iv} The PC approved the FY2009 and FY2010 budgets in June 2008 and June 2009, respectively. For FY 2011, a work plan will accompany the FMT's budget proposal to the PC.

^vSeveral recent evaluations, e.g., those of the CGIAR, IMF and GEF, have pointed out that the chairing of the organization boards by the CEO is not good practice.