

Forest Carbon Partnership Facility (FCPF)

Strengthening and Tailoring Readiness Support to Countries: Proposal to address the recommendations of the Second FCPF Program Evaluation

March 2017

This note presents a proposal for strengthening and tailoring Readiness support to Countries as identified in the draft action plan for addressing the recommendations of the Second FCPF evaluation. It is based on discussions of the Oversight Committee established by the Participants Committee and initial feedback at PC22.

1. Background

The Final Report of the Second FCPF Program Evaluation is available at <http://www.forestcarbonpartnership.org/monitoring-and-evaluation-0>. A [draft action plan](#) proposing next steps for implementing the evaluation's recommendations will be presented in a formal session at PC23 in March, with a view to seeking feedback from Participants and Delivery Partners.

The Second FCPF Program Evaluation identifies two key recommendations related to support to REDD Countries for readiness implementation:

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. ***(Recommendation 1 Addressed to the Readiness Fund)***

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 Reductions Project implementation. ***(Recommendation 2. Addressed to both the Readiness Fund and the Carbon Fund)***

These recommendations are considered priority for action as the Readiness Fund is due to close in 2020, and because of the significance of support for getting countries ready for REDD+ implementation, including for those with Emission Reductions (ER) Programs. The evaluation's draft action plan groups the above recommendations together for the purpose of considering further action and next steps.

This Note presents proposals for strengthening and tailoring readiness support to Countries, prepared at the request of the Oversight Committee (OC) in response to the Second FCPF Program Evaluation. The Note has benefitted from inputs from Delivery Partners and the FMT looks forward to their continued engagement in taking these recommendations forward. All recommendations are based on existing funding envelopes. Moreover, the implementation of these recommendations would entail a shared commitment between REDD Countries, Delivery Partners and the FMT.

2. Strengthening and Tailoring Readiness Support to Countries

In an effort to optimize the readiness support to countries, the OC requested the FMT to consider questions, such as (i) whether there are ways the Readiness Fund (RF) and Carbon Fund (CF) can achieve greater efficiency with more of the same form of support; (ii) whether the FCPF should provide the same level of intensive support to all countries; and (iii) whether there are specific areas where tailored support could help accelerate REDD+ implementation.

With a view to deliver readiness efforts by the Readiness Fund's closing date, the FMT proposes a two pronged approach for readiness support going forward: (1) continued support provided to all countries, building on best practices to date and promoting further knowledge exchanges between REDD Countries; as well as (2) tailored support, specific to country needs. Implementation of these efforts would require the commitment of REDD Countries, Delivery Partners and the FMT.

1. Continued support on practical aspects of Readiness Grant implementation to all FCPF countries:

- Continue providing technical support to countries, including capacity building and technical assistance as requested by REDD Countries, with due attention to the Readiness Fund closing date.
- Supporting activity planning and providing advice on the strategic use of Readiness Grants. This could include support for bundling and sequencing related contracts and activities to implement several REDD+ readiness components, building on best practices, and linking grant activities with other related activities supported by the Delivery Partner, for example from the Global Environment Facility (GEF), Forest Investment Program (FIP), or other projects, to enhance synergies.
- Translating lessons learned from REDD+ readiness into demand-driven, operationally-relevant knowledge and learning products. Developing good practice examples to enable countries less advanced in the Readiness process to accelerate on technical elements for different components of REDD+ readiness and REDD+ program development. Knowledge needs would be identified through a detailed portfolio tool managed by the FMT's Knowledge Management team. Moreover, the FMT would continue conducting annual knowledge surveys during the FCPF's Participants Assembly (PA)

/ Participants Committee (PC) meetings. Please refer to FMT Note 2017-3 (“Communications and Knowledge Strategy 2017-2020”) for further details.

- Organizing peer-to-peer learning and knowledge exchanges between REDD Countries at different stages of program progress (e.g., demand-driven sub-regional South-South learning exchanges, study tours, etc.). This could be organized outside of PA/PC meetings to enable greater focus on the topics in question.
- Facilitating coordination among Delivery Partners and knowledge exchanges around selected topics, for example through regular calls.
- Continue supporting the development of tailored Terms of Reference. Building on and learning from the experience of REDD Countries more advanced in the Readiness process, example TORs could continue to be provided as a basis from which country-specific terms can be developed. This should help to accelerate disbursements and improve the quality and timely delivery of products. Depending on the capacity for REDD+ built within coordination teams, some countries may need greater support in tailoring these example TORs to their particular circumstances.
- Continue supporting the development of procurement and implementation plans, including by providing country-specific procurement and financial management trainings and fora to discuss bottlenecks along the procurement chain.
- Given the recent emergence of countries’ Nationally Determined Contributions (NDCs) and Sustainable Development Goals (SDGs) – after the launch of Readiness activities – more could be done to realize synergies between REDD+ strategies and NDCs and/or SDG commitments. However, this would be beyond the scope of planned activities and would require additional funds.

2. Tailored support, specific to country needs:

In thinking about how to best meet countries’ needs, it would be helpful to look at the status of REDD Countries’ progress to date within the FCPF. Based on this, three general categories of needs could be considered to potentially target REDD Readiness support. The groupings below are for illustrative purposes and the FMT looks forward to feedback from Participants at PC23, while respecting the demand-driven nature of support provided.

Group 1: REDD Countries in the FCPF Carbon Fund pipeline. These countries are generally considered to have made significant progress on national REDD+ Readiness preparations and are also preparing ER Programs for implementation at the jurisdictional level. Most have reached mid-term of readiness

preparation and have additional funding allocated¹, and some have R-Packages endorsed² or in the process of preparation.

Support to countries in the Carbon Fund pipeline/portfolio could be tailored to advance ER Program preparation and implementation in target jurisdictions, subject to progress on national REDD Readiness being substantial. Moreover, support could be tailored to explore options for bridging financing gaps in ER program implementation, while facilitating coordination with other development partners to leverage other support. Efforts could also focus on engaging strategically and at higher levels of government in support for REDD+ implementation³.

Group 2: REDD Countries not in the Carbon Fund pipeline, but making steady progress on REDD Readiness. These countries are generally considered to be advancing in their national REDD Readiness preparations; some have reached mid-term with additional funding allocated⁴, and others are in the process. While not in the pipeline of the Carbon Fund, some could be ready to start moving towards designing ER Programs in the near-term⁵.

Support to these countries could be tailored to strategically pursue financing opportunities beyond the Carbon Fund to help implement the REDD+ strategies developed through FCPF Readiness Fund, subject to progress on national REDD+ readiness being substantial. Activities could include supporting investment analysis and planning for REDD+ implementation, including accessing results-based payments from other sources – as well as financing for the associated investments that would lead to results (e.g., from the Green Climate Fund (GCF)). Advise on strategic use of Readiness grants to leverage or support other complementary investments, such as bilateral or multilateral funding mechanisms (e.g. GCF, GEF, FIP, etc.), or the private sector, could also be embedded within these activities⁶.

¹ 15 REDD Countries, as of March 2017.

² 8 REDD Countries, as of March 2017.

³ Note: The World Bank recently made staffing changes to provide more implementation support through the Global Practice for Environment and Natural Resources. Several members of the FMT have moved to the Global Practice to support FCPF implementation – this should allow for greater and more tailored support in program preparation, and closer monitoring of progress.

⁴ 4 REDD Countries, as of March 2017.

⁵ By 2020, the Readiness Fund's closing date.

⁶ Note: The World Bank's implementation of the Forest Action Plan (2016-2020) promotes a programmatic approach to forests, which aims to increase efficiency, coordination and alignment of resources and leverage other sectors, including the private sector, for better outcomes for forests.

Given the financial constraints within the Readiness Fund, there is a demand for additional finance to REDD Countries that is not available at present. Additional Funding, if allocated to these countries, could deepen Readiness work and help pursue the objectives laid out above.

Group 3: REDD Countries with limited progress to date and/or implementation challenges. Some countries have faced or continue to face challenges getting Readiness programs off the ground⁷ – from operational to political. Others have started the readiness process later or have advanced more slowly, for a variety of reasons, including challenges to building the capacity necessary to implement REDD Readiness and building country ownership and political commitment⁸.

Where the political commitment exists to drive the REDD Readiness process forward, support to these countries could be tailored to strengthening enabling environments and policy actions, while investing in capacity building to overcome implementation challenges. REDD+ strategy development could be tailored to the country context, for example to meet countries' NDCs or SDGs commitments as they relate to REDD+, with less emphasis on the specific requirements for results-based payments (such as Reference Level (RL) and Monitoring, Reporting and Verification (MRV) design, benefit sharing). Support could also be tailored, where appropriate, to attracting necessary investments for the implementation of the REDD+ strategy.

Please refer to FMT Note 2017-1 (“Decisions on Allocations of Available Funding in the Readiness Fund”) and FMT Note 2017-5 (“Enhancing Efficiency and Addressing Excessive Delays in Grant Agreement Implementation”) as they contain considerations for the provision of support.

3. Expected Action from the PC

The FMT looks forward to feedback from Participants at PC23 on the above activities and any suggestions on additional ways to strengthen Readiness support to Countries.

⁷ 5 REDD Countries are yet to sign grant agreements, as of March 2017.

⁸ 19 REDD countries have disbursed less than 50 percent of their Readiness Grant, of which 11 countries have disbursed less than 25 percent, as of March 2017.