

Forest Carbon Partnership Facility (FCPF)

Second Program Evaluation

Terms of Reference

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Evaluation Context:

1. **Origin of the FCPF:** The Forest Carbon Partnership Facility (FCPF) was set up in response to the demand from the global community to demonstrate the role of emission reductions from deforestation and forest degradation as a potential option for global greenhouse gas mitigation, which was being deliberated at the international climate change negotiations under the UNFCCC¹ at that time. The FCPF became operational in June 2008, and is a global partnership (Financial contributors, REDD Countries, and Observers from civil society, Indigenous Peoples, Private Sector, International Organizations, UNFCCC, UN-REDD Programme, and Delivery Partners) focused on the reduction of emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+). The FCPF contributes to demonstrating how REDD+ can be applied at the country level.
2. **FCPF Objectives:** The FCPF has the dual objectives of building capacity for REDD+ in developing countries in tropical and subtropical regions, and testing a program of performance-based incentive payments in some pilot countries, on a relatively small scale, in order to set the stage for a much larger system of positive incentives and financing flows in the future. The objectives of the FCPF, as stated in the FCPF charter, are:
 - To assist eligible REDD Countries' efforts to achieve Emission Reductions from deforestation and/or forest degradation by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD;
 - To pilot a performance-based payment system for Emission Reductions generated from REDD activities, with a view to ensuing equitable sharing and promoting future large scale positive incentives for REDD;
 - Within the approach to REDD, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity; and
 - To disseminate broadly the knowledge gained in the development of the Facility and implementation of Readiness Plans (now known as Readiness Preparation Proposals) and Emission Reduction Programs.
3. **FCPF Financing Mechanisms:** Two separate mechanisms support these objectives:
 - (a) **Readiness Fund:** The FCPF's initial activities relate to technical assistance and capacity building for REDD+ in IBRD and IDA member countries in the tropics across Africa, East Asia and Pacific, Latin America and the Caribbean and South Asia. Specifically, the FCPF is helping countries arrive at a credible estimate of their national forest carbon stocks and sources of forest emissions, work out their national reference scenarios for emissions from deforestation and forest degradation, calculate opportunity costs of possible REDD+ interventions, adopt and complement national strategies for stemming deforestation and forest degradation, and design national monitoring, reporting and verification systems for REDD+. These activities are referred to as 'REDD+ Readiness' and supported by the Readiness Fund of the FCPF. These activities create a framework for future REDD+ investments or performance-based payments. At a reasonable point in time countries are expected to present a snapshot of their REDD+ readiness, in the form of a Readiness Package, for which guidelines were adopted by the Participants Committee (PC) at its

¹ UNFCCC: United Nations Framework Convention on Climate Change

fourteenth meeting (PC14)

(<http://www.forestcarbonpartnership.org/sites/fcp/files/2013/July2013/FCPC%20framework%20text%207-25-13%20ENG%20web.pdf>).

- (b) **Carbon Fund:** It is currently expected that up to nine countries that make significant progress towards REDD+ readiness, and submit an Readiness Package (R-Package) to the PC, will participate in and receive financing from the Carbon Fund, through which the Facility will pilot performance based incentive programs for REDD+. The selected countries, having demonstrated ownership on REDD+, progress in the design of an adequate monitoring framework, and preparation of credible reference scenarios and options for reducing emissions, will benefit from performance-based payments for having verifiably reduced emissions from deforestation and/or forest degradation through their Emission Reduction Programs. Carbon Fund payments will only be made to countries that achieve measurable and verifiable emission reductions. By October 2014, 11 REDD Participant Countries have been accepted or provisionally accepted into the Carbon Fund pipeline based on the submission of the early Emission Reduction Program Ideas Notes (ER-PIN), up to nine of which will eventually be accepted into the Carbon Fund portfolio and receive performance-based payments from the Carbon Fund.

4. The activities that the FCPF has carried out to support achievement of results at the country level are broadly categorized as follows:

- Financial support in the form of Readiness Grants to REDD countries which is used by REDD countries to source expertise/ consultancies for building national REDD readiness capacities nationally such as for preparation of REDD Strategy, establishing deforestation and degradation baselines, monitoring of emissions reductions, and REDD implementation framework (registry benefit sharing mechanisms. The Delivery Partners work closely with respective countries to establish the priority activities that the Readiness Grant will support which results in signing of Grant agreements.
- Technical support through centrally funded activities managed by the FMT has facilitated the Readiness process at national levels by developing standards and guidance that countries can apply to make progress and assure quality at every stage of REDD readiness and piloting . Some examples include guidance for Stakeholder engagement, Grievance Redress Mechanisms, Methodological Framework to guide the design of Emission Reductions Programs, preparation and application of decision support tools for establishing Reference Scenarios, Governance diagnostics, calculating opportunity costs of possible REDD+ interventions, R-Package Assessment Framework, preparation of monitoring and reporting frameworks, and General Conditions for the ERPA. FMT also facilitates regional knowledge exchanges and as needs are identified such as for SESA application, and procurement capacity.
- World Bank supervision and technical missions that include thematic experts (to meet specific country request) to REDD countries are undertaken to guide the operational work for ensuring progress and timeliness of deliverables.
- The detailed activities and outputs are included in the M&E Framework

5. **Piloting nature of the FCPF:** Together, the Readiness and Carbon Fund seek to learn lessons from first-of-a-kind operations and develop a realistic, cost-effective instrument for tackling

deforestation, to help safeguard the earth's climate, reduce poverty, manage freshwater resources, and protect biodiversity. However, it is important to note that the Facility itself is not a panacea to "save the world's forests." Rather, lessons generated from the FCPF's methodological framework, pilot implementation and carbon finance experience will provide insights and knowledge for all entities interested in REDD+. The FCPF thus seeks to create an enabling environment and garner a body of knowledge and experiences that can facilitate development of a much larger global program of incentives for REDD+ over the medium term.

6. **Program growth over time:** Since its inception, based on requests for expressions of interest, the number of REDD countries participating in REDD+ Readiness under the FCPF has increased to 47, including 11 new countries in 2014. In parallel the financial contribution to the FCPF has also increased and currently stands at 385 million in the Readiness Fund and 465 million in the Carbon Fund. The selection of the countries in the Carbon Fund pipeline has also demonstrated increased interest from REDD Country Participants in piloting incentive mechanisms for reducing emissions from deforestation and forest degradation. Unlike general development assistance, receipt of carbon finance, beyond funds for REDD+ readiness, is contingent on credibly demonstrating the ability of a country or entity to achieve results in the form of emission reductions. The focus with respect to activities being undertaken has also shifted from standard setting for REDD+ and operational modalities (2008-2011) to Readiness implementation (2011 onwards) and advancing to site-specific emission reduction program preparation (2014) and moving to ER Program implementation (2016 onwards).

7. **Expected Outcomes and Impacts of the FCPF per Monitoring and Evaluation (M&E)**

Framework²: In line with the objectives stated in the FCPF Charter, the 4 key outcomes that the FCPF is jointly accountable for with its partners and participant countries are:

- (i) Efforts successfully undertaken by countries with FCPF support to achieve emissions reductions and benefit from possible systems of positive incentives for REDD+. At the end of each readiness process, the progress of the readiness package of participating countries will be provided to the Participants Committee (PC) based on an assessment framework;
- (ii) Piloting performance-based payment systems for emission reductions generated from REDD+ activities relates to the Carbon Fund. The ambition level is mindful and limited at the moment to up to nine countries entering the CF portfolio by 2015, who will test performance based payment system by 2020;
- (iii) Enhancing livelihoods and conserving biodiversity is designed to test models that help sustain or enhance livelihoods of local forest communities and simultaneously conserve biodiversity. This is an integral part of the REDD+ standards and a crosscutting issue for any REDD+ strategy and ER-program. In addition, a specific budget line under the RF called Indigenous Peoples, Civil Society and Local Community (IP, CSO, and LC) Program supports capacity building of IP, CSO and LC groups that also may strengthen active involvement of these important stakeholders in the national readiness processes; and

² In accordance with one of the recommendations of the first evaluation of the Facility, PC11 mandated the preparation of a full M&E Framework for the FCPF. The final M&E Framework was adopted by the PC in March 2013. The Facility Management Team is responsible for monitoring FCPF operations and undertaking regular assessment of the progress achieved in relation to established outputs and outcomes, to identify reasons for divergence from the targets, and to take necessary actions to improve performance.² In addition, the M&E Framework envisages independent evaluations of the FCPF in 2015, 2017 and 2020.

- (iv) Disseminating broadly the knowledge gained in the development of the Facility and piloting is transversal to the previous outcomes and knowledge management activities grouped under this outcome, underlining the “learning-by-doing” character of the FCPF. It draws from the experience under the other outcomes and reinforces them.

Some of the outcomes are related to operational aspects whilst others are process oriented.

8. Five impact (intermediate) level results directly attributable to the FCPF are identified in the M&E Framework as follows: (i) The FCPF has contributed to the design of a global regime under or outside UNFCCC that provides incentives for REDD+ (ii) Reduced emissions from deforestation and forest degradation from FCPF, especially CF portfolio countries (iii) FCPF has catalyzed the creation of recognized global standards for REDD+ (iv) FCPF has catalyzed investment in REDD+ (CF, and grants) and (v) The FCPF has generated momentum to address governance and transparency issues and policy reforms related to sustainable forest resource management and REDD+ .

9. Performance indicators are designed to monitor whether progress on activities (Paragraph 4) is actually making a difference in progressing towards the expected results (outcomes.). The FCPF intervention logic is reflected in the logical framework (http://www.forestcarbonpartnership.org/sites/fcp/files/2013/june2013/Final%20Draft%20ME%20framework_June%202013_FMT%20Note%202012-11%20rev%202_English.pdf).

10. The FCPF annual report presents the progress against the performance indicators, risks and assumptions (FY14 annual Report available at <http://www.forestcarbonpartnership.org/sites/fcp/files/2014/october/FCPF%20Annual%20Report%2014.pdf>). The annual report consolidates country level information received from REDD Country Participants with signed Readiness Grants (country reports can be accessed at <http://www.forestcarbonpartnership.org/redd-countries-1>).

Purpose and Objectives of FCPF Evaluation

11. **Purpose:** The purpose of the second FCPF evaluation is (a) to contribute to improving program effectiveness and delivery towards 2020 by feeding real time learning from REDD+ implementation back into the program, and (b) to contribute to overall alignment of strategic direction of the FCPF to ensure that FCPF support to REDD Country Participants and other stakeholders remains relevant to addressing country level needs whilst also aligned to the emerging global architecture for REDD+. The M&E framework mandates the second evaluation for 2015 (6 years since FCPF became operational in 2008) to allow for adjustments for towards achieving the results by 2020. The evaluation recommendations are intended to inform the FCPF Participants Committee (the governing body), the FCPF Facility Management Team, World Bank Management and Delivery Partners for follow-up actions required to further strengthen FCPF performance. The evaluation is also of interest to the FCPF Participants Assembly, Observers, and the broader REDD+ community with respect to lessons learnt from operations of the Facility.

12. **Objectives:** The objective of the First Program Evaluation undertaken in 2011, two years after the FCPF was set up, was to assess the effectiveness of the governance structure of the FCPF and the operational effectiveness of the Readiness Fund, and suggest ways of enhancing FCPF support to REDD Country Participants. The scope of the first evaluation was limited to activities relevant to the Readiness Fund, as activities under the Carbon Fund were not yet operational, with focus on appropriateness of program design, the relevance and clarity of the objectives, sources and use of funds the functioning of governance and management arrangements, and key constraints in achieving the FCPF objective of supporting REDD+ Readiness in REDD country participants. Recommendations were made related to

real-time monitoring of the program, enhancing stakeholder engagement, speeding up signing of readiness grants and disbursements, fostering coordination and harmonization of funding sources, and cooperation among relevant REDD+ initiatives, and knowledge exchange with stakeholders and the broader REDD+ community (See FMT Note 2011-9, Annex 4: Extract of Action plan to address the recommendations of the First FCPF Program Evaluation).

13. As the FCPF is now well established, with a transparent and effective governance structure, and readiness being implemented by several countries, the second evaluation will focus on complete assessment of operations of the Readiness Fund, especially implementation at country level, and early operations of the Carbon Fund. The specific objectives of the second FCPF evaluation are:

- i. to ascertain the results (outcomes and early impacts, intended and unintended) and lessons learned from the program.
- ii. to assess relevance, and effectiveness, and specific aspects of efficiency of the program, taking into account the complexity of REDD+, and other limitations; and influence of response/follow-up actions taken to address the recommendations of the first evaluation and the global program review by IEG³.
- iii. to provide findings, conclusions and recommendations with focus on the following:
 - program delivery at country level, especially in responding to REDD Country Participants' strategic priorities and capacities in Readiness and Emission Reduction Program development REDD Country Participants' use of analytical instruments developed by the FCPF (such as SESA, Methodological Framework, Readiness Package Assessment Framework), level of stakeholder engagement, and involvement of multi-sectoral actors that are fundamental drivers of change for REDD+, such as the private sector and ministries of agriculture and planning, in institutional arrangements and national dialogues;
 - the FCPF's position in relation to other REDD+ initiatives (for example the Forest Investment Programme, UN-REDD Programme and Global Environment Facility), and the role and contribution of the FCPF at the country level and within the global REDD+ architecture;
 - Consistency in operations of REDD Readiness Fund and Carbon Fund, and lessons from Readiness fund that are relevant to design and implementation of the emission reduction programs under the Carbon Fund;
 - FCPF actions taken for knowledge sharing at country, regional and global level for all aspects related to the readiness process.

³ The Independent Evaluation Group (IEG) of the World Bank annually reviews a number of global and regional partnership programs (GRPPs) in which the Bank is a partner, in accordance with a mandate from the Bank's Executive Board in September 2004. IEG reviewed the FCPF in 2012 in accordance with the objectives of the Global Program reviews which are to help improve the relevance and effectiveness of the programs being reviewed, (b) to identify and disseminate lessons of broader application to other programs, and (c) to contribute to the development of standards, guidelines, and good practices for evaluating Global and Regional Partnership Programs

Scope of the Evaluation

14. Evaluation Period: The Second Program Evaluation will cover FCPF operations from July 2011 to December 2014.

15. Intervention logic being evaluated: The M&E Framework of the FCPF details the intervention logic and results chain for the FCPF. It disaggregates the FCPF objectives (paragraph 2) into key results and discerns the outputs, outcomes and impacts that will be realized during the lifetime of the Facility. The 12 outputs refer to the various building blocks, or shorter term results under the FCPF work agenda that together are seen as necessary to lead to 4 outcomes (Annex 1). As the FCPF is principally focusing on laying the ground for future REDD+ activities and piloting performance-based payment systems, one must be realistic in terms of the magnitude of impact to be expected under the Facility by 2020. Therefore, the Result Chain of the M&E Framework (Annex 1) distinguishes between intermediate impact of the FCPF that can still be attributed to the FCPF and longer-term global impact to which FCPF indirectly contributes via successful interventions, including its catalytic effects on other REDD+ initiatives. Global impacts consist of emission reductions (beyond those achieved by emission reduction programs supported by the FCPF Carbon Fund), the enhancement of livelihoods of forest-dependent communities and biodiversity conservation; but they are beyond what can be measured by an FCPF Monitoring and Evaluation framework, and most likely to materialize only after 2020⁴.

16. Since the completion of the first evaluation in 2011, the implementation of REDD+ readiness supported by FCPF readiness preparation grants has advanced. A few REDD countries are nearing completion of implementation of their \$3.8 million readiness preparation grants, and some others have submitted mid-term progress reports and have requested additional funding of up to \$5 million to continue readiness preparation. In addition, the Carbon Fund (CF) has become operational, standards to govern the design of Emission Reduction Programs have been adopted, and selection of early emission reduction program ideas into the CF pipeline has been completed.

17. In line with the intervention logic and the proposed Evaluation Objectives the evaluation will focus on assessment of Outcome 1 (readiness support) and Outcome 4 (knowledge sharing) with partial assessment of outcomes 2 (engagement for sustainable livelihoods of forest communities) and 3 (emissions reduction performance based payment systems effectively demonstrated) and associated indicators at the output level. Assessment of Outcomes 1 and 4 is timely as readiness implementation has advanced sufficiently. Partial assessment only of outcomes 2 and 3 is envisaged as the Emission Reduction Programs have not yet been implemented (see paragraph 6). Likewise the evaluation scope will include assessment to the extent possible of all (intended) early impacts except the impact associated with emission reductions to be achieved through the pilots supported by the Carbon Fund (paragraph 7). This does not however exclude strategy level assessment relevant to this impact and assessment of other unintended impacts and outcomes of the FCPF. Questions to be considered are whether targets are being met, operations functioning as designed, REDD Country participant capacities being strengthened to enable participation in REDD+, and in view of all of the above, whether the FCPF's strategic direction is correct and on course and whether there is need for growth and further outreach to new donors/partners.

18. The evaluation is global in its geographic scope. The FCPF readiness portfolio includes countries in Africa, Latin America and the Caribbean, and Asia, with regional differences in institutional arrangements and relevance of forests in national economies and development. Countries are also at different stages of REDD+ (established, advanced, and in early phases) and diversity is expected in experience with readiness and piloting of REDD+, and benefits envisaged from REDD+. Furthermore, a

⁴ Extension of the Carbon Fund lifetime beyond 2020 is under consideration.

subset of countries have been selected into the Carbon Fund pipeline. It is important that the evaluation reflects adequately summarizes the experiences, lessons and perspectives across the range of countries.

Timeline:

19. It is expected that the Second Program Evaluation will be completed by December 2015, with draft results to be available in time for the PA8 meeting in October/November 2015.

Evaluation Oversight and Management:

20. As provided in the FCPF Charter, evaluation is the responsibility of the governing body, in this case the PC on behalf of the Participants Assembly (PA).⁵ Accordingly the First Program Evaluation for the FCPF was completed in 2011 under the oversight of the PC, and supported by the FMT, as requested by the PC.

21. The M&E Framework recommends that, for future evaluations, the PC constitute a Committee to provide oversight to the evaluation with the FMT in a supportive role. The Global Program Review of the FCPF conducted by the Independent Evaluation Group (IEG) in 2012 also recommended that the evaluation oversight of global programs be carried out by the program's governing body or a subcommittee constituted for this purpose.

22. At PC18 in Arusha, Tanzania in November 2014, the PC agreed to set up an oversight Committee with the following composition:

- 3 REDD Country Participants (Latin America and the Caribbean, Africa and Asia)
- 3 Financial Contributors
- 3 Observers (1 from CSOs, 1 from Indigenous Peoples, and 1 from private sector/International Organizations/UN-REDD/UNFCCC Secretariat)
- 1 Delivery Partner.

23. In addition and in accordance with good practice for independent evaluations a Reference Group (RG) consisting of an independent evaluation expert and a REDD+ expert has been set up. The Reference Group will have an advisory role and will assist the Oversight Committee at various stages of the evaluation for quality assurance of the evaluation.

24. A brief description of the roles of Oversight Committee, Reference Group, Facility Management Team and the World Bank Management in Evaluation Management is provided in Annex 5.

Key Questions for the Second Program Evaluation

25. The evaluation questions are based on the standard OECD/DAC Results Based Management, Monitoring and Evaluation Framework (RBM MEF) consisting of inputs, outputs and outcomes, using the evaluation objective and scope of each of the evaluations as agreed in the FCPF M&E Framework as the basis for framing additional questions. This section presents the key questions in four clusters. Whilst the focus of the evaluation will be on effectiveness and relevance, efficiency and early impacts will be

⁵ 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.

assessed with focus on lessons learnt from implementation. The evaluation team may incorporate specific sub questions as relevant, to supplement and strengthen the evaluation.

26. **Cluster One (Effectiveness of FCPF Role in REDD+):** This cluster of questions will look at key aspects of FCPF effectiveness whilst focusing on implementation and lessons learnt at country level.⁶ Sub-questions to be addressed include the following and draw upon directly from the recommendations of the first evaluation as relevant.

- (a) Has the FCPF added value to the REDD+ processes undertaken by REDD Country Participants, and capacity development at the country level?
- (b) How effectively are readiness activities being implemented at country level?
 - a. Is overall readiness implementation aligned to the guidance provided by the R-Package Assessment Framework?
 - b. How are non-forestry/environment sector actors (such as private sector, ministries of planning, agriculture and finance) being involved in the institutional arrangements?
 - c. To what extent has the FCPF helped countries leverage additional funding sources? Are the bilateral and multilateral funding sources being used synergistically?
 - d. Are the national institutional arrangements effectively leading coordination at country level? If not, why and what are the drivers of coordination that would need to be addressed?
 - e. To what extent are REDD+ countries able to adopt and apply the instruments developed by the FCPF such as the SESA, ESMF, Readiness Package Assessment Framework and the Methodological Framework? If not, why? What are lessons learnt in this regard and adaptations of instruments required, if any?
- (c) As a consequence of the first evaluation a dedicated program for enhancing engagement of CSOs and Indigenous Peoples was endorsed by the PC to further bolster the support through the ongoing Indigenous Peoples Capacity Building Program. Has the FCPF through the capacity building program, and application of SESA and the Common Approach been able to foster stakeholder engagement in REDD+ at the national level? This will include synthesis of lessons learnt from piloting the Common Approach and the Indigenous Peoples Capacity Building Program.
- (d) How, and to what extent have lessons learnt from the readiness process been integrated into operations of the FCPF, including (i) in operationalizing the Carbon Fund (given that REDD+ readiness forms the basis for future Emission Reductions Payment Agreements under the Carbon Fund), and (ii) to ensure consistency between readiness and the Carbon Fund⁷.

⁷ The first evaluation recommended the need for consistency between the due diligence in the Carbon Fund Phase with the ongoing due diligence requirements of the Readiness Phase.

- (e) Given the emphasis on the need for enhancing the dissemination of lessons learnt, facilitating knowledge and South-South exchange in the first evaluation, to what extent has FCPF been effective in implementing its communication strategy? Who have been the key beneficiaries? How can further improvements be made?
- (f) What lessons can be drawn from ER-PINs preparation process to further strengthen ER Program design? In light of the objectives and targets that countries have set to achieve is the timeframe of delivery of ER Programs realistic⁸?
- (g) To what extent has the FCPF addressed and implemented recommendations from the first evaluation, including on program monitoring and reporting?

27. **Cluster Two (Relevance of FCPF):** The questions in this cluster are meant to assess the relevance of the (i) FCPF program design to its objectives (ii) FCPF support to the REDD countries and comparative advantage of the FCPF vis a vis other sources of support at the national level and (iii) FCPF role in delivery of global public goods and evolving REDD+ architecture at global levels.

28. The assessment to the above question should be guided by the following sub-questions:

- (a) Have FCPF design and activities evolved since the first evaluation? If so, how and to what extent have they evolved and what considerations, including guidance from international conventions and recommendations from the first FCPF evaluation, have driven this evolution? Evolution of the program with respect to available financing, portfolio size and support to countries should be considered and assessed against relevance of the FCPF to its objectives, added value of the FCPF at national level in comparison to other forms of support, and in informing the REDD+ agenda globally.
- (b) Is FCPF support aligned to countries' emerging strategic priorities and capacities?
- (c) Are the current FCPF objectives (and targets envisaged in the M&E Framework) realistic in relation to the capacity of REDD Country Participants, time frame for piloting, resources for REDD+ readiness and bridge finance likely to be available before large-scale systems of performance-based payments are in place?.
- (d) How do participating countries perceive the costs and benefits of the FCPF Readiness Mechanism, including timeliness and magnitude of resources, the contribution to national ownership, and the contribution to national capacity through mobilization of expertise (external consultants, and use of national experts) to conduct analytical work and trainings relevant to REDD+? Are REDD countries fostering the REDD agenda, and demonstrating ownership of REDD+ nationally, to ensure that FCPF support remains relevant and contributes to national efforts?
- (e) To what extent could readiness grant financing be further tailored to country needs, i.e. to enable countries to make meaningful advances on most pressing issues related to forests and help meet needs identified prior to the availability of REDD+ readiness funding (e.g., need to improve governance or regular monitoring of forests)?

29. **Cluster Three (Efficiency of the FCPF):** The second evaluation will assess the FCPF efficiency in a context of capacities of various partners to deliver on FCPF objectives and disbursements to countries only. The first evaluation recognized that disbursements of Readiness Grants was slow and there were gaps in countries' capacities to meet the World Bank procurement guidelines for efficient disbursements of readiness grants. The assessment of efficiency will be guided by the following key questions:

- (a) How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund in particular, and Carbon Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures, and complexity of the project?
- (b) Has efficiency in disbursements at country and portfolio level changed since the first evaluation? If not, why? and what measures can be taken to improve the disbursements?
- (c) Is the FCPF well positioned in relation to governance structure, REDD Country Participants capacities, Delivery Partner capacities, FMT Capacity and resources available, to manage and meet the FCPF objectives, and deliverables of Readiness and Carbon Fund operations in a timely manner as envisaged in the M&E Framework?

30. **Cluster 4 (Impacts and Sustainability):** Recognizing that it is early to evaluate the impacts of the FCPF, the evaluation of Intermediate impacts identified in the M&E Framework will be undertaken with a focus on the FCPF contribution to early impacts only and documenting lessons learnt that can help improve and adapt the FCPF support in the future:

- (a) What catalytic impacts has the FCPF had (through Readiness activities and design of early ER Program ideas at the national & sub-national levels) in shaping the REDD+ policy and institutional framework in countries that could determine longer term sustainability of national/subnational efforts on REDD+?
- (b) To what extent has the FCPF contributed to fostering stakeholder engagement in REDD+ at the national and international levels?
- (c) What contribution, if any, has the FCPF made in generating additional investments (public and private sector) for REDD+ readiness, and pilot programs in REDD Participant Countries?
- (d) To what extent and how have REDD Country Participants made use of FCPF instruments such as Readiness Preparation Proposals, M&E Systems, mid-term progress reports and preparation of R-Packages to strengthen national ownership, inter-sectoral and multi-stakeholder coordination as well as coordination of various financial sources?

The above assessment questions should be seen in their context, i.e., factors that may have contributed to the successes or constrained optimal achievements. The findings of Clusters should be cross-referenced to each other, to conclude on overall early impacts and added value of the FCPF.

Methodological Approach

31. The methodological approach for evaluation will be determined by the evaluation team. The M&E Framework provides the intervention logic and assumptions under which FCPF objectives can be achieved, and the causal links between FCPF interventions and outcomes. Verifying the intervention logic itself is not primary purpose of the evaluation. As the contextual factors, outside the control of the program, have dynamic and changing effects on the activities and the outputs, the methodology proposed should for the purpose of learning and accountability therefore evaluate the activities, and the extent to which these activities and the outputs they produce generate intended

results (outcomes) as well as other unintended effects. The evaluation team may review some of the underlying assumptions on which the program was built and suggest/ integrate approaches that allow for evaluation of a global program of this complexity. Triangulation of data with a variety of sources, types of information and types of analysis to verify and substantiate an assessment, will be used to overcome bias. The evaluation will cover ongoing as well as completed activities identified as key building blocks of readiness, comprising desk studies, questionnaires, interviews and fieldwork in REDD Countries, including those countries that have been accepted in the Carbon Fund Pipeline and will be developing ER-Programs for submission for potential selection into the Carbon Fund portfolio by early 2016.

32. In collecting and analyzing data and drawing conclusions and recommendations, the evaluation methodology will use methods to ensure that the evaluation will result in a valid, credible and legitimate report. Several key questions will be underpinned by literature reviews. The evaluation team will follow an approach to ensure that questions are properly understood and presented, underlying assumptions have been analyzed, and the resulting data gathering and analysis deliver aggregate and synthetic qualitative and quantitative judgments on the basis of diverse materials (from desk studies, interviews, surveys, portfolio analysis, field visits and verification through stakeholder consultations). Methodology will include criteria for selection of sample number of representative FCPF countries as case studies for field visits for verification of results.

33. The consultant evaluation team will develop a methodology to gather, analyze and synthesize data, including an approach for determining the quality and relevance of evidence for answering the evaluation questions. The use of an evaluation matrix that depicts indicators associated with key program activities and outcomes, sources of information, and methodology to be used for assessing key evaluation questions is recommended. This methodology so developed will be included, and agreed upon with the Oversight Committee, as part of the inception report presented by the evaluation team.

34. **Gender aspects**, including identification of unintended impacts and outcomes for gender groups will be taken into account where appropriate and relevant. This will especially be the case when developing a methodology for the country, agency and field visits and the stakeholder consultations, but gender aspects may be incorporated elsewhere as well.

35. The **terminology** to be used in the evaluation will be defined in a consistent manner and relate to international usage of the terms concerned.

36. **Document reviews** will be undertaken, focusing on documents of the FCPF and its activities, as well as from related institutions as well as standard evaluation protocols. Protocols of the GEF Evaluation Office and Independent Evaluation Group of the World Bank, among others, will be considered essential sources of information.

37. **Stakeholder consultations.** Independent stakeholder consultations will be instituted to ensure that stakeholder opinions are gathered on all aspects of the FCPF. Relevant stakeholders should include governments, civil society, non-governmental organizations, Indigenous Peoples and the private sector. Those responsible for deforestation and forest degradation, and those affected by it, should also be consulted. Credible surveys already conducted for gathering stakeholder views may be used as appropriate.

38. **Semi-structured interviews.** These will be undertaken on specific questions with specific stakeholders, and the governments of recipient and donor countries. Special care will be taken to analyze the qualitative data using proper tools and techniques.

39. **Country and field visits.** To ensure a representative sample of recipient countries, interventions, and geographical regions, at least three countries will be visited during the Second Program Evaluation. Evaluative evidence from more FCPF countries will be included. Visits to representative FCPF countries will serve to gather data, verify available reports and documents, and interview beneficiaries and local stakeholders, including local government, communities and representatives from civil society. Country case studies in some of these countries will be undertaken to draw and verify results.
40. **Participation in international meetings.** Where possible, in order to limit costs, the evaluation team will request feedback from Participants present at international meetings, either through the stakeholder consultation process, semi-structured interviews or focus group meetings.
41. **Complementarities with the other evaluations:** The evaluation team will seek to develop complementarities with the evaluation of other institutions/organizations, including Norway's International Climate and Forest Initiative undertaken by the Evaluation Department of NORAD.

Deliverables/ Specific Outputs expected from Consultant

42. It is expected that the Consultants will:
- Finalize the methodology, the key criteria and indicators for each cluster of evaluation questions included in terms of reference;
 - Prepare the inception report; The inception report including the evaluation methodology, and communication plan, evaluation report format will be reviewed by the oversight committee and external advisory panel, and agreed by the Oversight Committee; Further discussions at the inception report stage on how preliminary findings for some aspects might be shared early (for example lessons learned from the ER-PINs and how this might helpfully shape consideration of the ERPD business process) are expected.
 - Implement and independently undertake the necessary evaluative work for each cluster of questions following the agreed methodology;
 - Evaluate relevant sources of information through desk reviews and literature studies;
 - Prepare criteria for selection of in depth evaluation in sample set of FCPF countries and participate in a sample of representative FCPF countries and field visits;
 - Report on these visits and findings for evaluation purposes;
 - Interact with representatives of FCPF member countries, FMT, CSOs and stakeholder groups (representative list in Annex 2);
 - Prepare draft reports for each sub-component, including evaluative findings, conclusions and emerging recommendations and lessons learnt for wider dissemination. Results will be presented in a way that highlights the factors that have influenced success or failure in a variety of conditions.
 - Incorporate feedback from the external advisory/reference group into the draft evaluation report. Share the findings at PA8/PC19 (November 2015);
 - Receive and incorporate feedback from stakeholders before finalizing the report;
 - Prepare the final report for the Second Program Evaluation in English, submit it to the FMT and present it to the PC. The report will also be made available in French and Spanish.

43. **Consultant Firm Qualifications:** The team proposed for the consultancy will meet the following qualifications:

- Advanced degree in environmental science, or development or related studies;
- 10-15 years of relevant professional evaluation and research experience, preferably including in depth knowledge of climate and forestry issues, and experience with implementation of global projects & programs or support to monitoring and evaluation activities at the project or program levels;
- A proven track record of undertaking evaluations;
- Experience in social research, and participatory processes including in conduct of multi-stakeholder surveys, and interviews
- Experience in statistical analysis
- Excellent writing and communications skills;
- Excellent spoken and written English; and proficiency in Spanish or French preferable.
- Proposed teams with gender balance .preferable
- Inclusion of in country/local consultants from FCPF countries in proposed team is preferable

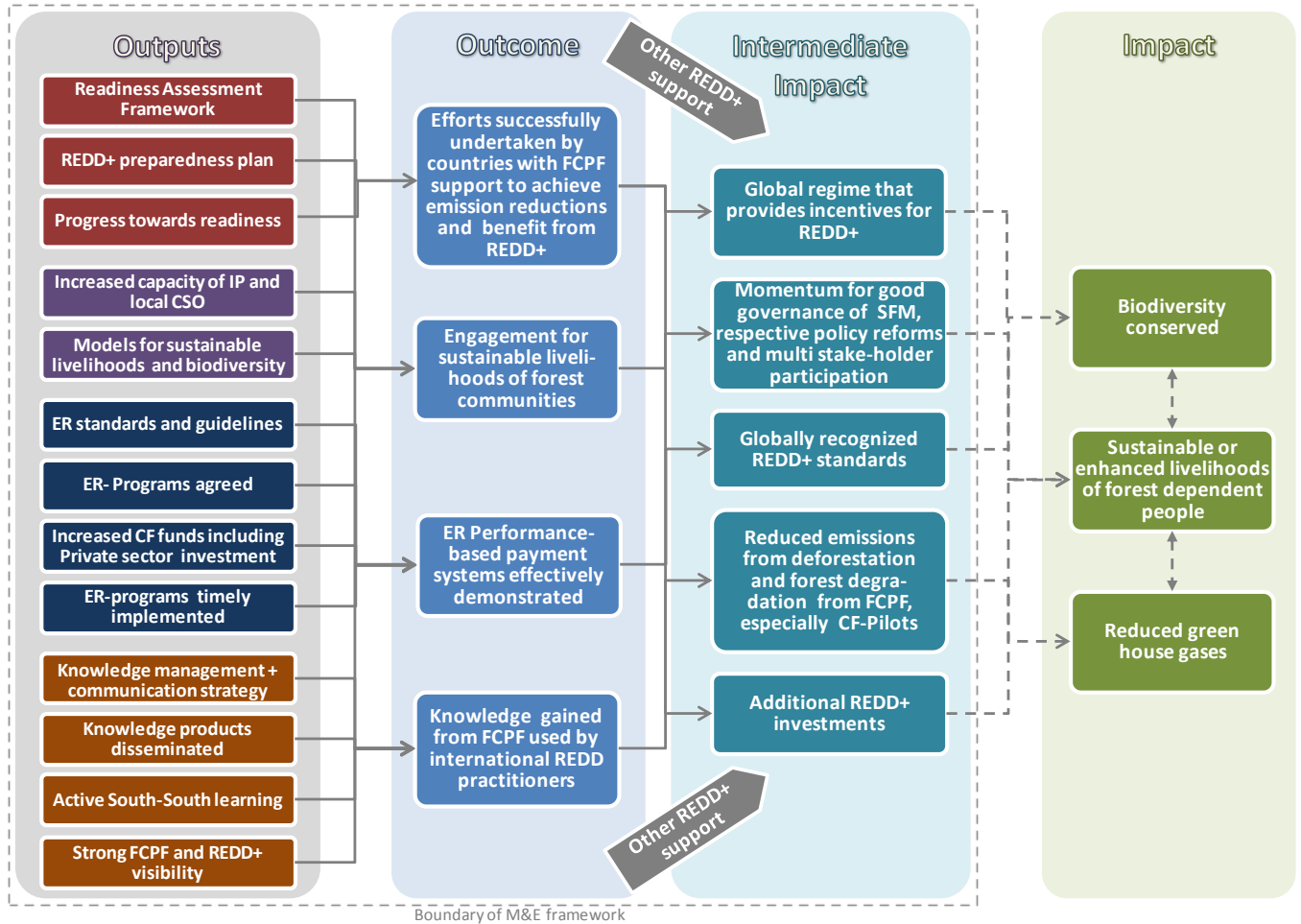
44. **Delivery Schedule:** The milestones and timeline for conduct of Second Program Evaluation from inception to conclusion of the evaluation by October 2015 will be provided by the Evaluation team.

45. **Acceptance Criteria for Deliverables:** The Evaluation methodology and report shall be prepared in accordance with international good practice for evaluations, clearly written and presented, with appropriate level of detail and in accordance with the Terms of Reference, keeping in view the audience. Soft copies of the report shall be presented in English, Spanish and French. Specific criteria shall be developed and mutually agreed with the consultant before the contract is signed.

46. **Specific inputs to be provided by the Client:** The Consultant shall undertake the evaluation in an independent manner. The FMT will facilitate the country field visits. Publication of the report shall be the responsibility of the FMT.

47. **Budget:** Budget shall be proposed by the consultant based on the team composition, personnel requirements and the expected travel and subsistence expenses for travel to at least three representative FCPF countries.

Annex 1
FCPF M&E Framework: Results Chain



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);
- Private sector organizations in the REDD countries who are REDD+ stakeholders and likely to have an interest in the design of REDD+ strategy options;
- FMT;
- Ad Hoc Technical Advisory Panel (TAP) members;
- International organizations engaged in REDD+ issues, e.g., organizations working on methodological, policy and social and other related aspects of REDD+;
- Other evaluation bodies, e.g., those involved in the evaluation of Norway’s International Climate and Forest Initiative; and
- World Bank units concerned with the design, management and activities of the FCPF.

Annex 3
Extract of Action Plan to Address Recommendations of the First FCPF Program Evaluation
(FMT Note 2011-9)

Amongst the key recommendations of the first evaluation of the FCPF the following were identified as key areas where PC action was mandated:

- a. Need to speed up the signing of Readiness grants agreements and disbursements under the Readiness Fund of the FCPF
- b. Enhancing stakeholder (CSOs and IPs, and private sector) engagement in REDD+
- c. Need for flexibility in the Readiness Fund (moving away from flat rate of readiness grants, and plans for reopening the Readiness Fund to new countries)
- d. Further improvements related to learning, S-S exchange and capacity building (strengthening key sectoral and non sectoral ministries in REDD+, learning from previous experiences in forest management, learning from SESA, and support to regional measures for S-S exchange and leaning)
- e. Fostering coordination and harmonization of funding sources (cooperation of bilateral and multilateral partners at the national level, identifying Multiple Delivery Partners outside the World Bank, strengthening coordination with UN-REDD Programme)
- f. Development of Readiness Package and links to operationalization of Carbon Fund of the FCPF (minimum readiness requirements for countries to access the Carbon Fund, ensuring that operationalization of Carbon Fund builds on lessons of Readiness Phase, in operationalizing the recommendations related to R-Package and country capacity building needs not to prejudge but ensure alignment with the ongoing UNFCCC process)
- g. Prepare an M&E Framework for the FCPF to guide the monitoring and future evaluations of the FCPF

Annex 4
List of Available Information/Data sources

The following information/ reports will be made available to the consultant team available for review:

- FCPF M&E Framework
- FCPF: background information, FCPF annual reports
- FCPF Dashboard on FCPF website
- FCPF First Evaluation
- FCPF Global Program Review by IEG
- Country progress reports submitted to the FCPF by countries on FCPF country pages
- Evaluation reports of other relevant initiatives: NICFI, UN-REDD Programme
- Other relevant background information on the FCPF is available in the Information Memorandum and the FCPF Charter on the FCPF website at www.forestcarbonpartnership.org.
- Country level evaluations commissioned by REDD Countries/ Partners in REDD countries.

Annex 5
Role of Evaluation Oversight Committee, Reference Group, Facility Management Team and World Bank in second FCPF Evaluation

Role of Evaluation Oversight Committee

On behalf of the Participants Committee, the Evaluation Oversight Committee will be responsible for managing and supervising the evaluation to ensure quality and timely conduct of evaluation, and dissemination of findings. Key responsibilities include the following:

- Lead evaluation planning with consideration of the following:
 - Purpose of Evaluation-What does this evaluation strive to achieve?
 - Key stakeholders, and their role in the evaluation
 - Resource and logistical aspects (availability of funds, staff requirements etc.)
 - Utility of Evaluation-How will the findings and recommendations be communicated, and used?
- Lead preparation of the Terms of Reference (ToRs) for the evaluation (with support of Facility Management Team (FMT))
- Determine key parameters of the evaluation work plan (key milestones, timelines etc.). (Detailed work plan for evaluation implementation will be prepared by the Evaluation team)
- Establish evaluation Reference Group
 - Meet with the evaluation team, discuss and clarify questions on ToRs, and approve the inception report
- With support of FMT, manage stakeholder relations, and communications as relevant
- Report and update the PC on evaluation progress, as appropriate
- Ensure quality of evaluation, and with support of the Reference Group review the relevance and accuracy of reports and its compliance with the ToRs whilst safeguarding the independent view of the evaluation team
- Endorse the final report and organize a presentation of evaluation findings for stakeholders
- Prepare an action plan for implementation of evaluation recommendations

Role of Facility Management Team

The Facility Management will overall be in a supportive role to the Oversight Sight and be responsible for maintaining flow of communication with Oversight Committee, Evaluation Team, Reference Group and World Management, recruiting and selection of evaluation team, and providing the logistical support for evaluation. Specific responsibilities include the following:

- Support the Oversight Committee and the Reference Group in discharge of their functions
- Provide relevant data, records and logistical support to the evaluation team
- Facilitate country field visits by the evaluation team, coordinate correspondence for targeted respondents
 - Manage key documents records, and data and make them available to Oversight Committee, Evaluation Team, and Reference Group
- Manage communications with the evaluation team, and the oversight committee,
- Communicate with key stakeholders, as needed on behalf of Oversight Committee, and post information on FCPF website such as:
 - Making stakeholders aware that the evaluation is being undertaken
 - Drafting and sending general information about the evaluation to PC/ World Bank Management at the start describing the evaluation and introducing the team
- Disseminate evaluation findings, such as sharing a summary of findings and notifying stakeholders where they can access the evaluation report or learn about follow-up activities

Role of Reference Group

Reference Group will be in an advisory role to the Oversight Committee assure overall quality assurance of evaluation. Key responsibilities will include the following:

- Liaise with and support the Oversight Committee to assure the technical and ethical quality of the evaluation during planning and preparation of terms of reference such as relevance of methodology, consistency with evaluation protocols and other relevant technical aspects. (Pl. note evaluation purpose and key questions for the evaluation will be determined by the Oversight Committee)
- Review and provide feedback to the evaluation team on the inception report, draft and final evaluation report for quality assurance (technical, ethical and procedural) such as clarity of analysis, relevance of methodology, clarity of findings, appropriate presentation of report and key gaps overall, appropriateness of recommendations ie. Whether these are cost effective and actionable.

Role of World Bank Management

The World Bank Management is responsible for taking actions on evaluation recommendation and findings. Specific responsibilities will include the following:

- Review the Draft Evaluation Report, and provide feedback to the Oversight Committee. Discuss agreements and disagreements with the Oversight Committee and Evaluation Team, as relevant.

- Provide Management response to the report findings (to be included in the final report)
- Provide feedback on final report
- Take action on relevant findings and recommendations of the evaluation after the evaluation report has been approved