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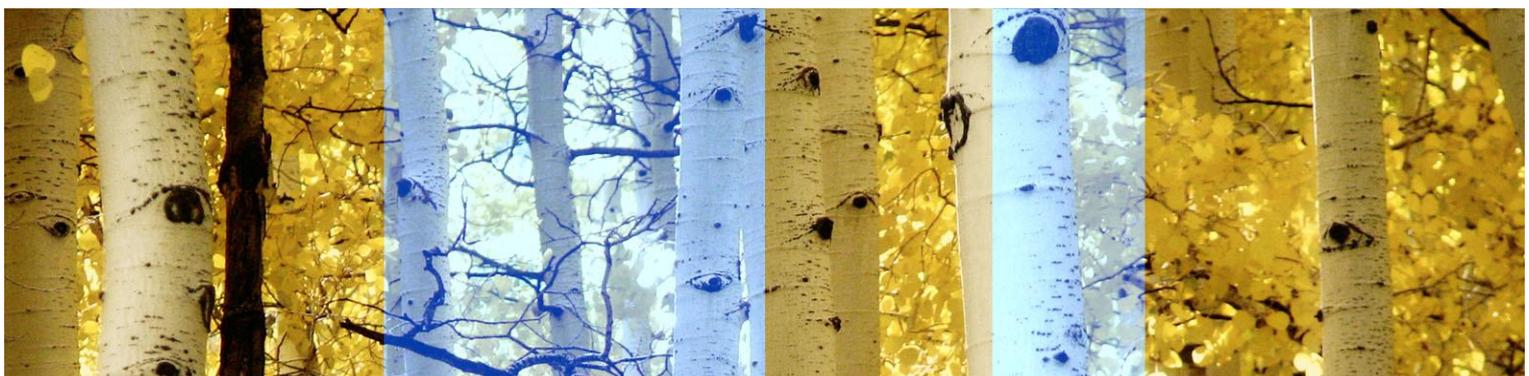
Second Evaluation of the Forest Carbon Partnership Facility

Final Report

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7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

This following section on conclusions is structured following the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) evaluation criteria for relevance, effectiveness, impact, sustainability and efficiency.

7.1.1 Relevance

The main conclusions on relevance were:

One of the key strengths of the FCPF has been the structure and common readiness framework that the Facility has provided REDD Countries throughout the portfolio. This was especially important during the absence of a global agreement on REDD+ prior to the Warsaw REDD+ Framework adopted in November 2013.

The FCPF has responded to REDD Countries' strategic priorities for forests and climate change by providing financial and technical assistance for their REDD Readiness preparation and implementation. Most REDD Countries acknowledged the importance of the FCPF for its role in kick-starting the National REDD+ Strategy process, stakeholder consultations, and raising awareness.

The FCPF was relevant to most of the Financial Contributor countries, given that their governments' policies have continued to support initiatives that halt and reverse deforestation in developing countries. The FCPF provided an opportunity for Financial Contributors to support the construction of the first multilateral REDD+ Results-Based Framework to be used for piloting incentives for REDD+.

The evaluation observed some weaknesses in the extent to which the Delivery Partners' country engagement strategies were aligned with the REDD+ agenda in REDD Countries.

The FCPF's role as a key player in international REDD processes was strengthened during the evaluation period given the continued acceptance of REDD+ in the UNFCCC. The latest negotiations on the Paris Agreement further reinforced the role of forests and REDD+ in global climate action. This provided a conducive environment for the FCPF to offer lessons from readiness preparation and implementation to international climate negotiations. The FCPF's specific attribution to the global REDD processes cannot be confirmed with certainty due to the complexity of the international REDD+ architecture and the limitations of the scope of the evaluation.

7.1.2 Effectiveness

This section on conclusions on effectiveness is divided into four sub-sections: (1) FCPF's technical support to REDD Countries, (2) stakeholder engagement and multi-sectorial dialogue, (3) knowledge sharing, and (4) FCPF's response to the recommendations of earlier evaluations.

The main conclusions on FCPF's technical support to REDD Countries were:

The FCPF has been effective in kick-starting national REDD Readiness processes in over 40 countries and in building the first multilateral Results-Based Framework for REDD+. This is evident from the number of endorsed R-PPs



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and ER-PINs presented, as well as the number of signed Readiness Grants, which exceeded the target during the evaluation period.

The FCPF has faced challenges in reaching advanced stages of readiness at the portfolio level and securing investments for the Future Emissions Reduction Programs. Slow disbursements at the country level, lack of understanding of Delivery Partner policies, and coming to terms with technical complexities have led to delays in the FCPF program. The uncertainty on how the required upfront investments for the future Emission Reduction Programs will be financed has created challenges across the portfolio in managing stakeholder expectations with respect to timing and the availability of funds for REDD Countries. However, it is important to note that the level of progress of the FCPF was assessed against the timelines originally set in the M&E Framework, which can be considered only indicative. The FCPF was initially established as a pilot to test and develop the REDD+ approach in partnership with key stakeholders.

Even if some of the quantitative targets have not been met, the FCPF has generated valuable lessons learnt for developing the REDD+ approach. For example, that key elements of governance need to be in place and sufficient trust must exist among the stakeholders at the country level for results to be achieved.

The FCPF provided a number of useful tools to REDD Countries to navigate the readiness preparation processes. Instruments that have increased the effectiveness of the FCPF include templates (R-PP) and the Readiness Assessment Framework, which have helped REDD Countries to produce standardized information for undertaking REDD+.

While robust, the Carbon Fund's Methodological Framework is viewed as technically challenging among the REDD Countries, whom expect adequate technical support to meet its criteria and indicators. This creates a future challenge to the program given the REDD Countries' concerns on the technical complexity of the Framework.

The FCPF's reporting system did not function to its full potential. Not all data necessary for monitoring, reporting and decision making data were able to be provided across the portfolio. In spite of the fact that the country-level Annual Progress Reports were aligned with the FCPF Monitoring & Evaluation Framework, the quality of reporting from the REDD Countries and Delivery Partners varied significantly. As a result, the FCPF Annual Reports prepared by the FMT could not provide solid portfolio-level analysis on all components. The lack of direct feedback from country-level stakeholders reflected another missed opportunity to harvest information from field-level actors and their experiences with the FCPF.

The operationalization of the Common Approach for Environmental and Social Safeguards contributed positively to the program's effectiveness by allowing support to REDD Countries to be channeled through multiple Delivery Partners (the IDB and the UNDP in addition to the World Bank).

A lack of clarity around the compliance and use of different environmental and social safeguard systems constituted a challenge for the FCPF's readiness implementation. The existence of multiple global safeguard policies for REDD+ (e.g. Institutional: FCPF, Forest Investment Program and Policy: UNFCCC, UNREDD) has created concerns among the REDD Countries about additional work burdens and overlapping efforts to comply with the multiple reporting requirements. It was also



unclear to many REDD Countries how to use the social and environmental assessment to support the National REDD+ Strategy formulation.

The main conclusions on stakeholder engagement and multi-sectorial dialogue were:

The FCPF has made concerted efforts to ensure high levels of stakeholder engagement in the FCPF at global, regional and national levels. The FCPF has supported the REDD Countries in engaging stakeholders primarily by fostering participation in FCPF governance as Observers and by providing funding through the Capacity Building Program targeted at IPs and CSOs. The R-PP and ER-PIN formulation processes have constituted an important setting for stakeholder engagement at the country level between the governments and the IPs and CSOs, and also among other multi-sectorial players, such as different ministries.

The FCPF has not achieved systematic gender mainstreaming in the Facility's operations, which is an important shortcoming in the program. The current gender mainstreaming elements of the FCPF focus mainly on basic aspects of equality, such as number of men and women participating in events. However, the different implications of the FCPF actions to men and women have not been analyzed in-depth.

The FCPF has not managed to attract private sector interest and engage effectively across the portfolio. However, challenges in private sector engagement is a common challenge in REDD+ projects and programs across the globe.

In terms of multi-sectorial coordination at the country level, the FCPF had a minor role in most REDD Countries. The R-PP template provided a section and guidance for reporting on multi-sectorial dialogues. However, these mechanisms were internal to the REDD Countries and many of them integrated wider processes in forestry than just REDD+.

Main conclusions on knowledge sharing and communications in the FCFP were:

The FCPF has played an important role in providing useful information for the REDD Countries to carry out REDD Readiness activities. The FCPF has been successful in creating an extensive network of stakeholders for sharing knowledge, for facilitating South-South learning, and an information platform on REDD Countries.

The absence of a formal strategy document for knowledge sharing and communications constituted weakness in the FCPF. Measuring the extent to which the participants' obtained new knowledge would have provided the Facility with useful information to continually develop and enhance the benefits gained from training events, technical assistance and knowledge products.

Main conclusions on the FCFPs has response to the recommendations of earlier evaluations are:

The follow-up actions based on the recommendations of the first evaluation strengthened the effectiveness of the FCPF, considering that most of them were either achieved or partially achieved. This accomplishment demonstrated effective decision-making and ownership on behalf of the FMT, PC and REDD Countries for improving the FCPF program.

Those recommendations of the first evaluation that were not implemented relate to some of the current weaknesses in the implementation of the program (i.e. lack of a formal knowledge-sharing and communications strategy and poor engagement with the private sector). These aspects were directly linked to outputs and outcomes in



the FCPF Results Chain, constituting a potential risk for future program implementation and its intended results and impacts.

7.1.3 Impact, Sustainability and Efficiency

Main conclusions on impact, sustainability and efficiency were:

The FCPF reached a stage where the existing monitoring system does not fully correspond to the current situation in program implementation and the global context. The fact that the FCPF has only achieved approximately half of its expected outcomes has weakened the Results Chain. Each level (output-outcome-impact) is based on the assumption that the expected results of the previous level were achieved.

The FCPF encountered challenges in disbursing funds at the Country level and disbursement rates for REDD Readiness implementation was significantly lower than that which was initially expected. Common internal factors identified as affecting the disbursement pace of the Readiness Fund were related to long approval processes (such as transfer agreements, grant agreements). Technical review processes were also long, however there is general agreement of the added technical value of the reviews. Of relevance to Delivery Partners, multilateral due diligence and safeguard requirements were complicated and difficult to understand for the REDD Countries, particularly with respect to procurement. External factors included previous uncertainty in the international REDD+ architecture (leading to delays before the Warsaw REDD+ Framework was adopted in 2013) and long processes for making decisions in the country (e.g. political issues).

Considerable investments into the development of the world's first multilateral results-based framework for REDD+ have helped to operationalize the Carbon Fund. Even if the Carbon Fund has not yet disbursed financing for Emission Reductions, it has continued to acquire significant capitalization.

The FIP, UNREDD and bilateral programs filled some of the financing gaps for readiness preparation and implementation in the REDD Countries caused by inefficient disbursements, leading to unintentional leveraging responses.

Tailored technical assistance to the REDD Countries improved the efficiency of the program leading to a supply of ER-PINs presented to the Carbon Fund that exceeded its target.

7.2 Recommendations

The recommendations are clustered under four headings: Readiness Fund, Carbon Fund, both funds, and recommendations for future evaluations, and they are addressed to the Participants Committee, the Facility Management Team, Delivery Partners, REDD Country Focal Points, and Carbon Fund Participants.

7.2.1 Recommendations Addressed to the Readiness Fund

Continue working on the implementation of REDD Readiness through the structured Readiness Framework of the FCPF. The PC should continue providing the REDD Countries with support for their REDD Readiness preparation and implementation by building on the positive experiences with the FCPF so far.

Improve the disbursements for REDD Readiness at the country level. The FMT should facilitate the provision of technical assistance upon the request of REDD Countries for the procurement of goods and services (consultancy contracts) for REDD



Readiness implementation. Procurement calls for contracting technical assistance could be bundled and sequenced to implement several REDD Readiness components (drivers of deforestation, REDD+ Strategy, SESA/ESMF) by the same provider. This could also reduce the resources needed to oversee the work. Prioritize technical assistance to the countries with the largest undisbursed finance.

Produce useful tools to support the implementation of the SESA/ESMF. The PC should request the FMT to produce guidance on the sequencing of the SESA/ESMF with other components of REDD Readiness implementation, especially for the development of the National REDD+ Strategy. In addition, produce a well-structured SESA/ESMF template with detailed guidance, requirements and steps for implementation. The template could include guidance on how to synergize SESA/ESMF work to comply with Delivery Partner, FIP and UNFCCC safeguard requirements. This work is a priority.

Improve efficiency with greater transparency and accountability. The FMT and Delivery Partners at the country level should work together to ensure that lags between PC allocation and Delivery Partner approval and grant signing are reduced. This is very important for the grant decisions made by the PC for additional financing (USD 5 million). Prioritize FMT and Delivery Partner support to “stranded” REDD Countries where there has been slow disbursement (lags of more than six months) or high undisbursed finance (more than USD 2 million undisbursed after three years). Improve the transparency and accountability of delayed disbursements with actions taken and reasons reported by Delivery Partners to the PC. Appropriate monitoring criteria for disbursement should be set and results placed on the FCPF website. The criteria should also be included in the revised M&E Framework.

7.2.2 Recommendations Addressed to the Carbon Fund

Review the Methodological Framework and, if relevant, align it with UNFCCC/IPCC methods/systems and guidance with the aim of reducing any additional reporting burdens on REDD Countries for both the Carbon Fund and UNFCCC. Present the results at a PC meeting and Carbon Fund Meeting with an accompanying report.

Include detailed guidance on how to manage consultations during the ER-PIN formulation process, focusing on targeted consultations. The detailed guidance should be presented in the ER-PIN template and as a guidance note that other programs could also use.

Create a private sector program designed to improve private sector engagement, to leverage and scale up private sector commitment and participation in the FCPF. The private sector program could, for example, develop a linkage with the Science Based Targets Initiative. The FCPF could operate the program under the umbrella of the Green Climate Fund’s Private Sector Facility, for instance, or another organization that is resourced to reach out and engage effectively with the private sector. Step up efforts to establish direct partnerships with multinational companies, going beyond consultation for the implementation of Emission Reduction Programs. Provide a clear business case for attracting private sector interest.

Revise the Charter to reduce the minimum threshold of USD 5 million for entry into the Carbon Fund in order to attract interest from smaller potential contributors.



7.2.3 Recommendations Addressed to both Funds

Strengthen the alignment of Delivery Partner country engagement strategies and the countries' REDD+ agendas. The Delivery Partners should discuss options of how to ensure alignment of Delivery Partner country strategies with national REDD+ agendas. Delivery Partner country management units should report alignments and malalignments of the country engagement strategies with national REDD+ agendas. To improve transparency and accountability, the Delivery Partner Grant Reporting and Monitoring Report could be used as a basis for this.

Continue providing country-tailored technical support to REDD Countries. The FMT should continue to provide REDD Country Focal Points and technical staff with tailored capacity building and technical assistance, especially for matters that can improve efficiency. Technical support could also help REDD Countries to identify options of how to bridge financing gaps in Emission Reduction Project implementation.

Consolidate the reporting system of the FCPF. The reporting system of the FCPF should be strengthened by revising the REDD Country Annual Report template to align it with the updated M&E Framework. The FCPF should continue using the “traffic light” system of the Annual Reports as long as it is aligned with the M&E Framework and completed in the same way by all REDD Countries. The Delivery Partner Progress Report templates should also be harmonized with the M&E Framework. Improve FCPF's transparency, communication and ability to monitor stakeholder expectations by encouraging national CSOs – and IPs, if relevant – to provide a response to the Country Annual Progress Report. Upload the submission to the FCPF REDD Country page on the FCPF website.

Change the Delivery Partner of the IP and CSO Capacity Building Program and overhaul the Program. The PC should transfer the management of the Capacity Building Program to a Delivery Partner whose internal management rules allow for more flexible administration of a small grants management scheme. The PC should also considerably increase the financing allocated for the Program. Earmark financing to ensure that Observers (from all categories) can apply for projects. Formulate an M&E Framework and Learning Strategy for the Program.

Formulate and implement a Gender Mainstreaming Strategy. The PC should make a decision about the formulation and implementation of a Gender Mainstreaming Strategy, including a work plan and related budget to allow for its effective implementation. Revise the Charter to formalize the Women's Observer seat.

REDD Countries should **continue working to involve multi-sectoral stakeholders in dialogues and institutional arrangements for REDD+**, especially when preparing and implementing Emission Reduction Programs. Present success cases of multi-sectoral actors within institutions and in dialogues at PC meetings.

Design and implement a Final Knowledge Sharing and Communications Strategy. The PC should endorse a decision to design and implement a complete Knowledge Sharing and Communications Strategy. The formulation process should be outsourced to a specialized organization or company in order to reduce any risk of creating an unnecessary burden on the FMT in managing the Facility. The strategy should be formulated in coordination with other forest initiatives of the World Bank and other Delivery Partners in order to strengthen synergies and harmonize messages. Strengthen the knowledge-sharing dimension of the FCPF to go beyond knowledge sharing and focus on knowledge generation. The Knowledge Sharing and Communications Strategy should include indicators and M&E tools that allow



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systematical monitoring of user satisfaction and learning from knowledge products and events.

Revise the M&E Framework of the FCPF. The FMT should request a revision of the M&E Framework (2013) from the PC. The revised M&E Framework should be built on achievable targets based on assumptions with a risk mitigation plan. The new M&E Framework should also produce a monitoring tool that allows any stakeholder to obtain a snapshot of the portfolio-level situation on REDD Readiness implementation in the REDD Countries (i.e. alignment of the FCPF dashboard and the M&E framework). The indicators and targets for the Carbon Fund should be revised to reflect the extension of the Carbon Fund's timeline to 2025.

7.2.4 Recommendations for Future Evaluations

Implement future evaluations in real-time and under a framework contract. The PC should amend the Charter for evaluations and set up a real-time, independent evaluation under a framework contract in order to assess and provide timely feedback and an opportunity to facilitate learning about the achievements and challenges of the FCPF. In order to facilitate the work of future Evaluation Teams, the FMT, Delivery Partners and REDD Countries should improve the availability of the contact details of key stakeholders. In addition, provide sufficient resources for in-depth field level lessons learning and stakeholder feedback from all continents by increasing the number of field visits and recruitment of local consultants. This second evaluation shows that it is especially challenging to obtain first-hand information from Africa and small islands, due to communication challenges. Ensure that all entities expected to follow up on the evaluations' recommendations, including the PC, provide a systematic response in order to be compliant with OECD DAC evaluation quality standards.



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