



NORDECO

Nordic Agency for
Development and Ecology

First Program Evaluation for the Forest Carbon Partnership Facility (FCPF)

Evaluation Report

Evaluation Comissioned by:
Participants Committee of the FCPF

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Report Index by Cluster Question

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Relevance	
Cluster One	Has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants and other donors?
Cluster Two	What is the relevance of the FCPF within the context of the REDD-plus developments at the global and national levels?
Effectiveness	
Cluster Two	Is the FCPF on track to meet its objectives?
Cluster Four	How effective has the FCPF governance structure been? Have the activities of the FCPF Readiness Mechanism played a catalytic effect on its country participants?
Cluster One	What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?
Efficiency	
Cluster Four	To what extent has the FCPF been efficient in achieving desired results?
Cluster Three	How effectively is the FCPF cooperating with other processes?

ACRONYMS

AFD	French Agency for Development
ANSAB	Asian Network for Sustainable Agriculture and Bioresources
A/R	Afforestation / Reforestation
AWF	African Wildlife Foundation
BIC	Bank Information Center
CARE	CARE International
CARPE	Central African Regional Program for the Environment
CCBA	Climate, Community & Biodiversity Alliance
CCMSS	Consejo Civil Mexicano para la Silvicultura Sostenible
CEMDA	Mexican Centre for Environmental Law
CI	Conservation International
CICC GT-REDD	Interministerial Commission on Climate Change Working Group-REDD
CIFOR	Centre for International Forest Research
COICA	Coordinator of Indigenous Organizations of the Amazon Basin
COMIFAC	Central African Forest Commission
CONAFOR	National Forestry Commission, Mexico
COP	Conference of the Parties
CSO	Civil Society Organisation
CTC-REDD	Consultative Technical Committee on REDD
DFID	Department of International Development, UK
DIAF	Directorate of Inventory and Forest Management
DRC	Democratic Republic of Congo
DNA	Designated National Authority
ER	Emission reductions
ERPA	Emission Reductions Pricing Agreement
EU	European Union
FAO	Food and Agriculture Organisation
FCPF	Forest Carbon Partnership Facility
FECOFUN	Federation of Community Forest Users, Nepal
FIP	Forest Investment Programme
FIP S-C	Sub-Committee for the FIP
FLEG-T	Forest Law Enforcement, Governance and Trade
FMT	Facility Management Team
FPIC	Free, Prior and Informed Consent
FY	Fiscal year
GEF	Global Environmental Facility
GHG	Greenhouse gas
Gt	Giga tonnes
GTCR	Climate and REDD Working Group from Civil Society (<i>Groupe de Travail Climat REDD</i>)
ICCN	Congolese Institute for the Conservation of Nature
ICIMOD	International Centre for Integrated Mountain Development
ILO	International Labour Organization
IPs	Indigenous peoples
IPCC	Intergovernmental Panel on Climate Change
ITTO	International Tropical Timber Organisation
IUCN	International Union for the Conservation of Nature
JICA	Japan International Co-operation Agency
JIRA	Junta Intermunicipal del Rio Ayuquila, Mexico
MFA	Ministry of Foreign Affairs, Finland
MFSC	Ministry of Forestry and Soil Conservation, Nepal
MECNT	Ministry of Environment, Conservation of Nature, and Tourism (in DRC)

MRV	Monitoring, Reporting and Verification
NAPA	National Adaptation Plan of Action
NGO	Non-Governmental Organization
NICFI	Norwegian International Climate and Forest Initiative
NEFIN	Nepalese Federation of Indigenous Nationalities
NORAD	Norwegian Agency for Development Cooperation
ODI	Overseas Development Institute
OECD/DAC	Organisation for Economic Co-operation and Development / Development Assistance Committee
PPCR	Pilot Programme for Climate Resilience
PSA	Payment for environmental services programme
PA	Participants Assembly
PC	Participants Committee
RBM	Results based management
RECOFTC	Regional Centre for Community Forestry Training
REDD-plus	Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks
R-PIN	Readiness Plan Idea Note
R-PP	Readiness Preparation Proposal
RRN	Natural Resources Network
SAO	Servicios Ambientales de Oaxaca A.C.
SCF	Strategic Climate Fund
SDC	Swiss Agency for Development and Co-operation
SESA	Strategic Environmental and Social Assessment
TAL	Terai Arc Landscape
TAP	Technical Advisory Panel
TTL	Task Team Leader
UNCBD	UN Convention on Biological Diversity
UNCCD	UN Convention to Combat Desertification
UNDP	United Nations Development Programme
UNDRIP	UN Declaration on the Rights of Indigenous Peoples
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNPFII	United Nations Permanent Forum on Indigenous Issues
UN-REDD	The United Nations Collaborative Programme on Reducing Emissions from Deforestation in Developing Countries
US	United States
US\$	United States dollars
USAID	United States Agency for International Development
WB	World Bank
WCS	Wildlife Conservation Society (of New York)
WWF	World Wildlife Fund

1. EXECUTIVE SUMMARY

Background to the Forest Carbon Partnership Facility

The Forest Carbon Partnership Facility (FCPF) was launched at the 13th session of the Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Bali, and became operational in June 2008. FCPF was created with the goal of testing and piloting activities for 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 (known as REDD-plus) in response to the UNFCCC decision on reducing emissions from deforestation in developing countries. The World Bank (WB) was asked by developing and industrialized countries to establish and support a pilot facility for assisting capacity building for REDD¹ in developing countries in tropical and sub tropical regions for tapping into any future system of positive incentives for REDD.

The Facility, housed at the WB headquarters in Washington DC, is a global partnership consisting of REDD-plus countries, financial contributors and observers. The FCPF currently assists 37 tropical and subtropical forest countries in East Asia and Pacific South Asia, Latin America and Africa in developing systems and policies for REDD-plus (commonly known as REDD readiness) and will provide a smaller number of these countries with performance-based payments for emission reductions. In response to the demand from countries, the number of REDD Country Participants has increased by 17, almost double its initial target of 20 countries. The FCPF governance structure includes a 28 member Participants Committee (PC) (the governing body of the FCPF) elected by REDD Country Participants and financial contributors, and six Observers nominated by forest dependent indigenous peoples and other forest dwellers, NGOs and international organizations, and the World Bank². There are two funds, (i) the Readiness Fund which is meant for supporting capacity building efforts of developing countries to prepare for REDD-plus including those for establishing monitoring reporting and verification systems, reference levels, adopting a REDD strategy and setting up implementation framework for REDD and co-ordination at the national level and (ii) the Carbon Fund through which in some of the REDD participant countries, the FCPF will also help reduce the rate of deforestation and forest degradation by providing an incentive per ton of carbon dioxide of emissions reduced through specific Emission Reductions Programs targeting the drivers of deforestation and forest degradation. The WB acts as trustee for the Readiness Fund and the Carbon Fund, provides secretariat services to the FCPF, has overall responsibility for delivering the program, provides technical support to the REDD Country Participants and conducts due diligence on matters such as fiduciary policies and environmental and social safeguards.

Objectives and methods of the evaluation

In 2010, the PC of the FCPF agreed to commission an independent, external evaluation of the program covering the first two years of the Facility's operations – June 2008 to June 2010. The Terms of Reference for the evaluation were developed by the PC and form the basis for this review.

The evaluation team used the Organization for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) standard evaluation criteria of relevance, effectiveness, and efficiency to address the Terms of Reference. The evaluation assesses the contribution of FCPF at both country and global levels. At the global level, the evaluation reviews the structure, functions, processes and impact drivers of the FCPF program as a whole, as well as the governance arrangements and delivery

¹ Please note that REDD implies REDD-plus as defined in the FCPF Charter.

² For latest list of Participants visit <http://www.forestcarbonpartnership.org/fcp/node/18>

mechanisms. At the country level, the evaluation reviews the formulation of R-PPs and the country context of the R-PPs (though not the R-PPs themselves), which include the structure, functions and processes of each country's 'forest-relevant' system, the existing capacity and resources to formulate the R-PP. A number of 'key questions' were developed in the terms of reference to guide the evaluation team, which are summarized in Table I. below.

Table I. : Key Evaluation Questions by OECD DAC Criteria

OECD/DAC Criteria and Initial Cluster	Key Evaluation Questions
Relevance	
Cluster One	Has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants and other donors?
Cluster Two	What is the relevance of the FCPF within the context of the REDD-plus developments at the global and national levels?
Effectiveness	
Cluster Two	Is the FCPF on track to meet its objectives?
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Cluster Three	How effectively is the FCPF cooperating with other processes?

The evaluation was conducted between December 2010 and June 2011 and used a range of different techniques designed to capture the diverse views of a range of different stakeholder groups with an interest in the program and triangulate findings. This included an online questionnaire, interviews (face-to-face and using phone/Skype), a review of literature (including that produced by the program as well as external documentation) and country visits to DRC, Mexico and Nepal. Comments on the draft

Main Findings

The FCPF has four principle objectives, summarized below:

- To assist eligible REDD Countries efforts to achieve emission reductions from deforestation and/or forest degradation through financial and technical support to build in-country capacity;
- To pilot a performance-based payment system for emission reductions generated from REDD activities, with a view to ensuring 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 and emission reductions programs.

In the first two years of operations the FCPF has focused on assisting countries in planning the steps towards REDD-plus readiness and structuring the country level discussions for readiness preparation including technical aspects of REDD readiness, safeguards and fostering inclusive and transparent consultative mechanisms for REDD-plus. The REDD-plus countries are eligible for a Formulation grant of US\$ 200,000 to prepare their readiness roadmap known as Readiness Preparation Proposal (R-PP). The proposal is reviewed and inputs are provided by adhoc independent experts known as Technical Advisory

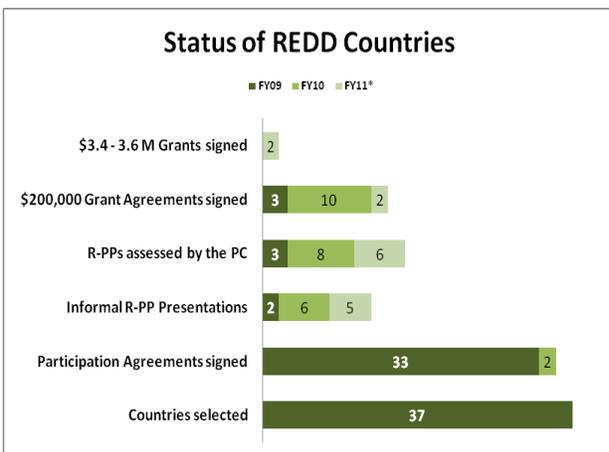


Figure I. Status of REDD Countries

Source: FCPF Dashboard, 2011

Readiness Preparation Grants for the Democratic Republic of Congo (DRC) and Nepal were signed in March 2011 (see Figure I). As of February 2011, the total contributions to the Readiness Fund were US\$ 192 million out of which total allocation towards formulation and preparation grants to REDD countries that have had their R-PPs formally assessed was US\$ 44 million³.

Overall, the evaluation found that since its inception in 2008, FCPF has made significant **progress in meeting the first and last objectives** (building in-country capacity and disseminating lessons learned in readiness), **but less progress has been made on the two other objectives** as would be expected at this early stage (piloting a performance-based system of payments; enhancing livelihoods & conserving biodiversity). A summary of more detailed findings are presented below, clustered by the OECD/DAC criteria of relevance, effectiveness and efficiency.

Relevance

The evaluation found that at the global level, FCPF's added value and relevance to global REDD-plus processes are:

- The development and **establishment of a common framework, foundation and platform for REDD-readiness** through the development of a common planning framework, set of tools, guidelines and support;
- Helping countries understand and address REDD-plus planning at a time when in-country knowledge of REDD was in many cases almost non-existent. Building upon this basic knowledge, FCPF has been able to support a **process of continually raising standards across participating countries**, through the unique system of peer review and external, independent technical inputs provided through the TAP and review by PC members and the WB team;
- The creation of **opportunities for the exchange of lessons learned and experiences** between countries and regions in a rapidly changing external environment.

At the national level, FCPF's added value and relevance to in-country processes are:

³ For more details, see <http://www.forestcarbonpartnership.org/fcp/node/283>

- The **provision of practical tools and guidance for moving forward with REDD-plus planning** such as templates for readiness preparation proposals, guidelines for preparation of R-PPs and guidelines on stakeholder engagement in REDD-plus readiness;
- **Support to cross-sectoral and cross-institutional engagement within government** and the provision of opportunities for civil society engagement in government-led planning processes;
- **Providing a foundation from which participating countries can leverage additional donor funding in support of REDD-plus**, such as site-based REDD pilot projects with the potential to inform national policy development;
- The development of **in-country awareness and understanding of REDD-plus** at both national and sub-national levels;
- **The creation of fresh impetus and incentives with which to address pervasive governance challenges within the forest sector**, such as law enforcement, land and natural resource tenure conflicts and illegal logging;
- The provision of **direct support to national government agencies responsible for the forest sector**. This in turn helps put these same agencies at the centre of REDD-plus development and co-ordination processes. This was seen most clearly in Nepal, where prior to FCPF support, government agencies were in danger of being “left behind”, as non-governmental organization (NGO) and donor-funded projects working at field level ran a risk of becoming increasingly uncoordinated and with no mechanism for regulation or oversight.

The realities of REDD-plus readiness on the ground and in-country has fostered an **iterative learning process with regard to the broader climate change negotiations**, allowing for the concerns and realities to be voiced, indirectly through those participants to FCPF who are both PC members and negotiators.

Differences with regard to **operational guidance provided by FCPF and the United Nations Collaborative Programme on Reducing Emissions from Deforestation in Developing Countries (UN-REDD)** on the engagement of stakeholders, in particular of Indigenous Peoples (IPs), are creating a degree of confusion in those countries where both programs operate. These organizational differences are also evident in the varying requirements that UN-REDD and the World Bank adopt with regard to the application of environmental and social safeguards.

Effectiveness

FCPF has clearly demonstrated an ability to raise in-country awareness, understanding, capacity and skills around REDD-plus issues. This has in large part been as a result of the leadership provided by FCPF in the development of common guidance notes and templates. As such, FCPF has been central to the development of REDD-plus processes and is recognized as the key factor in moving this process forward. As seen in a number of other countries, participants to the REDD-plus development process felt that perhaps the greatest added value of the FCPF process to date was the clear and constructive guidance given to the development of REDD-plus readiness. As reported from the mission in Nepal the guidance provided by the FCPF, particularly through the step-wise Readiness Plan Idea Note (R-PIN) and R-PP process and the template format has been welcomed as a means to demystify REDD-plus and create a nationally-owned strategy.

South-south learning is increasingly the medium through which in-country experiences are disseminated between participating countries. This takes place through a range of formal and informal mechanisms, such as focused training and exchange events on new or emerging themes (such as social and environmental safeguards), sessions during the PC meetings where lessons are exchanged and peer review mechanisms for providing inputs to new R-PPs. Despite this, concerns have been raised in a number of countries regarding the degree to which FCPF-supported processes are taking account of

lessons already learned within the forestry and governance sectors and the degree to which FCPF support is linking to existing or planned initiatives or institutions in the forest sector, relevant to REDD-plus.

Although there seems to be an agreement on the pillars of REDD-plus readiness, there are different views on when a country may be considered ready for REDD-plus. Given the challenging tasks of REDD readiness, one view is that readiness may be considered as a continuum rather than a point in time. In this context **differences of opinion exist regarding the definitions of REDD-readiness and the point at which countries are “ready”**. Increasingly in-country experience points to a more gradual and evolving approach shaped by pilots, in which readiness proceeds alongside the testing of payment systems (either fund-based or voluntary).

The governance structure and processes of the FCPF are seen as highly effective by members and observers alike. This is promoted by the implementation of a learning-by-doing approach, high levels of participation, a good balance in membership and consensus-based decision making. Trade-offs must be made with respect to participation and representation on one hand, and effective decision making on the other.

The evaluation team reviewed where and how FCPF had created positive catalytic effects at either national or global levels. These are summarized below:

- The **creation of increased political momentum within governments to tackle deforestation** and address deforestation drivers;
- The **establishment of a shared, step-by-step process and structure through which to approach REDD-plus readiness;**
- The **engagement of governments in broad consultative processes** with stakeholders who would otherwise not necessarily have been consulted;
- The use of **the R-PP template as the accepted norm for national readiness planning;**
- **Facilitating greater donor co-ordination** at the country level through the medium of the R-PP.

Additional positive impacts (beyond those anticipated in the FCPF Charter) generated at the country level by the readiness process include the **creation of political space for national civil society actors** to pursue forest and other reforms beyond REDD-plus as well as the creation of new momentum, energy and incentives with which to address long-standing and chronic problems that have impacted negatively on the forest sector for decades.

Unintended negative effects generated as a result of FCPF-supported interventions include the **creation of unrealistic expectations** regarding the degree and timing of REDD-plus benefits and the **creation of new tensions between ministries regarding control over REDD-plus processes** (such as forestry and environment ministries). It is not possible to attribute these negative effects wholly to FCPF, as they tend to be rather generic challenges faced by cross cutting interventions at national or project levels.

Outreach and communication is an essential part of the FCPF mandate as a global mechanism, particularly due to the complexity, relative newness and the rapidly changing external environment of REDD-plus. Effective outreach is undertaken at three levels: the country level, within the World Bank, and in the global arena. Currently efforts by FCPF to effectively communicate key messages around REDD-plus, the program itself and the fast moving developments and innovations although adequate would benefit from a more targeted and deliberate approach.

Efficiency

Within the evaluation period, FCPF has **successfully increased donor contributions** and used its budget to accomplish an impressive number of PC and Participant Assembly (PA) meetings, R-PP reviews, undertake in-country capacity building activities and coordinate with other initiatives.

The cornerstone of the FCPF, that is to assist countries to become REDD-ready, has been hindered by the **slow disbursement rate of both the formulation and preparation grants** over the first two years of the program. At the time of writing this report (in the third year of the program's operations), only two countries (Nepal and DRC) have signed agreements for preparation grants. This is undermining efficiency. This finding needs to be nuanced against the tradeoff between enhancing rate of disbursement and fostering country ownership. A strong message coming from Nepal and also DRC is that FCPF has fostered country ownership of REDD-plus (for more detail refer to Annexes D and F of the main report).

In many cases the Formulation Grant of US\$ 200,000 has not been sufficient to cover the cost of developing the R-PP and **Participant Countries have been required to raise funds from other sources** such as bilateral agencies. While this does provide benefits through generating complementary efforts, coupled with long wait times, it has reduced FCPF's overall level of efficiency.

The review process through the TAP has been an **effective and efficient mechanism for providing sound and independent inputs to R-PPs**, although the multiple stage TAP review process has meant that in some cases it has been lengthy. This process has been further strengthened by the addition of PC members from participating countries in the review process, which has proven to be a valuable peer-to-peer mechanism.

There has been a general global effort to increase complementarity and reduce overlap of FCPF with similar REDD-plus initiatives, such as UN-REDD, although the success achieved in this aspect is not evident in all countries.

At the country level, **there have been important examples of co-financing**. In a number of cases, this has been strategic and complementary, for example, by funding field pilots or supporting the participation of national civil society. In other cases it has been by necessity. Late disbursement of FCPF readiness funds has resulted in other donors stepping in to fill the funding gap so as not to lose momentum.

Regarding stakeholder involvement in the FCPF process at country level, all participating countries have taken steps to consult across government and engage with non-state actors to varying degrees.

Apart from a few notable cases (such as relatively limited earmarked funding through IP capacity building program), **FCPF has not provided dedicated funding in support of national civil society**. The costs of supporting the voices of IP groups in the R-PP process have to date largely been met through additional funding secured from northern NGOs or bilateral donors such as the Norwegian Agency for Development Cooperation (Norad). The private sector can play an important role in REDD-plus processes in many countries through the contribution of additional technical expertise and private funding in support of site-based projects. However, **the involvement of private sector in R-PP development to date has been limited** at country level.

Recommendations

Based on the findings presented above, the evaluation team identified a number of recommendations with which to guide the future development of the FCPF. They are presented below in clusters relating to governance and oversight, readiness preparation and strategy development, improving efficiency, supporting better co-ordination and finally with regard to the operationalization of the carbon fund. These

recommendations are largely directed at the overall governance entities of the FCPF – most notably the PC and the FMT. However, there are occasional recommendations that are directly targeted at participating countries, but are considered important enough to be retained within this report. The specific actions and the timing of operationalization the recommendations will be mandate of the FCPF stakeholders. Furthermore, in addition to the final chapter of the main report where the recommendations are presented once again, these recommendations are found embedded within the chapters, following the relevant finding from which the recommendation stemmed.

In terms of readiness preparation and strategy development process:

- Look at the option of further decentralizing FMT staff to other regions beyond the Africa region and for further strengthening the support to REDD countries including through **additional support to staff based in delivery partner’s country offices** to help foster further coordination on the ground and smoother implementation;
- Consider **provision of dedicated funds available to national civil society actors** (where other sources of funding do not exist) to support a more deliberate process of civil society and IP engagement. Funding support should be made available through global mechanism rather than through country grants channeled to government, to avoid risks of conflict of interest. This funding could be for two purposes – namely to increase their capacity to engage in national and global policy processes, but also covering the costs of organizing a coherent civil society voice and ensuring it reaches decision-making forums;
- **Strengthen participation of key sectoral ministries in national R-PP planning processes** and in particular their involvement in identifying, negotiating and resolving conflicting land uses (where they are shown to contribute to deforestation or forest degradation). Furthermore, **strengthen participation of “non-sectoral” ministries** such as Ministries of Finance, Rural Development and Local Government;
- **Strengthen efforts to learn from previous experiences, lessons, successes and failures** in participating countries with regard to sustainable forest management initiatives and programs as well as efforts to link more directly to complimentary, on-going multi-lateral and bilateral initiatives with the potential to address deforestation drivers;
- **In view of capacity and institutional challenges found in many Participant Country and the need to advance the REDD agenda, focus capacity building efforts around the early building blocks of the readiness process**, around piloting in selected areas to later allow learning and scaling up;
- Actively **support learning and reflection around the Strategic Environmental and Social Assessment (SESA) process** – by ensuring effective and efficient transfer of early experiences **from countries piloting SESA but also by linking externally to other initiatives exploring** social and environmental impacts of REDD-plus at national levels. This might include the Learning Initiative on Social Assessment of REDD+ (LISA-REDD)⁴.

In terms of increasing efficiency for achieving desired results:

- Scale up technical and financial support to regional measures designed to foster **South-South exchange and learning**. This could include additional regional workshops covering particular issues of mutual concern (such as methodologies, consultation, governance, legal reforms), or measures designed to harmonize and link country plans at a regional level. Where possible create synergies between countries working in similar conditions (e.g. Amazon Basin, Congo Basin, Borneo-Mekong Basin) or major language groups (French, Spanish, and English);

⁴ This initiative is being developed by a consortium of NGOs including Care International, the Climate Community Biodiversity Alliance, Forest Trends, Overseas Development Institute and International Institute for Environment and Development

- **Move away from “flat rate” commitments** to Preparation and Readiness Grants, to a system that provides differentially sized grants based on agreed, transparent and universal criteria. These criteria would need to be worked out and agreed upon by the PC, but would provide opportunities for tailoring grants to the needs and circumstances of individual countries;
- Develop **clearer plans regarding the expansion of the program to new countries** seeking support and criteria for their inclusion. This will ensure that any additional funds directed towards REDD-plus readiness in new geographical areas are done so in ways that maximize the opportunities for efficiency. This may involve tightening and revision of criteria found in the FCPF Charter⁵;
- While pursuing efforts to streamline the process of approval and disbursement of funds, continue to foster **greater coordination with bilateral and multilateral partners at the country level**, as a means to raise efficiency and reduce the risks associated with funding gaps due to delayed disbursement of funding support by the FCPF. This may involve more direct involvement of WB staff in national level donor co-ordination mechanisms (such as development partner groups), as well as supporting joint review and monitoring missions together with other donors working on REDD-plus;
- Continue efforts through the Task Force on Multiple Delivery Partners to **identify delivery channels outside the World Bank**, recognizing the fact that diversifying delivery and implementation partners will most likely help to improve disbursement rates. This will also be important in the near future once the Readiness Grants begin being signed in larger numbers and disbursed. The ongoing discussions regarding equivalence of institutional safeguard mechanisms will be an important aspect of ensuring this process achieves its goals;
- Provide **increased flexibility with respect to specific budget allocations under the Readiness grant** given the rapidly evolving REDD plus financing landscape in countries where the R-PP has now long been approved. As has been seen in Mexico, the development of the R-PP led to a much broader process that has catalyzed funding from other donors on items initially to be funded by the FCPF. The opportunity should be provided in such context to reassign funding from the FCPF to other activities proposed in the R-PP that are not yet funded.

In terms of governance and oversight at the PC level

- **Streamline the R-PP review process** to ensure that TAP review comments are timely and that adequate time is left to country teams to address TAP comments and own the final product as well as for PC to provide comments on the latest version;
- Ensure **translation at key meetings** and that materials developed by FCPF are available in all main languages to facilitate participation of all PC members, lessons learning and in-take of global experience in national processes;
- Pursue with energy the **development and operationalization of a comprehensive monitoring and evaluation framework** for the readiness process (and in future for the Carbon Fund), as a way to ensure adequate feedback loops in decision-making and improvement of the Facility effectiveness, beyond the formulation phase. Monitoring should also include reference to mitigating potential negative social and environmental impacts and ensuring positive co-benefits. This should go beyond the guidance provided in the draft monitoring and evaluation framework⁶ (updated in 2010⁷) which tends to focus more on external reviews rather than routine monitoring.

⁵ International Bank for Reconstruction and Development. 2010. Charter Establishing The Forest Carbon Partnership Facility (Revised August 2010). Page 50.

⁶ Forest Carbon Partnership Facility (FCPF). 2009. Monitoring and Evaluation Framework DRAFT-For comments only

⁷ Forest Carbon Partnership Facility (FCPF). 2010. Proposed Evaluation Framework. Revised DRAFT. March 7, 2010

In terms of coordination and complementarity with other REDD-plus processes:

- Continue to **strengthen coordination with UN-REDD**, to take advantage of mutual strengths and limitation in delivery mechanisms. Jointly resolve any remaining differences with UN-REDD including with regard to advice given to participating countries on implementation of social safeguards;
- **Strengthen the move towards greater alignment and harmonization of FCPF funds with other multi-lateral and bilateral funding sources.** Joint annual review missions (of the type seen in DRC) provide a strong example. While they do place greater transaction costs for external partners in terms of scheduling, they create important benefits at the country level and increase opportunities for efficiency savings;
- **Develop and implement a communication and outreach strategy** to disseminate and package FCPF outcomes more widely for use at country-level, within the WB and to external audiences;
- Consider, in close coordination with other REDD-related funding mechanisms, measures to **strengthen participation of responsible private sector players in REDD-plus processes** (such as timber operators interested in identifying alternative revenue streams and project developers). This could include reducing barriers to market entry, supporting feasibility studies and offering bank guarantees for investment capital.

In view of the Carbon Fund operationalization:

- Beyond R-PP development, with a view to operationalizing the Carbon Fund, begin **consideration and finalization of minimum readiness conditions (“triggers”) required to access the Carbon Fund**;
- As part of this reflection, also engage with countries on options for **governance and institutional set up** to ensure transparency and agreed approaches to benefit sharing in this operationalization;
- Ensure during the operationalization phase of the Carbon Fund that it is **building on the lessons of the FCPF preparation phase**, in particular in terms of operationalizing due diligence requirements, social and environmental safeguards in an effective and transparent manner.

This evaluation was given an ambitious mandate – to review overall performance of the FCPF after two years of operation at the international and national levels, as well as assessing the degree to which delivery processes and outputs have been relevant, effective and efficient. Overall, the evaluation has found that the program is addressing a keenly felt need – namely to demystify REDD-plus at country-level, and then to provide a framework and process around which REDD-plus planning can take place. Through the PC and the multiple levels of peer review and technical inputs, overall program quality is evolving rapidly, moving from initial planning phase into more substantive technical discussions around carbon accounting, reference levels and monitoring, reporting and verification (MRV) and one that is increasingly beginning to address wider issues of governance, risk, as well as social and environmental aspects. Despite the strong progress made to date, the evaluation has provided a number of key recommendations relating to the further development of the program including issues such as expansion, delivery channels, monitoring, safeguards and the inclusion of non-state actors in readiness planning and implementation.

The FCPF is a multistakeholder partnership and decisions taken at the global level are expected to have a strong influence on how readiness preparation is shaped at the country level. The recommendations have not been specifically categorized into those applicable at the global and country level but rather for FCPF as a whole. As demonstrated in the functioning of the FCPF to date the collective decision making process in the Partnership should help ensure that recommendations will be operationalized in a way that they remain relevant and add to effectiveness of REDD implementation at the country level.

2. INTRODUCTION

In an increasing global effort to respond to the challenge of reducing carbon emissions, a focus has turned to the role that deforestation and forest degradation plays, and conversely the potential for forests to become and remain natural carbon sinks. It is now recognized that emissions from deforestation and forest degradation contribute greatly to carbon emissions. In the 2007 Intergovernmental Panel on Climate Change (IPCC) report, emissions from deforestation in the 1990s were estimated to be at 5.8 Giga tones (Gt)CO₂/year. The report suggested that reducing and/or preventing deforestation and preventing the release of carbon emissions into the atmosphere is the mitigation option with the largest and most immediate carbon stock impact in the short term per hectare and per year globally.⁸

Reducing deforestation is hoped to result in other positive benefits such as the conservation of biodiversity but is nonetheless a complex process that must take into account various factors including but not limited to: local governmental policies; local livelihoods including those of indigenous communities and forest dwellers; the state of economic development of the country; access to funds as well as other factors such as conflict and the overall differing perspectives on how forests and their resources should be managed.

At the eleventh Conference of the Parties (COP) in Montreal in December 2005, the agenda item *Reducing emissions from deforestation in developing countries and approaches to stimulate action* was first introduced as a means to contribute to the to the UNFCCC actions in REDD. After a two-year process, the COP adopted a decision on *Reducing emissions from deforestation in developing countries: approaches to stimulate action* (Decision 2/CP.13). The decision provides a mandate for several elements and actions by Parties relating to reducing emissions from deforestation and forest degradation in developing countries, namely:

- Further strengthening and supporting ongoing efforts;
- Support for and facilitate capacity-building, technical assistance and transfer of technology relating to methodological and technical needs and institutional needs of developing countries;
- Explore a range of actions, identify options and undertake demonstration activities to address drivers of deforestation relevant to their national circumstances, with a view to reducing emissions from deforestation and forest degradation and thus enhancing forest carbon stocks due to sustainable management of forests⁹;
- Mobilize resources to support the efforts mentioned above.

It is within this context that the FCPF has emerged as one of the first initiatives to tackle the great challenge of REDD-plus.

⁸ Found at www.unfccc.int

⁹ UNFCCC, Report of the Conference of the Parties on its thirteenth session, Held in Bali from 3 to 15 December 2007, p. 8. Available at: <http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf>

3. BACKGROUND

3.1 FCPF Overview

The FCPF was launched in June 2008 in response to the UNFCCC decision on reducing emissions from deforestation in developing countries. The Facility, housed at the WB, is a global partnership 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-plus. The FCPF currently assists 37¹⁰ tropical and subtropical forest countries in developing the systems and policies for REDD-plus and provides a smaller number of these countries with performance-based payments for emission reductions. The essence of the work of the FCPF is to demonstrate how REDD-plus can be applied at the country level.

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 ensuring 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 or R-PP) and Emission Reductions Programs.

Specific assistance to REDD-plus readiness is envisaged in the following areas:

- Developing a national reference scenario for REDD plus;
- Adopting a national REDD-plus strategy to reduce emissions, conserve biodiversity and enhance livelihoods of forest-dependent people in the context of country priorities and constraints; and
- Designing MRV systems to enable countries to report on emissions from deforestation and forest degradation.

The FCPF has introduced two mechanisms to support its two main objectives: (1) to build capacity for REDD-plus in developing countries in tropical and subtropical regions; and, (2) 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, without preempting ongoing negotiations under UNFCCC. In order to attain its objectives the FCPF has established two separate funds, the Readiness Mechanism and the Carbon Finance Mechanism.

The purpose of these two mechanisms is to learn lessons from first-of-a-kind operations and develop a realistic and cost-effective instrument for tackling deforestation, as a means to help safeguard the earth's climate, reduce poverty, manage freshwater resources, and protect biodiversity. The lessons generated from the FCPF's methodological, pilot implementation and carbon finance experience will provide insights and knowledge for all entities interested in REDD-plus. 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-plus over the medium term.

¹⁰ 15 in Latin America and the Caribbean, 14 in Africa, and 8 in Asia

The FCPF is made up of REDD country participants, donor participants, Carbon Fund donors, and observers. See Annex F for a complete list of FCPF participants.

As of June 30th, 2010 the FCPF had committed a total of US\$ 39.6 m towards readiness preparation for the 11 participant countries based on successful assessment of their Readiness Preparation Proposal by the Participants Committee. The Readiness Fund has enough resources to support funding for R-PP Formulation in all FCPF countries. R-PP formulation grants of US\$ 200,000 each have been already pledged for 25 countries.¹¹ The WB acts as the Trustee for the REDD Readiness Mechanism and the Carbon Fund, the Secretariat to the FCPF, as well as implementer by providing technical inputs through contributions of operational staff with expertise in the forest sector.

¹¹ FCPF Annual Report FY 2010, p.29

4. EVALUATION PURPOSE

This evaluation was commissioned by the PC, based on the FCPF Charter. This is the First Program Evaluation, which aims to present a broad and representative perspective on the achievements and challenges in the FCPF. In addition to the PA and PC and observers, the evaluation is of direct relevance to, the WB Management, and the broader REDD-plus community.

The objective of the First Program Evaluation is to assess the effectiveness of the governance structure of the Facility and the operational effectiveness of the Readiness Fund, and suggest ways of enhancing FCPF support to the REDD Country Participants. The FCPF, through The Readiness Fund and the Carbon Finance Mechanism, will seek to learn lessons from an innovative experience aiming to develop a realistic and cost-effective new instrument for tackling deforestation.

4.1 Scope of Work

The evaluation covers the first two years of FCPF operations, namely from June 2008 to June 2010, covering ongoing as well as completed activities. The evaluation team used the OECD/DAC Standard Evaluation Criteria of: relevance, effectiveness, and efficiency. Given the early stages of the FCPF, the OECD/DAC criteria of impacts and sustainability will be targeted in subsequent evaluations, as these criteria can only be dealt with in a meaningful manner once readiness grants are disbursed and implementation work has actually started in countries on the basis of reference scenarios, monitoring, reporting and verification, and other building blocks of readiness. The evaluation essentially focuses on the process around the early stages of planning for REDD-plus.

The scope of the evaluation includes progress made by the FCPF in directing resources to the activities that are most likely to contribute to REDD-plus in the future, and some lessons for future REDD-plus regimes. The evaluation looks at the FCPF's contribution at the country levels, as well as the global level. At the global level, the evaluation reviews the structure, functions, processes and impact drivers of the FCPF program as a whole.

At the country level, the evaluation assesses the formulation of R-PPs and the country context of the R-PPs (though not the R-PPs themselves), which include the structure, functions and processes of each country's 'forest-relevant' system, the existing capacity and resources to formulate the R-PP. The evaluation aims to determine how global REDD-plus processes have affected country capacity on the one hand, and how the country has contributed to international norms and standards on the other hand.

This first program evaluation reports on key outcomes and catalytic effects of those outcomes and the existence of requisite conditions or impact drivers under the REDD-plus readiness process. The ToRs describe four clusters of questions on which the evaluation is to focus. The evaluation team reviewed the clusters and has established eight key evaluation questions by OECD DAC criteria. These questions are presented in Table 1 along with the original cluster proposed in the Terms of Reference (ToRs) found in Annex K. These questions have been addressed and elaborated with sub-questions which are presented in the evaluation matrix found in Annex C.

Table 1: Key Evaluation Questions by OECD DAC Criteria

OECD DAC Criteria and Initial Cluster	Key Evaluation Questions
Relevance	
Cluster One	Has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants and other donors?
Cluster Two	What is the relevance of the FCPF within the context of the REDD-plus developments at the global and national levels?
Effectiveness	
Cluster Two	Is the FCPF on track to meet its objectives?
Cluster Four	How effective has the FCPF governance structure been? Have the activities of the FCPF Readiness Mechanism played a catalytic effect on its country participants?
Cluster One	What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?
Efficiency	
Cluster Four	To what extent has the FCPF been efficient in achieving desired results?
Cluster Three	Is the FCPF cooperating with other processes?

5. EVALUATION APPROACH AND METHODOLOGY

Keeping in mind the main objectives of this assignment, the evaluation team¹² used the following key principles to guide its work:

- *Focusing on results:* Expected results, performance indicators, as well as potential risks are identified to ensure coherent and integrated Results Based Management (RBM) that helps framing this evaluation;
- *Learning by doing:* The evaluation team has adapted results based management principles, tools and indicators, considering the evaluation's needs and context, with the aim of increasing the potential for learning and focus on results of FCPF objectives;
- *Collaborative approach:* The evaluation team has strived to ensure a consultative and collaborative approach across all stakeholder groups involved with FCPF.

The evaluation has been undertaken in three phases: (i) the inception phase, which served to plan and scope the evaluation, as well as to develop the evaluation tools; (ii) the data collection phase, and, (iii) the data analysis and reporting phase, which aimed to synthesize, analyze and present all findings and data.

5.1 Inception Phase

During this first phase of the evaluation, the team presented a detailed methodology regarding the evaluation process. Following various exchanges with the FMT, the final evaluation matrix agreed upon can be found in Annex C and has served as the main data collection tool during the assignment. It details the most relevant qualitative and quantitative indicators, as well as data collection methods/sources of information, and the evaluation questions according to the four clusters identified in the terms of reference.

5.2 Data Collection Phase

Both primary and secondary data have been collected. Secondary data have been obtained from the REDD-plus country teams, WB and FCPF website, and relevant partner and other organizations, such as Centre for International Forest Research (CIFOR), World Conservation Union (IUCN), Worldwide Fund for Nature (WWF), Conservation International (CI), World Rainforest Movement, Greenpeace, FERN and Forest People's Programme as well as a number of recently published journal articles. Primary data has been gathered via telephone/Skype semi-structured interviews, an online survey as well as in-country focus groups and field visits.

1. In-depth documentation review

The purpose of this phase was to conduct an in-depth analysis of the FCPF key documents, files, country documentation, operational management and governance systems, performance measurement and MRV strategies, and the results achieved to date. As indicated above, documents relevant to REDD-plus were reviewed from peer organizations working on similar themes. Given the large quantity of available documentation, country-level information was subject to relevant sampling and analysis, always focusing on responding to the evaluation questions. A list of documents reviewed to date can be found in Annex B.

¹² Alain Lafontaine, (Team Leader); Tom Blomley, (Senior REDD Expert); Carolina Vergara (Assistant Evaluator)

2. On-line survey and key informants interviews

In order to integrate experiences from a rather large number of stakeholders, an on-line survey was launched before the field visits, which was sent to country participants, FCPF observers and donors. The Survey was launched on December 30th 2010 and officially closed at the end of day on February 1st, 2011. The survey questions used can be found in Annex H.

3. Key informants interviews

In addition to the survey, selected key informants were contacted by phone/Skype or in person for direct, semi-structured interviews, in order to collect more detailed information. The protocols for the different stakeholder groups were developed in consultation with the FMT and although the protocols were nuanced to reflect the appropriateness for each stakeholder group, there was generally a high level of overlap in the questions. This was important in order to ensure proper data triangulation and comparison of the topics and responses. These can be found in Annex I. The identify of the interviewees will remain anonymous.

4. Field visits and country case-studies

In order to select countries for field visits, the evaluation team considered three principle factors. Firstly countries were selected that had made significant progress in the development of their R-PPs. Although it is realized that this selection process risks giving a positive bias to the findings, it was felt that more could be learned from more “successful” countries and countries that had progressed less could be followed up with phone interviews and detailed literature reviews. Secondly, representation was sought from Asia, Africa and Latin America and finally, efforts were made to identify a Spanish-speaking, French-speaking and English-speaking country. As a result of this selection process, the following countries were selected: in Africa: the DRC; in Latin America: Mexico; and in Asia: Nepal. The detailed selection methodology can be found in Annex G.

The visits to the three selected countries allowed the evaluation team to deepen its analysis and understand the key determinants of the program implementation history, the strengths and weaknesses of the FCPF as regards country/local situation and context, the limits to the readiness process and possible ways for improvement. This also involved an analysis of country participants’ institutional capacity and risks to successful and timely implementation of the REDD-plus readiness process, and the identification of strengths and weaknesses of existing governance arrangements. Country visits were not intended to lead to country-specific recommendations – rather, their purpose was to provide a grounded review of the program at national and sub-national levels, across a representative sample of cases.

During all three country field visits (to DRC, Mexico and Nepal), much of the information came from semi-structured interviews with key actors and relevant stakeholders involved in or concerned with the REDD-plus process. These have included: central and provincial government stakeholders, national and international non-governmental organizations (NGOs), focus groups with indigenous communities, private sector stakeholders as well as other donors active in the area of REDD-plus. Semi-structured interviews as well as focus group questionnaires that used mainly open-ended questions were used to initiate discussions. Furthermore, in all countries visited, short field trips were undertaken to REDD-plus pilot projects and to meet with local-level interest groups.

5.3 Analysis Reporting Phase

The evaluation team has compiled and analyzed information obtained to date from all sources. In order to ensure that the information was collected and cross-checked by a variety of informants, data triangulation was a key tool for the verification and confirmation of the information collected.

5. Data analysis

All the data collected has been compiled using the evaluation matrix found in Annex C, as the key tool for data collection. The survey responses were compiled and analyzed. However to be able to do so, the list of respondents was filtered from bounced emails, and various emails from the same individual. The final list was reduced to: 165. Of this, the total who started the survey was 63 (38%). The total who completed the survey was 42 (25.45%). In the view of the Evaluation Team, this represents a typical survey response rate keeping in mind that every effort was made to reach out to stakeholders to increase their response rate. Of those respondents who chose to respond to the survey question and self identified by naming their organization (44), 24 were from Government ministries/agencies; 7 FCPF Donor agencies, 9 from Civil Society, 1 from the Private Sector, and 3 from International Organizations¹³. It should be noted that the percentage breakdown of answers for each survey question are based on the total number of respondents to that particular question (100%) and not on the total number of individuals contacted. Bearing this in mind, the survey serves to highlight tendencies and does not strive for statistical projections.

The DRC, Mexico and Nepal reports in Annexes D, E and F provide a more detailed analysis at the country level, of the relevant indicators, in an effort to answer the evaluation and cluster questions.

The telephone/Skype and in-person interview responses were separated and analyzed according to the indicators in the evaluation matrix as well as the documentation review.

Thus, the survey data, as well as information obtained from interviews and documentation review were cross-checked by a variety of informants and through data triangulation (confirmation from various sources) with the interviews, field data and documentation review. In this way the team was able to verify and confirm the data collected. When combined with the total number of respondents from the survey (44), interviews (34); and field missions (235), the total number of stakeholders consulted comes at 313 as highlighted in Figure 1 below.

Civil society is among the categories with the highest numbers of stakeholders consulted and included representatives from the Bank Information Center (BIC), COICA, Forest Peoples Programme, FERN among others.

¹³ By International Organizations we refer to organizations such as the UN, World Bank etc.

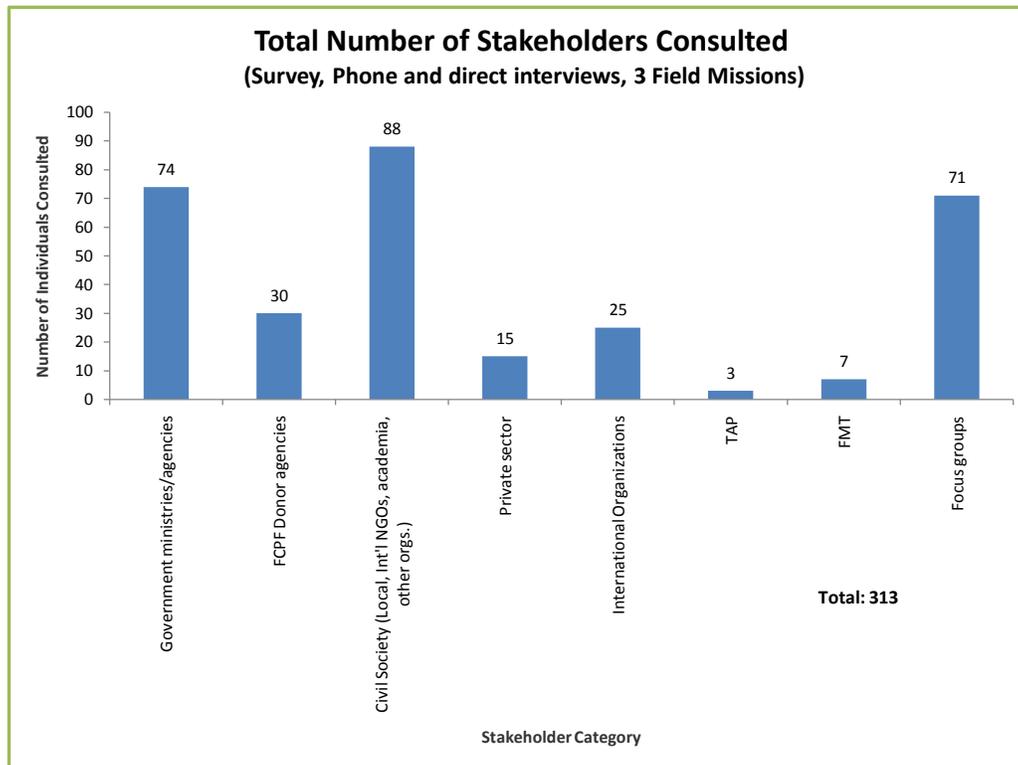


Figure 1 Number of Stakeholders Consulted by Category

Shaping key findings, preliminary conclusions, lessons learned, and recommendations

This report represents an analysis of context and achieved results, in order to: (i) confirm some qualitative and quantitative short-term (inputs) and mid-term (outcomes) results; and, (ii) the interpretation of key findings and lessons learned, as well as the formulation of the subsequent preliminary conclusions.

6. Stakeholders presentation workshop and Interim Evaluation Report

The interim evaluation results were presented to stakeholders during Participants Committee 8 (PC8) meeting March 23-25, 2011 in Vietnam, in the form a PowerPoint presentation. The presentation made at this PC meeting was uploaded to the FCPF website and comments solicited. Furthermore, a decision was made at PC8 to establish an evaluation working group, drawn from PC members, to help structure the PC discussion on the response and operationalisation of recommendations made in the evaluation at PC9 in Oslo.

7. Draft evaluation report

Based on comments received to date and the feedback obtained from PC8, a draft evaluation report was drafted and delivered to the FMT on April 29, 2011 and made available on the FCPF website for a final round of comments from May 19, 2011 to June 2, 2011.

8. Final evaluation report

This final report considers and integrates, as relevant, comments received following the posting of the draft report on the FCPF website. This will form the basis for moving forward with recommendations spear-headed by a working group formed at PC8.

9. Final evaluation report translation

As requested in the terms of reference, the final evaluation report will be translated in French and Spanish and made available in time for consideration at PC9 in Oslo.

6. FINDINGS BY CLUSTER AND DAC CRITERIA

6.1 Relevance

Summary of Findings:

The evaluation found that at the global level, FCPF's added value and relevance to global REDD-plus processes are:

- The development and establishment of a common framework, foundation and platform for REDD-readiness through the development of a common planning framework, set of tools, guidelines and support;
- Helping countries understand and address REDD-plus planning at a time when in-country knowledge of REDD was in many cases almost non-existent. Building upon this basic knowledge, FCPF has been able to support a process of continually raising standards across participating countries, through the unique system of peer review and external, independent technical inputs provided through the Technical Advisory Panel (TAP) and review by Participants Committee members and the World Bank team;
- The creation of opportunities for the exchange of lessons learned and experiences between countries and regions in a rapidly changing external environment.

At the national level, FCPF's added value and relevance to in-country processes are:

- The provision of practical tools and guidance for moving forward with REDD-plus planning;
- Support to cross-sectoral and cross-institutional engagement within government and the provision of opportunities for civil society engagement in government-led planning processes;
- Providing a foundation from which participating countries can leverage additional donor funding in support of REDD-plus, such as site-based REDD pilot projects with the potential to inform national policy development;
- The development of in-country awareness and understanding of REDD-plus at both national and sub-national levels;
- The creation of fresh impetus and incentives with which to address pervasive governance challenges within the forest sector, such as law enforcement, land and natural resource tenure conflicts and illegal logging;
- The provision of direct support to national government agencies responsible for the forest sector. This in turn helps put these same agencies at the centre of REDD-plus development and co-ordination processes.

The realities of REDD-plus Readiness on the ground and in-country has fostered an iterative learning process with regard to the broader climate change negotiations, allowing for the concerns and realities to be voiced, indirectly through those participants to FCPF who are both PC members and negotiators.

Differences with regard to operational guidance provided by FCPF and UN-REDD on the engagement of stakeholders, in particular of Indigenous Peoples (IPs), are creating a degree of confusion in those countries where both programmes operate. These organizational differences are also evident in the varying requirements that UN-REDD and the World Bank adopt with regard to the application of environmental and social safeguards.

6.1.1 Cluster 1: Has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants and other donors? Cluster 2: What is the relevance of the FCPF within the context of the REDD-plus developments at the global and national levels?

6.1.1.1 In what way has the FCPF added value, and is relevant to, global REDD-plus processes

The added value of the FCPF is reviewed in this chapter, at global and national levels. Those involved with the FCPF at global levels and interviewed or surveyed as part of this evaluation (such as PC and PA members) point to a number of clear areas in which the FCPF has added value to the evolution and development of REDD-plus. These are summarized below:

The development of a common framework, foundation and platform for REDD-readiness: FCPF has, since its inception, been able to create a common framework for REDD-readiness through the development and promotion of tools and templates such as the R-PP, the application of safeguards and dissemination of various guidance notes. These have been applied across all participating countries and helped create a common framework, foundation and platform for REDD-readiness – which was lacking before the advent of the FCPF.

A process of continually raising standards: At the time of launching the FCPF, REDD was a relatively new concept and in-country capacity was very limited. Members of the PA and PC have pointed to the fact that the technical quality of R-PP applications has increased over time. This has been accompanied by an evolution in the R-PP concept, from one that originally emphasized the more technical aspects of carbon baselines, accounting and MRV systems, to one that has increasingly been linked to broader debates around governance, financing and social and environmental impacts. The review mechanism within the FCPF (such as the TAP and increasingly “peer to peer” reviews from PA members) has been a self-reinforcing process that has “raised the bar” in terms of expectations as well as outputs. As such, the combined impact of these processes has been a gradual “de-mystification” of REDD, increased understanding at country level regarding the core issues and increased in-country engagement and discussion.

Creating an open venue for the exchange of lessons learned and experiences. The PA/PC process with its broad representation from country participants and negotiators, NGO observers, and development partners has created a unique global platform for a frank and open exchange of experiences between stakeholders involved within the REDD-plus development process. This has created important opportunities for exchange between those involved in the emerging policy development process, and those in the field working on putting these concepts into action. One country participant pointed out that the PA provides a forum for exchange of experiences about policy level changes and reforms needed at the national and international levels, but without these discussions turning into negotiations (as one might see within UNFCCC processes). Furthermore, the PC and PA have created a space, or forum for interactive processes, unencumbered by the formalities and procedural constraints seen in UNFCCC meetings.

Leveraging additional multi-lateral and bilateral funding support to REDD: Although the financial contribution of FCPF to global efforts in support of REDD-readiness do not meet the requirements of REDD readiness it has provided an important basis for attracting additional financing – either as new members join as direct financing agents within the mechanism, or as providing a platform for additional complementary funding (outside FCPF), in-country.

The rapid growth in interest from participating countries to join the FCPF process is testimony to its global relevance. However, one concern highlighted by this review is how to address these growing

demands for inclusion within the program, but seen in light of broader considerations of efficiency and effectiveness. Some nations may be interested to join FCPF, but may not be considered particularly suited to a national REDD-process, given their size and the extent of forest cover. Countries with low levels of forest cover, low deforestation rates, or low carbon stocks may not represent such an efficient use of scarce REDD-readiness finances when compared to other countries. This is an area that may need consideration as the program continues to grow and expand and which might usefully be addressed through the development of transparent qualification and entry criteria to avoid possible accusations of bias.

6.1.1.2 In what way has the FCPF added value, and is relevant to, the REDD-plus processes undertaken by REDD Country Participants

At the country level, a majority of respondents to the question regarding the relevance of FCPF activities on the online survey (77.1%) found that FCPF was moderately to highly coherent and relevant as illustrated in Figure 2. Some of the specific aspects of the added value of the FCPF process at the country level are highlighted below:

The provision of practical tools and guidance for moving forward with REDD-plus planning. Country participants (and in particular those within national REDD planning units) felt strongly that one of the greatest areas of added-value generated by FCPF, was through the provision of a framework, systematic tools and guidelines for REDD-readiness. Without these, many country teams would have been at a loss as to how and where to begin REDD-plus planning and the final output would have been at a much lower standard than that which is seen today.

The establishment of an independent review process: The R-PP review mechanism, operating through the TAP and peer review processes is seen as both impartial and independent. It provides important inputs to national REDD teams that allow them to improve quality and reach agreed benchmarks in terms of agreed standards of best practice.

Cross-sectoral and cross-institutional engagement. FCPF has in many countries provided a forum for cross-sectoral and cross-institutional planning, creating incentives for technical ministries (environment or forestry) to engage with other technical ministries such as agriculture, lands, water and so on. Increasingly, this engagement is also beginning to involve more cross-cutting ministries such as finance, planning or local government. Furthermore, in many countries, FCPF has opened a space for increased engagement by civil society to interact with government and to contribute to planning processes and policy formulation. This was clearly seen in both Nepal and DRC during the country visits.

Building in-country awareness and understanding of REDD: FCPF has fostered a process of raising awareness and understanding of REDD-plus at the country level among key decision makers, government staff and NGO representatives. In many countries, efforts have been made to raise awareness of REDD-plus processes at sub-national workshops. At national level, among those directly responsible for preparation of REDD-readiness strategies, FCPF has been able to build capacity and technical skills among key resource persons within and outside government. In Nepal, a deliberate strategy was adopted to use local NGOs and resource persons as external consultants to the R-PP process, rather than relying on international expertise (as seen in some countries).

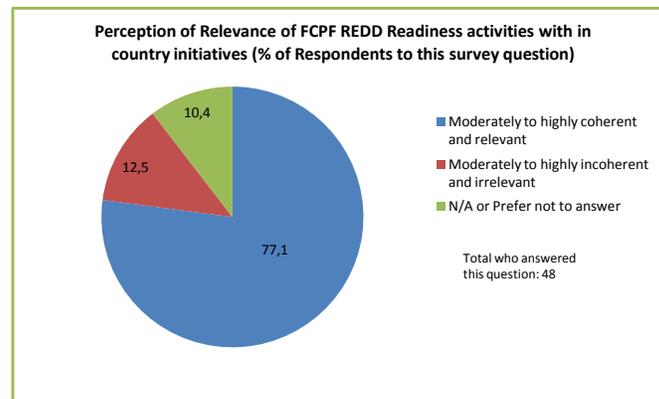


Figure 2 Survey Responses regarding Perception of Relevance

“Front-loaded” financial support to REDD-plus: FCPF represents a “front-loaded” financial support facility that provides assistance to participating countries with regard to the development of REDD-readiness plans and strategies, in advance of anticipated performance-based payments. This is an aspect of the program that was particularly appreciated by country participants.

Fresh impetus for addressing pervasive governance challenges in the natural resources sector: Governance constraints in the forest sector have constrained progress in undertaking effective reforms for decades in many forest-rich nations across the tropical belt. This has included issues such as creating effective and equitable systems of sharing forest revenues between national and local stakeholders, curbing illegal logging and reforming forest tenure. With the advent of REDD, and the potential opportunities that are presented, a new momentum is building across a number of countries to confront these challenges afresh.

Helping out national governments at the centre of the REDD-plus development process. Given the high level of international interest in REDD-plus and the increased engagement of international organizations (such as INGOs) in the implementation of REDD pilots and advocacy around REDD, there is a real risk that national governments “may get left behind” and unable to co-ordinate the increasingly complex REDD activities at national and sub-national levels. Prior to the FCPF, the government of Nepal had little or no support to REDD funding, but NGOs and bilateral projects were pursuing the development of REDD-pilots. Government was unable to provide leadership and to steer the overall national policy development process. However, with the advent of the FCPF, dedicated financial resources were made available to government for this specific purpose.

Extent to which the FCPF governing system is perceived as accountable and transparent

Many PC members, as well as country participants have indicated that a key strength of the FCPF process has been the high levels of transparency exhibited to date, in large part through the effective functioning of the FCPF website, but also through other processes such as the conduct of PC meetings. Information on the process of country applications has been swiftly uploaded to the website, and displayed through the medium of the dashboard tool, which provides an overview of progress across all participating countries. Tools, guidelines are also readily available online, as are reports and minutes of key meetings (at PA and PC levels).

The unique structure and membership of the PA/PC also lends itself to representative and participatory systems of governance. The presence of representatives from participating countries and their inclusion in decision-making is seen by many members of the PA as a particular strength and one that is unique in similar global programs of this nature. A number of participants on the PA indicated their levels of satisfaction that suggestions and proposals that had been tabled through this

forum (such as comments to R-PPs or proposals for the establishment of the Carbon Fund) had been taken into account by the FMT.

Recommendation: Strengthen participation of key sectoral ministries in national R-PP planning processes and in particular their involvement in identifying, negotiating and resolving conflicting land uses (where they are shown to contribute to deforestation or forest degradation). Furthermore, **strengthen participation of “non-sectoral” ministries** such as Ministries of Finance, Rural Development and Local Government.

Responsiveness of the PC to guidance of the key international conventions and the needs of REDD Country Participants

At CoP 13 in December 2007, the Parties to the UNFCCC adopted the “Bali Action Plan,” in which they decided to “*launch a comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012, in order to reach an agreed outcome and adopt a decision at its fifteenth session, by addressing, inter alia ... [e]nhanced national/international action on mitigation of climate change, including, inter alia, consideration of ... policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.*” Specifically on REDD, the Parties encouraged “*undertaking and evaluating the range of demonstration activities ... [and] the use of the most recent reporting guidelines as a basis for reporting greenhouse gas emissions from deforestation.*”¹⁴ The establishment of the FCPF was created largely as a response to the Bali Action Plan.

A majority of respondents to the on-line survey indicated their satisfaction with the responsiveness of the Participants Committee to key international conventions (73%). Many participants or observers pointed to the fact that the FCPF is seen as a testing and learning ground that translates emerging REDD-plus policy at the global level down to a more practical level, through implementation at the country level. Furthermore, a number of respondents indicated the important role that the FCPF plays in then bringing these country-level experiences and lessons back up to the international level in ways that can usefully inform the policy development process through the UNFCCC.

With regard to responsiveness of the FCPF to other international conventions, the picture is understandably less clear. Conventions that were raised as examples of a weaker level of linkage and synergy included the United Nations Convention to Combat Desertification (UNCCD) and the United Nations Convention on Biological Diversity (UNCBD), both of which have clear and direct linkages to the REDD process and UNFCCC.

A key area of discussion and one that has attracted significant (and at times, heated) debate is that of the degree to which FCPF supports the implementation of international agreements on IPs through its Charter and corresponding operational guidance notes.¹⁵

In the context of the FCPF, activities affecting IPs are governed by two overarching considerations. Firstly, the FCPF charter (revised August 2010) indicates in Section 3 (d) that the program will:

“comply with the World Bank’s Operational Policies and Procedures, taking into account the need for

¹⁴ FCPF Info Memo, 2008, p. 6-8

¹⁵ Guidance on Stakeholder Engagement in REDD-plus Readiness, With a Focus on the Participation of Indigenous Peoples and Other Forest Dependent Communities DRAFT – October 29, 2010, p. 2-3)

effective participation of Forest-Dependent Indigenous Peoples and Forest Dwellers in decisions that may affect them, respecting their rights under national law and applicable international obligations” (page 12)

Secondly, compliance with these principles is ensured through safeguards, due diligence processes and accountability mechanisms. As stated in the Charter the FCPF is bound to comply with the operational policies of the WB (namely Operational Policy 4.10 on IPs – one of the ten Safeguard Policies of the WB). WB financing can only be provided when “free, prior and informed consultation” leading to “broad community support” among IPs is achieved. Some IPs consulted raised the concern that “free, prior and informed consultation” leading to “broad community support” is not equivalent to “consent” required under the principle of Free, Prior and Informed Consent (FPIC) as included in the UNDRIP. Furthermore, other IP representatives felt dissatisfied that FCPF documentation and operational guidance did not provide a clear and unambiguous recognition of international conventions and declarations and obligations in line with the FCPF charter. However, it is to be noted that the word “consent” is not defined in international law (such as in ILO 169, the UNDRIP, UNCBD or UNFCCC). Furthermore, it can be argued that Operational Policy 4.10 provides a mechanism through which compliance with international law can be assessed and monitored.

The fact that FCPF, through its operational guidance does not provide an unambiguous requirement to comply with international conventions and declarations was highlighted by IP representatives interviewed during the field visit to Nepal. In September 2008, the government of Nepal ratified the ILO Convention 169 on Indigenous and Tribal Peoples, being the first country in Asia to do so. The same year, the government also adopted the UNDRIP Declaration, although it has yet to introduce or modify national legislation to provide a legal basis under Nepali law for its implementation. As such, IP organizations are searching for opportunities to lobby for the implementation or application of these conventions and declarations, and REDD-plus is seen as one such channel.

The joint FCPF/UN-REDD guidance on stakeholder engagement in REDD-plus emphasizes that in As a partnership of one specialized UN agency (FAO) and two programmes (UNDP and UNEP), the UN-REDD Programme is obliged to promote respect for, and seek the full application of, the provisions of the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), including the right to of FPIC, particularly at the country-level (UNDRIP, Art 42). FCPF, on the other hand uses WB safeguards to ensure that the “development process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples”. This suggests two different approaches to securing the engagement of IPs, even though the guidelines are “joint” and UN-REDD and FCPF often work in the same country.

With regard to the FCPF, operational guidance for the realization of these safeguards is included within the SESA guidelines, which are themselves in the process of being implemented at the field level in countries such as Nepal, Kenya and DRC. Furthermore, subsequent iterations to the R-PP template now require participating countries to show how they have involved IPs in the planning process and how their rights are respected under national law and international obligations.

Views on the importance of FPIC in enhancing IPs’ rights under REDD-plus readiness are clearly divided and strongly contested. On one side, champions of IP interests argue that only the most stringent adherence to social safeguards and international law will ensure that REDD-plus does not result in negative impacts on the rights of forest peoples, while others take a more pragmatic view that securing FPIC within a national process is close to impossible and that what is needed is to move forward so that field experience can drive emerging policy discussions. It is not possible to state how the differences in operational guidance for IP safeguards will manifest themselves in countries with IP populations although it seems likely that some level of inconsistency is inevitable. It must be recognized there are added complexities in the interpretation of FPIC as only a limited

number of countries globally having adopted the declaration and subsequently enacted legislation to transpose UNDRIP into national law.

6.2 Effectiveness

Summary of Findings:

FCPF has clearly demonstrated an ability to raise in-country awareness, understanding, capacity and skills around REDD-plus issues. This has in large part been as a result of the leadership provided by FCPF in the development of common guidance notes and templates. As such, FCPF has been central to the development of REDD-plus processes and is recognized as the key factor in moving this process forward. As seen in a number of other countries, participants to the REDD-plus development process felt that perhaps the greatest added value of the FCPF process to date was the clear and constructive guidance given to the development of REDD-plus readiness.

FCPF has been able to respond to an increased demand in the area of REDD-plus Readiness and as such has been able to augment its total number of Country Participants by 17, to a total of 37 (almost doubling its initial target of 20).

South-south learning is increasingly the medium through which in-country experiences are disseminated between participating countries. This takes place through a range of formal and informal mechanisms, such as focused training and exchange events on new or emerging themes (such as social and environmental safeguards), sessions during the PC meetings where lessons are exchanged and peer review mechanisms for providing inputs to new R-PPs. Despite this, concerns have been raised in a number of countries regarding the degree to which FCPF-supported processes are taking account of lessons already learned within the forestry and governance sectors and the degree to which FCPF support is linking to existing or planned initiatives or institutions in the forest sector, relevant to REDD-plus.

Differences of opinion exist regarding the definitions of REDD-readiness and the point at which countries are “ready”. Increasingly in-country experience points to a more gradual and evolving approach shaped by pilots, in which readiness proceeds alongside the testing of payment systems (either fund-based or voluntary).

The governance structure and processes of the FCPF are seen as highly effective by members and observers alike. This is promoted by the implementation of a learning-by-doing approach, high levels of participation, a good balance in membership and consensus-based decision making. Trade-offs must be made with respect to participation and representation on one hand, and effective decision making on the other.

The evaluation team reviewed where and how FCPF had created positive catalytic effects at either national or global levels. These are summarized below:

- The creation of increased political momentum within governments to tackle deforestation and address deforestation drivers;
- The establishment of a shared, step-by-step process and structure through which to approach REDD-plus readiness;
- The engagement of governments in broad consultative processes with stakeholders who would otherwise not necessarily have been consulted;
- The use of the Readiness Preparation Proposal (R-PP) template as the accepted norm for national readiness planning;
- Facilitating greater donor co-ordination at the country level through the medium of the R-PP.

Additional positive impacts (beyond those anticipated in the FCPF Charter) generated at the country level by the readiness process include the creation of political space for national civil society actors to pursue forest and other reforms beyond REDD-plus as well as the creation of new momentum, energy and incentives with which to address long-standing and chronic problems that have impacted negatively on the forest sector for decades.

Unintended negative impacts generated as a result of FCPF-supported interventions include the creation of unrealistic expectations regarding the degree and timing of REDD-plus benefits and the creation of new tensions between ministries regarding control over REDD-plus processes (such as forestry and environment ministries). It is not possible to attribute these negative impacts wholly to FCPF, as they tend to be rather

generic challenges faced by REDD-plus interventions implemented at national or project levels.

Outreach and communication is an essential part of the FCPF mandate as a global mechanism, particularly due to the complexity, relative newness and the rapidly changing external environment of REDD-plus. Effective outreach is undertaken at three levels: the country level, within the World Bank, and in the global arena. Currently efforts by FCPF to effectively communicate key messages around REDD-plus, the program itself and the fast moving developments and innovations although adequate would benefit from a more targeted and deliberate approach.

6.2.1 Cluster Two: Is the FCPF on track to meet its objectives?

6.2.1.1 What has been the progress of the FCPF in building capacity for REDD-plus in developing countries in tropical and subtropical regions?

As stated in the FCPF charter, the objectives of the Facility are:

- a) To assist Eligible REDD Countries in their 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;
- b) To pilot a performance-based payment system for Emission Reductions generated from REDD activities, with a view to ensuring equitable benefit sharing and promoting future large scale positive incentives for REDD;
- c) Within the approach to REDD, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity; and
- d) To disseminate broadly the knowledge gained in the development of the Facility and implementation of Readiness Preparation Proposals and Emission Reductions Programs.

The four objectives are ambitious and at the time of this evaluation, two years after the inception of the program, progress towards meeting these objectives has been focused on Objectives a and d. FCPF has provided technical and financial assistance to build capacity at the country level (Objective a) and has actively disseminated knowledge gained to date (Objective d). FCPF has made limited progress towards achieving objectives (b) and (c) within its first two years of operation as would be expected at this early stage. Clearly, it is too early to talk of progress in terms of piloting performance based systems and sustaining or enhancing livelihoods or conserving biodiversity. With this in mind, the online questionnaire (together with data from other sources, such as interviews) focused mostly on assessing perceptions of the degree to which FCPF had been successful in building capacity and generating and disseminating information. Figure 3 below, provides an overview of some of these key questions and suggests strong progress has been made already in building capacity, raising awareness and supporting REDD-readiness planning at the country level.

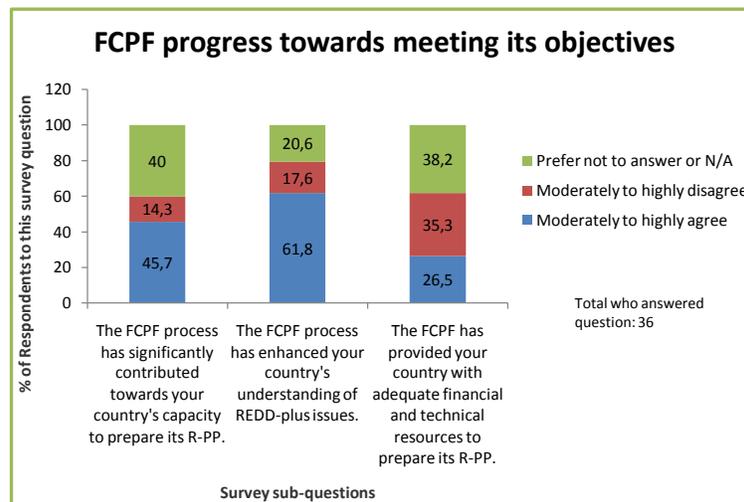


Figure 3 Survey Responses regarding meeting FCPF objectives

One of the key aims of the FCPF has been to build in-country capacity to understand and address REDD-plus issues, and to engage in REDD-readiness planning. 46% of those responding to the online survey question on this issue indicated that national level capacity had been built, with only approximately 14% responding to the negative.

The country visit to DRC, conducted as part of this evaluation illustrated the challenges of building capacity across a range of stakeholder groups at national level, as well as sub-national levels in a country of this size and level of development. This country study (Annex D) indicates clearly that awareness (and to a lesser degree, understanding) of REDD-plus processes and principles had been built across a fairly wide cross section of interested stakeholders which had meant that an informed national debate was generated between various sections of government, national civil society and to a lesser extent, private sector. However, in terms of the development of a real capacity (defined in terms of knowledge and skills), the number of people or institutions with increased capacity was still rather low. The process of drafting and editing the R-PP was undertaken by the National REDD Co-ordination Unit in conjunction with co-opted experts drawn from institutions with expertise (such as international NGOs). One respondent to the online questionnaire indicated that in his/her country, there was a major lack of cross-sectoral planning prior to WB/FCPF engagement. The R-PP now reflects the need to involve several ministries in REDD planning to avoid leakage and address the wide cross-section of deforestation drivers.

Of the 43 people who answered in the online survey on this issue, 79% felt that the procedures for formulation, procedures for assessment and review of R-PPs, the guidance notes on consultations, were generally clear, and understandable. This result, once again, points to the increased understanding that has been generated by the program around REDD-readiness processes. Many of those consulted through interviews with a more global overview (such as donor representatives on the PA and PC) confirmed that in-country capacity had increased since the inception of the program, as evidenced by the steady improvements seen in the quality of R-PPs produced within participating countries.

Increasingly, south-south exchanges have taken place as a result of the FCPF, creating important opportunities for peer to peer exchanges and learning around key in-country issues. Many PC members from participating countries mentioned that over time, there has been an increased focus within the PC meetings on transferring skills and capacity between countries, rather than through more traditional north-south exchanges. However, as pointed out in the "Harvesting Knowledge" report, countries like Mexico, Costa Rica and Brazil that have decades of experience in programs addressing deforestation and degradation also have limited capacity to divert scarce staff and funding

to assist others¹⁶. As such, useful exchanges tend to be confined to occasional opportunities afforded through the PA process. Clearly, the provision of targeted funding to support south-south knowledge exchange could significantly increase the impact of this opportunity.

One concern that has been raised by various observers and participants to the FCPF program is the imperative of learning from previous experiences. In all of the countries where FCPF is currently operational, there have been a host of externally or government-funded initiatives that have sought to improve forest protection and management, involve local stakeholders in forest management, address forest governance and foster inter-sectoral co-ordination. Initiatives such as Forest Law Enforcement, Governance and Trade (FLEGT), the “National Forest Program” concept from FAO, community based forest management (and the accompanying range of management approaches such as joint or collaborative forest management, community protected areas and community wildlife management), independent forest monitoring, payments for environmental services, integrated conservation and development are all examples of earlier approaches which can usefully inform the development of REDD-plus strategies and activities. There is a risk that in the rush to prepare national REDD-readiness strategies and the flurry of new donor interest that this experience (and in-country capacity) will be missed. One example of this comes from Tanzania, which is a country that has been devolving forest management to local communities since the early 1990s. Various models are permitted by law, with varying degrees of delegated management responsibility (and corresponding levels of local benefits). Much has been learned from these experiences in terms of identifying the necessary conditions for reversing deforestation, creating local incentives for collective action around sustainable forest management and sharing of revenues (and other forms of benefits) between central and local government¹⁷. Another example comes from the Republic of Congo where concerns have been raised that government failed to engage directly with civil society, despite the existence of a functional platform of civil society organizations which had just concluded a legally binding trade agreement with the government to control illegal logging under the European Union (EU) FLEGT Program.¹⁸ One last example comes from Mexico and its payment for ecological services of forests scheme, which has been challenged by many stakeholders in the country for not addressing adequately the underlying drivers of deforestation that often lie outside the forest sector (e.g. agricultural sector).

The importance of learning from the past and building on existing initiatives has been an overarching concern raised by both PC and TAP reviews of country submissions and there is evidence in some countries that these gaps are now being filled (such as a review of lessons learned being funded by the United States Agency for International Development (USAID) in Ghana).

As a final point to this sub-chapter, while all sources point to a general improvement in capacity within participating countries, a number of those consulted emphasize the challenges of attributing these positive changes to FCPF in particular. FCPF rarely works alone, and where complementary support exists such as through UN-REDD, capacity development is generally a central aspect of development assistance.

¹⁶ FCPF. 2010. Harvesting Knowledge on REDD-PLUS: Early Lessons from the FCPF Initiative and Beyond

¹⁷ World Bank (in press) Learning from the past and looking towards the future: Towards REDD Readiness in Tanzania. Issues Note.

¹⁸ FERN and Forest Peoples Programme. 2011. Smoke and Mirrors. A critical assessment of the Forest Carbon Partnership Facility. Moreton in Marsh, United Kingdom.

Recommendation: Scale up technical and financial support to regional measures designed to foster **South-South exchange and learning**. This could include additional regional workshops covering particular issues of mutual concern (such as methodologies, consultation, governance, legal reforms), or measures designed to harmonize and link country plans at a regional level. Where possible create synergies between countries working in similar conditions (e.g. Amazon Basin, Congo Basin, Borneo-Mekong Basin) or major language groups (French, Spanish, and English).

Recommendation: Strengthen efforts to learn from previous experiences, lessons, successes and failures in participating countries with regard to sustainable forest management initiatives and programs as well as efforts to link more directly to complimentary, on-going multi-lateral and bilateral initiatives with the potential to address deforestation drivers.

6.2.1.2 What is the level of quality of the monitoring conducted by the FMT of the FCPF, including operational monitoring?

Monitoring of country progress is captured on the FCPF “dashboard”, which gives a snapshot view of how different countries are progressing through the various stages of approval and disbursement within the Readiness Plan Idea Note (R-PIN) and R-PP stages. This is an excellent innovation, allowing for a quick and easy overview of how the Readiness process is proceeding across participating countries and has been positively assessed by various stakeholders to the FCPF as part of this review.

Task management responsibilities are assigned, where possible, to Task Team Leaders operating at the country level, who have complementary skills and often broader understanding of sector level challenges and opportunities (such as in forestry, natural resource management or agriculture) required for REDD plus. Additional support at the country level such as that provided by the carbon finance specialist based in Kinshasa, DRC (who is himself a staff member of the FMT), could add momentum to the process. Review missions and country-visits are conducted from the FMT, which in some countries (such as DRC) are being undertaken increasingly with the participation of UN-REDD staff and representatives of bilateral donors. These missions provide an important opportunity for assessing overall levels of progress and for communication between FMT members and country participants.

Monitoring, support and technical inputs are provided throughout the process of preparing the R-PP through a variety of mediums, including technical notes, guidance notes, templates and the formal review mechanism that takes place through the TAP and PC. However, once the R-PP has been approved, there is less focused attention on implementation, other than the Country Fact Sheets that are posted in the FCPF website and describe in narrative form key outputs and achievements.

In 2009, the FCPF developed a draft monitoring and evaluation framework¹⁹ which was updated in 2010²⁰. This framework is a document created to guide external evaluations of the facility and has been extensively used as a reference tool for preparing and undertaking this review. The framework does not, however, provide more general guidance to undertaking more routine, continuous monitoring and evaluation of the program as a whole.

¹⁹ Forest Carbon Partnership Facility (FCPF). 2009. Monitoring and Evaluation Framework DRAFT-For Comments Only December 4, 2009

²⁰ Forest Carbon Partnership Facility (FCPF). 2010. Proposed Evaluation Framework. Revised DRAFT. March 7, 2010

Recommendation: Pursue the process of **development and operationalization of a comprehensive monitoring and evaluation framework** for the readiness process (and in future for the Carbon Fund), as a way to ensure adequate feedback loops in decision-making and improvement of the Facility effectiveness, beyond the formulation phase. Monitoring should also include reference to mitigating potential negative social and environmental impacts and ensuring positive co-benefits. This should go beyond the guidance provided in the draft monitoring and evaluation framework²¹ (updated in 2010²²) which tends to focus more on external reviews rather than routine monitoring.

6.2.1.3 Changes in approach and adjustments to the overall strategy since announcement of FCPF at COP 13 in December 2007

While the overall objectives and aims of the FCPF have remained unchanged since the inception of the FCPF, there have been a number of changes in approach and adjustments to the overall strategy adopted by the program.

Program expansion: Perhaps the most significant, has been the expansion of the program from an initial target of 20 countries to the current level of 37, representing nearly a doubling of coverage since its inception. This increased demand from new countries is a strong testimony to the overall quality of the program and the benefits that it offers. The program's ability to respond to these growing demands has been assisted greatly by the entry of new donors, such as the Danish government (who joined in FY10), which means that the facility can now honor its commitment to provide the US\$200,000 to all 37 participating countries. The degree to which further expansion takes place, and decisions about which countries may make worthwhile investments (when seen from a point of view of achieving emission reductions from reduced deforestation), are important decisions that will require the attention of the program in coming months and years.

Multiple delivery partners: A second area that has generated a good deal of recent discussion has been that of "multiple-delivery partners" – or the idea of identifying delivery channels outside the WB. This was discussed at PC7 and PC8. A range of possible delivery partners was envisaged, such as African and Asian Development Banks and core partners to UN-REDD (United Nations Development Programme -UNDP, United Nations Environment Programme-UNEP and Food and Agriculture Organisation (FAO)). At PC7 a decision was taken to consider piloting in two countries, namely Cambodia and Panama (possibly through UNDP). Much work has still to be done for this to be effective, such as developing generic operational guidance (such as safeguards) that could be adopted by all potential delivery partners.

Changes to the R-PP template. The R-PP template has been continuously evolving since the inception of the program and is now fully harmonized with that used by UN-REDD. Initially, the R-PP was largely a technical document that described key themes such as MRV, carbon accounting and other issues relating to the mechanisms for measuring and verifying emission reductions. With the growing global awareness around some of the potential risks involved in REDD-plus (namely issues relating to land and forest tenure, protecting the rights of indigenous and local communities, impacts on livelihoods and biodiversity) the template has been expanded to encompass these broader concerns relating to governance, risk mitigation and co-benefits.

In the most recent version of the R-PP template²³, these concerns have been incorporated. For example, Components 2a and 2b now are required to include sections:

²¹ Forest Carbon Partnership Facility (FCPF). 2009. Monitoring and Evaluation Framework DRAFT-For comments only

²² Forest Carbon Partnership Facility (FCPF). 2010. Proposed Evaluation Framework. Revised DRAFT. March 7, 2010

²³ Forest Carbon Partnership Facility (FCPF). 2010. Readiness Preparation Proposal (R-PP) Template (v.4 (January 28, 2010))

- identifying the “effectiveness of law enforcement systems”;
- assessing “institutional capacity to enforce forest laws and governance issues; and
- identifying linkages between the strategic options and key governance issues.

Furthermore, in the Guidelines to Component 2c, the R-PP template now asks countries to:

- Describe how “the performance of the implementation framework” will be “monitored and reported” either as part of the MRV system or by a separate system;
- Describe how the “checks and balances” in the implementation framework should “ensure transparency, accountability and equity.”

In its standards for assessing the R-PP, FCPF guidance also requests that the following elements be included in the R-PPs:

- Early ideas on including capability to monitor other benefits and impacts, e.g. rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD implementation, and the impacts of the REDD strategy in the forest sector;
- A description of “how transparency of the monitoring system and data will be addressed”;
- Addressing “independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD implementation.”

The merging of FCPF and UN-REDD template formats has been an important and commendable development, opening the door to greater alignment and harmonization of donor funding and creating new opportunities for co-financing. A good example of this can be seen from DRC, where due to late disbursement of FCPF Readiness funding, UN-REDD has been able to step in and finance a number of activities that were originally envisaged for financing under FCPF. Had FCPF and UN-REDD templates been significantly different, the chances of this happening might arguably have been lessened.

6.2.1.4 Are FCPF objectives realistic given capacity and time available?

At the outset of the FCPF, capacity to address REDD-plus issues in many of the participating countries was close to zero. As pointed out above, the facility has been effective in both raising in-country awareness, understanding and skills around REDD issues, as well as continuously “raising the bar” at a global level in terms of the quality and scope of R-PP applications. In DRC, which was visited as part of this review, most people contacted felt that the time provided for the preparation of the R-PP was sufficient. Government representatives and advisers pointed out that the R-PP is simply a strategic plan – or a statement of intent – and discussions about the role, structure and shape of REDD processes are still to be decided, and will be subject to continued consultations. Civil society observers and partners, however, felt that the process had been rushed, externally driven and that many key aspects had been glossed over (such as a more detailed assessment regarding the nature of deforestation drivers, and the degree to which rural farmers were to blame, rather than other causes such as agro-industrial and timber harvesting concessions). In Mexico, the perception of an externally driven process was also coming out strongly. This has since led to the development of a more comprehensive and opened, in-country driven strategic planning process through the development of the “Vision” document, which built on the substantive foundation laid by the R-PP.

Despite this good progress, it is too early to comment on whether the objectives of establishing large scale systems of performance-based payments are realistic given the in-country capacity, timeframe

and resources made available. Given the scale of reforms that are needed in many countries (relating to developing and implementing new policies and laws relating to land, forest and carbon tenure, systems of benefit sharing and improvements in forest governance), it is likely to be several years before fully operational systems of performance based payments are seen in many countries. A good example of the challenge ahead can be seen from DRC. The R-PP sets ambitious targets within a three year timeframe, after which REDD-readiness plans are expected to be realized and all necessary reforms will be in place. Discussions held in country with staff and advisers within government indicate that the goals and outcomes set in the R-PP are more aspirational in nature, than real, and the ambitious goals have been driven more by a strong political imperative, than a more meaningful assessment of the size and complexity of the tasks ahead. DRC (as with many countries) has been through a deliberate process of identifying, selecting and funding a series of quick-start field pilots, with the objective of gaining in-country experience around key themes such as benefit sharing, MRV, and addressing deforestation drivers. Even in the most advanced countries (such as Tanzania or Mexico), these pilots are still only in their formative stages and it will be some years before their full learning potential can be captured and incorporated into national policy and practice for scaling up.

Seen in isolation, it is unlikely that FCPF with its current financial and technical resources would be sufficient to achieve the goal of establishing large scale systems of performance-based payments. However, with the increased (and growing) involvement of other sources of technical and financial support, (including for instance the Forest Investment Program (FIP)), galvanized in large part by the FCPF itself, this is becoming increasingly realistic. More on this point is expanded on in sub-chapters 6.3.1.3 and 6.3.1.4, in particular regarding the ability of the resources to meet the needs of country participants and the timeliness of disbursement of these resources.

Recommendation: In view of capacity and institutional challenges found in many Participant Country and the need to advance the REDD agenda, **focus capacity building efforts around the early building blocks of the readiness process**, around piloting in selected areas to later allow learning and scaling up.

6.2.1.5 Impacts generated as a result of materials produced by FCPF

The FMT has adopted a deliberate policy of generating and disseminating materials to country teams as a means to provide guidance and information on REDD-readiness processes. The key tool developed and disseminated to date has been the template for the R-PP. In line with increasing attention to cross-cutting governance and transparency concerns, the R-PP has gone through a number of iterations (including the merging of the format with that of UN-REDD). While this has supported an increase in the overall quality of country level submissions, some early starters to the R-PP process (such as DRC and Mexico) have arguably paid the price for these adjustments, as they were required to update their application as new formats appeared.

Guidance notes have been produced for participating countries in two areas. Firstly, guidance notes have been produced for effective Stakeholder Engagement in REDD-plus Readiness consultation for the R-PP process (prepared jointly with UN-REDD and harmonized over time)²⁴ and secondly on incorporating environmental and social considerations into the process of getting ready for REDD-plus²⁵.

²⁴ FCPF and UN-REDD. 2010. Guidance on Stakeholder Engagement in REDD-PLUS Readiness with a Focus on the Participation of Indigenous Peoples and Other Forest Dependent Communities. DRAFT – October 29, 2010

²⁵ Forest Carbon Partnership Facility (FCPF) Readiness Fund. 2010. Incorporating Environmental and Social Considerations into the Process of Getting Ready for REDD plus Revised DRAFT – March 7, 2010

The guidance notes on stakeholder engagement are also the result of various iterations, based on early lessons generated from the field. As such, they are likely to be of greater use to those who are currently in the process of preparing their R-PPs. However, feedback obtained from government staff and advisers at the participating country level has been good and these documents are being used at an operational level. Guidance notes for the SESA process are by nature more tentative and are based more on proposals rather than practical field experience. The National REDD Co-ordination Unit in DRC and REDD Cell in Nepal expressed satisfaction with the SESA guidelines and have used the templates in the annex to the guidelines to frame the terms of reference for the planned SESA study. However, all consulted indicated that undertaking strategic environmental and social assessments at a national level in an area such as REDD-plus and in the context of country such as DRC is indeed a daunting task. This is going to be a key area to track developments in coming months, not only in DRC but in other countries which are currently developing plans to undertake SESA reviews. Moves by some countries to pilot national social and environmental standards (as developed by CCBA and CARE International²⁶) may also generate additional and complimentary learning in this regard.

“Harvesting knowledge²⁷” was finalized in 2010 and represents an attempt to take stock of early lessons learned from the FCPF process and beyond. The document is well presented, easy to read and captures many of the key learning points generated by FCPF. As such it will provide useful reading to in-country participants, donors and observers alike. It is too early to say what level of impact this document has had.

6.2.2 Cluster Four: How effective has the FCPF governance structure been?

6.2.2.1 What are the key elements of the FCPF governance structure and how has the governance structure affected implementation?

Elements of the FCPF governance structure: clarity of the roles and functions, number of participants

As seen in the most recent version of the FCPF Charter, the governance structure is comprised of five basic elements: the PA, the PC, a Carbon Fund Participants Committee, one or more Ad Hoc TAP, a FMT and a Trustee of the Readiness Fund and a Trustee of the Carbon Fund²⁸.

Since its inception, the FCPF has attempted to clearly delineate the responsibilities of each of its elements. The Charter itself clearly explains the roles of each of these elements as well as their participation and contribution. The PC is responsible for selecting REDD Participant countries in accordance with the Criteria for Selection while taking into account comments received from the TAP, PC, FMT and WB country/regional staff, developing criteria for grant allocation for R-PPs among others. Overall it is the governing and decision-making body of the FCPF. Within the charter, it is stated that the PC shall meet at least twice a year. At inception, the PC consisted of 20 representatives (10 Participant Countries and 10 donors). However, following the amendment with Resolution PC/2009/X/1²⁹, the decision was made to increase the size of the PC to 28 members (14 REDD Country Participants along with 14 Donor Participants along with Carbon Fund Participants).

The PA, on the other hand, includes all PC and Donor Participants and its role is to provide guidance to the PC and at each Annual Meeting on the decisions made by the PC and, where

²⁶ CCBA and CARE International. 2010. REDD-PLUS Social & Environmental Standards: Version 1 June 2010

²⁷ FCPF. 2010. Harvesting Knowledge on REDD-PLUS: Early Lessons from the FCPF Initiative and Beyond

²⁸ FCPF Charter, August Clean version 2010, p. 21

²⁹ Resolution PC/2009/X/1 PA2/PC4, October 26-28, 2009, Washington, DC

appropriate, other issues discussed by the PC. The PA can also overturn certain decisions made by the PC in regards to³⁰:

- a. Pricing methodologies for Emission Reductions Payment Agreements (ERPAs);
- b. General Conditions of ERPAs;
- c. Guidelines on Additional Benefits; and
- d. Evaluation of operation of the Facility.

These decisions can be overturned by at least two-thirds majority of REDD country participants and two-thirds majority of collectively, the Donor Participants and Carbon Fund Participants, present and voting at the meeting. In the event of such overturn, the PC is obliged to reconsider its decisions at its next meeting. Broadly speaking the PA serves as a forum for information and opinion exchange for all members³¹.

Presently the PC includes a total of 28 voting members and currently 6 observers (Global Environment Facility-GEF Secretariat, Bank Information Center (BIC), a delegate from the United Nations Permanent Forum on Indigenous Issues (UNPFII), UNFCCC Secretariat, UN-REDD Programme). The PA is currently comprised of all the above mentioned members and all the Participant countries.

In addition to the PC, those who are not members but who may attend meetings are observers and comprise one representative of: Relevant International Organizations, Relevant NGOs, Forest-Dependent Indigenous Peoples and Forest Dwellers and Relevant Private Sector entities. The latter can express views but not vote on matters.

It is evident from the documentation made available to the team and that posted online, that all changes made to the roles and duties have been documented and are accessible and are clearly explained. This being said, the language of these documents is dominated in most cases by English thus may not be readily accessible in terms of comprehension to all participants. It can be generally said, from interview respondents, survey responses as well as based on feedback from the mission to DRC, Mexico and Nepal, that overall most stakeholders were aware and comprehended the role of each element in the structure. Many interviewees confirmed the above description of their roles and were overall clear regarding their functions.

6.2.2.2 Is the governance system of the FCPF adequate for delivering its objectives and up to international standards?

Level of effectiveness of the FCPF governance structure:

Generally speaking, all sources of information reviewed so far point to an adequate level of effectiveness for the FCPF governance structure. Most stakeholders interviewed are positive on the level of participation, the balance between implementing countries, donors and observers as well as the commitment to consensus.

³⁰ FCPF Charter August Clean version 2010, Section 10.2 (a) (ii), p. 28

³¹ FCPF Charter: Article 11 and Amendment Procedure under Section 21.1(c) (i), March 2, 2010

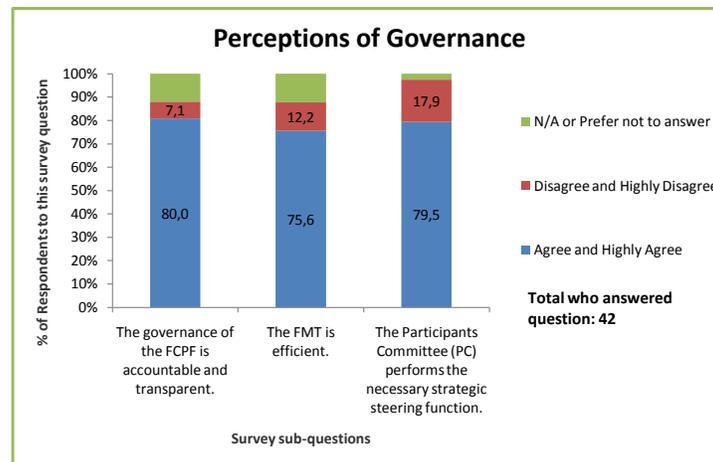


Figure 4 Survey Perceptions of FCPF governance

Of a total of 42 respondents who answered the survey question relating to the effectiveness of the FCPF governance, the majority either highly agreed or agreed to questions pertaining to effectiveness on providing strategic guidance, the clarity of the role of the FMT, its transparency and accountability and overall execution, (see Figure 4). In several instances, the FMT was referred to as being proactive, highly competent and generally very dedicated. Comments from both interview and survey respondents refer to its success at maintaining the commitment of the PC/PA to reaching consensus thus far and the open and frank discussions in both the PA and PC meetings that have allowed for a democratic nature of governance to be maintained.

Achievements of this governing system that have contributed to its effectiveness of the FCPF thus far have been identified as:

- **Promotion and implementation of a learning-by-doing approach.** Not only has this been commented on several times via the survey, interviews and during the field visit, but has also been seen in the various PC and PA resolutions and amendments of the Charter and other decisions, as highlighted in the previous sub-chapter. This reflects a flexible approach that integrates the comments of members regarding changes to governance and decision-making;
- **High level of participation.** As the name of the FCPF is evident, the Facility is a partnership and thus participation and maintaining principles of democracy are pivotal for such large partnership to succeed. The PC and the PA, but more so the latter, are viewed by many as being a forum for discussion and debate, and are cited as being productive and refreshing;
- **Good balance in membership.** Generally speaking from all sources, there is satisfaction regarding the balance that has been achieved in representation between REDD Country Participants and Donor participants, especially in regards to the PC;
- **Consensus-based decision making.** To date, reaching decisions based on consensus has been successful. This again helps to reinforce the partnership approach. Whether consensus-based decision-making will prove to be the most efficient once the Readiness Grant disbursement has commenced will need to be assessed in the future;
- **Level and quality of support provided by the FMT.** Overall, the dedication and responsiveness of the FMT has been positively received, especially considering the amount of work, and the limited number of personnel.

The slow turnaround regarding the production of meeting documents as well as moving forward with other key aspects of the FCPF, such as the Carbon Fund, is also in part a result from the amount of work for which the FMT is responsible. Although to date, there appears to be general satisfaction with the FMT management, concerns have been raised that once the disbursements for

the Readiness Grants begin, the burden of work and responsibility will be even greater and could affect its effectiveness. The very willingness of the FCPF to consider multi-delivery partners and open itself up for debate has been commended. This is viewed by some as one possible way to overcome the problem of “perceived” double governance system created by requirement to meet WB administrative standards (such as on safeguards).

Number of meetings, main discussion points and materials produced

Since its inception the PA has met a total of 3 times, the PC a total of 8:

The Readiness Fund meetings:

- Steering Committee Meeting - Paris: July 8-10, 2008;
- PA1/PC1, October 19-22, 2008, Washington, DC;
- PC2, March 11-13, 2009, Panama;
- PC3, June 16-18, 2009, Montreux, Switzerland;
- PA2/PC4, October 26-28, 2009, Washington, DC;
- PC5, March 22-25, 2010, La Lopé, Gabon;
- PC6, June 28-July 1, 2010, Georgetown, Guyana;
- Working Group on Multiple Delivery Partners Meetings;
- PA3/PC7, November 1-3, 2010, Washington, DC;
- PC8, March 23-25, 2011, Da Lat, Vietnam³².

The next PC meeting (PC9) is scheduled to be held in Oslo, Norway June, 20-22nd.

Overall at each of these meetings, the topics of discussions have involved a wide range of subjects. They have included presentations of R-PPs to be reviewed, the comments made by the TAP, the countries' responses to the latter, cooperation with other initiatives, template reviews, FMT Guidance notes (such as National Consultation and Participation for REDD³³), relevant national and regional documents from Participant Countries, Carbon Fund updates, Charter revisions and budget reviews. In the most recent meetings, emerging lessons learned from the R-PPs have also been included and working groups have been set up, especially regarding the taskforce for Multi-Delivery Partners.

Over the course of the last two years, the FCPF has produced a significant amount of information as well as included relevant information to assist Participant Countries in proceeding with REDD-plus readiness. In addition to those previously mentioned, other relevant materials produced include, but are not limited to:

- Two Annual Reports (2009, 2010);
- The FCPF Brochure;
- Various Guidance Notes including: Guidance Note on Incorporating Environmental and Social Considerations into the Process of Getting Ready for REDD and Guidance Note on Stakeholder Consultation (both in three languages);
- Numerous PowerPoint presentations giving a broad overview of various processes, such as the development of the R-PPs;
- An initial knowledge dissemination document: *Harvesting Knowledge on REDD-plus: Early Lessons from the FCPF Initiative and Beyond*;
- Numerous drafts of specific programs targeting IPs;

³² FCPF Website, FCPF Meetings. Available at : <http://www.forestcarbonpartnership.org/fcp/node/39>

³³ FMT, National Consultation and Participation for REDD, March 7, 2009

- Relevant news items and collaborative meetings such as *Putting Forests First: Global Forest Initiatives Enhance Collaboration with Forest-Rich Developing Countries- Major REDD-plus initiatives meet in first-time gathering*³⁴;
- Concerns expressed by NGOs, and members are also, summarized and posted;
- Links to other relevant REDD and REDD-plus initiatives;
- R-PP template.

Perception of usefulness of the FCPF governing entities, accountability and transparency

Generally speaking, as has been shown in the survey results, the FCPF governing entities are perceived as useful despite the occasional tendency to have the discussions stray in to policy level issues at the global level, in large part due to the fact that many PC members are also UNFCCC negotiators. Its usefulness has also been reflected in the strong support from key donor countries and what is perceived as a strong, committed and professional FMT.

Some respondents (and in particular IP interest groups consulted during this review) raised concerns regarding the lack of voting power that IPs have as observers of the PC, with only one seat provided³⁵. This issue was highlighted in relation to the crucial role that forests play in the livelihoods of many IP groups and the potential impacts (both positive and negative) that REDD-plus may generate. Interestingly, one respondent to the online survey, who indicated his/her membership of both the FCPF PC and the UN-REDD Policy Board (where IPs do have voting rights) stated that the lack of voting rights for IPs was not a major issue as decisions were taken by consensus, rather than voting.

Most survey respondents and interviewees felt that the FCPF governance structure has achieved thus far a high level of transparency and accountability primarily due to the high accessibility of documents on the website, including budgets and general financial plans. The issue of disbursement of funds is more complex and will be specifically discussed in sub-chapter 6.3.1.4.

The growing levels of participation within PC meetings, and in particular by civil society illustrates an important point – namely the increased transaction costs that this can bring. Concerns have arisen regarding how the latter can in turn negatively affect the effectiveness of the Facility's operations. While the participation of Civil Society within the FCPF governance has been growing (and indeed identified as a strength by many stakeholders) there are concerns regarding the tendency for both the PA and the PC to become politically tense and occasionally veer off topic during discussions, thus hindering the ability of the PC to make decisions and remain focused³⁶. This has to some degree been offset by the transfer of chairing roles from the FMT to PC members themselves, which took place recently. Although this is natural considering that members are politically active in other domains, concerns have been brought to the Team's attention concerning how this is affecting the ability of the PC to maintain its role as an effective and efficient decision-making body. Clearly, trade-offs must be made with respect to participation and representation on one hand, and effective decision making on the other.

Level of responsiveness of the PC to guidance of key international conventions and the needs of REDD Country Participants:

Out of a total of 47 respondents to this question, the majority (66%) agreed that the PC is responsive to guidance from key international conventions, primarily the UNFCCC and the UNCBD. The

³⁴ Washington, D.C., November 6, 2010, Available at:

http://www.unredd.org/NewsCentre/Collaboration_Press_Release/tabid/6383/Default.aspx

³⁵ FCPF Charter, Section 11.7 (b), 2010, p. 28

³⁶ Interviews and Survey respondents comments

overall trend is that the primary link is to the former and to a lesser extent the UNCBD and the UNCCD.

With regards to UNFCCC, it is broadly known that the impetus for REDD and REDD-plus stemmed from the UNFCCC negotiations, with the announcement in Bali on *reducing emissions from deforestation in developing countries: approaches to stimulate action*³⁷. Since then it can be generally stated that REDD-plus and FCPF has been a work in progress and a vehicle for continuous learning. There is evidence, mainly from respondents, that mutual learning between the FCPF and the UNFCCC is taking place. One main reason being the fact that numerous FCPF PC members are also Climate negotiators. It has been mentioned several times that the forum that the FCPF provides, allows for debate and freer discussion than under more formal negotiation circumstances. The views from developing countries, can then be taken back and expressed in the negotiations, through the shared knowledge, points of view and experiences brought forth at the PA/PC meetings.

More recently, in Cancun, it was stated that: *“developing country Parties [could...] contribute to mitigation actions in the forest sector by undertaking the following activities, as deemed appropriate by each Party and in accordance with their respective capabilities and national circumstances:*

- (a) *Reducing emissions from deforestation;*
- (b) *Reducing emissions from forest degradation;*
- (c) *Conservation of forest carbon stocks;*
- (d) *Sustainable management of forest;*
- (e) *Enhancement of forest carbon stocks;”*

The Convention requested *“developing country Parties aiming to undertake activities referred to [...] above, in the context of the provision of adequate and predictable support, including financial resources and technical and technological support to developing country Parties, in accordance with national circumstances and respective capabilities, to develop the following elements:*

- (a) *A national strategy or action plan;*
- (b) *A national forest reference emission level and/ or forest reference level or, if appropriate, as an interim measure, subnational forest reference emission levels and/ or forest reference levels, in accordance with national circumstances, and with provisions contained in decision 4/CP.15, and with any further elaboration of those provisions adopted by the Conference of the Parties;*
- (c) *A robust and transparent national forest monitoring system for the monitoring and reporting of the activities referred to [...] above, with, if appropriate, subnational monitoring and reporting as an interim measure, in accordance with national circumstances, and with the provisions contained in decision 4/CP.15, and with any further elaboration of those provisions agreed by the Conference of the Parties;*
- (d) *A system for providing information on how the safeguards referred to in annex I to this decision are being addressed and respected throughout the implementation of the activities referred to [above...], while respecting sovereignty;”*³⁸

It is clear that the overall step-by-step approach stipulated in the broader negotiations, is already in the different stages envisioned under the FCPF. That is to say, the readiness process is itself comprised of milestones, including the development of the R-PP and the implementation of the readiness activities themselves. It is also clear that the uncertainty of exactly how to go about completing these tasks is also reflected in the FCPF. Firstly, the various revisions of the R-PP template are a case in point. Based on lessons learned at the country level, the template has been modified to include what is considered most important in a national strategy. Regarding guidance concerning establishing reference scenarios, some interviewees expressed that this is where the

³⁷ Decision 2/CP.13

³⁸ Ad Hoc Working Group on Long-term Cooperative Action under the Convention Thirteenth session Cancun, 29 November to 10 December 2010, Agenda item 3 Preparation of an outcome to be presented to the Conference of the Parties for adoption at its sixteenth session to enable the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, P. 11-16

negotiations have somewhat stagnated and have not been able to provide as much guidance. The FCPF, as a learning ground however, must and is attempting to forge ahead. The importance of pilot projects is also reflected in both the negotiations and the FCPF with the latter proceeding towards implementation of such sites. Thus overall, it appears that the FCPF has been one of the first attempts to bring the theory of REDD-plus into practice while allowing for political momentum to build via increased awareness of a broad spectrum of stakeholders in developing countries³⁹. This in turn has fed into common approaches at the global level.

Regarding the UNCBD, the link with FCPF appears to be weaker despite the fact that the protection of biodiversity is implicitly embedded in the protection of forests and thus habitats and endemic flora and fauna and is emphasized within the SESA process. The importance of the link between biodiversity protection, forest preservation as carbon sinks also resonates when examined from the perspective of indigenous livelihoods and poverty reduction in general. Although REDD-plus does promote the conservation and the 'sustainable management of forests'⁴⁰, the balance can be considerably more complex than simply promoting sustainable management. Different groups within different country contexts will have different views on what sustainable management is depending on their cultural and socioeconomic positions within their societies⁴¹. Keeping in mind that the FCPF remains a vehicle primarily for the mitigation of GHG, working to enhance the recognition of such non-carbon benefits, or co-benefits, could also tighten the link between FCPF and the UNCBD, not to mention thereby addressing indirectly some adaptation objectives of certain FCPF country participants, such as perhaps coastal countries who are more sensitive to the effects of climate changes via sea temperature and sea level changes. The complexity between biodiversity conservation, sustainable management, livelihoods of IPs could be improved or clarified, thus improving the link to the UNCBD.

At the country level, views are mixed concerning the responsiveness of the PC and the FCPF generally to the needs of country participants. It has been observed that these mixed views stem largely from the fact that national circumstances and priorities vary greatly and thus the approaches and opinions of REDD-plus also vary. Some countries have chosen to initially present their own national strategies tackling deforestation that had previously been worked on and were thus tailored specifically to the needs of the country, such as the case of Panama⁴². Not all Participant Countries have ratified other international agreements that are relevant and important to aspects of REDD-plus readiness as defined by the FCPF. Additionally the focus is on mitigation and not as much on adaptation to climate change. This being said, although many of the Participant countries contain large tropical forests, optimal to promote mitigation via REDD-plus, developing countries are also the most disadvantaged when it come to having the resources to adapt to the impacts of climate change. The question has been raised, that although the FCPF is to target mitigation, the demands required for readiness and in the future, an incentive compensation mechanism, should be balanced when considering many of the same countries are also tackling the challenges of adaptation?⁴³ But of course, this goes beyond the scope of the FCPF as such as an instrument for REDD-plus.

³⁹ Interviews and Survey responses

⁴⁰ FCPF Introduction, p. 1 available at :

<http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Nov2010/FCPF%20%20one%20pager%2011-21-10%20.pdf>

⁴¹ Le Groupe-conseil baastel sprl, *Evaluation of SDC's Contribution to Biodiversity in the Andes*, 2009

⁴² Interview, and Panama FCPF Montreux presentation

⁴³ Interview and survey comments.

Cluster 4: Have the activities of the FCPF Readiness Mechanism played a catalytic role on its country participants?

It must be recognized that the FCPF is only entering its third year of existence. It is thus early to see the full catalytic effects of the Facility. This being said, 48% of respondents to the survey on this issue agreed that there have been catalytic effects from the FCPF to date. These perceptions of catalytic effects include the following, also echoed during the field visits to DRC, Mexico and Nepal, but are not limited to:

- Creating and increasing political momentum as well as creating incentives within governments to tackle deforestation and deforestation drivers;
- The establishment of a shared step-by-step process and structure through which to approach Readiness;
- The engagement of governments in broad consultative processes with stakeholders that would otherwise not necessarily have been consulted;
- The use of the R-PP template as the accepted norm for national readiness planning, or as a building block for such planning;
- Linked to the previous point, the FCPF has helped facilitate greater donor coordination at the country level through the medium of the R-PP and the consultative processes it engendered;
- Building momentum for a wider REDD-plus community at international levels. One example of this is the REDD+ Partnership, to which FCPF, together with a number of core donor countries, contributed to establishing⁴⁴.

Recommendation: Ensure **translation at key meetings** and that materials developed by FCPF are available in all main languages to facilitate participation of all PC members, lessons learning and intake of global experience in national processes.

Recommendation: Look at the option of further decentralizing FMT staff to other regions beyond the Africa region and for further strengthening the support to REDD countries including through **additional support to staff based in delivery partner's country offices** to help foster further coordination on the ground and smoother implementation.

6.2.3 Cluster One: What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?

6.2.3.1 Unintended positive and negative outcomes from the Readiness Mechanism

Forty-six per cent of respondents to this question referring to unintended outcomes, indicated that there had been unintended positive or negative impacts as a result of the introduction of FCPF funding. This is perhaps unsurprising when one considers that REDD is a new and complex concept, subject to a number of changes as the global negotiations proceed and likely to create a range of different expectations in terms of its benefits and risks.

⁴⁴ The goal of the REDD+ partnership is to contribute to the global battle against climate change by serving as an interim platform for the Partners to scale up REDD-plus actions and finance, and to that end to take immediate action, including improving the effectiveness, efficiency, transparency and coordination of REDD-plus initiatives and financial instruments, to facilitate among other things knowledge transfer, capacity enhancement, mitigation actions and technology development and transfer, via a voluntary, non-legally binding framework. Source: REDD-plus Partnership, Adopted, May 27, 2010, available at: <http://www.oslocfc2010.no/pop.cfm?FuseAction=Doc&pAction=View&pDocumentId=25019>

Evidence of unintended positive outcomes and their effects

On the positive side, a number of country participants indicated that support provided to REDD-readiness, including that provided from FCPF, had built new momentum and energy and fresh incentives with which to address long-standing chronic problems that have impacted negatively on the forest sector for decades. This includes aspects such as land, forest and natural resource tenure conflicts, governance constraints (such as illegal logging and corrupt patronage networks that perpetuate forest loss and unsustainable management systems), benefit sharing systems and addressing rural development. Actors working in the forest sector on sustainable forest management felt that while these issues had been known for many years, there was insufficient political will to begin to address them. With the promise of additional financial resources from REDD-plus payments, there is a hope and expectation among many that this may create sufficient momentum to address the long-standing and endemic problems identified above. FCPF participants and observers with a more global perspective, point to the growing international interest in REDD-plus (through the FCPF and other such initiatives) and the way in which this has brought forests back into focus again, galvanized public interest and created opportunities to address long-standing problems of unsustainable forest management.

A second important unanticipated positive impact that has been seen in some countries (and witnessed clearly in DRC and Mexico during the country visit) is the creation of a new political space for interaction between the state and non-state actors for discussion around issues of forest policy. Given the strong international dimension to REDD, and the strong political voice that global negotiations around REDD have generated, in some countries (such as DRC, Mexico and Nepal, for example) civil society actors have been able to organize themselves and engage with government in ways that have not been seen before. Emboldened by this new opportunity, national civil society actors in DRC felt that this political space could now be used as a platform to continue to lobby government for other types of reforms within the forest sector, such as FLEGT and the ongoing restructuring of forest concessions. In Mexico, the lessons from the R-PP process led to the development of a broader and more inclusive national consultative and planning process on REDD, through the development of the Consultative Technical Committee on REDD (CTC-REDD).

Evidence of unintended negative outcomes and their effects

On the negative side, country participants point to the very real risks of creating unrealistic expectations among politicians, the general public and forest-dependent communities. While this cannot be attributed wholly to FCPF, it is clearly an area of concern to FCPF as well as other bilateral or multi-lateral REDD-plus processes. Misconceptions regarding the scale and timing of financial flows coming from REDD risk undermining long-term efforts to tackle deforestation and forest degradation. The country review in DRC further illustrates this challenge. In DRC, there is a high level of political support, and the current minister for environment is actively championing REDD-plus at the political level, and driving the process forward nationally. While this has assisted REDD-readiness enormously, and facilitated improved co-ordination (both within and outside government), it has resulted in very high expectations, both in terms of the speed at which the necessary political and institutional reforms can be realized but also in terms of the scale and timing of performance based payments. A similar finding holds for Mexico. Clearly, finding a middle ground between generating sufficient political support and managing expectations to a realistic level is going to be a complex balancing act, not only in DRC and Mexico, but in all other countries pursuing REDD-readiness.

A second unanticipated negative impact that has been seen in some participating countries has been inter-ministerial conflict over decisions relating to the institutional home of REDD-co-ordination. This has been particularly strong where forestry and environment interests have been housed in separate ministries. In such cases, it is common to see the UNFCCC Designated National Authority

(DNA), who is generally found within the environment ministry in conflict with the forestry authorities, who argue that REDD efforts should be institutionalized within their ministry. Underneath these apparent “turf wars” lies the bigger issue of access and control over financial resources, which has required in some countries higher level intervention to resolve the matter. Again, while these conflicts are not wholly attributable to FCPF, it is likely that the onset of the program has in some cases contributed to these negative outcomes. In the medium to longer term, these conflicts may prove to be a positive force, as they have helped to open a genuine dialogue and debate around inter-sectoral roles, responsibilities and mandates. However, in the short term, in many countries (such as Tanzania) the REDD-readiness process has been slowed significantly as a result.

Finally, in those countries with forest areas under the management or ownership of IPs, there has been a concern that REDD (fuelled to some degree by FCPF) has in some cases increased friction between these people and national governments. While this friction probably existed before, national and international debates around REDD and forest rights may have brought these discussions more to the forefront of public awareness and consciousness.

6.2.3.2 Lessons learned from FCPF and implications for the future

FCPF has documented a series of early lessons learned in the recent report “Harvesting Knowledge”. This includes lessons around issues such as financial incentives, governance, sectoral co-ordination, stakeholder participation, learning from previous experiences in the forest sector, and MRV tools and systems. These important lessons are not repeated here for obvious reasons. However, where additional lessons or perspectives have been gained during this review, these are presented in a concluding section to this report (Chapter 7).

6.2.3.3 Communication and Outreach: steps taken to disseminate lessons learned to broader REDD-plus community

Outreach is an essential part of the FCPF mandate as a global mechanism. This outreach covers essentially three levels: the country level, within the WB (and soon with the other delivery partners), and in the global arena.

At the country level, FCPF outreach is in fact to be integrated in the R-PP process and in the readiness process to follow. Typically, R-PPs, through their varying use of participatory consultation and awareness raising processes act as the main outreach tool for the FCPF. The field missions have outlined that in general stakeholders are well aware of the FCPF support and its focus. This awareness is of course commensurate with the participatory process put in place for the design of each R-PP. For instance, awareness of the FCPF proved broader in DRC than in Mexico. One key area where FCPF has begun to make headway but where there is still room for expansion is outreach with IPs. Outreach and communication efforts have been made already via the FCPF’s Capacity Building Program for Forest-Dependent People on REDD plus⁴⁵ via regional workshops, country visits, among others. However field visits and interviews reveal that more work is needed to ensure that the objectives of FCPF, its safeguards on issues such as land tenure and traditional land rights and the participation of IPs are clearly translated from the global level, to each national context and to the community level. One positive example is taking the R-PP and translating it into something that can be shared such as in Kenya where the R-PP was translated into a 2 page document, using simple language, and translated in 4 local languages. Programs with community radios are also planned. Community facilitators will be trained, to then move on the process at the local level. It should not be assumed that national governments will have neither the capacity nor the budget to

⁴⁵ *Capacity Building Program for Forest-Dependent People on REDD plus and Stakeholder Consultation and Participation in FCPF* notes

continue these types of efforts. A similar outreach technique could be considered for clarifications on the SESA.

Within the WB and the other delivery partners now joining in the FCPF, one of the challenges facing the FCPF is in getting its mission and the REDD agenda well known and understood by all key units to be involved in the delivery of the FCPF support, especially the regional staff and the country desk managers. Interviews have revealed that understanding and capacity to tackle REDD issues, while growing in the Bank, will require further support of human and technical capacities on the ground to tackle the challenge, given all the other priorities regional and country staff have to attend in their portfolio. This is likely to become even more of a challenge as the FCPF moves into supporting the readiness process. This relates not only to communication with managers and forest specialists, but also with other specialists, such as social development specialists for instance who are to act as relays on these issues.

In the global arena, the FCPF has relied to a large extent on its electronic media and its PA and PC meetings to build this awareness with various types of stakeholders. As discussed in sub-chapter 6.2.1.5, FCPF has been actively involved in knowledge management as seen through the development of tools, guidance notes and lessons learned reviews all of which are publicly available on the FCPF website. Furthermore, they were presented and promoted at PC and PA meetings, which are a valuable and effective tool for dissemination. As new tools or guidelines have become available, they have been disseminated through email list serves and on the website. PA/PC members from different stakeholder groups (donors, observers or in-country participants) have expressed a high level of satisfaction with the tools and the means through which they are disseminated.

Through the medium of the PA meetings, FCPF has created a global platform for the exchange of information, tools, lessons and experiences among country participants and donor representatives. Increasingly these forums are becoming a channel for South-South exchange, as in-country participants develop their own experience and lessons. Beyond these forums, the FCPF audience would merit from being broadened to spread more of the FCPF experience with REDD at the international level. A key challenge that remains in that respect, for instance, is in raising the interest of the private sector and its involvement around REDD issues.

The communication challenge at the institutional and global level in particular, thus remains significant and would probably benefit from the FCPF devising and implementing a strong communication strategy that would, in a proactive manner, clearly identify the different audiences it needs to mobilize around the REDD agenda, the key messages to address to each of them, and the media to use to deliver these messages for the most impact.

Recommendation: Develop and implement a communication and outreach strategy to disseminate and package FCPF outcomes more widely for use at country-level, within the WB and to external audiences.

Recommendation: Actively support learning and reflection around the SESA process – by ensuring effective and efficient transfer of early experiences from countries piloting SESA but also by linking externally to other initiatives exploring social and environmental impacts of REDD-plus at national levels. This might include the Learning Initiative on Social Assessment of REDD+ (LISA-REDD)⁴⁶

⁴⁶ This initiative is being developed by a consortium of NGOs including Care International, the Climate Community Biodiversity Alliance, Forest Trends, Overseas Development Institute and International Institute for Environment and Development

6.2.3.4 Implications of lessons learned for the operationalisation of the Carbon Fund

The Carbon Fund is in the process of being operationalised as a mechanism that would allow financing of REDD emission reduction credits. Support to partner countries so far by the FCPF in the preparation phase has led to a number of early lessons (the main ones are summarized in Chapter 6 of this report and others in the FCPF publication “Harvesting Knowledge”). As of March 30, 2011, the FCPF has managed to secure funding and pledges for the Carbon Fund from the European Commission, Germany, Switzerland, Norway, the Nature Conservancy, the United Kingdom, the United States and BP for a total of US\$ 156.5 million⁴⁷. Stemming from the main lessons learned identified, the following section presents some of the key elements that are likely to impact the Carbon Fund operation and must thus be given due notice as the operationalization proceeds. A number of these elements were already noted in the Issues Note prepared by the FCPF, but the evaluation has highlighted their significance:

- **Implementing an incremental, learn-by-doing approach.** The FCPF has thus far been effective in “raising the bar” and clearly laying the foundation regarding expectations for Readiness. An incremental approach is important in order to avoid loss of interest and recognize the learning-by-doing nature surrounding the REDD-plus work at this stage of its evolution, while taking into account the capacity realities and challenges faced by Participant Countries. In this sense, of critical importance will be to clarify what is the degree of Readiness required, or the package required so to speak, to access the Carbon Fund. Continuing with this learning-by-doing approach, via pilot projects, will also be important for the early experimentation with the Carbon Fund as has already been stressed by the Secretariat. In this context, and in particular in countries with lower capacity, sub-national approaches, with targeted requirements for ER and MRV around particular geographic areas are likely to be more manageable in the early stages of the Carbon Fund operationalization.
- **Maintaining widespread stakeholder consultations especially in regards to Indigenous Peoples.** As the FCPF moves ahead with the Carbon Fund operationalization, it will be important to continue to maintain direct communication with stakeholders in Participant Countries and encourage countries to maintain the same level of consultative process, especially in regards to IPs and Forest Dwellers. This will include their direct input on the types of pilot projects, locations and contributions to the safeguards to be used to ensure their own rights are not infringed upon, building on the SESA process already set in motion with great care during the preparation phase under the FCPF.
- **Creating incentives for private sector participation / private capital.** Engaging the private sector has already been identified as crucial for the success of the Carbon Fund and to leverage the REDD agenda globally more generally. Building on this last point, the most direct way to further the engagement of the private sector is via demonstrable evidence of the potential payoffs from investments in REDD-plus. This will be achieved via pilot projects that begin early in the readiness process, while the majority of Participant Countries are still advancing their R-PPs and strategies, so that they can learn early in the process from the experiences of the countries further along, and move to the next step while momentum is high. At present, most investors are cautious regarding investing in REDD-plus. Beyond the Carbon Fund, creating incentives for private sector investment in these early stages will also require reflecting on risk insurance schemes, providing technical support for feasibility studies and, as is already envisaged under the Carbon Fund, secure advance payments for portion of the ERs, to help buffer the present entry barriers associated with investment costs in REDD schemes by private sector actors. While support for some of these investment costs and investment risk mitigation avenues are beyond the scope of the Carbon Fund, the collaboration with other actors, such as FIP, GEF, UN-REDD, the Congo Basin Forest

⁴⁷ <http://www.forestcarbonpartnership.org/node/289>

- Fund and other bilateral and multilateral initiatives will be of paramount importance to mobilize sustained private sector involvement.
- **Transparency, openness and being subject to public scrutiny.** The success of the FCPF to maintain its transparency and accessibility to its participants and public, has been a key strength. Building on the previous point, it will be equally important to maintain a similar level of openness in regards to the Carbon Fund. Considering this is the first of its kind, the ability for all stakeholders to comment, critique and suggest ways to improve will be important in order to maintain interest and the credibility of the fund, especially in this first year of operationalization. At the same time, to guarantee this transparency, a reflection of the most appropriate governance and institutional set up at the national level in Participant countries will also be required to account in particular for the very crucial and sensitive issue of benefit sharing.
 - **Maintaining a flexible approach.** Building on this last point, while the Carbon Fund begins its operationalization in 2011, it will be important for FCPF to maintain its ability to adapt to changing approaches, collaborations as well as guidance from key international conventions. This was reflected in the Readiness fund via the changes to the R-PP template for example. While this adaptation is paramount, it must also be done in a way that will not put undue cost and time delays on early entrants in the process. In that respect, the Fund would benefit from identifying key decision points/times to make effective incremental improvements to the Carbon Fund access templates, processes, etc.
 - **Reducing delay by building on the milestones already achieved with respect to management process.** Hopefully, the care that has been taken in the Preparation phase to address the issue of SESA and bank due diligence, but also of the review process and TAP set up to make it more responsive, will allow to streamline transaction costs and time under the Carbon Fund. In that respect, adequate attention should be put in this first year of operation of the Carbon Fund, to build on these lessons learned.

Recommendation: Beyond R-PP development, with a view to operationalizing the Carbon Fund, begin **consideration on minimum readiness conditions (“triggers”) required to access the Carbon Fund.**

Recommendation: As part of this reflection, also engage with countries on options for **governance and institutional set up** to ensure transparency and agreed approaches to benefit sharing in this operationalization.

Recommendation: Ensure during the operationalization phase of the Carbon Fund, that it is **building on the lessons of the FCPF preparation phase**, in particular in terms of operationalising due diligence requirements, social and environmental safeguards in an effective and transparent manner.

6.3 Efficiency

Summary of Findings:

Within the past two years, FCPF has successfully increased donor contributions and used its budget to accomplish an impressive number of PC and PA meetings, R-PP reviews, undertake in-country capacity building activities and coordinate with other initiatives.

The cornerstone of the FCPF, that is to assist countries to become REDD-ready, has been hindered by the slow disbursement rate of both the formulation and preparation grants over the first two years of the program. At the time of writing this report (in the third year of the program's operations), only two countries (Nepal and DRC) have signed agreements for preparation grants. This is undermining efficiency. This finding needs to be nuanced against the tradeoff between enhancing rate of disbursement and fostering country ownership. A strong message coming from Nepal and also DRC is that FCPF has fostered country ownership of REDD-plus.

In many cases the Formulation Grant has not been sufficient to cover the cost of developing the R-PP and Participating Countries have been required to raise funds from other sources such as bilateral agencies. While this does provide benefits through generating complementary efforts, coupled with long wait times, it has reduced FCPF's overall level of efficiency.

The review process through the TAP has been an effective and efficient mechanism for providing sound and independent inputs to R-PPs, although the multiple stage TAP review process has meant that in some cases it has been lengthy. This process has been further strengthened by the addition of PC members from participating countries in the review process, which has proven to be a valuable peer-to-peer mechanism.

There has been a general global effort to increase complementarity and reduce overlap of FCPF with similar REDD-plus initiatives, such as UN-REDD, although the success achieved in this aspect is not evident in all countries.

At the country level, there have been important examples of co-financing. In a number of cases, this has been strategic and complementary, for example, by funding field pilots or supporting the participation of national civil society. In other cases it has been by necessity. Late disbursement of FCPF readiness funds has resulted in other donors stepping in to fill the funding gap so as not to lose momentum.

Regarding stakeholder involvement in the FCPF process at country level, all participating countries have taken steps to consult across government and engage with non-state actors to varying degrees.

Apart from a few notable cases (such as relatively limited earmarked funding through IP capacity building programme), FCPF has not provided earmarked funding in support of national civil society. The costs of supporting the voices of IP groups in the R-PP process have to date largely been met through additional funding secured from northern NGOs or bilateral donors such as Norad.

The private sector can play an important role in REDD-plus processes in many countries through the contribution of additional technical expertise and private funding in support of site-based projects. However, the involvement of private sector in R-PP development to date has been limited at country level.

6.3.1 Cluster Four: To what extent has the FCPF been efficient in achieving desired results?

6.3.1.1 Has the FCPF used its resources (funds, time and expertise) efficiently to maximize its outputs and provide early lessons for REDD-plus?

Level of efficiency of the use of resources (funds, time, expertise) for the Services to REDD countries, FCPF Secretariat, Readiness Trust Fund Administration FY08 to FY10

As with the start-up of any new fund, the FCPF has been in ramping up mode between 2008 and 2010. During the period Fiscal Year (FY) 08 to FY10, there is a clear trend in the fund operations supporting greater fund commitments directed to Services to REDD Countries. This is shown in Table 2 below. The total allocated and disbursed for Services to REDD Countries have both increased. The percentage of funds disbursed via services to REDD Countries has increased from approximately 58% in FY 09 to 68% in FY 10 while 68% is also planned for FY 11⁴⁸ showing a steady improvement in management delivery over the period as the facility progressively becomes operationalized.

Table 2 FCPF Readiness Trust Fund Annual Budgets FY09-11 (in US\$ thousands)⁴⁹

	FY09 Revised Budget	FY09 Actual ^a	FY10 Revised Budget	FY10 Actual ^a	FY11 Budget ^a
Services to REDD Countries	\$3,732	\$2,037	\$4,226	\$3,719	\$4,213
Country Implementation Support	\$1,194	\$409	\$1,734	\$1,660	\$2,025
Country Advisory Services	\$873	\$801	\$827	\$793	\$959
REDD Methodology Support ^b	\$1,665	\$827	\$1,665	\$1,266	\$1,489
of which Est. Readiness Share					\$1,229
of which Est. Carbon Fund Share					\$260
FCPF Secretariat ^c	\$1,335	\$988	\$1,443	\$1,321	\$1,735
of which Est. Readiness Share					\$1,432
of which Est. Carbon Fund Share					\$303
Readiness Trust Fund Administration	\$306	\$471	\$484	\$362	\$472
TOTAL READINESS FUND	\$5,373	\$3,497	\$6,153	\$5,402	\$6,117

a. FY11 Budget approved at PCA, Resolution PCA/2010/8.
b. FY11 line item activities in italics are for reference only and not in the total est. budget of the Readiness Fund. They reflect PCA/2010/8 on Shared Facility Costs, whereby the Readiness Fund will pay 100% of Shared Costs until the Carbon Fund becomes operational. Once operational, the Carbon Fund will pay 35% of the Shared Costs. An estimated start date for the Carbon Fund of January 1, 2011 is used for illustration.
c. In FY09 the Trustee identified a few accounting transactions that needed to be corrected in the budget. Though there was no overall financial impact to the Readiness Fund, the transactions were corrected in Bank accounting systems during FY10 and are presented in this report to accurately reflect expenditures by activity and by fiscal year.

The funds allocated and spent for the FCPF Secretariat have also increased during these fiscal years. This is in particular a reflection of the fact that in the period, *‘the Facility has (...) almost doubled the number of REDD countries from the original design target of twenty, and has also increased the target volume for the Readiness Fund from \$100 million to a new target of \$185 million, to accommodate the 37 countries. Approximately \$110 million of this new target amount was already raised by the end of FY09 (June 2009). In addition, contributions to the Carbon Fund of about \$156 million have been raised, as progress is being made towards the overall Carbon Fund target of \$200 million.’*⁵⁰

Although the overall budget has increased due to increased donor contributions, the percentage spent by the FCPF Secretariat has gone down by 4% over the two years covered by this evaluation, from US\$ 988, 000 out of a total Actual budget of US\$ 3, 497, 000 in FY2009 (28.25%) to US\$ 1,

⁴⁸ These percentages are calculated by dividing the total allocated to Services to REDD countries by the total Actual Budget from FY 09 and 10 by the Actual Total of the Readiness Fund for each year. For FY11 this calculation was based on the planned budget.

⁴⁹ FCPF, *Annual Report 2010*, p. 25

⁵⁰ FCPF Annual Report 2009, p. iv

321, 000 out of a total Actual budget of US\$5, 402, 000 FY 2010 (24.45%). It should be noted that the budget for the FCPF Secretariat covers numerous costs such as program management, the organization of annual and PC meetings and travel costs for REDD country participants as well as supporting the participation of the IP observer, hosting and maintaining the FCPF website and general communications to FCPF stakeholders⁵¹.

In terms of activities accomplished by the FCPF with its resources, within the two years under evaluation, it has generally been recognized that despite the challenges, the facility has achieved a great deal in paving the way for readiness for a future a carbon payment mechanism for REDD-plus. During these two fiscal years, it has been able to:

- significantly increase the number of country Participants, elect the first PC – the main decision-making body of the FCPF;
- select eligible REDD Countries based on the preparation and review of their R-PINs;
- convene 8 PC meetings, the most recent one in March 2011;
- convene 3 PA meetings;
- initiate the website and upload many relevant documents adding to its transparency;
- distance knowledge sharing sessions held with REDD participant countries on preparation of R-PPs and thematic workshops;
- by the end of March 2011, 37 R-PINS had been reviewed, 15 Formulation Grant (\$200k) had been signed with 11 under disbursement⁵²;
- 17 R-PPs have been assessed via TAP reviews and 5 have submitted their final version incorporating suggestions included in the PC resolution;
- Most recently, 2 R-PP Preparation Grants have been signed (DRC and Nepal) at the end of March 2011.

Participating REDD Participant countries have received assistance in terms of country visits, technical guidance and advisory services.⁵³ In FY10, the FMT also posted a staff member in the WB's Country Office in Kinshasa, DRC.

In addition to its current activities, the FCPF has continued to foster international partnerships and institutional cooperation with other initiatives such as UN-REDD and FIP, via, for instance: the development of the document: *Enhancing Cooperation and Coherence Among REDD-plus Institutions to Support REDD-plus Activities*, and the development of a common template to be used by UN-REDD Program to develop REDD-plus Readiness proposals for both initiatives. The Secretariat has also worked to harmonize the language of REDD-plus for instance through the revision of its definition to match that of the UNFCCC.

Considering the short time span, and rapid expansion of the program, requiring an intensive involvement of the Secretariat in the process, overall there appears to have been a adequate level of efficiency vis-à-vis financial and human resources.

Recommendation: Develop clearer plans regarding the expansion of the program to new countries seeking support and criteria for their inclusion. This will ensure that any additional funds directed towards REDD-plus readiness in new geographical areas are done so in ways that maximize the opportunities for efficiency. This may involve tightening and revision of criteria found in the FCPF Charter.

⁵¹ FCPF Annual Report 2010, p. 27

⁵² FCPF Dashboard, March 31 2011

⁵³ FCPF Dashboard, October 27, 2010.

6.3.1.2 How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures?

Rate and timeliness of disbursements of FCPF Readiness fund FY08 to FY10; Applicable Bank Operational Policies and Procedures

The rate and timeliness of disbursement appears to be the most challenging aspect of the FCPF to date. The disbursement process has included development of internal procedures and guidelines in synch with WB wide disbursement requirements, preparation of grant agreement templates, guidelines for TTL, disclosure requirements and concept stage review packages to ensure consistency across countries. The first two countries, DRC and Nepal, have in fact, recently signed Preparation Grant agreements (March 2011). From the reporting documentation alone, throughout the two fiscal years the status of REDD countries can be summarized as in the Dashboard made available on the FCPF website:

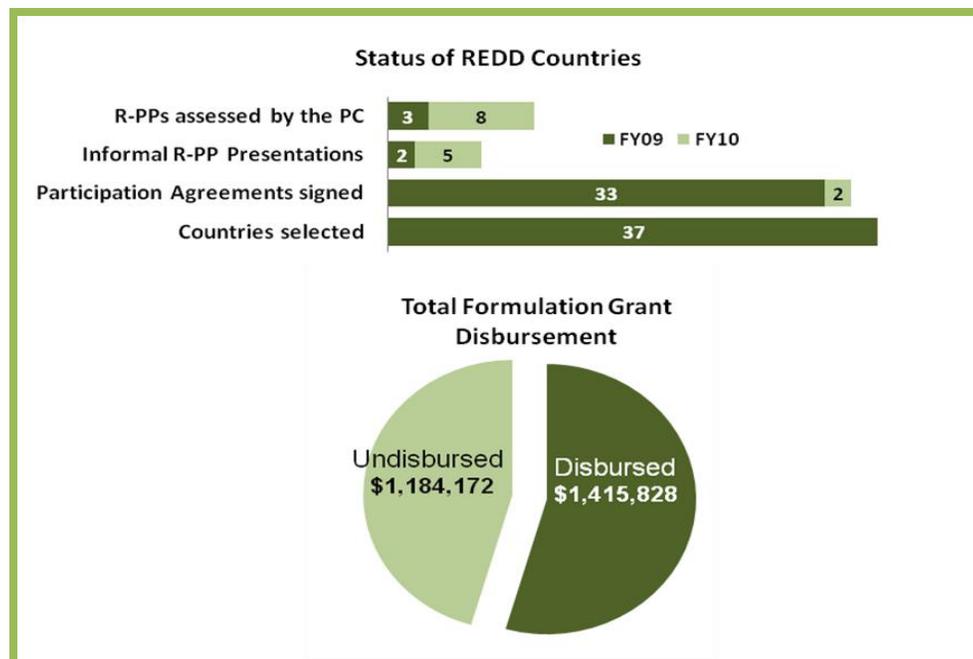


Figure 5 Status of REDD Countries by Fiscal Year 2009/2010⁵⁴

From this figure, it can be seen that by October 2010 (note that this evaluation covers the first two years, from approximately June 2008 to June 2010), out of the total of US\$ 2.6 million available according to the pie chart in Figure 5, 54% had been disbursed for Formulation Grants (representing 13 countries). As of March 31, 2011, 16 Formulation grant agreements have been processed while only two countries (Nepal and DRC) have signed Preparation grant agreements. According to the most recent Country Status Dashboard, 5 countries have submitted final R-PP versions with two to be determined by Country and delivery partner (Guyana and Panama). The average wait time from the date of submission of the final R-PP version so far is 13.4 months⁵⁵ taking into consideration the specific details regarding each country's particular circumstances which are explained in the

⁵⁴ FCPF Dashboard, October 2010

⁵⁵ This was calculated by summing the difference in months between each final submission and the present date (April 29, 2011), and making an average for all 7 countries with final R-PPs. All information used for this calculation is accessible on the March 31, 2011 Country Status Dashboard available on the FCPF website.

dashboard. The missions to DRC and Nepal have helped to highlight the consequences of delays in disbursement of Readiness funds following approval of the final version of its R-PP.

The underlying cause of these excessive delays appears complex and cannot be wholly attributed to administrative procedures within the WB. Firstly, following assessment, participant countries are required to address issues in the PC resolution (based, in turn, on comments generated through the review process). Secondly, many countries then initiate a dialogue with other development partners to scope other potential financing sources for readiness activities listed in the R-PP as the FCPF resources alone are not enough. This can take a few months. This information is often useful for countries to choose activities they want supported with FCPF funds and also builds the cooperation and understanding right from the start with other development partners. Where this dialogue has happened at the time of R-PP formulation, it helps to save time at this stage. The last step is the Bank's due diligence on financial procurement and safeguards assessment.

Overall, the above findings indicate that for a range of reasons (some internal to the WB and others external), significant delays have been realized between the submission of R-PPs and the signing of the agreement for the Preparation grants. As a result of these significant delays, those countries with alternative sources of financing have been able to fill the financing gap caused by the late release of WB funds. This is the case in DRC, where UN-REDD has been able to step in and co-finance much of the early preparation activities and in Nepal, where DFID (through the Forests and Livelihoods Program) has been able to reallocate funding support in the same way. This brings the evaluation team back to reflecting on a recurring comment made in relation to the implementation process of the FCPF so far and best depicted by the following quote from the survey responses: *"In my experience, bilateral funding has had more of a catalytic effect at the country level if we are talking about pilot projects and scaling up outcomes. I think the FCPF has lent important technical expertise to national processes, however the FCPF process itself is very slow and cumbersome, limiting any catalyzing effect it might have."*

6.3.1.3 Are the resources sufficient to meet the countries' REDD-plus readiness needs?

Donor financial commitments FY08 to FY10 and Funds available for the Readiness Fund

Since its inception, the donor financial commitments to the Readiness Fund have increased. In FY09 alone the Readiness Fund surpassed its original target of US\$100 million, with firm funding commitments of about US\$110 million (fluctuating somewhat with exchange rates) in support of REDD readiness, signed by the 10 Donor Participants. In FY10, the report also stated that "FCPF Readiness Fund welcomed Denmark as a new donor in FY10 and is also now able to offer US\$200,000 grants to all REDD Participant Countries to support the formulation of their R-PPs"⁵⁶ The current financial commitments and funds available for the Readiness Fund are summarized in Table 3.

⁵⁶ FCPF Annual Report 2010, p. 5

Table 3 Committed Funding and Pledges⁵⁷

	FY09	FY10	FY11	FY12	Totals ^a
AFD (France)	\$4,600	\$600			\$5,200
Australia	\$9,600		\$8,000		\$17,600
Denmark		\$5,800			\$5,800
Finland	\$9,000				\$9,000
Japan	\$5,000	\$5,000			\$10,000
Netherlands	\$5,000		\$15,300		\$20,300
Norway	\$5,000	\$16,400	\$4,400	\$4,400	\$30,200
Spain	\$7,000				\$7,000
Switzerland	\$8,200				\$8,200
United Kingdom ^b			\$5,200		\$5,200
United States	\$500	\$4,500			\$5,000
Committed Funding	\$53,900	\$32,300	\$32,900	\$4,400	\$123,500
Japan			\$4,000		\$4,000
Germany			\$24,500		\$24,500
Committed Funding plus Pledges			\$61,400	\$4,400	\$152,000

a. Amounts may vary due to exchange rate fluctuations
b. United Kingdom's contribution is provided through the Strategic Climate Fund

Needs expressed by REDD-plus countries

Despite this seemingly substantial amount of funding, it has been brought to the evaluation team's attention that the funding, even for the R-PP development alone is insufficient. Combined with the untimely disbursement, satisfaction regarding the efficiency and adequacy of the funds appears to be rather low. Responses from survey, interviews and the first country missions indicate that in many instances countries had to seek additional funding from other sources and some viewed the US\$ 200 000 as seed money, to begin the process. This is in any case a view shared by donors to the FCPF, that FCPF funds are meant to leverage other sources in support of readiness work.

Coupled with this is what appears to be still a significant lack of clarity regarding the WB safeguards policies and internal approval processes, which, along with the country specific and typically slow bureaucratic processes on the ground, appear to slow down the approval process.

While such safeguards are important and embedded within WB policies, in several instances it was mentioned that the approval process for fund disbursement represented a very lengthy process for a relatively small financial amount when Country Teams and recipient countries are used to dealing with much larger amounts. It is important to point out that REDD-plus readiness process is substantially different to standard infrastructural or investment programs to which Task Team Leaders (TTLs) and regional WB staff are familiar with. The application of safeguards within a new arena such as REDD-plus (with all the un-answered questions and concerns raised at the international level) have contributed to a certain level of caution on the part of WB staff, which in many instances have been reflected in delays in approval. Furthermore, it is hoped that the WB Board approval of the SESA guidelines in March 2011, may also hasten approval processes.

Additionally, it is important to keep in mind that participating countries vary considerably in terms of geographical area, capacity, available funding and their overall needs. Thus the gap in funding to respond to the needs will differ and varying levels of additional funding will need to be sought from alternative bilateral or multi-lateral sources. Coupled with this, it has now been estimated that the cost for a medium-sized country to *“achieve REDD-plus Readiness has risen four-fold over the past two years, as preliminary estimates are replaced by country-generated R-PP proposal budgets. The early FCPF staff estimate that countries would need about \$3.2 million to reach REDD-plus readiness has risen to an average of \$13 million, for the first eleven R-PP proposals endorsed for funding by the FCPF Participants Committee.”*⁵⁸ A large amount of this increase is reflected in the institutional arrangements for national management for REDD-plus

⁵⁷ FCPF Annual Report 2010, p. 26

⁵⁸ FCPF. 2010. Harvesting Knowledge on REDD-plus: Early Lessons from the FCPF Initiative and Beyond

activities, consultations, development of reference levels and the MRV design. It is clear that the needs of REDD countries clearly exceeds what the FCPF can provide. One must keep in mind however that it was not intended to be the only source of financing.

This discussion raises a second but important finding of the evaluation – namely the definition of “REDD-readiness”. Is the aim of REDD-readiness to work steadily on reforms and the creation and establishment of new institutions and processes to a point where the whole “system” is in place, before performance based payments can be made? Or is REDD-readiness less binary in nature – and more of a gradual evolution towards this final goal, with performance based payments gradually being introduced through field pilots, market based approaches and piloting of fund based payments, while reforms continue in parallel? In a number of countries there is clearly a gap in terms of understanding between these two approaches to achieving REDD-readiness. For example, in DRC, it may be totally unrealistic to talk of reaching REDD-readiness within two to three years (if by this, we mean the former approach described provided above). However, if we take a more incremental approach to REDD-readiness, it may be possible to talk about beginning some level of performance based payments within this time frame (perhaps through the medium of anticipated pilot projects), while reforms continue at national level. Clearly, there is a need to more clearly specify what is meant by REDD-readiness, when readiness is achieved, and what kind of activities might realistically take place in the interim period, before all systems, structures and processes are fully in place and operational.

As presented in Figure 6, the majority of respondents in the online questionnaire felt that the resources provided by FCPF were insufficient. Follow up interviews with selected resource persons, as well as comments left in the online questionnaire all pointed to these trends – both in terms of the late disbursement of funds, and the relatively limited amounts of resources available for each country. These views (which were predominantly from in-country participants) were of course balanced with those of observers and donor representatives who point out that FCPF is not meant to cover all REDD-readiness costs and that its role is also that of a catalyst, providing seed funds, with the expectation that it will build confidence, leaving the door open to support from other bilateral partners operating in country.

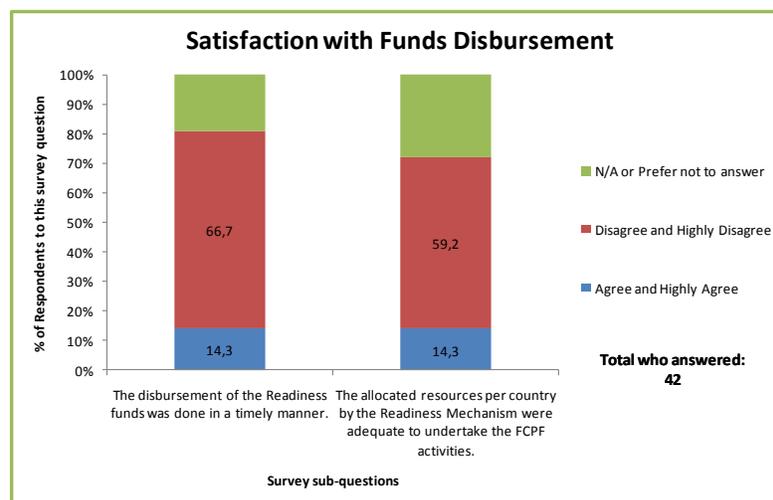


Figure 6 Survey responses regarding Funds Disbursement

6.3.1.4 Were the countries able to use the resources provided in a timely manner?

Timeliness of access and disbursement of funds

As mentioned, one of the major bottlenecks in the disbursement process over the first two years of the program appears to be adherence to internal operating procedures and safeguards within the WB

system. Of particular relevance of late is the question of concerns around social and environmental safeguards, and the decision that had been pending by the WB board for some time now as to whether the guidelines for SESA constitute adequate coverage of social and environmental safeguards (This was ultimately approved in March 2011). Until this had been put into effect, the commitment and disbursement of funds to readiness activities had been held up. These delays were a source of constraints to participating country teams wishing to move forward with REDD-readiness preparations. In DRC, the failure to disburse funds from FCPF (now almost a year since approval was given) has been mitigated somewhat through the excellent partnership that exists with the UN-REDD program, which has effectively filled the funding gap left by the facility. In other countries where such partnerships are not present (or where complimentary funding sources are absent) this has resulted in serious delays to implementation. In the most recent PC meeting, the PC requested that the FMT continue its efforts to accelerate disbursements from the Readiness Fund⁵⁹.

Perceptions regarding this point can also be seen via the survey responses. In Figure 6 above, from a total of 42 respondents to this question, it can be seen that the majority disagreed that country participants had access to the Readiness Funds in a timely manner. Another reason that accompanies the ones already listed, namely slow internal approval processes, for this slow disbursement, is the fact that the concept of REDD-plus Readiness has evolved since the inception of the FCPF, thus adding to the changing requirements.

It has also been documented that the pace of REDD-plus actions may exceed the current ability of international agencies to receive pledged funds from donors and then disburse funds to countries institutions that meet program standards⁶⁰. It must be acknowledged however that the FMT has appeared to be responsive to these complaints and concerns. This can be demonstrated via two recent key examples.

1. The establishment of the Task Force on Multiple Delivery Partners who during the PC7 meeting has established a list of potential delivery partners and reasons for such selection, recognizing the fact that diversifying delivery and implementation partners will most likely help to improve disbursement rates. This will also be important in the near future once the Readiness Grants begin being signed in larger numbers and disbursed.
2. The decision reached to disburse the R-PP preparation grant (US\$ 3.4 million) as an integrated package rather than requesting the country participant to submit a progress report subject to review assessment and review by the PC before the final disbursement is made. It was recognized that holding further disbursement past the US\$ 2 million point could cause delays in REDD-plus Readiness activities. Although most Readiness Grants have yet to be disbursed, this amendment highlights yet again the learn-by-doing approach in that the lessons learned from the slow disbursement of the Readiness Fund should not be repeated in the next step⁶¹.

⁵⁹ Additional Decisions, PC7, 2010, P. 5

⁶⁰ FCPF. 2010. Harvesting Knowledge on REDD-PLUS: Early Lessons from the FCPF Initiative and Beyond

⁶¹ 2f. Adjustment to Grant Disbursement Process, Seventh Meeting of the Participants Committee (PC7) Washington, DC, November 2-3, 2010)

Recommendation: Continue efforts through the Task Force on Multiple Delivery Partners to **identify delivery channels outside the World Bank**, recognizing the fact that diversifying delivery and implementation partners will most likely help to improve disbursement rates. This will also be important in the near future once the Readiness Grants begin being signed in larger numbers and disbursed. The ongoing discussions regarding equivalence of institutional safeguard mechanisms will be an important aspect of ensuring this process achieves its goals.

Recommendation: Move away from “flat rate” commitments to Preparation and Readiness Grants, to a system that provides differentially sized grants based on agreed, transparent and universal criteria. These criteria would need to be worked out and agreed upon by the PC, but would provide opportunities for tailoring grants to the needs and circumstances of individual countries.

Recommendation: Provide **increased flexibility with respect to specific budget allocations under the Readiness grant** given the rapidly evolving REDD plus financing landscape in countries where the R-PP has now long been approved. As has been seen in Mexico, the development of the R-PP led to a much broader process that has catalyzed funding from other donors on items initially to be funded by the FCPF. The opportunity should be provided in such context to reassign funding from the FCPF to other activities proposed in the R-PP that are not yet funded.

6.3.1.5 Has the TAP been utilized efficiently in the assessment of the R-PPs?

Level of use of TAP in the assessment of the R-PPs

It is quite evident from the detailed comments and reviews on each R-PP reviewed to date, that a great deal of time and effort has been put into the review process, both from the TAP experts and the Task Forces of PC members who study the recommendations, not to mention the members submitting for their efforts at revising their draft R-PPs.

The steps in the assessment process can be summarized as follows:

- *“Individual assessment of R-PPs by each expert (based on the template) -being focused, to the point;*
- *Synthesis review document prepared by the lead reviewer and joint TAP*
- *Synthesis review document prepared by the lead reviewer and joint TAP discussion for validation (e-mail exchanges, conference call)*
- *Exchange, based on the consolidated TAP review, with the R-PP country team through Conference call(s) led by the TAP leader and also attended by selected (in-country) TAP experts and FMT staff*
- *Evolution in stages, two rounds or more of full TAP assessments before the final proposal is presented to the PC⁶²*
- *R-PP revised in response to comments from TAP and PC reviewers,*
- *Tap revises its synthesis review based on the revised R-PP submitted by the country before PC meeting.*

Various stakeholders have commented that the level of technical expertise and review of the FCPF has been its hallmark and greatest strength. In the last round of submissions, the TAP conducted 15 conference calls alone. The input from the TAP is generally well received and their comments utilized by the countries in order to improve their drafts.

The overall improvement in the quality of R-PPs since the first round of submissions has been observed as well⁶³, responding to the requirements of the R-PP template that have also evolved as a

⁶² TAP Overview of R-PPs 2010, p. 2

⁶³ Interview responses, Survey comments, 2010 Annual Report, PC6 and 7 TAP presentations.

result of the learning-by-doing approach. This can be characterized as a result in part of south-south learning within the PC review process as well as the TAP presentations during the PC meetings. Areas of notable improvement have included: improved observation of the rights of IPs within the R-PPs and increased efforts to include principles of participatory monitoring and enhancing capacity of local communities⁶⁴. This being said, TAP reviews continue to identify common challenges for countries which will need to be addressed, especially when moving on to the next stage of Readiness. It cannot be expected that countries have the capacity to address and resolve such broad based and systemic issues such as land rights and tenure in a draft document or within a few years, however they are issues that are requested to be acknowledged and taken into account during Readiness. The same can be said about increasing the role of consultation beyond that of awareness-raising with all stakeholders.

Overall, all sources provide evidence that the TAP reviews have contributed to an overall improvement in the quality of the R-PP drafts being submitted.

Number of R-PPs that have been reviewed by the TAP and Average length of time to review an R-PP by a TAP member

Until November 2010, 13 countries have had their R-PPs assessed by TAP. The TAP review process is labor-intensive for both the reviewers and the Participant countries. R-PPs are assessed at each PC meeting. This being said, it is somewhat evident from the documentation, in particular the Dashboard, and more so from the survey, the interview comments but also the field missions, that the turnaround time expected for the reviews has been quite short. The schedules for submission and reviews of draft R-PPs to be reviewed, as per the Dashboard⁶⁵ and the Tentative Schedules for submission and review generally tend to allow for 2.5 month turn-around time, prior to the PC meetings.

Although this time may appear to be ample, the survey and interviewee respondents of TAP members as well, indicate that in order to provide adequate and detailed revisions, when they are reviewing up to 5 R-PPs⁶⁶ (in the most recent PC8 meeting The PC assessed the Readiness Preparation Proposals (R-PPs) submitted by Cambodia, Ethiopia, Peru and Vietnam and the reviews of these R-PPs from the ad hoc Technical Advisory Panels (TAPs), PC members, the WB and the United Nations Development Program (UNDP). The Central African Republic, Liberia and Uganda presented their draft R-PPs, which were reviewed by ad hoc TAPs and PC representatives. These countries will likely submit their revised R-PPs for formal assessment at upcoming PC meetings. As explained in PC7 meeting, currently 6 to 10 individual experts are nominated per country an included on the FCPF Roster of Experts representing a cross-disciplinary and regional team. The synthesis of reviews is then compiled by the Team Leader of the TAP. It has been estimated that with 6 to 9 TAP reviews per country, this is equivalent to 45 reviews per meeting⁶⁷. The field mission in DRC also pointed out the pressure this tight process puts on country teams to address TAP member comments as required. In their case, they barely had three days between reception of TAP comments in mid-February and submission of the revised R-PP in time for PC5 meeting consideration. This being said, there are also informal reviews when countries are encouraged to share early draft versions of their R-PPs prior to official reviews. This adds to the review process as well.

For the recent PC8 Meeting in Dalat, Vietnam, it should be noted that the time for revision was somewhat extended in response to this concern. While the submission date is similar (January 10th,

⁶⁴ TAP Overview of R-PPs 2010, p. 5

⁶⁵ FCPF Dashboard, 2010, p.2-3

⁶⁶ FCPF website, Readiness Fund meetings Agenda: <http://www.forestcarbonpartnership.org/fcp/node/39>

⁶⁷ PC7 3a, Presentation for TAP, 2010, p. 6

2011), the Revised R-PP was to be posted on March 7th, 2011, allowing for revisions prior to the PC8 meeting on March 23, 2011⁶⁸. April 11th 2011 was the cut-off date for submission for the PC9 meeting from June 20-22, 2011 in Oslo.

6.3.1.6 Has the selection process of the TAP been transparent, free from conflict of interest, and has the independence of reviewers been ensured?

Level to which these processes have been adhered to and Perceptions of participant countries and the FMT on the TAP

The FCPF Charter clearly lays out the process by which TAP members are to be hired to ensure transparency and objectivity in Article 13. Generally speaking the TAP is to provide technical advice and information⁶⁹ in both an advisory and a review role.

To date, the TAP country-review team has consisted of at least one expert with FCPF TAP review experience, who is usually the lead reviewer, combined with in-country experts and a reference level/MRV expert in an effort to avoid conflicts of interest. Generally, as noted in the preceding sub chapter, it has been observed by the FMT and the TAP reviewers themselves that there has been an improvement in the quality of the R-PP submission.

This being said, some concerns have been brought to the Evaluation Team's attention regarding the sometimes apparent inconsistency in regards to the TAP reviews, and in particular the level of critique applied to some countries as opposed to others. However, this is perhaps an inevitable consequence of an independent review process. Other comments raised have included concerns around biases of TAP members as well as what has appeared to be a progression from very critical reviews in the first rounds of submissions, to reviews that may be more inclined to avoid upsetting Participant Country governments in later rounds⁷⁰.

The field missions highlighted the importance of maintaining an adequate roster of independent experts, with appropriate geographic expertise and language capability to relate to different country realities and to provide an analysis that is well contextualized. Overall, however, a substantial percentage of survey respondents who answered the question pertaining to their perception of independence of the TAP, agreed that they were independent (See figure 7 below).

6.3.1.7 Does the combined use of TAP reviews of the R-PPs, PC reviews and the World Bank's due diligence represent an efficient process for assessing R-PPs?

Key focus and added value of TAP in assessing the R-PPs

As has already been expanded upon above, the primary observation is that there exists most definitely a value-added from the TAP in assessing the R-PPs. Nonetheless concerns have been voiced that the TAP tends to feed international consultants and more emphasis should be placed on building and integrating national capacity in this respect. Indeed, some stakeholders have expressed concerns that external experts often do not recognize or fully understand the local contexts of participant countries when critiquing and reviewing the drafts. The diversity of TAP review teams has led to an inevitable diversity in types of comments and level of critique. Therefore, the importance of involving local experts in the review appears to be paramount and should help bring about a generally balanced approach.

⁶⁸ PC7 3a, Presentation for TAP, 2010, p. 6

⁶⁹ FCPF Charter, August, 2010, p. 30

⁷⁰ Comments from Survey and Interviews.

The role played by the TAP of *advisor*, alongside that of *reviewer* appears to also have enhanced the added value of the TAP to guide countries forward, yet allowing them the flexibility to amend the drafts according to their priorities and own interpretations. The direct communication via email and telephone conference has also resulted in added value as well as the informal presentations made to the TAP, allowing for a more iterative process of feedback and learning. This of course has led to numerous cycles of revision and resubmission in the earlier rounds, but appears to have helped improve quality nonetheless.

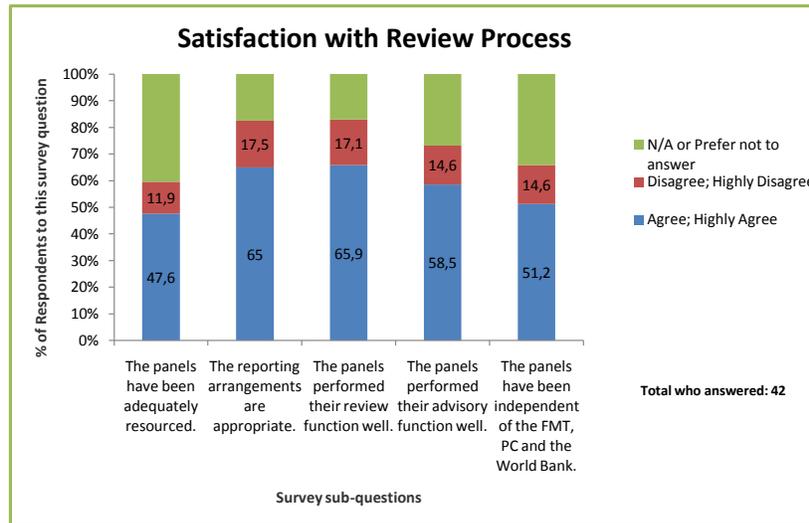


Figure 7 Survey Responses regarding the Review Process

Frustrations have been expressed from both country participants and TAP reviewers concerning the numerous updates of the R-PP template thus entailing subsequent revisions in light of new requirements especially given the short amount of time each reviewer had to review documents of up to 100 pages. This is a somewhat inevitable aspect, however of a learning-by-doing initiative such as the FCPF. Had the R-PP not evolved with changing definitions and collaborations with other initiatives, this might have indicated inflexibility on the part of FCPF. However, it is clear that even such a process of change can be managed through incremental decision points to lessen such frustrations.

The online survey demonstrated general levels of satisfaction with the panel's review and advisory functions. Despite the fact that the allotted review turnaround time appears to be relatively short considering the amount of work both from the TAP and the countries themselves, the TAP review process is a labor, resource and time intensive process involving various expert reviewers, desk reviews as well as in-country experts. A relatively common question has been raised to date concerns the fact that this is merely the design phase of the REDD-plus plan. Various people commented on their perception of "overkill" with regard to the successive reviews of what is still, in effect, only a plan and not implementation. REDD-plus Readiness will not progress further if the FCPF awaits perfect R-PPs in order to proceed with Readiness, a learning process in and of itself. A balance thus should be sought via an incremental approach that implies setting the bar high enough for Participant countries to understand the standards and expectations, while maintaining momentum and interest in this learning process.

Key focus and added value of PC in assessing the R-PPs

Beginning in FY10, the FCPF added a review from the PC to the R-PP revision cycle and have since reviewed 12 R-PPs⁷¹. From a review of the PC comments made thus far in comparison to the TAP synthesis, it is observable that they are in general not as detailed or extensive but do nonetheless target similar areas and bring to light similar issues including the importance to establish clear links between biodiversity conservation⁷² and REDD strategies and continuing to address what are the drivers of deforestation⁷³. They also clearly identify strengths and weaknesses of the individual R-PP.

The PC review process has generally been viewed as a significant learning process for peer-peer review and South-South exchange and learning. It has also been set up as a way to smoothen the discussions at the PC meeting itself, while providing PC members with a forum to express their views. Comments received by the evaluation team have identified the peer-peer review as a definite strength of the program especially considering that the review then benefits from the perspective of peers who at times better understand the context and challenges faced by developing countries.

Key focus and added value of WB's due diligence in the assessment of the R-PPs

The World Bank team provides comments on the R-PP during the review process and prior to the assessment of the R-PP by the PC. The WB's due diligence process, which follows the assessment by the PC is the last step prior to signing the Readiness Grant, once the R-PP has been submitted and the amendments requested by the TAP and the PC have been satisfactorily attended to. Perceptions regarding due diligence are mixed as well. It is recognized that the Bank's internal safeguards are a strength, in that they ensure projects are screened for the full range of potential social and environmental impacts and adhere to the Bank's operational policies on environmental assessment, natural habitats, forests, relocation and IPs.

This being said, others expressed concerns that the due diligence process is long, cumbersome and generally slows down the preparation and application process. Other stakeholders have also expressed that this step is more controversial due to the fact that the due diligence process is different and not as clear or readily accessible and can be seen by some PC members as externally imposed additional conditionality on the REDD global process.

Level of complementarity and/or redundancy of the R-PP assessment process

There is naturally some overlap in all the three review processes described above. Nonetheless the added value of each to *"bring the review process back to reality in regards to the realities of the Participant Countries, standard protocol for all initiatives"*⁷⁴, does appear to be working. While different review processes provide different, but largely complimentary assessments, this comes at a cost of a rather lengthy review process.

Challenges mentioned by country participants with regard to addressing the different reviews include:

- Confusion between differing points of view (or even conflicting comments) by the TAP and PC review on the same issue;
- How to ensure follow-up or continuity on the final set of comments without entering an endless cycle of review;
- Ensuring national capacity is built in complement to the use of international consultants (who have been used in the writing of the R-PP submissions in countries such as Mexico, Argentina, Indonesia, DRC, Tanzania, Ethiopia and Guyana⁷⁵);

⁷¹ FCPF, Annual Report 2010, P. 16

⁷² PC Review of Kenya, Julius Wambugu Kamau, 10th June 2010

⁷³ PC Review of Tanzania, By Australia, Argentina and Denmark, Nov. 2010

⁷⁴ Interviewee response

⁷⁵ FCPF. 2010. Harvesting Knowledge on REDD-plus. Early lessons from FCPF and beyond.

- Finding the right balance between the high standards required for submission and the realities of Participant Countries' capacity at this early stage of Readiness, especially in light of the relatively small grant amounts for which a significant amount of time, money and effort are being spent.

Timeliness of the assessment process and resources required for the assessment process

Efforts to improve the adequacy of time for revision have included efforts by the FMT to encourage countries to focus on doing one submission plus one revision per PC meeting (to avoid the continuous revisions and resubmission cycle) as well as to experiment with online translation. Although translation does undoubtedly slow down the revision time, the fact that R-PPs are being submitted in the Participant Country's language of choice represents an improvement in attending to the needs of the REDD Country participants, a concern that was voiced in DRC, one of the early entrants. Additionally, FMT hired about 40 TAP experts in July-August prior to PC7 for that review cycle as well as for PC8⁷⁶. Other than requesting the countries to submit slightly earlier, most primary sources expressed satisfaction with the review turnaround time and resources used.

Recommendation: Streamline the R-PP review process to ensure that TAP review comments are timely and that adequate time is left to country teams to address TAP comments and own the final product as well as for PC to provide comments on the latest version.

6.3.2 Cluster Three: Is the FCPF cooperating with other processes?

At the program level

6.3.2.1 Complementarity of FCPF with respect to other REDD initiatives

Many of the respondents of the online survey indicated that in addition to working with FCPF support, they are subject to support from other initiatives such as UN-REDD, the Norwegian International Climate and Forests Initiative (NICFI), FIP, GEF as well as a host of smaller bilateral and NGO-supported programs, such as the Congo Basin Forest Fund, International Tropical Timber Organization (ITTO) support, Clinton Foundation, Japan International Co-operation Agency (JICA) and so on.

Although the trends presented in Figure 8 below are to some degree disguised by the rather high proportion of people who felt that the question was either not applicable (due to the fact that they were not directly collaborating with other REDD-plus initiatives) or preferred not to answer, there are some important findings which confirm similar results presented elsewhere in the report. Firstly, there appears to be general satisfaction with FCPF with regard to the information provided, technical advice given and the overall level of responsiveness displayed. For example over 50% of respondents to this question indicated that the amount and timeliness of information and guidance provided was better than that provided by other REDD-plus initiatives. Positive comments also included the diversity of donors, the large platform for discussion (including beyond the decision-making body – the PC), the highly participatory nature of the Facility, and the R-PP review process that has fostered south-south learning. All these combined have allowed for a richer input process and potential for coordination. It is also important to mention that there appears to be a general appreciation for the 'ground work' for REDD-plus readiness being done by FCPF. Despite slow disbursements to either complete the R-PP or move on to the next stage, the methodological and technical support provided by FCPF is widely recognized.

⁷⁶ PC7 3a, Presentation for TAP, 2010, p. 6

In fact, several respondents did not consider it possible or adequate to compare FCPF with other initiatives due to its very different nature in the process for developing REDD-plus readiness.

However, in line with findings elsewhere, the program appears to have compared poorly with other REDD-plus initiatives when it comes to the timeliness of financial support. 56% of respondents on this issue indicated that the timeliness of financial support was either somewhat or significantly worse than in other REDD-plus initiatives.

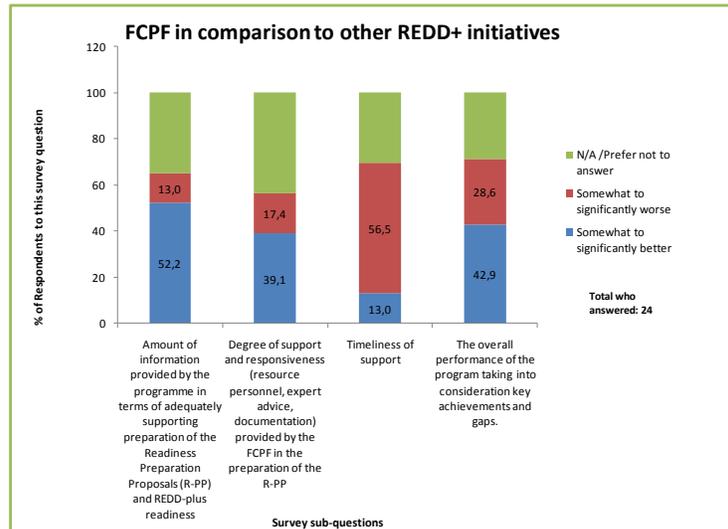


Figure 8 Survey Responses regarding FCPF compared to other REDD-plus initiatives

6.3.2.2 Complementarity of FCPF with respect to UN-REDD

Of all the other REDD-plus initiatives currently in operation, the UN-REDD Programme is probably the closest to the FCPF. A number of bilateral donors supporting FCPF consulted during this review noted the similarities between FCPF and UN-REDD, and the fact that they are in effect similar initiatives and both implemented through multi-lateral processes. This has created opportunities for duplication of effort and inefficiencies, which has been manifested in some cases at the country level, where both processes are in operation. Examples of this include multiple supervision missions, separate application processes for entry into both programmes (and to secure funding) differing advice and requirements regarding environmental and social safeguards, differing policies regarding the engagement of IPs and so on.

With time, however, some of the challenges have been mitigated, following a convergence between these two initiatives as seen by the merging of the R-PP template during 2010, the issuance of joint UN-REDD and FCPF guidance notes, joint review missions at the country level and clear signs of alignment of both programs with host country processes and structures. Since 2009, there have been concerted efforts to jointly schedule the UN-REDD Policy Board meetings with the PC meetings of the FCPF, to reduce travel costs and time for those represented on both bodies.

These trends were very much in evidence in DRC where both programs have been operating with increased co-ordination and synergy. In that country, for example, the FCPF forms the main pillar for REDD-readiness development, and its execution is being financed or supported by FCPF, UN-REDD, the Norwegian Agency for Development Cooperation (Norad) (through the Congo Basin Forest Fund in support of field pilots), JICA and ITTO (in support of MRV). DRC was one of the first countries to submit an application through this joint R-PP template and as a result, benefitted significantly through a joint review process. In 2009, DRC hosted a joint scoping mission, with

participation from FCPF, UN-REDD (FAO, UNEP and UNDP), as well as the Norwegian government and NGO observers, sending a strong message for the need to harmonize country-level approaches to REDD-plus support.

In other countries, however, this merging and alignment has yet to take place. For example, in Tanzania (another country with significant levels of multi-lateral and bilateral support to REDD-plus) the REDD Task Force has recently issued a draft National REDD Strategy document for discussion and review. While the links to the R-PP are clear, the two documents have yet to be fully merged, leading to some duplication of effort and potential risks of inefficiencies. Joint supervision missions have yet to take place (between all major bilateral and multi-lateral donors). UN-REDD has established its own program steering committee – but this is not the same as the National REDD Task Force, which oversees the national REDD-readiness process. Co-ordination exists between the different initiatives, but the merging and alignment of processes seen in DRC has yet to take place.

At the program level, representatives of IPs are represented on the governing structures of both UN-REDD and FCPF. With regard to FCPF, IPs are present at the level of the PC, but notably only as observers, while in UN-REDD, IP representatives are present on the Policy Board and as such have voting power. The Policy Board *provides overall leadership, strategic direction and financial allocations to ensure the overall success of the Program*⁷⁷ whereby, each region (Africa; Asia-Pacific; and Latin America-Caribbean) has 1 full member and 2 alternate members, up to a total maximum of nine countries. The full member and alternate members are invited to Policy Board meetings. Additionally, up to 3 full member seats are available for donors. One civil society representative is selected as a full member of the Policy Board and 3 observers. Regarding IPs, the latter are represented by the Chair of UNPFII as a full member and 3 observers, one for each of the three UN-REDD Program regions. The Policy Board makes decisions by consensus of the full members and alternate members⁷⁸.

Similarly the main governance structure of the FIP is what is known as the Sub-Committee for the FIP (FIP S-C). Like the Policy Board, it oversees the operations and activities of the Pilot Program. The FIP S-C consists of up to 6 representatives from contributor countries to the FIP, identified through a consultation among such contributors, and at least 1 of which should be a member of the Strategic Climate Fund (SCF) Trust Fund Committee; and a matching number of representatives from eligible recipient countries to the FIP, selected on a regional basis and identified through consultations among such countries. Active observers include : a) representatives of the FCPF secretariat, the Global Environment Facility, UNFCCC and the UN-REDD technical secretariat; and b) the following representatives to be identified through an open and inclusive self-selection process: i. 2 civil society representatives; ii. 2 Indigenous Peoples representatives; and iii. 2 private sector representatives. Decision-making is also based on consensus⁷⁹.

When the FCPF moves towards implementation through multiple delivery partners, one important question that has yet to be answered is how safeguards for IPs will be maintained in organizations with limited or no international operational policies on IP issues. This concern has been raised through this evaluation by representatives of IP groups, who point to the African Development Bank as one such organization with limited attention to IP safeguards. Clearly this will be an important area of focus during any planned transition, by ensuring that operational principles are maintained across multiple delivery partners, regardless of their own internal operational policies.

⁷⁷ UN-REDD Policy Board, available at : <http://un-redd.org/PolicyBoard/tabid/588/Default.aspx>

⁷⁸ UN-REDD Programme Rules of Procedure and Operational Guidance, March 2009, p. 1-10

⁷⁹ Climate Investment Funds, DESIGN DOCUMENT FOR THE FOREST INVESTMENT PROGRAM, A TARGETED PROGRAM UNDER THE SCF TRUST FUND, July 7, 2009 and <http://www.climateinvestmentfunds.org/cif/FIP-Sub-Committee>

Recommendation: Continue to **strengthen coordination with UN-REDD**, to take advantage of mutual strengths and limitation in delivery mechanisms. Jointly resolve any remaining differences with UN-REDD including with regard to advice given to participating countries on implementation of social safeguards.

6.3.2.3 Do opportunities exist, and are they being used, to develop links between the FCPF Readiness Fund and other multilateral REDD-plus initiatives, as well as other bilateral and regional initiatives?

The FIP is another WB managed mechanism that will be highly complementary to the FCPF in those countries where the two are operational, with the potential to fund the “middle ground” between REDD-readiness (financed through FCPF) and performance based carbon payments (financed through the Carbon Fund). “Transformational investment programs” that address key deforestation drivers, build and strengthen national institutions will be supported through FIP, and supplemented from sources such as bilateral donors, forest funds (Amazon and Congo Basin for example) and GEF. For example, in DRC a provisional program for the FIP has been developed which will address key deforestation drivers such as unsustainable land use and agricultural practices, urban energy demands and insecure forest and land tenure patterns. At the time of the evaluation mission, a FIP scoping mission was taking place in Mexico, working closely with the National Forestry Commission CONAFOR, the designated national REDD coordination agency. However, two of the eight pilot countries selected for FIP support (namely Burkina Faso and Brazil) are not FCPF countries, so clearly there is some work to be done to ensure a more complete integration of the two programs.

With regard to the complementarity of FCPF to bilateral REDD-plus support, this has seen a steady improvement over time as respective roles and niches have been negotiated at country levels. One particularly important aspect in this regard has been the fact that the joint FCPF/UN-REDD R-PP template is increasingly being seen as the national REDD-plus strategy and central focal point around which in-country REDD-plus co-ordination takes place. The template requires participating countries to identify and co-ordinate other sources of financing in the budget section, which facilitates co-ordination of various donor inputs.

During 2010, the FMT helped facilitate a number of South-South discussion opportunities through a US\$ 1 million grant from the GEF that was approved during FY09. These discussions helped participating countries to exchange concepts, proposals and experiences with regard to the preparation of the R-PPs as well as fostering longer term South-South collaboration in building capacity for REDD-plus readiness.

The GEF has a mandate relating to climate change mitigation, biodiversity conservation and management and sustainable livelihoods through its links to the UNFCCC, UNCBD and UNCCD. As such links between the GEF, FIP and FCPF are critical.

Recommendation: Strengthen the move towards greater alignment and harmonization of FCPF funds with other multi-lateral and bilateral funding sources. Joint annual review missions (of the type seen in DRC) provide a strong example. While they do place greater transaction costs for external partners in terms of scheduling, they create important benefits at the country level and increase opportunities for efficiency savings.

6.3.2.4 In what way and to what extent have stakeholders been engaged in FCPF?

FCPF, together with UN-REDD has prepared operational guidance for stakeholder engagement in the process of preparing R-PPs. This covers key principles such as transparency, access to and

dissemination of information. The document emphasizes the need to include a broad range of stakeholders at national and local levels and that participatory structures and mechanisms are in place to manage this. Special emphasis is placed on the need to consult with IPs, recognizing their own processes, organizations and institutions.

52% of survey respondents on this issue indicated that the FCPF program had been responsive to the needs of IP and local communities, with 24% answering to the negative. The preparation of R-PPs across the different countries consulted has followed a broadly similar process. A relatively small group of staff, drawn largely from government (but with some differences in the level of non-state representation) have been charged with delivering the R-PP itself. This group has then consulted with a range of stakeholders such as national civil society, sub-national representatives (local communities, IPs, local government representatives) and private sector and these views have been incorporated into subsequent versions of the document itself. One positive example of how the views of non-state actors have been institutionalized within national decision making forums comes from DRC. Decree number 09140, drafted collaboratively during the first UN-REDD/FCPF mission in January 2009 and signed by the Prime Minister on 23 November 2009, institutionalizes the participation of national civil society representatives in the REDD National Committee. The Decree specifies that the REDD National Committee comprises one environmental and rural development NGO representative, two representatives of IP and forest communities, one representative of a research NGO, along with government, private sector and academic representatives. Furthermore, national civil society, with support from bilateral donors (in this case the Norwegian government) have been able to organize themselves into a GTCR (English translation: Climate and Civil Society Working Group), recognized by government which have played an important role in informing the R-PP development process. During the course of 2010, Kenya, Panama and Uganda, have also included representatives of IPs and civil society organizations in their National REDD-plus Technical Working Groups as formal elements of their management framework for designing and implementing activities.

Given the fact that REDD-plus is a relatively new concept and not widely understood outside a few specialist NGOs and key staff within selected government ministries, ensuring some level of feedback has necessitated first introducing the basic concepts that underpin REDD-plus. In some countries, the consultation process has triggered a strong engagement by representatives of national civil society and an important dialogue has taken place between these representatives and government. As presented in the DRC country report, national level civil society representatives argued that one weakness of the FCPF process was that participation by civil society was not institutionalized through some form of ring-fencing of national budget processes. In DRC the strong and positive engagement witnessed from civil society was largely a result of funding outside FCPF. Some funds had been secured through the FCPF, but through a separate funding window made available to support the participation of IPs in REDD processes⁸⁰. Additional funds were secured through partnerships with northern NGOs (such as Rainforest Foundation, FERN, Greenpeace and others). In other countries where bilateral donors are active in REDD-plus, additional funding support has been secured through these sources. Clearly, there are risks associated with national governments exercising controls over funds for national civil society processes (such as co-option and the risk that governments will select Civil Society Organization (CSOs) to participate who may be more likely to support governments own policies or decisions). The example of DRC does, however, illustrate the importance of having funding support directed towards a deliberate process of civil society engagement at the national level.

As indicated above, FCPF has been able to support a more deliberate process of civil society engagement through a US\$ 1 million grant from the IP and Forest Dwellers Capacity Building

⁸⁰ Indigenous Peoples and Forest Dwellers Capacity Building Program (“IP Program”)

Program. The program was established to inform forest-dependent peoples about REDD-plus and enable their organizations to have a strong voice in REDD-plus process. During FY10, in addition to supporting the National Civil Society and Climate Working Group in DRC, the program was able to support IPs in Indonesia to understand how REDD-plus would impact on their lands and livelihoods and the Organización de Naciones y Pueblos Indígenas (in Argentina) to disseminate basic information on REDD-plus, forest management, and the UNFCCC.

However, despite these successes, conflicts over IP rights continue in a number of countries. Concerns have been raised by IP representatives and northern NGOs (such as the UK-based Forest Peoples Program) regarding the Guyana R-PP process. In particular, fears have been expressed regarding the relatively low level of engagement of IPs and IP representatives during the R-PP formulation process, and that the failure to clarify tenure rights over forest land may contravene WB safeguard policies and may not adhere to Guyana's own endorsement of international human rights laws and conventions⁸¹.

A second stakeholder group that has had varying levels of direct involvement in the process of developing REDD-readiness proposals is the private sector despite the positive benefits that they may generate in terms of leveraging additional financial resources and capacity during implementation. Traditionally, it has been difficult to engage the private sector in this kind of process at the national level and in particular through a process such as REDD, which has somewhat unclear outcomes for private sector (when compared with the transaction costs of participation). The matter is further clouded by the rather mixed history of private sector involvement in forest management across many forested nations involved in FCPF and recent press coverage of "carbon cowboys". However, some early lessons from DRC point to some important experiences. Large scale timber concessions, having undergone a series of reforms (in large part supported by the WB) have organized themselves into a national association whose representative has been an active member in REDD-plus discussions – acting as a two way conduit for channeling the concerns of timber operators to the unfolding discussions, but also pin-pointing potential areas where REDD-plus opportunities may present themselves to members. REDD-plus Project developers are already beginning to enter into joint partnerships with timber companies with existing concession agreements and are actively lobbying for the inclusion of voluntary market mechanisms within national REDD processes. Furthermore, project developers are engaging in Afforestation/Reforestation (A/R) projects through the voluntary market and arguing that A/R approaches should be more fully integrated into REDD as a complimentary and supportive strategy.

Please also refer to sub-chapter 6.3.2.2 regarding the engagement of IPs as stakeholders.

⁸¹ "Guyana's forest and climate plans continue to generate controversy and sideline indigenous peoples" – accessed on Forest Peoples Programme website January 2011.

Recommendation: Consider, in close coordination with other REDD-related funding mechanisms, measures to **strengthen participation of responsible private sector players in REDD-plus processes** (such as timber operators interested in identifying alternative revenue streams and project developers). This could include reducing barriers to market entry, supporting feasibility studies and offering bank guarantees for investment capital.

Recommendation: Consider **provision of dedicated funds available to national civil society actors** (where other sources of funding do not exist) to support a more deliberate process of civil society and IP engagement. Funding support should be made available through global mechanism rather than through country grants channeled to government, to avoid risks of conflict of interest. This funding could be for two purposes – namely to increase their capacity to engage in national and global policy processes, but also covering the costs of organizing a coherent civil society voice and ensuring it reaches decision-making forums.

6.3.2.5 How is donor coordination for REDD-plus readiness support manifesting itself in FCPF countries?

In many countries, the R-PP has been seen as the primary national strategy for co-coordinating the efforts of government as well as donors in support of REDD-plus. Since the advent of the Paris Declaration on Aid Effectiveness (in 2005) and the Accra Plan of Action, donors have taken steps in a number of countries to harmonize their inputs at national level, through the establishment of donor working groups, taking decisions on reducing their sectoral involvement and supporting government processes and structures. However, the situation has been complicated within the field of REDD-plus because of the entry of new donors who had previously not been particularly involved in this area. This has necessitated constant vigilance to ensure that new entrants take account of existing contributions to avoid duplication of effort.

52% of those who replied to the online questionnaire on this issue said that donor co-ordination in REDD-plus was either strongly or moderately improved. Many respondents and interviewees pointed to the increasing collaboration and synergies between FCPF and UN-REDD at the country level, as well as complimentary support from bilateral agencies supporting particular elements of readiness such as MRV processes or pilot projects.

6.3.2.6 In what way, has bilateral and multilateral assistance to FCPF countries for REDD-plus readiness changed?

47% of those who responded online to this question indicated that there had been an increase in funding to REDD-plus readiness in their own country as a direct consequence of their participation in the FCPF and the preparation of the R-PP. DRC is a good example of how the FCPF has been able to build confidence of other donors, in what might otherwise be seen as somewhat of a high risk environment (due to concerns over governance, civil unrest and so on) and provide the basis for structured and complimentary donor investments.

Clearly, some countries have attracted increased donor support as a result of other factors. One good example of this is Tanzania, who although is a participant to the FCPF is not actively receiving funding through the facility (opting instead to benefit from the technical support provided). While Tanzania is not considered a rainforest nation, in the same way that Brazil, DRC or Indonesia might be, it has attracted significant donor funding for a range of reasons. Firstly, Tanzania in general has been seen as politically progressive, democratic and free of many of the governance constraints seen in many other sub-Saharan countries. As a result it has attracted high levels of donor support across a range of development sectors. Secondly, Tanzania has introduced a range of legal reforms that

provide a strong basis for REDD-plus, including strong forest tenure laws (including opportunities for local communities), recent measures to address illegal logging and the collection of forest revenues and strong progress in decentralization.

67% of respondents to this question on the online survey indicated that participation in the FCPF had influenced synergies between bilateral and multi-lateral partners. Bilateral donor representatives to the PC indicated that PC meetings provide an important opportunity for donor members of the facility to discuss overall co-ordination, but also to discuss how their own bilateral funds could potentially compliment multi-lateral efforts at the country level. This is particularly the case for donors who provide significant contributions through multi-lateral channels to FCPF, but also have their own bilateral REDD-plus initiatives (such as the Norwegian government, who have established their own NICFI. Despite this positive development, a number of bilateral donor representatives indicated the challenges of ensuring greater integration of funding streams at the country level with those of multi-lateral partners such as FCPF.

6.3.2.7 How do these bilateral and multilateral partners relate to the REDD Country Participant's R-PP?

As has been discussed elsewhere in this document, the R-PP (in large part due to its fusing with the UN-REDD templates) is increasingly being seen in many countries as the national REDD strategy document. The budget section requires countries to list all sources of funding support to REDD-readiness and indicate how this support will be matched to specific outputs or objectives. As a result of these two developments, opportunities for increased donor co-ordination at the country level are significantly improved, as has been witnessed in countries such as DRC and others. Ensuring this harmonization continues over time, however, is likely to be challenging, particularly as is now happening, other forms of support are being offered to participating countries, after the R-PP has been finalized. NGO support, which is generally less tied to government processes also represents a challenge in terms of ensuring its alignment with on-going government-lead processes, requiring additional inputs from government if effective co-ordination is to be ensured.

6.3.2.8 Has the FCPF sought to build on the existing bilateral and multilateral programs in the REDD Country Participant?

Only 5% of respondents indicated that there had been a high level of success in integrating FCPF within existing bilateral and multi-lateral programs, with 60% rating this as moderate. This perhaps point to the importance of seeking opportunities at the country level for greater integration of REDD-plus processes into existing areas of donor support. This was a concern that was raised in the DRC, during the country visit by staff working on complementary processes and reforms in the forest sector. The requirement to meet externally imposed deadlines for R-PP submission (such as PA meetings), coupled with the strong political pressure to show progress on REDD-plus planning may mean that some opportunities were missed, through existing forms of support.

A further concern that has been raised in some countries is the necessity of learning from the past – and ensuring that these lessons that have already been learned, are bought forward and incorporated into emerging REDD-plus processes.

Recommendation: While pursuing efforts to streamline the process of approval and disbursement of funds, continue to foster **greater coordination with bilateral and multilateral partners at the country level**, as a means to raise efficiency and reduce the risks associated with funding gaps due to delayed disbursement of funding support by the FCPF. This may involve more direct involvement of WB staff in national level donor co-ordination mechanisms (such as development partner groups), as well as supporting joint review and monitoring missions together with other donors working on REDD-plus.

7. LESSONS LEARNED

The following lessons learned are presented, based on the inputs gained across the evaluation process and the analysis that is presented in this report. Country visits to Nepal, Mexico and DRC have also significantly informed this chapter.

Being realistic about what REDD can and cannot deliver: Following the shortcomings of other approaches to address issues of tropical forest deforestation, there are high expectations that the strong international profile that REDD-plus has secured will be sufficient to be able to gain traction on addressing long standing problems in the forest sector such as poor forest governance, increasing demands for forest products for subsistence and commercial purposes, policy gaps and chronic financing gaps. The drivers of tropical deforestation in many countries are intimately linked to deeper problems of rural poverty, marginalization, the rule of law and the rights of IPs. While increased political and financial support to REDD-plus processes has the potential to address some of these chronic problems, they cannot solve these problems alone and as such, REDD-plus must be fully mainstreamed into the broader process of sustainable development. Many R-PPs have been criticized for being over-ambitious, both in terms of what they plan to achieve, and the time that they hope to achieve it in. However, REDD-plus is a strategy that seeks to deliver sustainable forest management by reducing deforestation and forest degradation – rather than a national sustainable development strategy.

Changing perceptions of what it means to be “ready” for REDD: In a number of countries there appears to be an appreciation that moving from REDD-readiness to performance based payments may not be a single event at a single point in time. Rather than a binary process which “switches” from REDD readiness to REDD implementation, there is a growing appreciation that a more nuanced approach is needed, which would allow these two processes to overlap and inform each other. There are trade-offs to be made between the process of consulting, planning, preparing (getting reading) and moving forward on the ground. These trade-offs include risks of losing momentum due to the failure to deliver results in the field, creating unrealistic expectations and the importance of “learning by doing”. Pilots are becoming an increasingly important aspect of REDD readiness planning, through the development of field experiences, the testing and development of methodologies and experimenting with mixed approaches that will embrace voluntary and formal markets.

Striking a balance between adherence to safeguards and the need for flexibility and piloting: Experience with the FCPF at the country level illustrates the tension between a strict adherence to safeguards (and the administrative and financial delays that this creates) and the need to adopt a more pragmatic, “learning by doing”, through piloting and experimentation followed by a careful assessment of impacts and outcomes. This is one area that has generated perhaps the highest levels of discordant views during the evaluation. On one side, (often government representatives charged with delivering R-PPs) the argument is made that the R-PP is just a plan and that the adherence to safeguards is jeopardizing the utility of FCPF (as seen by delays in disbursement). Furthermore, they argue that the WB safeguards system is more suited to the large infrastructure projects – and not smaller amounts of funding for piloting and strategy development. On the other, IP representatives, northern rights-based NGOs argue the exact opposite – that without the most stringent adherence to safeguards, REDD-plus risks disenfranchising vulnerable forest dependent communities. Walking the line between these two opposing positions is proving a challenging task, but much will be learned from the process of rolling out the SESA.

Effective governance structures at global levels: Much has been learned through the FCPF regarding the creation of effective, transparent and inclusive governance structures through the medium of the PA and PC. These structures allow for the development of strong vertical linkages (between UNFCCC processes, strategic discussions within the PA/PC and national processes) as

well as horizontal linkages between peer groups, be they donors, country participants and civil society. The unique balance between northern and southern representatives in the PA has helped foster a sense of partnership and ownership. The forum has triggered other important benefits, such as an increase in South-South learning and networking.

Creating incentives and means for a progressive improvement of knowledge, capacity and plans and standards at national level: Since the inception of the FCPF the quality and depth of country strategies (R-PPs) has improved progressively over time. The review process provided through the TAP members, coupled with increased demands from FCPF on the R-PP template has resulted in a gradual “raising of the bar”. The increased involvement in country participants in peer review processes of other R-PPs has also enriched the process. Civil society has been emboldened in some countries (such as DRC) to speak out on issues that were previously not discussed publicly (such as governance and the rule of law), through the strong emphasis by FCPF on social and environmental safeguards. All of these unique factors have combined to support an improvement in quality of R-PP applications over time.

The importance of learning from the past and forging alliances with other sectors: Developing strategies for sustainable forest management is not new. Many countries have already gained a wealth of experience through a range of approaches such as participatory forest management, payments for environmental services and integrated conservation and development. Nepal, is a good example of a country that since the 1980s has been developing and rolling out a national community forestry programme. Furthermore, on-going reforms beyond the forest sector (such as in land tenure, land use planning, agricultural development, taxation and fiscal reforms) have the potential to support and reinforce REDD-plus strategies. Those countries which have progressed furthest in moving towards REDD-readiness are those who have embraced and learned from their past experiences and sought to reach out to ongoing processes within the forest sector and beyond.

Anchoring and embedding REDD-plus: REDD-plus is generally anchored within Forest or Environment ministries at national level. However, as many countries have learned, if REDD-plus is to succeed, a cross-sectoral approach is required, so that land-use conflicts can be negotiated and resolved and the necessary political support realized across government. The roles of more cross-cutting ministries such as Ministries of finance or local government are increasingly being recognized. Some countries are now exploring how REDD-plus can be mainstreamed into higher level national strategies (such as Green Economy or Low Carbon Development), which are by definition non-sectoral and cross-cutting in nature.

Balancing high level political support with the management of expectations: REDD-plus requires strong and consistent political support if it is to succeed in addressing the many governance gaps that impact on deforestation and forest degradation in developing countries. However, this requirement has to be balanced with the risk that raising REDD high up the political agenda may create unrealistic expectations about the scale and timing of eventual benefits, which in turn may undermine the effectiveness of REDD-plus strategies.

Sufficient time must be allocated to consultations if feedback is to be meaningful: Specific measures need to be taken to ensure that the voices of forest-dependent communities and IPs are heard. This is particularly important for a concept such as REDD-plus which is both complex and new. Those most likely to win or lose from REDD are often living in some of the remotest parts of the world, where communication is costly and time-consuming. Methods used for consultation need to be culturally appropriate with the right choice of language and medium of communication used.

8. RECOMMENDATIONS

Based on the findings presented above, the evaluation team identified a number of recommendations with which to guide the future development of the FCPF. They are presented below in clusters relating to governance and oversight, readiness preparation and strategy development, improving efficiency, supporting better co-ordination and finally with regard to the operationalisation of the carbon fund. These recommendations are largely directed at the overall governance entities of the FCPF – most notably the PC and the FMT. However, there are occasional recommendations that are directly targeted at participating countries, but are considered important enough to be retained within this report.

In terms of readiness preparation and strategy development process:

- Look at the option of further decentralizing FMT staff to other regions beyond the Africa region and for further strengthening the support to REDD countries including through **additional support to staff based in delivery partner's country offices** to help foster further coordination on the ground and smoother implementation;
- Consider **provision of dedicated funds available to national civil society actors** (where other sources of funding do not exist) to support a more deliberate process of civil society and IP engagement. Funding support should be made available through global mechanism rather than through country grants channeled to government, to avoid risks of conflict of interest. This funding could be for two purposes – namely to increase their capacity to engage in national and global policy processes, but also covering the costs of organizing a coherent civil society voice and ensuring it reaches decision-making forums;
- **Strengthen participation of key sectoral ministries in national R-PP planning processes** and in particular their involvement in identifying, negotiating and resolving conflicting land uses (where they are shown to contribute to deforestation or forest degradation). Furthermore, **strengthen participation of “non-sectoral” ministries** such as Ministries of Finance, Rural Development and Local Government;
- **Strengthen efforts to learn from previous experiences, lessons, successes and failures** in participating countries with regard to sustainable forest management initiatives and programs as well as efforts to link more directly to complimentary, on-going multi-lateral and bilateral initiatives with the potential to address deforestation drivers;
- **In view of capacity and institutional challenges found in many Participant Country and the need to advance the REDD agenda, focus capacity building efforts around the early building blocks of the readiness process**, around piloting in selected areas to later allow learning and scaling up;
- Actively **support learning and reflection around the Strategic Environmental and Social Assessment (SESA) process** – by ensuring effective and efficient transfer of early experiences **from countries piloting SESA but also by linking externally to other initiatives exploring social and environmental impacts of REDD-plus at national levels**. This might include the Learning Initiative on Social Assessment of REDD+ (LISA-REDD)⁸².

In terms of increasing efficiency for achieving desired results:

- Scale up technical and financial support to regional measures designed to foster **South-South exchange and learning**. This could include additional regional workshops covering particular issues of mutual concern (such as methodologies, consultation, governance, legal reforms), or

⁸² This initiative is being developed by a consortium of NGOs including Care International, the Climate Community Biodiversity Alliance, Forest Trends, Overseas Development Institute and International Institute for Environment and Development

measures designed to harmonize and link country plans at a regional level. Where possible create synergies between countries working in similar conditions (e.g. Amazon Basin, Congo Basin, Borneo-Mekong Basin) or major language groups (French, Spanish, and English);

- **Move away from “flat rate” commitments** to Preparation and Readiness Grants, to a system that provides differentially sized grants based on agreed, transparent and universal criteria. These criteria would need to be worked out and agreed upon by the PC, but would provide opportunities for tailoring grants to the needs and circumstances of individual countries;
- Develop **clearer plans regarding the expansion of the program to new countries** seeking support and criteria for their inclusion. This will ensure that any additional funds directed towards REDD-plus readiness in new geographical areas are done so in ways that maximize the opportunities for efficiency. This may involve tightening and revision of criteria found in the FCPF Charter⁸³;
- While pursuing efforts to streamline the process of approval and disbursement of funds, continue to foster **greater coordination with bilateral and multilateral partners at the country level**, as a means to raise efficiency and reduce the risks associated with funding gaps due to delayed disbursement of funding support by the FCPF. This may involve more direct involvement of WB staff in national level donor co-ordination mechanisms (such as development partner groups), as well as supporting joint review and monitoring missions together with other donors working on REDD-plus;
- Continue efforts through the Task Force on Multiple Delivery Partners to **identify delivery channels outside the World Bank**, recognizing the fact that diversifying delivery and implementation partners will most likely help to improve disbursement rates. This will also be important in the near future once the Readiness Grants begin being signed in larger numbers and disbursed. The ongoing discussions regarding equivalence of institutional safeguard mechanisms will be an important aspect of ensuring this process achieves its goals;
- Provide **increased flexibility with respect to specific budget allocations under the Readiness grant** given the rapidly evolving REDD plus financing landscape in countries where the R-PP has now long been approved. As has been seen in Mexico, the development of the R-PP led to a much broader process that has catalyzed funding from other donors on items initially to be funded by the FCPF. The opportunity should be provided in such context to reassign funding from the FCPF to other activities proposed in the R-PP that are not yet funded.

In terms of governance and oversight at the PC level

- **Streamline the R-PP review process** to ensure that TAP review comments are timely and that adequate time is left to country teams to address TAP comments and own the final product as well as for PC to provide comments on the latest version;
- Ensure **translation at key meetings** and that materials developed by FCPF are available in all main languages to facilitate participation of all PC members, lessons learning and in-take of global experience in national processes;
- Pursue with energy the **development and operationalization of a comprehensive monitoring and evaluation framework** for the readiness process (and in future for the Carbon Fund), as a way to ensure adequate feedback loops in decision-making and improvement of the Facility effectiveness, beyond the formulation phase. Monitoring should also include reference to mitigating potential negative social and environmental impacts and ensuring positive co-benefits. This should go beyond the guidance provided in the draft

⁸³ International Bank for Reconstruction and Development. 2010. Charter Establishing The Forest Carbon Partnership Facility (Revised August 2010). Page 50.

monitoring and evaluation framework⁸⁴ (updated in 2010⁸⁵) which tends to focus more on external reviews rather than routine monitoring.

In terms of coordination and complementarity with other REDD-plus processes:

- Continue to **strengthen coordination with UN-REDD**, to take advantage of mutual strengths and limitation in delivery mechanisms. Jointly resolve any remaining differences with UN-REDD including with regard to advice given to participating countries on implementation of social safeguards;
- **Strengthen the move towards greater alignment and harmonization of FCPF funds with other multi-lateral and bilateral funding sources.** Joint annual review missions (of the type seen in DRC) provide a strong example. While they do place greater transaction costs for external partners in terms of scheduling, they create important benefits at the country level and increase opportunities for efficiency savings;
- **Develop and implement a communication and outreach strategy** to disseminate and package FCPF outcomes more widely for use at country-level, within the WB and to external audiences;
- Consider, in close coordination with other REDD-related funding mechanisms, measures to **strengthen participation of responsible private sector players in REDD-plus processes** (such as timber operators interested in identifying alternative revenue streams and project developers). This could include reducing barriers to market entry, supporting feasibility studies and offering bank guarantees for investment capital.

In view of the Carbon Fund operationalization:

- Beyond R-PP development, with a view to operationalizing the Carbon Fund, begin **consideration and finalization of minimum readiness conditions (“triggers”) required to access the Carbon Fund;**
- As part of this reflection, also engage with countries on options for **governance and institutional set up** to ensure transparency and agreed approaches to benefit sharing in this operationalization;
- Ensure during the operationalization phase of the Carbon Fund that it is **building on the lessons of the FCPF preparation phase**, in particular in terms of operationalizing due diligence requirements, social and environmental safeguards in an effective and transparent manner.

This evaluation was given an ambitious mandate – to review overall performance of the FCPF after two years of operation at the international and national levels, as well as assessing the degree to which delivery processes and outputs have been relevant, effective and efficient. Overall, the evaluation has found that the program is addressing a keenly felt need – namely to demystify REDD-plus at country-level, and then to provide a framework and process around which REDD-plus planning can take place. Through the PC and the multiple levels of peer review and technical inputs, overall program quality is evolving rapidly, moving from initial planning phase into more substantive technical discussions around carbon accounting, reference levels and monitoring, reporting and verification (MRV) and one that is increasingly beginning to address wider issues of governance, risk, as well as social and environmental aspects. Despite the strong progress made to date, the evaluation has provided a number of key recommendations relating to the further development of the program

⁸⁴ Forest Carbon Partnership Facility (FCPF). 2009. Monitoring and Evaluation Framework DRAFT-For comments only

⁸⁵ Forest Carbon Partnership Facility (FCPF). 2010. Proposed Evaluation Framework. Revised DRAFT. March 7, 2010

including issues such as expansion, delivery channels, monitoring, safeguards and the inclusion of non-state actors in readiness planning and implementation.

The FCPF is a multistakeholder partnership and decisions taken at the global level are expected to have a strong influence on how readiness preparation is shaped at the country level. The recommendations have not been specifically categorized into those applicable at the global and country level but rather for FCPF as a whole. As demonstrated in the functioning of the FCPF to date the collective decision making process in the Partnership should help ensure that recommendations will be operationalized in a way that they remain relevant and add to effectiveness of REDD implementation at the country level.

ANNEX A: LIST OF PEOPLE INTERVIEWED

Field Mission Interviews and Focus Group Stakeholders**Democratic Republic of Congo**

N°	NOMS ET POST-NOMS	ORGANISATION	FONCTION
1	André Aquino Rodrigues	Banque Mondiale/RDC	Carbone finance Specialist Environnement Département, SDN
2	Vincent Kasulu Makonga	Ministère de l'Environnement conservation de la Nature et tourisme (MECNT)	Directeur de la direction de développement durable (DDD), point focal GEF et UNFCCC
Coordination Nationale REDD/RDC			
3	Kanu Mbizi	Coordination National REDD/RDC	Coordonnateur National/RDC
4	Fabien Monteils	Coordination National REDD/RDC	Conseiller technique principal program ONU- REDD/RDC
Agents des ministères rencontrés tout au long de la Mission			
5	André Kondjo	MECNT/DIAF (Direction d'Inventaire et Aménagement Forestier)	Chef de division Inventaire Forestier
6	Jean Muneng	MECNT/DDD (Direction de développement durable)	Chef de division
7	Philippe Duchochois	MECNT	Conseiller technique du Ministre
8	Mr Ngwisani	MECNT/Coordination Provinciale Bas Congo/RDC	Coordonnateur Provinciale/Bas Congo
Collège des Conseillers du Premier ministre en matière de l'Environnement et forêt			
9	Prof Taba Kalulu	Primature	Conseiller Principal Collège Technique et ressources naturelles
10	Mme Béatrice Makaya	Primature	Conseiller en charge de l'Environnement et tourisme
Agents des ministères rencontrés tout au long de la Mission (suite)			
11	Ferdinand Badila	Ministère de l'Energie	Directeur chef de Service
12	Jerome Iziba	Ministère de l'Energie	
13	Georges Mulumba	Ministère de l'Energie	
14	Nestor Tshitoko	Ministère de l'Energie	
15	Yalulu Lampes Desiré	Ministère de l'agriculture	Directeur chef de service
16	Michel Mingiedi	Ministère de l'agriculture	Chef de division
17	Young Masudil	Ministère de l'agriculture	Agent de bureau de premier Classe
18	Mampuya Luvuangu	Ministère de l'agriculture	Directeur chef de service
19	George Tshilenge	Ministère du Plan	Chef de division
20	Daniel Mobali	Ministère du plan	Chef de division

21	Albert Kalonga	Ministère de développement rural	Directeur chef de service
22	Ndontoni Bafukisa	Ministère de développement rural	Directeur chef de service
23	Marie Antoinette Mbayahi	Ministère de développement rural	Directeur chef de service
Les ONG de la Société Civile rencontrées ainsi que les membres du Groupe de travail Climat REDD			
24	Espoir Tshakoma	ERND/GTCR	
25	Olle Tychique	GTCR	
26	Shabani Kongo	AC/GTCR	
27	Dr Guy Lyaki	GTCR	
28	Patrick Saïdi Hemedi	DGPA (Dynamique générale des peuples autochtones)	
29	Aimé Bakila	CNJ/GTCR	
30	Nene Mainzana	RCEN/GTCR	
31	Guy Kajemba	GTCR	
32	Jean Marie Bolika	RRN/GTCR	Chargé plaidoyer
33	Joëlle Mukungu	OCEAN	Chargée d'étude
34	Alain Ngulungu	Infoverte/Reddreview	Superviseur
35	Willy Loyombo	OSAPY	Président
36	JR Bowela	REPEC/CRON	Coordonnateur National Adjoint
37	Mouba Bongongo Judith	CEDEN	Assistante chargée de la cartographie
38	Ronsard Boika	Cercle pour la défense de l'Environnement (CEDEN)	Assistante chargée d'éducation Environnementale
39	Flory Nyamwoga Bayengeha	ODC (Objectif Développement Communautaire)	Coordonnateur Nationale
40	Félicien Kabamba	GTCR/CODELT	Coordonnateur National
41	Angelique Mbelu	CODELT	Chargé des questions REDD et FLEGT
42	Patrick Mulenda	CODELT	Assistant technique
43	Mme Louise Kavira	OAN/REPALF	Coordonnatrice National
44	Bisedi Yalolo	SPADEC	Chargé de programme
45	Mtre Alphonse longbango	GTCR/RRN	Coordonnateur Adjoint

46	Mathieu Yela Bonketo	CEDEN	Coordinateur
Secteurs Privés rencontrés			
47	Alexandra Nyamungu Diamantides	Taicom Congo Sprl	Superviseur du projet Consava
48	Jack Etsa Mobolu	Taicom Congo Sprl	Superviseur du projet Villqge vert
49	Joseph Nkinzo	Taicom Congo Sprl	PDG
50	Tony Reekmans	Novacel (Projet IBI village/Bateke)	Consultant et superviseur
51	Olivier Mushiete	Novacel (Projet IBI village/Bateke)	Promoteur et Coordonnateur du projet
52	Daniel Blattner	SAFBOIS	Administrateur délégué Générale (ADG)
53	Donald Tuttle	JADORA	
54	Françoise Van de Ven	Fédération des industrielles de bois au Congo	Secrétaire Générale
Les ONG internationales rencontrées			
55	Ken Creighton	WWF	Conseiller REDD
56	Floribert Botamba	WWF	Chef de projet WWF- REDD
57	Laurent Nsenga	WWF/Bas-Congo	Coordonnateur du Projet REDD/Bas-Congo financé par le FFBC
58	Lyna Belanger	WRI/RDC	Coordonnatrice Projets Forestiers
59	Justin Belani	AWF/RDC	Expert forêt
60	Crispin Mahamba	WCS/RDC	Assistant du Directeur National
61	Innocent Liengola	WCS/RDC	Directeur Projet Salonga
62	Jean-Remy Makana	WCS/Mambasa/RDC	Coordonnateur Secteur forestier RDC
63	Robert. K. Mwinyihali	WCS/Epulu/RDC	Directeur Projet Ituri
64	Sadia Demarquez	UICN	Coordnatrice de Programme UICN République Démocratique du Congo.
65	John B.Flynn,PhD	USAID	Directeur CARPE
66	Nicodeme Tchamou	USAID	Coordinateur Régional CARPE
67	Andreas SCHLEENBECKER	GTZ	Conseiller Technique Forêt
	Njike Horline	REM-OI/FOREST MONITOR	Juriste Experte
	Owada Jean Cyrille	REM-OI/FOREST MONITOR	Coordonnateur Adjoint
68	Gaetano Basiue	REM-OI/FOREST MONITOR	Coordonnateur
69	Théophile Gata	FOREST MONITOR/RDC	Directeur Adjoint
	Réné Ngongo	GREENPEACE	Conseiller Politique forêt

70	Irène Wabiwa	GREENPEACE	Forest Campaigner
71	Benoit Kisuki	Conservation Internationale/CI	Directeur Pays/RDC
72	James Rathvon	DLA/CI	Avocat/Lawyer
73	Chris Tuite	CI	Forest Carbon markets Grow
UN-REDD			
74	Dieudonné Musibono	PNUE/RDC	Coordonnateur et expert National en Environnement
75	François Kapa Batunyi	FAO/RDC	Expert forestier National
76	Charles Wasikama	PNUD/RDC	Chargé de Programme Environnement et Energie
77	Lars Ekman	Royal Norwegian Embassy	Counsellor
Communauté villageoise locale rencontrée/Villages/Commune de la Nsele (1.Village centre Kimpolo et 2.Village Dingidingi)			
78	Village Kimpolo - Madinu-Mpio Emmanuel - Kinduku Kiese - Mbimi Masta - Nzunzi - Makabu - Kiangala - Mastia - Augy - Rigo - Nkuabima - Mvanika Nelly - Mupu - Nsimba Landu - Mabeka - Seba - Jerom - Nsuanga - Mbinga - Nsalambi - Tito - Kipongo - Mboko - Tambwe - Koko Nkaya - Rombo - Dadi		Chef du village
79	Village Dingidingi - kilonga - Nkuanzambi - Mutu		Chef du village

	<ul style="list-style-type: none"> - Ngumbu - Osiro - Kutua - Mabulu - Taloo - Nico - Mampuya - Nzunzi Waku - Wumba - Bungu 		
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Mexico

N°	NAME	ORGANIZATION	TITLE
Comisión Nacional Forestal			
1	Dr. Juan Manuel Torres Rojo	Comisión Nacional Forestal	Director General
2	Jose Carlos Fernandez	Comisión Nacional Forestal	Unidad De Asuntos Internacionales Y Fomento Financiero
3	Josefina Braña	Comisión Nacional Forestal	Unidad De Asuntos Internacionales Y Fomento Financiero
4	Karla Barclay	Comisión Nacional Forestal – Agencia Francesa de Desarrollo	Coordinador del Proyecto de la Junta Intermunicipal de Medio Ambiente para el Río Ayuquila
5	Jose Armando Alanis	Comisión Nacional Forestal	Unidad De Asuntos Internacionales Y Fomento Financiero
National Ministry Officials			
6	Celia Pigueron	Secretaria de Medio Ambiente y Recursos Naturales	Dirección General de Políticas de Cambio Climático. Subsecretaría de Planeación y Política Ambiental
7	Carlos Garcia	Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación	Subdirector Desarrollo Institucional para el Uso Sustentable
8	Rubén de la Sierra	Dirección General de Educación Tecnológica Agropecuaria	
9	Aquileo Guzmán	Instituto Nacional de Ecología	Jefe de Depto. de Métodos y Estudios de Mitigación en el Sector Forestal

10	Luis Conde	Instituto Nacional de Ecología	
11	Helena García Romero	Instituto Nacional de Ecología	Directora de Investigación y Análisis Institucional y de Política Pública
12	Arturo Hernandez	Instituto Nacional de Estadística y Geografía	
State Ministry Officials			
13	Mario Aguilar hernandez	Secretaria de Desarrollo Rural – Jalisco	Dirección General de Forestal y Sustentabilidad
14	Hector Valdovinos	Secretaria de Desarrollo Rural – Jalisco	Dirección General de Forestal y Sustentabilidad
15	Evelia Rivera	Secretaría de Medio Ambiente y Aprovechamiento Sustentables - Campeche	Secretaria
Local Ministry Officials			
16	Arturo Pizano Portillo	Junta Intermunicipal de Medio Ambiente para el Río Ayuquila – Órgano Descentralizado	Director General
National NGOs			
17	Juan Carlos Carrillo	Centro Mexicano de Derecho Ambiental A.C.	Coordinador de Programa
18	Carlos Marcelo Perez	Servicios Ambientales de Oaxaca A.C.	Coordinador Técnico
19	Juan Manuel Frausto	Fondo Mexicano para la Conservación de la Naturaleza	Director Programa de Conservación de Bosques
20	Gustavo Sanchez	Red Mexicana de Organizaciones Campesinas Forestales, A. C	Director General
21	Sergio Madrid	Consejo Civil Mexicano para la Silvicultura Sostenible	Director General
22	Elsa Esquivel	AMBIO	Director General
Private Sector			
23	Pablo Quiroga	Natura Proyectos Ambientales S.A. de C.V.	Director General
24	Manuel Estrada Porrúa	Consultor Independiente	
25	Gmelina Ramirez	Consultor Independiente	

26	Luisa Montes	Ecovalores	Director General
27	Santiago Enriquez	Abt Associates	Director de Gestión Ambiental
28	Gabriela Lozada	Abt Associates	Gerente de apoyos financieros
International NGOs			
29	Yves Paiz	The Nature Conservancy	Yucatán
30	Hector Magallon	Greenpeace	Campana de bosques y selvas
31	Jorge Rickards	WWF	Director de Conservación
32	Juan Bezaury	The Nature Conservancy - América Latina	Representante en México y Director Asociado de Política Ambiental - Latinoamérica
Donors			
33	Edgar Gonzalez	UNDP	Gerente de Programa de Desarrollo Sustentable
34	Gry Solstad	Government of Norway's International Climate and Forest Initiative	Higher Executive Officer
35	Andreas Dahl	Government of Norway's International Climate and Forest Initiative	
36	Leonel Iglesias	World Bank - FCPF	
37	Alberto Sandoval	FAO	Senior Natural Resources Officer - Climate Change
38	Laurent Debroux	World Bank – Latin America and the Caribbean Region	Sr Natural Resources Specialist
39	Beatriz Vaca	Agencia Francesa de Desarrollo	Jefe de Proyectos
Academia			
40	Bernardus de Jong	El Colegio de la Frontera Sur	
41	Christoph Neitzel	Universidad Nacional Autonoma de Mexico	
Local communities and Indigenous Groups			
	Cuenca Amanalco – Valle de Bravo. Ejido Agua Bendita		
42	Lucia Madrid	Consejo Civil Mexicano para	NGO

		la Silvicultura Sostenible	
43	Francisco Osorio	Ejido San Juan	
44	Ascensión Castillo	Ejido el Potrero	
45	Luis Martínez	Ejido San Juan	
46	Cirilo Luis Emeterio	Ejido Rincón de Guadalupe	
47	Martín Santana Guzmán	Ejido el Potrero	
48	Antonio Pérez Vera	Ejido San Mateo	
49	Leourgildo de la Cruz	Ejido San Jerónimo	
50	Pedro Vilchis	Ejido Agua Bendita	
51	José Martínez	Ejido San Juan	
52	Mario Guzmán	Ejido el Potrero	
53	Héctor Galicia	Encargado del Aserradero	
54	José Soto López	Presidente de la Unión de Ejidos	
55	Fernando Canto	Consejo Civil Mexicano para la Silvicultura Sostenible	

Nepal

Name	Organisation	Title
<i>Representatives from the Government of Nepal</i>		
1. Keshav Khanal	Ministry of Forests and Soil Conservation	Under Secretary
2. Rabindra Maharjan	Ministry of Forests and Soil Conservation – REDD Cell	MRV Specialist
3. Ram Mandal	Ministry of Forests and Soil Conservation – REDD Cell	Consultation and outreach specialist
4. Resham Dangi	Department of Forests	Deputy Director General – Community Forestry Division
5. Sahas Man Shrestha	Department of Forest Research and Survey	Director General
6. Krishna Acharya	Department of National Parks and Wildlife Conservation	Director General
7. Ganesh Pant	Department of National Parks and Wildlife Conservation	Warden in Charge, Chitwan National Park
8. Kailesh Raj Pokharel	Ministry of Finance	Under Secretary
9. Narayan Regmi	Ministry of Finance	Section Officer – Agriculture and Forestry
10. Purushottam Ghimire	Ministry of Environment	Chief of Environment Division – UNFCCC Focal Point
11. Ramnadhan Shah	Department of Forests	Forest Officer, National Forests Division
<i>Representatives of National Civil Society and Indigenous Peoples</i>		
12. Naya Paudel	Forest Action Nepal	Environmental Governance Specialist
13. Dil Khatri	Forest Action Nepal	Forestry and Ecosystems Specialist
14. Kumud Shrestha	Nepal Foresters Association	Vice President
15. Sunil Kumar Pariyar	Dalit Alliance for Natural	Chairperson

	Resources	
16. Brikha Bahudur Shahi	Federation of Community Forest User Groups of Nepal	Secretary
17. Nav Raj Dahal	Federation of Community Forest User Groups of Nepal	REDD Focal person
18. Dil Raj Khamal	Federation of Community Forest User Groups of Nepal	Regional Secretary
19. Hari Sharan Luntel	Federation of Community Forest User Groups of Nepal	Regional Secretary
20. Rijan Tamrakar	Asia Network for Sustainable Agriculture and Bioresources	Forestry Officer
21. Raj Kumar Tharu	Nepal Federation of Indigenous Nationalities	Chairperson
22. Pasang Dolma Sherpa	Nepal Federation of Indigenous Nationalities	National Co-ordinator
23. Shambu Dangal	Environment Resources Institute	Director
<i>International and Regional NGOs</i>		
24. Rajan Kotru	International Centre for Integrated Mountain Development	Senior NRM Specialist – Ecosystem Services
25. Eak Rana	International Centre for Integrated Mountain Development	REDD Project Co-ordinator
26. Govinda Joshi	International Centre for Integrated Mountain Development	GIS Specialist
27. Bhaskar Singh Karky	International Centre for Integrated Mountain Development	Resource Economist
28. Harisharan Luntel	Regional Community Forestry Training Centre	National Co-ordinator
29. Bibek Chapagain	Winrock International	Country Director
30. Nira Bhatta	Winrock International	Junior Programme Associate
31. Lal Mani Pandit	Worldwide Fund for Nature	Facilitator / Forest Officer, Lamahi, Dang
32. Ugan Manandhar	Worldwide Fund for Nature	Programme Manager, Climate Change, Energy and Freshwater.
<i>Bilateral and Multi-lateral donors and donor funded projects</i>		
33. William Magrath	World Bank	Lead Natural Resource Economist, South Asia and TTL for FCPF Nepal
34. Susan Goldmark	World Bank	Country Director – Nepal
35. Gayatri Acharya	World Bank	Senior Economist, Sector Co-ordinator for Rural, Social and Environment
36. Ashish Shreshta	World Bank	Forestry and Renewable Energy Specialist
37. Drona Ghimire	World Bank	Environmental Specialist
38. Mirella Hernani	World Bank	Environmental Specialist
39. Chaohua Zhang	World Bank	Senior Social Sector Specialist,

40. Chudamani Joshi	Embassy of Finland	South East Asia Region Programme Co-ordinator – Forestry and Environment
41. Ramu Subedi	DFID-funded Forestry and Livelihoods Programme	Deputy Programme Manager
42. Peter Branney	DFID-funded Forestry and Livelihoods Programme	Programme Adviser
43. Bharat Pokharel	Nepal Swiss Community Forestry Project	Project Director
<i>Community members (including IPs)</i>		
44. Bhimarjun Neupane	ICIMOD REDD Project	FECOFUN, District Chairperson
45. Lekh Bahadur Thapa	Jana Pragati CFUG	Chairperson
46. Bhuwan Nepal	Sat Kanya CFUG	Chairperson
47. Bed Bahadur Adhikari	REDD Network	Secretary
48. Laxmi Karki	Pragati CFUG	REDD Facilitator
49. Lekh Prasad Kharel	CF Employee Committee	Secretary
50. Akkal Bahadur Bhattarai	Kankali CFUG	Secretary
51. Ram Prasad Adhikari	REDD Network	Member
52. Govinda Shrestha	Samkanyang CFUG	Chairperson
53. Kalimaya Tamang	CFUG	Chairperson
54. Mana Shrestha	District FECOFUN	REDD Network Member
55. Shoma Gharti	CFUG Chairperson	REDD Network Member
56. Uttam Praja	CFUG	REDD Network Facilitator
57. Shova Khatri	Pragati CFUG	REDD Network Member
58. Nirmala Bhatta	CFUG	REDD Network Member
59. Man Bhadur Khadaka	Coordinator	REDD Network Member
60. Kuber Praja	Jharana CF	Chairperson

ANNEX B: LIST OF KEY DOCUMENTS

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 PC7 2d Carbon Fund Update and Next Steps
 PC7 2e Dash Board_1
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 PC7 2g Enhancement of R-PP Template
 PC7 2g R-PP Country Submission Template v5 Oct 30 2010 Draft for Comments
 PC7 2g R-PP Template v5 Oct 30 2010 Annexes_0
 PC7 2g R-PP Template v5 Oct 30 2010 Draft for Comments
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ANNEX C EVALUATION MATRIX

Key Evaluation Questions and Evaluation Sub-questions	Indicators	Data Collection Method
Relevance		
Cluster One: Has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants and other donors?		
In what way has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants?	<ul style="list-style-type: none"> Perception of FCPF added value from stakeholders 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant Survey Focus Group
	<ul style="list-style-type: none"> Perception of the Readiness process from stakeholders 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant Survey Focus Group
	<ul style="list-style-type: none"> Extent to which the FCPF governing system is perceived as accountable and transparent 	Survey Interviews/FCPF Management Interviews/FCPF Members and Observers Interviews/Country Participant Focus Group
	<ul style="list-style-type: none"> Comparison with other REDD-plus global programs and funds 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Field Visits
	<ul style="list-style-type: none"> Level of responsiveness of the Participants Committee to guidance of key international conventions and the needs of REDD Country Participants 	Documentation Review/FCPF Management Documents Interviews
Cluster Two: What is the relevance of the FCPF within the context of the REDD-plus developments at the global and national levels?		
In what way is the FCPF relevant in the global context of REDD-plus?	<ul style="list-style-type: none"> Level of coherence of priorities and lines of activities of FCPF in relation to REDD plus priorities 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Field Visits
	<ul style="list-style-type: none"> Perception of key stakeholders of relevance of FCPF in the global context of REDD-plus 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant

In what way are the FCPF Mechanisms relevant at the national levels for its Country Participants?	<ul style="list-style-type: none"> ▪ Level of coherence of FCPF priorities and activities in the national context of Country Participant for REDD-plus 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey
	<ul style="list-style-type: none"> ▪ Level of coherence of FCPF Mechanisms aligning with national policies 	Documentation Review/R-PINs & P-PPs
Effectiveness		
Cluster Two: Is the FCPF on track to meet its objectives?		
What has been the progress of the FCPF in building capacity for REDD-plus in developing countries in tropical and subtropical regions?	<ul style="list-style-type: none"> ▪ Number of FCPF country participants compared with original plan 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Number and typical content of R-PINs compared with provided template 	Documentation Review/R-PINs & P-PPs
	<ul style="list-style-type: none"> ▪ Number and typical content of R-PPs compared with provided template 	Documentation Review/R-PINs & P-PPs
	<ul style="list-style-type: none"> ▪ Number and typical content of Readiness Proposal Preparation Grants 	Documentation Review/R-PINs & P-PPs
	<ul style="list-style-type: none"> ▪ Type of comments made by peer reviewers and observers to the R-PINs and R-PPs. 	Documentation Review/R-PINs & P-PPs
	<ul style="list-style-type: none"> ▪ Changes in quality of R-PINs and R-PPs as a result of comments made by peer reviewers 	Documentation Review/R-PINs & P-PPs
	<ul style="list-style-type: none"> ▪ Perception of capacity building for REDD-plus in Country Participants 	Interviews/FCPF Management Interviews/Country Participant
What is the level of quality of the monitoring conducted by the FMT of the FCPF, including operational monitoring?	<ul style="list-style-type: none"> ▪ Level of quality of logical framework (objectives, outcomes, and outputs) 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Level of quality of performance measurement framework (inputs, targets, frequency of data collection) 	Documentation Review/FCPF Management Documents
In what way have the FCPF objectives, design, and activities evolved since the FCPF was announced at COP 13 in December 2007, and what considerations have driven this evolution?	<ul style="list-style-type: none"> ▪ Changes and types of changes, if any, in FCPF objectives, and underlying rationales for these changes 	Documentation Review/FCPF Management Documents Interviews/FCPF Management
	<ul style="list-style-type: none"> ▪ Changes and types of changes, if any, in FCPF design, and underlying rationales for these changes 	Documentation Review/FCPF Management Documents Interviews/FCPF Management
	<ul style="list-style-type: none"> ▪ Changes and types of changes, if any, in FCPF activities, 	Documentation Review/FCPF Management Documents

	and underlying rationales for these changes	Interviews/FCPF Management Field Visits
Are the current objectives realistic in relation to the capacity of REDD Country Participants, time frame, resources for REDD-plus readiness and bridge finance likely to be available before large-scale systems of performance-based payments?	▪ Level of capacity of country participants to achieve the current FCPF objectives	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group Field Visits
	▪ Adequacy of time frame for participant countries to achieve FCPF objectives	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group Field Visits
	▪ Adequacy of resources for participant countries to achieve FCPF objectives	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group Field Visits
	▪ Potential for FCPF participant countries to undertake large-scale systems of performance-based payments	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group Field Visits
Have there been any impacts as a result of knowledge generated and disseminated by the FCPF?	▪ Types of materials produced by the FCPF	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group Field Visits
	▪ Level to which these materials were used	Interviews/FCPF Management Interviews/Country Participant Survey Field Visits
	▪ Level to which the information provided by the FCPF was applied	Interviews/FCPF Management Interviews/Country Participant Survey Field Visits
Cluster Four: How effective has the FCPF governance structure been?		
What are the key elements of the FCPF governance	▪ Elements of the FCPF governance structure	Documentation Review/FCPF Management Documents

structure and how has the governance structure affected implementation of the FCPF?	▪ Level of clarity to which the roles and functions are defined in the FCPF governance structure	Documentation Review/FCPF Management Documents
	▪ Role and number of participants in the FCPF governance structure (e.g. FMT, PA, PC)	Documentation Review/FCPF Management Documents
Is the governance system of the FCPF adequate for delivering its objectives and up to international standards?	▪ Level of effectiveness of the FCPF governance structure	Interviews/FCPF Management Interviews/Country Participant Interviews/FCPF Members and observers Survey
	▪ Number of meetings and main points of discussion	Documentation Review/FCPF Management Documents
	▪ Materials produced from the different governing entities of the FCPF	Documentation Review/FCPF Management Documents
	▪ Perception of usefulness of the FCPF governing entities	Interviews/FCPF Management Interviews/Country Participant Interviews/FCPF Members and observers Survey
	▪ Extent to which the FCPF governing system is perceived as accountable and transparent	Interviews/FCPF Management Interviews/Country Participant Interviews/FCPF Members and observers Survey
	▪ Comparison with other REDD-plus global programs and funds	Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant Interviews/FCPF Members and observers Survey
	▪ Level of responsiveness of the Participants Committee to guidance of key international conventions and the needs of REDD Country Participants	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant Interviews/FCPF Members and observers
Have the activities of the FCPF Readiness Mechanism played a catalytic effect on its country participants?		

What have been the catalytic effects of the FCPF outcomes?	<ul style="list-style-type: none"> Type, if any, of catalytic effects⁸⁶ as a result of FCPF outcomes, and underlying causes 	Survey Interviews Focus Group Field Visits
Cluster One: What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?		
Have there been any unintended positive outcomes from the Readiness Mechanism?	<ul style="list-style-type: none"> Evidence of unintended positive outcomes in participant countries 	Interviews/Country Participant Survey Focus Group Field Visits
	<ul style="list-style-type: none"> Effects of these unintended positive outcomes for participant countries, for the FCPF and globally 	Interviews/Country Participant Survey Focus Group Field Visits
Have there been any unintended negative outcomes from the Readiness Mechanism?	<ul style="list-style-type: none"> Evidence of unintended negative outcomes in participant countries 	Interviews/Country Participant Survey Focus Group Field Visits
	<ul style="list-style-type: none"> Effects of these unintended negative outcomes for participant countries, for the FCPF and globally 	Interviews/Country Participant Survey Focus Group Field Visits
What lessons and implications does the FCPF experience offer for REDD-plus readiness, scaling up and likely impacts on REDD-plus outcomes?	<ul style="list-style-type: none"> Lessons learned from FCPF activities and level of implication for REDD-plus readiness 	Documentation Review/FCPF Management Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant
	<ul style="list-style-type: none"> Level of likelihood of impacts of FCPF lessons learned on REDD-plus outcomes 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant
	<ul style="list-style-type: none"> Level of likelihood that FCPF lessons learned contribute to scaling-up for REDD-plus readiness processes 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant

⁸⁶ Here we consider catalytic effects to broadly include mechanisms pertaining to (a) demonstration, including by pilot projects; (b) replication; and (c) scaling-up as well as sustainability. These are explained in detail in the Evaluation of the Catalytic Role of the GEF (GEF) 2007, available at : http://207.190.239.143/uploadedFiles/Evaluation_Office/Publications__%28PDF_DOC%29/Catalytic_Role/FINAL%20Approach%20Paper%20Catalytic%20role%20Eval%20-%20APR07.pdf

		Focus Group Field Visits
	<ul style="list-style-type: none"> Level of ability of FCPF to help REDD countries set objectives and standards e.g., for implementation of safeguards, national REDD-plus management arrangements and consultation and participation processes, and ensuring that Indigenous Peoples and other forest-dependent peoples and that their rights under national law and applicable international obligations are respected as provided in the FCPF Charter 	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group Field Visits
What steps has the FCPF taken to ensure that these lessons are appropriately conveyed to the broader REDD-plus community?	<ul style="list-style-type: none"> Steps taken by the FCPF to convey lessons to broader REDD-plus community 	Documentation Review/FCPF Management Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant
	<ul style="list-style-type: none"> Perceptions of REDD-plus community to FCPF lessons 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant
	<ul style="list-style-type: none"> Level of effectiveness of the means used by FCPF to convey lessons to broader REDD-plus community 	Interviews/FCPF Management Interviews/REDD-plus Stakeholders Interviews/Country Participant Survey Focus Group
How can successes be replicated, or failures avoided, in a wide range of country conditions, including as a prelude to operationalizing the Carbon Fund?	<ul style="list-style-type: none"> Evidence that lessons can be replicated for the Carbon Fund 	Interviews/FCPF Management Interviews/Country Participant Field Visits
	<ul style="list-style-type: none"> Suggested safeguards to avoid failures for the Carbon Fund 	Interviews/FCPF Management Interviews/Country Participant Field Visits
Efficiency		
Cluster Four: To what extent has the FCPF been efficient in achieving desired results?		
Has the FCPF used its resources (funds, time and expertise) efficiently to maximize its outputs and provide early lessons for REDD-plus?	<ul style="list-style-type: none"> Level of efficiency of the use of resources (funds, time, expertise) for the Services to REDD countries FY08 to FY10 	Documentation Review/FCPF Management Documents Interviews/FCPF Management
	<ul style="list-style-type: none"> Level of efficiency of the use of resources (funds, time, expertise) for the FCPF Secretariat FY08 to FY10 	Documentation Review/FCPF Management Documents Interviews/FCPF Management

	<ul style="list-style-type: none"> ▪ Level of efficiency of the use of resources (funds, time, expertise) for the Readiness Trust Fund Administration FY08 to FY10 	Documentation Review/FCPF Management Documents Interviews/FCPF Management
How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures?	<ul style="list-style-type: none"> ▪ Applicable Bank Operational Policies and Procedures 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Rate of disbursements of FCPF Readiness fund FY08 to FY10 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Timeliness of disbursements of FCPF Readiness fund 	Documentation Review/FCPF Management Documents Interviews/FCPF Management
Are the resources sufficient to meet the countries' REDD-plus readiness needs?	<ul style="list-style-type: none"> ▪ Donor financial commitments FY08 to FY10 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Funds available for the Readiness Funds 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Needs expressed by REDD-plus countries 	Documentation Review/R-PINs & P-PPs Survey Focus Group Field Visits
	<ul style="list-style-type: none"> ▪ Gaps between resources available and needs expressed by countries 	Survey Focus Group Field Visits
Were the countries able to use the resources provided in a timely manner?	<ul style="list-style-type: none"> ▪ Timeliness of access to funds 	Survey Interviews/Country Participant Field Visits
	<ul style="list-style-type: none"> ▪ Timeliness of disbursement of funds 	Survey Interviews/Country Participant Field Visits
	<ul style="list-style-type: none"> ▪ Use of funds in participant countries 	Survey Interviews/Country Participant Field Visits
Has the TAP been utilized efficiently in the assessment of the R-PPs?	<ul style="list-style-type: none"> ▪ Number of TAP members 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Level of use of TAP in the assessment of the R-PPs 	Documentation Review/FCPF Management Documents Interviews/FCPF Management Interviews/TAP Members
	<ul style="list-style-type: none"> ▪ Number of R-PPs that have been reviewed by the TAP 	Documentation Review/R-PINs and R-PPs
	<ul style="list-style-type: none"> ▪ Average length of time to review an R-PP by a TAP member 	Documentation Review/FCPF Management Documents Interviews/FCPF Management Interviews/TAP Members

Has the selection process of the TAP been transparent, free from conflict of interest, and has the independence of reviewers been ensured?	▪ TAP functions	Documentation Review/FCPF Management Documents
	▪ Established processes used to select the TAP members	Documentation Review/FCPF Management Documents
	▪ Established processes to ensure independence of reviewers	Documentation Review/FCPF Management Documents
	▪ Level to which these processes have been adhered to	Interviews/FCPF Management Interviews/TAP Members
	▪ Perceptions of participant countries and the FMT on the TAP	Interviews/FCPF Management Interviews/Country Participant Survey Focus Group
Does the combined use of TAP reviews of the R-PPs, PC reviews and the WB's due diligence represent an efficiency process for assessing R-PPs?	▪ Key focus and added value of TAP in assessing the R-PPs	Interviews/FCPF Management Interviews/Country Participant Survey
	▪ Key focus and added value of PC in assessing the R-PPs	Interviews/FCPF Management Interviews/Country Participant Survey
	▪ Key focus and added value of WB's due diligence in the assessment of the R-PPs	Interviews/FCPF Management Interviews/Country Participant Survey
	▪ Level of complementarity and/or redundancy of the R-PP assessment process	Interviews/FCPF Management Interviews/Country Participant Survey
	▪ Timeliness of the assessment process	Interviews/FCPF Management Interviews/Country Participant Survey
	▪ Resources required for the assessment process	Interviews/FCPF Management Interviews/Country Participant
How do participating countries perceive the costs and benefits of the FCPF Readiness Mechanism, including timeliness and magnitude of resources?	▪ Perception of participant country on the cost and benefits of the FCPF Readiness Mechanism	Survey Focus Group
	▪ Perception of timeliness of the Readiness Mechanism	Survey Focus Group
	▪ Perception of the allotted resources of the Readiness Mechanism	Survey Interviews Focus Group
Cluster Three: Is the FCPF cooperating with other processes?		

At the program level:		
Does the FCPF take into account possible synergies and overlaps?	<ul style="list-style-type: none"> Evidence of synergies between the FCPF and other REDD-plus initiatives 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> Evidence of any overlaps between the FCPF and other REDD-plus initiatives 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
What are the complementarities, and the efforts to develop complementarities, joint learning and impacts produced by the FCPF on UN-REDD (and vice versa), with special emphasis on countries that are members of both initiatives?	<ul style="list-style-type: none"> Complementarities and efforts produced by FCPF on UN-REDD and vice-versa 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> Joint learning and impacts produced by the FCPF and UN-REDD 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> Evidence of a harmonized FCPF and UN-REDD operational guidance on engagement of Indigenous Peoples has been applied. 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
Do opportunities exist, and are they being used, to develop links between the FCPF Readiness Fund and other multilateral REDD-plus initiatives, as well as other bilateral and regional initiatives?	<ul style="list-style-type: none"> Evidence of links developed between the FCPF and the Forest Investment Programme 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> Evidence of links developed between the FCPF and the GEF 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> Evidence of links developed between the FCPF and Bilateral initiatives 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> Evidence of links developed between the FCPF and the Regional initiatives with other organizations 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders

	<ul style="list-style-type: none"> ▪ Level of use of these links 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
	<ul style="list-style-type: none"> ▪ Evidence of successes in these links developed between the FCPF and these other initiatives 	Documentation Review/FCPF Management Documents Documentation Review/REDD-plus Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
In what way and to what extent have stakeholders been engaged in FCPF?	<ul style="list-style-type: none"> ▪ Type and number of stakeholders engaged 	Documentation Review/FCPF Interviews/REDD-plus Stakeholders Interviews/Country Participant Field Visits
	<ul style="list-style-type: none"> ▪ Level of satisfaction and perception of each group of stakeholders of the FCPF vis-à-vis their participation 	Documentation Review/FCPF Interviews/REDD-plus Stakeholders Interviews/Country Participant Field Visits
	<ul style="list-style-type: none"> ▪ Concrete examples demonstrating the quality of engagements (i.e. collaborations) 	Documentation Review/FCPF Interviews/REDD-plus Stakeholders Interviews/Country Participant Field Visits
	<ul style="list-style-type: none"> ▪ Evidence of level of engagement of stakeholders in FCPF including in preparation of R-PPs 	Documentation Review/FCPF Interviews/REDD-plus Stakeholders Interviews/Country Participant Field Visits
To what degree has the FCPF taken into account progress made in the UNFCCC process on REDD-plus, as well as informed the UNFCCC process?	<ul style="list-style-type: none"> ▪ Evidence of integration of UNFCCC decisions into FCPF REDD-plus activities 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Papers and presentations done by the FCPF to inform the UNFCCC process and its Parties 	Documentation Review/FCPF Management Documents
	<ul style="list-style-type: none"> ▪ Level of success in the FCPF's participation in informing the UNFCCC process 	Documentation Review/FCPF Management Documents Interviews/FCPF Management Interviews/REDD-plus Stakeholders
At country level:		
How is donor coordination for REDD-plus readiness support manifesting itself in FCPF countries?	<ul style="list-style-type: none"> ▪ Evidence of changes in donor coordination for REDD-plus in participant countries 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey Focus Group Field Visits

	<ul style="list-style-type: none"> ▪ Type of changes in donor coordination 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey Focus Group Field Visits
In what way, has bilateral and multilateral assistance to FCPF countries for REDD-plus readiness changed?	<ul style="list-style-type: none"> ▪ Evidence of changes in bilateral and/or multilateral assistance in FCPF participant countries 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey Focus Group Field Visits
	<ul style="list-style-type: none"> ▪ Types of changes in bilateral and/or multilateral assistance in FCPF participant countries 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey Focus Group Field Visits
	<ul style="list-style-type: none"> ▪ Impacts of these changes on FCPF participant countries 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey Focus Group Field Visits
How do these bilateral and multilateral partners relate to the REDD Country Participant's R-PP?	<ul style="list-style-type: none"> ▪ Evidence that participant countries have integrated bilateral and multilateral partners in their R-PP 	Documentation Review/R-PINs & P-PPs
	<ul style="list-style-type: none"> ▪ Links and developments proposed in the R-PPs between bilateral and multilateral partners 	Documentation Review/R-PINs & P-PPs
Has the FCPF sought to build on the existing bilateral and multilateral programmes in the REDD Country Participant?	<ul style="list-style-type: none"> ▪ Evidence of FCPF synergies with other bilateral and multilateral REDD programmes in participant countries 	Documentation Review/R-PINs & P-PPs Interviews/Country Participant Survey Focus Group Field Visits
	<ul style="list-style-type: none"> ▪ Level of success in building on existing bilateral and multilateral programmes 	Interviews/Country Participant Survey Focus Group Field Visits

ANNEX D: DEMOCRATIC REPUBLIC OF CONGO - REVIEW REPORT

INTRODUCTION

Evaluation objectives

This report is an annex to the first independent programme evaluation of the FCPF. This evaluation was commissioned by the Participants Assembly, based on the FCPF Charter. The First Program Evaluation aims to present a broad and representative perspective on the achievements and challenges in the FCPF. In addition to the PA and PC and observers, the evaluation should be of direct relevance to, the Facility Management Team, and the broader REDD-plus community.

The objective of the First Program Evaluation is to assess the effectiveness of the governance structure of the Facility and the operational effectiveness of the Readiness Fund, and suggest ways of enhancing FCPF support to REDD Country Participants. The FCPF, through The Readiness Fund and the Carbon Finance Mechanism, seeks to learn lessons from an innovative experience aiming to develop a realistic and cost-effective new instrument for tackling deforestation. The First Program Evaluation therefore contributes to providing a broad and representative perspective on the achievements and challenges in the FCPF.

The evaluation covers the first two years of FCPF operations, namely from June 2008 to June 2010, covering ongoing as well as completed activities. The evaluation team uses the OECD/DAC Standard Evaluation Criteria of: relevance, effectiveness, and efficiency. Given the early stages of the FCPF, the OECD DAC criteria of impacts and sustainability will be targeted in subsequent evaluations.

Thus, the scope of the evaluation includes progress made by the FCPF in directing resources to the activities that are most likely to contribute to REDD-plus in the future, and some lessons for future REDD-plus regimes. The evaluation aims to look at the FCPF's contribution at the country levels, as well as the global level.

At the country level, the evaluation assesses the formulation of Readiness Preparation Proposals (R-PPs) and the country context of the R-PPs (though not the R-PPs themselves). The evaluation aims 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.

Purpose of the field visit to DRC

As part of this evaluation process and to inform in particular the country level analysis described above, visits to three countries allows the evaluation team to deepen its analysis and understanding of the key determinants of the program implementation history, the strengths and weaknesses of the FCPF as regards country/local situation and context, the limits to the readiness process and possible ways for improvement/lessons learned. This also involved an analysis of Country Participants' institutional capacity and risks to successful and timely implementation of the REDD-plus readiness process, and the identification of strengths and weaknesses of existing governance arrangements.

The first country visit took place in the Democratic Republic of Congo (DRC), and was conducted jointly by the team leader and the senior evaluator, so as to establish a common approach and information gathering process for subsequent country visits. The present document reports the findings from the DRC mission and must be read in conjunction with the main report, which it supports. This country report deliberately does not generate in-country recommendations as it is not meant as a country level evaluation – rather it is meant to inform and enrich the findings, conclusions and recommendations of the FCPF overall evaluation report.

Methodology for field visits

The mission to RDC took place over a period of 10 days from January 24th to February 3rd. The evaluation team used semi-structured interviews and focus groups to gather key information with clusters of informants. Where possible the evaluation team consulted with existing networks and channels to increase coverage and efficiency. The process allowed for interviews and/or focus groups with all categories of key stakeholders involved directly or indirectly in the R-PP and Readiness process in RDC: government (national and provincial), academia, national civil society organizations, private sector firms,

the main multilateral and bilateral donors active on REDD and REDD plus processes and in the forest sector more generally in DRC, and international non-governmental organizations. The mission additionally allowed for a field visit to a potential private sector project site, where focus groups were also organized with local indigenous populations and local chiefs. A complete list of people met is provided in Annex A to the main evaluation report. The mission also permitted to collect additional documentation related to the REDD plus process in DRC, which was reviewed as part of the data analysis process and taken into account in the write up of this mission report. Documents reviewed as part of the DRC field work are incorporated in the overall bibliography for this evaluation provided in Annex B.

State of advancement in readiness process

In terms of advancement DRC benefitted in 2009 from the US\$ 200 000.00 Preparation Grant and had its final Readiness proposal (R-PP) prepared and submitted in March 2010. It has since then been awaiting funding from the FCPF to move ahead with the planned readiness work. Other global REDD initiatives are also active in DRC and have been accompanying the process, in particular UN-REDD. With UN-REDD funding, the readiness process has moved ahead to launch work at the national level on strategy development through a series of 30 thematic groups. Workshops to engage in the development of the strategy at the sub-national levels are now programmed to take place in the months ahead.

Mission report structure

This mission report is structured following the three OECD/DAC evaluation criteria that also are meant to structure the main FCPF evaluation report: relevance, effectiveness and efficiency of the FCPF. Under each of these headings, it addresses the key evaluation questions around the four thematic clusters highlighted to be covered, as per the terms of reference for this independent evaluation.

RELEVANCE

Cluster One: In what way has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants?

It is clear from the various interviews held in DRC that the R-PP is perceived as the country's own REDD-readiness document, around which various donors and national players have rallied and aligned their contributions and efforts. The R-PP went through an extensive consultation process at various levels and including actors from all main sectors of society: Government (national and provincial), national and local civil society (through the GTCR), with some contributions from some private sector actors. The FCPF process has also given the opportunity to share lessons between countries through both the FCPF formal governance process (through the PC, PA and TAP) and through the series of international workshops or exchanges held. For instance, at the time of the mission, the FCPF was organizing a study trip for the Minister of Environment to Brazil, to look at their own approach and management of REDD issues. Another added value of the R-PP process supported by the FCPF has been to lend credibility to the process, which led to the commitment of other funds/donors to the process, including for instance: the FIP on the multilateral side with its proposed anticipated investments of between US\$ 40 to 60 million, and JICA on the bilateral front with its US\$ 10 million support to the MRV capacity building in particular through the Department of Inventory and Forest Management within MECNT.

Interviews and focus groups with stakeholders met in DRC confirmed that they generally saw the FCPF process as fully integrated into the on-going REDD-plus process in the country. There is a general satisfaction among stakeholder groups and the level of consultation that took place through the R-PP process at both the national and sub-national level has been thorough and extensive. More than a hundred people inputted in the first draft version of the R-PP through a series of four workshops. Focus groups bringing together more than 50 people worked on certain parts of the report, and a validation workshop involving more than 80 people from all sectors of society (including provincial level actors)

took place.⁸⁷ One of the issues that led credibility to the process is that the Minister of Environment in DRC has a strong political base and in turn provides strong political support and leadership to the process. That, in the view of numerous stakeholders, has been up to now a key factor in consolidating efforts around the REDD national coordination unit. This has translated into a very strong engagement of a range of stakeholders to the R-PP process, and now to the strategy development process that follows. Various ministries are closely involved in the governance of the REDD-plus process in DRC through the newly created Inter-ministerial Committee, including for instance the Ministry of Agriculture, the Ministry of Planning, etc. CSOs have organized themselves to provide input into this process through the Working Group on Climate and REDD (GTCR) and the 5 task forces it has created on REDD related themes. That being said, focus groups with civil society have revealed that CSOs have been consulted but that they are looking forward to opportunities for a more active participation in the next steps of the REDD strategy development process, beyond feedback on R-PP drafts, participation to workshops, etc. They also point out that adequate time must be set aside to ensure adequate participation with sub-national actors in their own structures.

The national DRC actors that have had an interaction with the FCPF governing structure have found the structure to be adequate. The FCPF is seen as a body that functions well. The main concern relates to the internal accountability requirements of the WB, which have taken time and delayed the funds disbursement process, thus creating a certain level of frustration with national stakeholders.

In terms of the responsiveness of the Participants Committee to guidance from the international conventions, the fact that the UNFCCC focal points are also typically PC members, as is the case for DRC, helps ensure coherence. The FCPF is seen as an instrument that can facilitate piloting and testing of operational mechanisms anticipated within the Convention and thereby informs further negotiations. In that respect, the REDD process nationally paid for the participation of REDD stakeholders in Convention process (such as the participation of civil society and representatives of indigenous groups to Cancun). According to the focal point for the Biodiversity convention for DRC, responsiveness and alignment with UNCBD convention guidance also appears to be adequate in DRC, especially in view of the sites selected for pilots, which coincide with the zones rich in biodiversity in DRC, and provide for a selection that reflects the diverse ecosystems of the country.

The presence of a FMT member at the WB country office in Kinshasa appears to have been welcomed by other donors, government representatives and civil society organizations, both in terms of facilitating the development of the REDD process, but also to assist in dialogue between the National REDD Co-ordination Unit and FCPF globally.

Cluster two:

In what way is the FCPF relevant in the global context of REDD-plus?

As already noted, the FCPF is seen as an integral part, by DRC stakeholders, of the national REDD process. The REDD process is still young in the country and at the global level more generally. Pilots are seen as an opportunity to test approaches. Furthermore, various stakeholders have highlighted the point that the discussion on the SESA is key in approaching this issue of social and environmental safeguards which will be central to the REDD-plus global process as well.

In what way are the FCPF Mechanisms relevant at the national levels for its Country Participants?

Interviews and review of policy documents have confirmed that the FCPF priorities and activities in DRC are coherent with national policies. One example of this is the National Growth and Poverty Reduction Strategy (which is currently being updated). Within this document, rural poverty and poor systems of

⁸⁷ Democratic Republic of Congo. Ministry of Environment, Conservation and Tourism. Readiness Plan for REDD 2010-2012. R-PP Final Version. p. 11.

agricultural production are highlighted as key areas requiring attention. Due to the impacts of extensive systems of slash and burn agriculture and the impacts that this has on deforestation, the R-PP has highlighted this as one of the key areas requiring attention and investment. The R-PP defines thirty thematic working groups which are largely sectoral in nature and which will have the responsibility for working on key reforms or delivery mechanisms within the existing governmental structures and processes. Early indications at the political level also suggest that climate change is likely to be an important issue in the upcoming iteration of the Poverty Reduction Strategy. The process that led to the R-PP preparation, and the strategy development process now starting, also align themselves with the decentralization process in DRC, with activities planned at all levels (national, provincial, district and territories). This is being operationalized namely through the set up of focal points at the provincial level as one of the first steps. Furthermore, interviews reveal that there general alignment between REDD-plus and the general policy direction, and the national program in development for the forestry sector. In fact, the FCPF mechanism and REDD activities planned for DRC have the potential to reinforce the implementation of these policy directions, in areas such as zoning, landscape management, capacity building, etc. The challenge will nevertheless be in devising mechanisms for a more in-depth collaboration at the operational level between the REDD National Coordination Unit and the Ministries involved, to ensure alignment at the ground level, for instance, in the pilots to be implemented under the REDD process in DRC which the FCPF supports. Although the National REDD Co-ordination Unit is located in a separate building, the fact that the REDD structure is under Ministry of Environment, Nature Conservation and Tourism (MECNT) should help ensure this operational linkage at this institutional level. Efforts are also underway to help ensure strong inter-sectoral coordination through the Inter-ministerial Committee and the thirty thematic working groups, which are just starting their work. Ensuring a strong representation from key ministries on the Inter-Ministerial Committee as its work evolves will be crucial in adequately engaging sector ministries in the development, and later on, in the implementation of the DRC REDD strategy, which is, by nature, an inter-sectoral endeavor.

EFFECTIVENESS

Cluster Two: Is the FCPF on track to meeting its objectives?

What has been the progress of the FCPF in building capacity for REDD-plus in developing countries in tropical and subtropical regions?

A significant amount of time, effort and resources have been invested in raising awareness regarding REDD-plus at both national and sub-national levels, with support from both FCPF and UN-REDD. As already mentioned, workshops and meetings have been conducted with a wide range of stakeholders from government agencies (national and provincial), development partners, parliamentarians, universities, private sector and civil society (national and international) with a view to introducing the concept of REDD and REDD-plus. A range of media have been deployed including formal meetings, radio, printed media and national television. The primary objective of this awareness raising process has been to spread understanding about what is essentially a new concept within the DRC context and also to ensure that a meaningful engagement and feedback can be secured when draft strategies are presented and discussed. It might be premature to report that these efforts have resulted in an increased capacity for REDD-plus, as levels of understanding are still at a somewhat superficial level, beyond those directly engaged with co-ordination efforts.

One particularly important impact or output of these efforts has been the galvanization of national civil society through the medium of the GTCR. The GTCR is a national coalition of NGO representatives combining interests from lands, natural resources, governance, IPs' rights and environment. In many cases, members of GTCR are themselves umbrella associations, who in turn represent lower level interest groups at the field level. While there have been certain short-comings with the GTCR in terms of developing and establishing a single, consistent and unified voice from across civil society, it does represent a broad spectrum of interests and the first time that such a broad coalition of interests have been brought together to engage in around a national policy process such as this. While no specific support has been provided through FCPF at the country-level to support civil society engagement, a

special grant was secured from the FCPF global program (to the value of US\$ 70,000) which has been important in building capacity, understanding among civil society and indigenous groups as well as meeting the costs of meetings and undertaking GTCR-related work. Further support, provided through Rainforest Foundation (Norway) through Norad funding, have provided additional support to the *Réseau des Ressources Naturelles* (RRN) network which is currently providing the secretariat functions for the GTCR.

Further support from FCPF has been important in supporting national level stakeholders (from both government and civil society) to engage in regional as well as global processes, such as PC meetings and UNFCCC events. As already eluded to, at the time of the field mission to DRC conducted as part of this review, the Minister of Environment was being supported by FCPF to travel to Brazil for a study tour, and with a view to learning about the establishment of national or regional REDD-funds as well as the development of field-based pilot projects. .

Are the current objectives realistic in relation to the capacity of REDD Country Participants, time frame, resources for REDD-plus readiness and bridge finance likely to be available before large-scale systems of performance-based payments?

Overall levels of institutional capacity within national government agencies are understandably weak, given the low levels of remuneration and incentives provided within the civil service. Despite these capacity gaps, the government, supported by donors, is spearheading a number of ambitious reforms across a number of sectors relevant to REDD. This includes current plans to strengthen the national decentralization process to sub-provincial levels, important reforms in the forest sector designed to improve governance and trade, and increased capacity support directed to the national conservation agency (ICCN) with regard to its management of protected areas. Key donors and implementing agencies in this regard include the German Technical Cooperation (GTZ) (today GIZ), WB and FAO. These reforms which appear to be making good progress, all are still very much in their infancy and impacts on the ground have yet to be realized.

In light of the observations above, the goals and strategies within the R-PP are ambitious. They include a wide range of interventions designed to build capacity, develop field pilots, introduce legal and policy reforms, improved levels of governance as well as establish MRV systems and baselines. The time-frame for achieving these activities, as described in the R-PP, is three years (until the end of 2012). While many involved in the development of the R-PP acknowledge the ambitious nature of the plans (including some of the TAP members reviewing earlier drafts), they also point to the high level political demands and expectations that have been placed on the National REDD Co-ordination Unit to move towards REDD readiness. In addition to the capacity constraints outlined above, a number of other factors may constrain the realization of the goals set in the R-PP. This includes:

- the size of DRC coupled with the limited internal communications and accessibility;
- the ongoing insecurity and civil unrest in some parts of the country;
- the severe governance constraints that are prevalent across the country (not least within the natural resources sector) and the degree of reforms that will be needed (both in creating new laws but also ensuring their implementation); and,
- the national elections planned for 2011, which may mean important political decisions or reforms are postponed.

The funds available from FCPF for the preparation of the R-PP in DRC were US\$200,000. Estimates of the actual costs of preparing the final, approved document range from US\$ 800,000 to US\$ 2 million, depending on which costs are taken into consideration. Clearly the resources provided for the R-PP document and planning phase were not adequate and significant levels of co-financing were required to produce the final document. In line with some of the factors described above, the logistical challenges of securing widespread consultation in a country such as DRC mean that costs are guaranteed to be higher than in other smaller states with better communications and overall levels of development. The total projected budget within the R-PP for REDD-readiness is projected at US\$ 22.7 million which, it is anticipated, will be funded from a range of bilateral and multilateral sources. The funds made available within FCPF for DR Congo have been agreed at a maximum budget of US\$ 3.4 million, representing

15% of the total budget. UN-REDD will contribute an additional US\$ 5.5 million to the process. Again, the funds provided by FCPF and UN-REDD together therefore represent only a portion of the total readiness estimated budget required, and alternative sources of co-financing will be needed if the current funding gap is to be closed.

The overall objective of REDD-readiness is to develop the systems and structures within DRC that would allow performance based payments to be made. Clearly, it is far too early to be able to assess the degree to which progress towards this goal has been made. However, the continuing strong focus by government and development partners on the establishment of both pilot projects as well as the 5 thematic programs (*programmes anticipés*) envisaged through the FIP have the potential to generate performance based payments, and build national capacity within this area. National moves to establish MRV systems and structures are also an important aspect of these preparations.

Have there been any impacts as a result of knowledge generated and disseminated by the FCPF?

Technical guidance available from FCPF covers a range of subjects, including templates (for R-PP for example), lessons learned as well as guidelines for REDD-readiness (such as integrating social and environmental concerns, and technical guidance on carbon financing). These tools have been received and applied in DRC, but primarily by the staff working within the National REDD Co-ordination Unit. While the comments regarding these tools have generally been positive, concerns have been expressed regarding the frequent changes to the R-PP template, which have impacted DRC in particular due to their relatively early involvement in the process. Furthermore, while the guidelines for integrating social and environmental concerns through the SESA provide general support, in-country participants indicated that more detailed input was lacking and required development in-country. The National REDD Co-ordination Unit has recently developed detailed Terms of Reference for the implementation of the SESA process based on a period of consultation with various stakeholders.

Another impact noted during the mission has been in terms of DRC's input into the REDD momentum at the regional level. As DRC was one of the first countries to move ahead with its R-PP, it has been in a position to share its experience with other countries in the region which, according to interviewees, have benefited from that exposure to DRC's experience.

Cluster Four: How effective has the FCPF governance structure been?

Is the governance system of the FCPF adequate for delivering its objectives and up to international standards?

From a national perspective in DRC and as already mentioned, the governance structure of the FCPF is generally seen as sound, transparent and adequate. The main concern raised by national stakeholders relates to issues of language, where English tends to predominate in the PC, PA and in the Facility work more generally and which has put francophone countries such as DRC at a disadvantage. This has hindered the active participation and potential benefits to DRC from the global exchange and lessons learning process according to key national stakeholders closely involved with the FCPF.

When compared with other mechanisms and funds, such as UN REDD, the FCPF, in a country like DRC, is seen as complementary. While FCPF Funds are managed directly by the country (through its National REDD Co-ordination Unit), as opposed to UN-REDD funds, which are managed by the UN Agencies, the process of disbursement by the FCPF in DC is seen as more lengthy, while UN-REDD funds are faster to disburse and more flexible in terms of allocation to particular activities, as they are managed by the UN locally. Playing on these specific characteristics in terms of delivery mechanism has allowed the national coordination unit to manage so far the preparation process in a relatively timely fashion.

What have been the catalytic effects of the FCPF outcomes?

In terms of catalytic effects, the main achievement of the FCPF to date has been in generating the R-PP, which is seen by all actors in DRC (be they Government, civil society or private sector), as a shared

document with which to start strategy development and experimentation. The presence of the WB in the REDD process, coupled with a shared vision among all actors within DRC created a conducive environment for the involvement of other multi-lateral and bi-lateral interventions. This translated for instance in the commitment from the FIP, through its anticipated investment program, to supporting 6 interventions in line with the R-PP strategy, to the value of between US\$ 40 - 60 million. The Japanese government (JICA) has also committed some US\$ 10 million in support of environmental management and MRV efforts in particular. It could be said that the R-PP process in DRC has galvanized interest of both national and international actors on REDD-Plus in Central Africa.

The involvement and interest of the private sector in REDD has so far been limited and further work at this level will be required. The R-PP process had other benefits as well. In particular, it raised the profile of governance for natural resources in DRC: including for instance, around issues such as benefit sharing and land tenure. The process more broadly, with support from various sources (including international NGOs and bilateral donors such as Norway), also allowed the strengthening of the mechanism through which civil society in DRC is organized and engages on environmental governance issues in DRC, and through that process, the R-PP process gave strength and credential to the voice of civil society. The strong voice given by the WB, through its focus on social and environmental safeguards has also empowered national civil society to speak out on issues that otherwise might have been considered too politically risky, had the WB not been present.

Cluster One: What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?

Have there been any unintended positive or negative outcomes from the Readiness Mechanism

The key positive outcome generated to date has been the production of an R-PP document, developed in a consultative manner. Other positive outcomes have been described elsewhere in this country report, and include a strong engagement from civil society, strong government ownership and leadership and harmonized engagement from bilateral and multilateral donors. Given that the FCPF process to date has been largely concerned with the development of a nationally agreed REDD-readiness strategy, it is perhaps too early to speak of any real field level impacts, either positive or negative, anticipated or unanticipated. One of the main objectives of the SESA, which has yet to be conducted, will be to identify potential areas of risk, where mitigating action may be required; if possible negative impacts are to be avoided, such as the erosion of land tenure rights of forest-dependent and/or indigenous communities.

However, at a more process level, some early observations can be made:

- **Creating a stronger voice for civil society within the environmental sector:** The increased coordination (both vertical and horizontal) witnessed within civil society coupled with a strong engagement in a government-lead process has not only enriched the R-PP process and outcomes, but has resulted in a stronger and more empowered civil society sector overall. Evidence is already emerging that following the strong level of engagement in the R-PP process, both civil society and government are now more meaningfully engaged in other policy related processes, such as reforms within the forest sector relating to forest governance and trade.
- **Administrative delays within FCPF disbursements that may have a bearing on the overall effectiveness of the program:** The constraints caused by the late release of financing for the R-PP formulation phase and the delay, to date, to disburse the Readiness Preparation Grant may have a negative impact on the overall credibility of the program at national level. Due to flexibility applied through UN-REDD support, the funding gaps caused by these late disbursements have been met with a minimum of disruption. If, however, the Readiness Preparation Grant is delayed yet further, there is a risk of a loss of credibility among stakeholders involved in the REDD readiness process (such as government agencies as well as bilateral and multi-lateral funding partners). This, in turn, could jeopardize the ability of the FCPF to act as a catalyst to wider REDD-readiness processes within DRC.

What lessons and implications does the FCPF experience offer for REDD-plus readiness, scaling up and likely impacts on REDD-plus outcomes

Some of the key lessons learned through the FCPF engagement in DRC to date include the following:

- **Securing strong political support at national level:** Within the context of DRC, the environment ministry (MECNT) is a relatively powerful player, with the Minister for Environment a key person within the national political context. Furthermore, forestry and environment are both found within the same ministry. In many other countries where REDD is being developed, there has been competition between environment and forestry ministries regarding where the focal point should be institutionalized. As a result of these two factors, REDD is being strongly championed within government, which has played an important part in accounting for the strong progress made to date. However, strong political support is also not without potential risks. Political imperatives may lead to casting expectations from REDD to a point that may be unattainable in the short term. This may result in a loss of interest and engagement, if, as is anticipated, REDD benefits will take time to be realized at the local levels.
- **Division of REDD-plus co-ordination and administrative functions:** The overall national co-ordinator for REDD is the Director of the Department for Sustainable Development within MECNT, and also the focal person for GEF and UNFCCC. His responsibility is ensuring overall levels of co-ordination, between different sources of funding, but also providing overall guidance and direction to inter-ministerial and inter-agency involvement. Management at a more operational level has been delegated to a national REDD co-ordination unit, housed within the MECNT. This unit acts as a REDD secretariat, and has the responsibility for undertaking tasks, delivering outputs and managing operational aspects of the program. This clear division of responsibility of co-coordinating and administrative/ operational functions ensures an efficient delivery of outputs.
- **Inter-ministerial engagement.** REDD is a cross-sectoral process, that if it is to succeed, must ensure that aspects related to governance, finance, agriculture, land tenure and rural development are well integrated within the plan. Given that these key sectors are represented through national ministries, it is important to establish a deliberate process that secures their active involvement and engagement. Within DRC this has been undertaken through a range of forums, such as the inter-ministerial committee and the establishment of specific thematic working groups, which provide a platform for government, civil society and private sector to engage around specific themes such as land and resource tenure, agricultural development and energy.
- **Securing a strong voice from civil society:** Within the context of DRC, and in particular within the environmental sector, national civil society has tended to be somewhat fragmented, weak and incoherent. The REDD process has triggered a process of internal organization and joint planning which despite certain internal conflicts and weaknesses, represents the first organized environmental movement within the country. With support from a range of sources, national civil society has been able to engage strongly within the REDD planning process and continue to raise important voices around issues such as the rights of IPs, social and environmental risks, land and tenure rights, forest governance and benefit sharing.
- **Differing views of REDD-readiness:** The experience from DRC has raised the important question of what constitutes “REDD-Readiness” and the differing opinions around this subject. Some advocates appear to be arguing that readiness is complete only when all legal, governance and institutional instruments are in place and fully operational. Others however, point to readiness as being more of a continuous process of reform in which performance based payments are increasingly phased in through the medium of pilot projects, while legal and governance reforms continue in parallel.
- **The need for deliberate measures to secure the participation of non-state actors.** While the involvement of civil society within DRC has been strong, this has not been realized through direct financial support from the national FCPF process. Rather, financial support has been realized through a US\$ 70,000 grant secured through the global program on IPs, within FCPF and through financial and technical assistance from Rainforest Foundation (Norway). Private sector has shown a strong level of interest of engaging within the carbon markets within DRC, both from a perspective of securing A/R credits and also some early interest in engaging in REDD credits within the voluntary market. However, with the uncertainties regarding the future market within REDD credits

and the list of reforms that will be needed to ensure REDD functions effectively at a national level, there is a reluctance on the part of the (responsible) private sector to engage effectively, with the risk that less responsible actors (otherwise known as ‘carbon cowboys’) will enter the market and fill the space with all the risks that this entails). These early experiences point to the important and pro-active role that civil society and private sector actors can play within the REDD process, but furthermore the necessity of providing incentives to participation – either through direct funding opportunities to national civil society, or through risk reduction measures (such as bank guarantees) or lowering the entry fee (for instance through support for feasibility or other technical studies) to responsible private sector agencies.

- **The added value of donor co-ordination.** The high level of co-ordination between UN-REDD and FCPF, as well as other bilateral inputs in DRC has generated a number of important benefits in terms of both efficiency and effectiveness. Firstly it has created a clear division of labor between different donor agencies – as evidenced by the decision to fund REDD pilots through Norwegian support to the Congo Basin Forest Fund. Secondly, it has ensured that despite the delays in disbursement of the FCPF, activities at the national level have been able to continue in a timely fashion, with co-funding provided through UN-REDD. Had this co-ordination not been in place, it is quite clear that the REDD process would not have advanced to the same degree as seen today. The presence of a FMT member within country has also assisted greatly in terms of improving co-ordination among development partners, as well as between the FCPF and the national REDD co-ordination process.
- **Linkages between Afforestation / Reforestation (A/R) and REDD-plus processes:** The national planning process for REDD has highlighted the importance of linking REDD efforts with complementary efforts to increase carbon stocks. In particular, this has been apparent regarding the high levels of urban demand for charcoal, which is creating a deforestation belt around major cities such as Kinshasa, Kisangani and Lubumbashi. This has been strongly reflected within the R-PP. Private sector actors are already beginning to engage in development of A/R projects, through the voluntary market, to reforest these areas together with local communities, within a sustainable management framework. One US-based carbon project developer has developed a partnership with a forest concession (SAFBOIS) in the tropical forest zone with a view to developing a REDD carbon project, through the voluntary market. Given the relatively high risks involved in such project development, the project developers have opted to combine REDD credits with A/R credits, which represent a lower level of risk.

What steps has the FCPF taken to ensure that these lessons are appropriately conveyed to the broader REDD-plus community?

Lessons learned and experiences gained through FCPF have been transmitted to participants in the REDD process within DRC through a range of mechanisms. While written documents and guidelines have been received and used within country – this has mainly happened within the domain of the national REDD co-ordination unit. In many cases, problems of language have hindered wider adoption and utilization. More important, however, are other processes, where face-to-face communication takes place between those involved in different country processes. This takes place most typically at participant assembly and participant committee meetings, but also through COP, and tends to be confined to those directly involved in the process of REDD planning and implementation.

How can successes be replicated, or failures avoided, in a wide range of country conditions, including as a prelude to operationalizing the Carbon Fund?

It is probably too early to speculate how successes can be replicated, or failures avoided in a wide range of country conditions, based on the experiences of DRC, although some early lessons learned described in the preceding section may point to some key “success criteria”, “impact drivers” and potential pitfalls. It will be necessary to allow the process to mature to a greater degree within country, and critically for the process of REDD-readiness to mature and deepen at both national and project levels.

One area that may help increase the potential of success within a country such as DRC is a greater engagement of the FCPF process within regional initiatives and mechanisms. Within the Congo Basin,

there are a number of ongoing regional forest management initiatives, such as the Congo Basin Forest Fund, the Congo Basin Forest Partnership, Central African Regional Program for the Environment (CARPE), and the Central African Forest Commission (COMIFAC). These initiatives have been able to create a positive dialogue between states within the Congo basin, in particular regarding conservation and management initiatives at a regional level. Given the rather erratic nature of participation within REDD as seen across central Africa, some kind of regional mechanism may also be helpful in creating a more common approach across the Congo Basin.

A number of issues are likely to affect the architecture of a national carbon mechanism in DRC, not least an understanding of adequate approaches to benefit sharing principles and approaches, the governance basis of a carbon fund. A few alternatives being explored at present include a national fund management by the government and a fund with government oversight but with management delegated to an independent entity. In parallel, preliminary reflections would suggest the need for continued support to capacity building and establishing future REDD structures that may be beyond the scope of the carbon fund, given the capacity challenges faced in DRC. This may necessitate continued external assistance from bilateral and multilateral donors as well as international NGOs, either directly or through the establishment of a multi-donor funding mechanism.

EFFICIENCY

Cluster Four: To what extent has the FCPF been efficient in achieving desired results?

How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures?

Interviews in DRC have revealed that the US\$ 200 000 R-PP preparation grant was effectively disbursed 6 months after the FCPF contract signature. Fortunately, the more readily available UN-REDD funds which were approved at almost the same time as the R-PP, were available only 2 months after FCPF contract signature and thus permitted an overall timely preparation process. With respect to the US\$ 3.4 million readiness grant approved following the acceptance of the R-PP by the FCPF, final approval to proceed with disbursement is still being awaited from the WB, 11 months after R-PP final approval in March 2010 at the Gabon PC5 meeting. This delay does not reflect on the FMT management process, but rather on the parallel requirements and procedures dictated by WB operational policies. At the time of the evaluation mission to DRC in late January 2011, approval by the WB Board of the operational guidelines for the FCPF safeguard process was being awaited with anticipation, as a prerequisite for the WB regional Vice-President final signature required to proceed with the release the readiness grant to DRC. Once more, the availability of UN-REDD funds at the national level in DRC has facilitated the operations of the National REDD Coordination Unit in the interim and allowed the unit to proceed with the first steps of the strategy development and planned sub-national capacity building efforts. Interviews reveal however, that should the disbursement issue for FCPF not be resolved promptly for DRC, this could lead in the near future to a difficult situation in terms of continuing with the implementation of activities and mobilization of the national coordination unit.

Were the countries able to use the resources provided in a timely manner?

The issue of the timeliness of access to FCPF funds and timeliness of disbursement are already discussed above. With respect to the use made of the US\$ 200,000 R-PP preparation grant, implementation proceeded more or less according to plan. Interviews however revealed that Bank procedures on consultant selection were apparently not clear to the National REDD Coordination unit. This led to delay in selection for certain studies. The application of the non-objection procedure from the WB has also added to the timeline for implementation at the country level. For instance, interviews in DRC revealed that securing “no-objection” to the ToRs for the SESA in DRC took approximately 3 months (from September 2010 to December 2010).

Has the TAP been utilized efficiently in the assessment of the R-PPs? And, has the selection process of the TAP been transparent, free from conflict of interest, and has the independence of reviewers been ensured? Does the combined use of TAP reviews of the R-PPs, PC reviews and the WB's due diligence represent an efficient process for assessing R-PPs?

A review of the various comments from the TAP on the DRC R-PP, and interviews with key stakeholders in DRC closely involved in the R-PP preparation, have both highlighted the technical quality of the comments provided by the TAP and their independence. The process was seen by DRC stakeholders as sound and useful as a quality assurance mechanism. Indeed, each TAP member review focused on complementary issues, which together added to the quality of the final product. That being said, in light of the DRC experience, it seems the TAP process would gain from being streamlined in terms of timing of input and/or in terms of ensuring the availability of relevant TAP members on time. The draft R-PP was apparently forwarded from DRC for review on January 11th 2010, but TAP feedback only came at end of February, leaving only 3 days to the National REDD Coordination Unit to address TAP comments before final submission date to the PC5 meeting. The value added of the PC review was less clear from a national perspective, although from a global perspective, this process certainly constituted a good information exchange mechanism. Interviewees in DRC point out that these different review steps have added to time delays. They however acknowledge that the main source of delay in terms of disbursement for the Readiness grant revolves around the Safeguard issues/risk management process within the WB itself.

How do participating countries perceive the costs and benefits of the FCPF Readiness Mechanism, including timeliness and magnitude of resources?

In terms of perception with respect to the resources allotted to the Readiness mechanism, in DRC, given the difficulty of working in this large country, with its vary basic communication and transport infrastructure, the allotted resources of the Readiness Mechanism are seen as rather symbolic. The main value added has been the R-PP existence, which has given the impetus for engagement by other donors. This is particularly crucial given the cost associated with the strategy development as outlined in the R-PP, estimated at more than US\$ 22 million. Work in mobilizing these resources is still in progress, with only about half of these resources committed so far.

Cluster Three: Is the FCPF cooperating with other processes?

At the country level:

How is donor coordination for REDD-plus readiness support manifesting itself in FCPF countries?

In general, the REDD-plus experience in DRC provides an excellent example of inter-donor coordination between both multilateral and bilateral donors. This has been manifested at a number of levels. Within the national REDD co-ordination unit funds have been pooled and used together to support a single, country-owned, national REDD process. The merging of the UN-REDD and FCPF templates has meant that in effect the R-PP has now become the national REDD readiness strategy, rather than one created in parallel to the government-owned strategy. Complementarity between different sources of funding has been strengthened by the decision for Norad support to be channeled towards support to REDD pilot projects at the local level. Recent interest expressed by JICA to support MRV processes is being coordinated by government to ensure complementarity and avoid duplication of effort. Funding support to NGOs (and in particular international NGOs) has also been supportive to the national REDD process and the R-PP, with a fair distribution of resources between different implementing agencies (such as WWF, African Wildlife Foundation (AWF) and WCS) based on their direct experience and involvement at the site level. The FIP is being developed in a way that is supportive to the strategies laid out in the R-PP, and seeks to address key deforestation drivers.

In what way, has bilateral and multilateral assistance to FCPF countries for REDD-plus readiness changed?

Donor interest to support to national REDD processes in DRC was triggered following global developments within UNFCCC regarding moves towards a forest-based climate mitigation mechanism. Funds to the country began to materialize around 2009, with the advent of UN-REDD, FCPF and

Norway's International Climate and Forest Initiative. WB and UN agencies were already involved with existing initiatives relating to sustainable forest management and biodiversity conservation through a number of on-going channels. Amongst all the main donors supporting the REDD process there is a general agreement regarding the importance of supporting country-lead processes and structures. As such, financial and technical support has been channeled to the National REDD co-ordination structure.

Has the FCPF sought to build on the existing bilateral and multilateral programs in the REDD Country Participant?

Donor support to REDD has been channeled through a National REDD Co-ordination Unit. While this unit reports to the national REDD coordinator within the MECNT, the office is essentially a Project Implementation Unit, which is located outside the ministry structure and staffed by staff on project salaries. While this model presents a number of advantages in terms of ensuring a smooth implementation, it is essentially a parallel structure, and it will be important to ensure that as the REDD-plus process moves towards readiness and ultimately towards implementation, existing mandated structures within MECNT are engaged and strengthened to assume overall responsibility in the longer term.

The inter-ministerial REDD committee, established through legal decree when the REDD process was initiated within DRC has been created to ensure co-ordination between the environment ministry and other key government agencies such as Ministries of Agriculture, Rural Development, Planning and Mines. To date, the committee has only met once and in effect it has yet to become fully operational.

Despite strong signs of donor co-ordination, there is some evidence that co-ordination between REDD initiatives and other complementary, ongoing processes within the forest conservation and management sector are less clear. DRC has been the subject of a range of forest management, conservation and sustainable resource management initiatives in recent years. These includes reform of the forest sector, a forest zoning exercise, strengthening FLEG processes, creating and strengthening protected areas and supporting community based natural resource management. All of these reinforce and support efforts to reduce deforestation and forest degradation. With the strong political will that has been generated within DRC, and the injection of significant levels of donor funding, there are risks that many of these ongoing processes may be superseded by the REDD process, leading to a loss in efficiency and an increased possibility of duplication of effort. Although these risks have yet to be manifested, it is one area that will require active management if it is to be avoided during the implementation of REDD-readiness support.

ANNEX E: MEXICO COUNTRY - REVIEW REPORT

INTRODUCTION

Evaluation objectives

This report is an annex to the First Independent Program evaluation of the FCPF. This evaluation was commissioned by the Participants Assembly, based on the FCPF Charter. The First Program Evaluation aims to present a broad and representative perspective on the achievements and challenges in the FCPF. In addition to the PA and PC and observers, the evaluation should be of direct relevance to, the Facility Management Team, and the broader REDD-plus community.

The objective of the First Program Evaluation is to assess the effectiveness of the governance structure of the Facility and the operational effectiveness of the Readiness Fund, and suggest ways of enhancing FCPF support to REDD Country Participants. The FCPF, through the Readiness Fund and the Carbon Finance Mechanism, seeks to learn lessons from an innovative experience aiming to develop a realistic and cost-effective new instrument for tackling deforestation. The first program evaluation therefore contributes to providing a broad and representative perspective on the achievements and challenges in the FCPF.

The evaluation covers the first two years of FCPF operations, namely from June 2008 to June 2010, covering ongoing as well as completed activities. The evaluation team uses the OECD/DAC Standard Evaluation Criteria of: relevance, effectiveness, and efficiency. Given the early stages of the FCPF, the OECD DAC criteria of impacts and sustainability will be targeted in subsequent evaluations.

Thus, the scope of the evaluation includes progress made by the FCPF in directing resources to the activities that are most likely to contribute to REDD-plus in the future, and some lessons for future REDD-plus regimes. The evaluation aims to look at the FCPF's contribution at the country levels, as well as the global level.

At the country level, the evaluation assesses the formulation of Readiness Preparation Proposals (R-PPs) and the country context of the R-PPs (though not the R-PPs themselves). The evaluation aims 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.

Purpose of the field visit to Mexico

As part of this evaluation process and to inform in particular the country level analysis described above, visits to three countries allowed the evaluation team to deepen its analysis and understanding of the key determinants of the program implementation history, the strengths and weaknesses of the FCPF as regards country/local situation and context, the limits to the readiness process and possible ways for improvement/lessons learned. This also involved an analysis of Country Participants' institutional capacity and risks to successful and timely implementation of the REDD-plus readiness process, and the identification of strengths and weaknesses of existing governance arrangements.

The first country visit took place in DRC, and was conducted jointly by the team leader and the senior evaluator, so as to establish a common approach and information gathering process for subsequent country visits. The second visit was conducted in Mexico by the Evaluation Team Leader. The present document reports the findings from the Mexico mission and must be read in conjunction with the main report, which it supports. This country report deliberately does not generate in-country recommendations as it is not meant as a country level evaluation – rather it is meant to inform and enrich the findings, conclusions and recommendations of the FCPF overall evaluation report.

Methodology for field visits

The mission to Mexico took place over a period of 10 days from February 21st to March 3rd, 2011. The evaluation team used semi-structured interviews and focus groups to gather key information with clusters of informants. Where possible the evaluation team consulted with existing networks and channels to increase coverage and efficiency. The process allowed for interviews and/or focus groups with all

categories of key stakeholders involved directly or indirectly in the R-PP and Readiness process in Mexico: government (national and provincial), academia, national civil society organizations, private sector firms, the main multilateral and bilateral donors active on REDD and REDD-plus processes and in the forest sector more generally in Mexico, and international non-governmental organizations. The mission additionally allowed for a field visit to one of the REDD pilot project site, where focus groups were also organized with local populations. A complete list of people met is provided in Annex A to the main Evaluation report. The mission also permitted the collection of additional documentation related to the REDD-plus process in Mexico, which was reviewed as part of the data analysis process and taken into account in the write up of this mission report. Documents reviewed as part of the Mexico field work are incorporated in the overall bibliography for this evaluation provided in Annex B.

State of advancement in readiness process

Mexico submitted its R-PP which was later approved in March 2010. The TAP and PC provided comments at the time which Mexico committed to addressing through the preparation process to follow. As part of a continuous process of learning, a revised final version of the R-PP addressing these comments is expected to be ready in a few weeks time according to government officials. This revised version will also be an opportunity to update the budget in the R-PP and where the preparation contribution from the FCPF (US\$ 3.6 million) would be best targeted given the rapidly evolving REDD context in Mexico. Indeed, since the final version of the R-PP was approved a year ago now, the REDD agenda in Mexico has witnessed a number of developments. Mexico sees the R-PP as one building block in that process. Since submission of its R-PP, Mexico, with some limited funding support from UNDP, has pressed ahead with the development of its comprehensive approach to REDD, a process that led to the publication of the “Vision de Mexico sobre REDD+, Hacia una Estrategia Nacional” document, officially presented at COP16 in Cancun by President Calderon. It is generally recognized by all stakeholders interviewed in Mexico that the “Vision” process was much more inclusive and transparent in its consultation and development than the R-PP process. Different funders have come forward in the meantime to support the implementation of that “Vision” following the momentum built in Cancun, a process that will lead to the development of a national REDD strategy. The government has put as an internal deadline the end of 2011 to have a first version of this strategy. Main funding in place so far includes European Commission /French Agency for Development (AFD) support for early actions under the strategy development process (in particular a pilot project in Jalisco) and funding from Norway on MRV, to be implemented through UNDP. A week before this evaluation mission, a meeting of the Consultative Technical Committee on REDD (CTC-REDD) (the formal advisory body to the national Working Group on REDD) had been organized to set up the working modalities for the development of the REDD strategy.

Mission report structure

This mission report is structured following the three OECD/DAC evaluation criteria that also are meant to structure the main FCPF evaluation report: relevance, effectiveness and efficiency of the FCPF. Under each of these headings, it addresses the key evaluation questions around the four thematic clusters highlighted to be covered, as per the terms of reference for this independent evaluation.

RELEVANCE

Cluster One: In what way has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants?

In Mexico, it is recognized that the FCPF process, through the development of the R-PIN and R-PP was the first opportunity to get a discussion going on REDD in Mexico. In essence, the R-PP process provided the impetus to this wider discussion that followed on REDD issues in Mexico. In the R-PP development process, particular value added was found by those closely involved with respect to the systematic nature from a methodological perspective. The information required to produce the R-PP, in terms for instance of land use historical models, drivers of deforestations, reference scenario, etc provided an opportunity to organized very valuable but scattered information on forest sector status, governance, etc in Mexico, making the process more transparent. That formed part of the basis for work that followed on developing Mexico’s own vision on REDD. The R-PP process also provided an opportunity for

wider civil society involvement in the REDD process in Mexico. This involvement started through a consultation process building on the already existing consultative committee under the Payment for environmental services program (PSA) under the CONAFOR which brought together at the time a number of national and international NGOs and academic institutions. This committee was later expanded to a slightly broader group of national stakeholders with interest on REDD issues and formed the nucleus around which the CTC-REDD was later developed to expand participation in the REDD process in Mexico. Participants in the R-PP development process also highlighted the opportunity for South-South collaboration and exchange that the R-PP process provided, in particular through PC and PA meetings. Workshops were also held in Mexico (namely the 2 day training workshop at the beginning of the process that brought together representatives from different regions in Mexico).

Cluster two:

In what way is the FCPF relevant in the global context of REDD-plus?

Interviews have revealed that in the first stages of the UNFCCC negotiations, the FCPF process tended to go beyond the negotiations and in some sense influence them. In Mexico, this was sensed by some stakeholders involved in the negotiation process in particular with respect to the FCPF focus in the early days on national processes, while countries like Mexico were trying to push for sub-national focus in REDD implementation. Since then, however, it is believed that FCPF input in the negotiation process (which is informal but very present), has been instrumental in informing the process on what is possible and avenues to be further explored. Indeed, with time, the FCPF has been instrumental in feeding in-country learning into the international negotiations on climate change. The relationship with the UNCBD and UNCCD is seen as much more tenuous at this stage. In that respect, the FCPF has also provided a forum for countries like Mexico, who is recognized as a leader on MRV and REDD preparation, to show case its experience and engage other developing country participants on the discussion on REDD preparation. This, in the view of some donor representatives in particular, has clearly been instrumental in giving impetus to the REDD agenda at the international level.

In what way are the FCPF Mechanisms relevant at the national levels for its Country Participants?

The FCPF process in Mexico came at a time when the interest for REDD was growing in Mexico. The REDD agenda was clearly in line with Mexico's recognized priority on climate change and as formalized in its 2007 Climate Change Strategy (Estrategia Nacional de Cambio Climatico) and then in 2009 with its Climate Change Program (Programa Especial de Cambio Climatico 2009-2012). Furthermore, the current government has made climate change one of top priorities for Mexico. The FCPF established a close working relationship with CONAFOR, which has been recognized by the government as the focal point on REDD issues nationally. In this sense, the FCPF process linked closely with the national process on REDD and informed it in its early stages. As already eluded to, for CONAFOR as well as for the stakeholders from other spheres of influence in Mexico, the R-PP and the future support on readiness preparation are seen as building blocks to feed into the more comprehensive REDD national strategy development process that will follow the development of the "Vision" document presented by President Calderon at COP16. The Mexico R-PP, which was one of the first ones developed under the FCPF, is seen as a rather narrow document by all stakeholders involved, quite technically focused on issues of land use historical patterns, reference scenarios and MRV, with more limited attention to other equally crucial aspects of REDD-plus readiness such as communication and institutional capacity development at different levels. This view echoes those provided through the FCPF review process by TAP and PC members and seems to be a reflection of the fast evolving understanding both nationally and internationally (including within the FCPF itself) of REDD-plus and its requirements, especially at the time Mexico joined the R-PP process, as an early entrant.

EFFECTIVENESS

Cluster Two: Is the FCPF on track to meeting its objectives?

What has been the progress of the FCPF in building capacity for REDD-plus in developing countries in tropical and subtropical regions?

In Mexico, the FCPF, through the detailed questions it asked in the R-PP template, has forced the mobilization of some capacity around the REDD issue and allowed to organize information of relevance to the REDD plus process. That being said, the FCPF capacity building efforts to date in Mexico has been mostly limited to a two-day launching workshop in November 2009, with participation from other developing countries where REDD concepts and the FCPF were explained, as well as what was expected of the R-PP. It brought together some 30 participants from different sectors of society involved on REDD issues. Another workshop took place at the end of the process, involving some 50 people. Typically, the participants at the meetings are what are called, in the words of one interviewee “the usual suspects”, essentially the same people involved since the beginning in the REDD issue. That being said, it must be recognized that since 2008, the CTC-REDD has expanded that representation somewhat, providing advice to the REDD process. The CTC-REDD was formally recognized in 2009 as an advisory body to the Government on REDD issues - through the Interministerial Commission on Climate Change Working Group-REDD (CICC GT-REDD) - and has been instrumental in the development of the “Vision” process and the drafting of the document that came out of that process. That being said, the participation of the private sector in the process, as a potential investor in REDD, has remained very limited.

Related to that, a challenge that has been noted with respect to REDD in Mexico is its lack of dissemination as a concept and process in Mexican society. There is, in this sense, a problem of definition of REDD in Mexico. This has of course affected the consultation process and how to go about it in the view of many interviewees. The “Vision” process has taken the first steps in that respect but much still needs to be defined based on the various options that are on the table at the moment. There are also a lot of misconceptions due to sub-optimal communication. One must clarify amongst others: the international decisions, the national policies, accounting for carbon at the national level (who will do accounting, at the national or sub-national level, etc), the operationalization of the national registry. It is also unclear what will be the cost of managing the REDD process at the national level. This is a complex theme that will require “translators” at different levels, with messages clear for different audiences. More concretely, there is a need to open the communication channels between CONAFOR, the scientific community and the Land owners, including indigenous groups. There is also a need to open windows for access by the Mexican private sector as well, to elicit its interest in the REDD process for example, through payment for feasibility study for instance. But for the interest to grow, the institutional and legal framework at the national level has to become clearer. At the institutional level, capacity must also be built in different organizations. In CONAFOR itself, capacity has to be built on REDD at the sub-national level as well. The same is true with respect to capacities needed in the communities at the local level to allow them to adequately engage on REDD, and later on, in its implementation.

Are the current objectives realistic in relation to the capacity of REDD Country Participants, time frame, resources for REDD-plus readiness and bridge finance likely to be available before large-scale systems of performance-based payments?

It is in many ways still too early to fully answer this question. Mexico already has a substantial amount of capacity on MRV in and around CONAFOR at the national level. It also has experience in payment for ecosystem services schemes, namely through its PROARBOL (specifically PSA) program managed by CONAFOR and financed by the GEF and the WB. A few mechanisms, such as the Mexican Forest Fund have showed how to manage such payment schemes through arms length set ups. However, as is recognized in the ‘Vision’ document and by all stakeholders interviewed, REDD plus has to be much more than MRV and payment schemes and must go beyond providing subsidies. To be effective and sustainable in Mexico, it must be implemented within the framework of integrated watershed and land-use management processes, which are still to be developed in Mexico and which require a level of subsidiarity (municipalities, ejidos, local communities, private owners) and transversal management amongst different sectors (namely Ministries of agriculture and animal husbandry, infrastructure, industry, economy and tourism, to name the main ones) which is beyond the institutional culture and set up presently in place, at both the national and sub-national level. As already mentioned, first capacity to understand and participate in the REDD debate at the national level must be built. Following this capacity must be built to design, implement and monitor relevant management schemes at the local level, which includes, as a prerequisite, adequate organizational capacity of local communities, which will end

up being the implementers of REDD schemes on the ground, with the help of support structures which also need to be reinforced.

In terms of resources for REDD formulation and preparation, it should first be pointed out that Mexico has not requested funding for the R-PP development (US\$ 200 000.00). After internal discussions, it was felt that the administrative requirements, both from the WB and from the national government apparatus, to get such a small amount of money would not be worth the trouble. Mexico therefore decided to develop the R-PP using its own funds, with a view to asking for the full US\$ 3.6 million for the preparation phase later on. Using its own resources, in particular from its forest management programs, CONAFOR went ahead with the development of the R-PP. The chapters of the R-PP were essentially developed by a small group of consultants, with some consultation centering mostly on the technical group already in place for the PROARBOL program (CTC-PSA), and therefore was restrained to a set of actors with clear interest on forest management, payment for ecosystem services and MRV issues. The development of the draft R-PP took place over a nine month period (May to Dec 2009), while the final R-PP was approved at the March 2010 PC meeting. Following that model, it could be said that the time and typical FCPF financial allocation for R-PP development would be sufficient. However, if one wants to promote a more comprehensive formulation process using a participatory model, involving adequate awareness raising and involvement of all levels of stakeholders in the process (including representatives of local landowners for instance), more funds and time would typically have been required, as has been made clear from the “Vision” development process.

As work on the strategy development process begins, the challenge ahead remains for an organization such as CONAFOR to continue to develop the reflex of reaching out to other and lower tier stakeholders. Efforts will have to be made to be in a position to develop a thorough land-use based approach to REDD at all levels. This gives an indication of the capacity challenges ahead. This is especially key given that there are different types of property in Mexico: Communal or ejido property (which accounts for 75% of the land), and private property (which accounts almost all 25% left, aside from a small percentage of public land). That being said, the ownership of land in Mexico has the advantage of being clear enough to allow for a fairly transparent implementation of any benefit sharing process. What needs to be clarified is the ownership of carbon. But there are already examples of success stories in benefit sharing and community sustainable forest management in Mexico which can be built upon, such as for instance the Community service approach developed with Servicios Ambientales de Oaxaca (SAO) in Oaxaca. This initiative shows that after the system is up and running, REDD payment can become sufficient to cover basic costs for sustainable forest management, but not in the beginning. The experience also shows that local communities do have the capacity to make such scheme work, building on the local technical capacity, working with the communities in their language, and allowing sufficient time for intake and to built trust between the operator and the community. In Oaxaca, the work on payment for ecosystem services has led to more sustainable forest management and had the following impacts: employment creation which has reduced migration, more fauna and flora, and immediate benefits to the communities. Other experiences also exist with the payment for ecosystem services at the national level, as already mentioned, from which lessons can be learned for REDD-plus schemes.

So far, the main criticism on national payment for ecosystem services programs in Mexico has been that they promote only a passive approach to management by the communities rather than a proactive approach aimed at improving sustainable forest management. Some of the challenges in terms of addressing impact drivers will include: strengthening local governance of forest, dealing with the expansion of the agricultural frontier, expansion of the infrastructure frontier (namely roads), and expansion of the urban frontier, to name a few important ones. In that respect, it must be noted that a number of those drivers fall outside the prerogatives of CONAFOR, the forest agency. Addressing those drivers thus means ensuring that the appropriate institutional set up for cross-sector implementation of a REDD scheme are in place, all the way down to the local level, and, above all, that policies at the national level are harmonized across sectors (such as agriculture for instance) to ensure an integrated approach to the territory in the areas likely to be prioritized for REDD actions. This becomes evident when one acknowledges that current agricultural sector programs at the national level had the perverse effect of incentivizing farmers to clear forest land for agriculture purposes or promote forest degradation through

intensified animal husbandry (typically, these national programs PROCAMPO and PROGAN pay farmers an annual subsidy equivalent to the area of land cultivated (between 900 and 1300 pesos per hectare per annum) or the number of heads of livestock they own.

In terms of financing before a large scale system can be put in place, this remains to be clarified. At the time of the mission, a FIP mission was being planned to look at potential avenues for support over the next few years. The CONAFOR REDD unit itself does not see any national system for REDD carbon fund emerging before sometime in 2014. Even then, the prevailing scenario seems to be that such a system will build on sub-national pilots in areas where capacity development and land use planning schemes are more advanced, in line with the approach promoted by the “Vision” document, and will then grow incrementally.

Have there been any impacts as a result of knowledge generated and disseminated by the FCPF?

It is generally believed that the information available on the FCPF website is of good quality and was useful to the development of the R-PP. Since Mexico was one of the early entrants in the R-PP process, the process proved a bit cumbersome when it comes to the R-PP development and the numerous changes in templates that were required.

As mentioned before, for Mexico, the FCPF has acted as an interesting forum for South-South exchanges, where the early experiences of Mexico with the R-PP process, but also based on its experience in developing a national forest inventory have benefited to other countries and to the FCPF process in general, providing momentum to the mechanism in its early days.

Cluster Four: How effective has the FCPF governance structure been?

Is the governance system of the FCPF adequate for delivering its objectives and up to international standards?

Generally, stakeholders knowledgeable about the FCPF process found the governance structure of the international mechanism to be adequate. Participants in PC meetings generally appreciated the space it offered for South-South cooperation and exchange and the overall transparency of the process. They commanded in particular the equal representation from donors and participant countries in the PC. Mexico believed however that the composition of the Bureau should be expanded to give one seat to Central America, to reflect the increased membership in the FCPF, and the country made a recommendation to that effect at the last PC meeting.

In terms of financial governance, the concern noted has been with the need for the FCPF and the Bank as its delivery agent, to be flexible with respect to its financing requirements, in view of the delays already registered with the release of the readiness grant.

What have been the catalytic effects of the FCPF outcomes?

According to the interviewees, the main catalytic effect so far has probably been the impetus the R-PP process had in terms of engaging on the REDD issue at the national level. It has brought together around one table information and stakeholders. It has provided incentive to CONAFOR to share and make public key information on forest management that can now benefit sustainable forest management and the involvement of other actors more generally. It has also given CONAFOR incentives to devise a more participatory process for the future strategy development. This has gone, as a first step, through the recognition of the CTC-REDD (a multi-stakeholder platform) as a formal advisory body to the Government on REDD issues in 2009 (through the CICC GT REDD). The CTC REDD now includes representative from civil society (including for instance the Mexican Centre for Environmental Law - CEMDA, Servicios Ambientales de Oaxaca A.C. (SAO), WWF, and the Consejo Civil Mexicano), international institutions (such as DFID, WB, and UNDP), academics, government, and representation from the regions such as Chiapas and Yucatan, and some limited representation from the private sector. The issue of representation of ejidos and indigenous communities is also a pending issue. Although their concerns are brought forward by groups such as CEMDA, they are not, as such, represented in the REDD national structures yet.

Comments received on the draft by national stakeholders but also by the TAP and PC also provided the impetus to engage further the Agriculture sector on the REDD agenda through the formal involvement of the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) in the process, a major step forward in the view of all stakeholders met during this evaluation process.

To conclude, FCPF has promoted south-south learning. Interviews have revealed for instance how Mexico has been actively involved in the FCPF framework in the learning process on REDD, as an early entrant in this process and given its previous experience and capacity on forest management issues more generally.

Cluster One: What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?

Have there been any unintended positive or negative outcomes from the Readiness Mechanism

It is still too early to talk of intended or unintended outcomes of the REDD process so far in Mexico beyond the catalytic effect mentioned above. A “vision” document has just been published and now the task of developing the national strategy is starting. Four geographic areas for “early actions” have been identified to start experimentation on management set ups for REDD at the decentralized level. These include action in: Cuencas de Jalisco – Junta Intermunicipal del Rio Ayuquila (JIRA); Cuenca Amanalco - Consejo Civil Mexicano para la Silvicultura Sostenible (CCMSS); Peninsula de Yucatan; and, Chiapas (Selva Lacandona y Ocote). No pilots are yet underway that could contribute to such outcomes. The main focus in the two years to come will be on how to bring about the policy and institutional reforms and strengthening to make REDD effective at the national, sub-national and local levels. This is likely to be the main source of lessons learning in the two years ahead from the EC /AFD funded project on “Early actions” for instance.

What lessons and implications does the FCPF experience offer for REDD-plus readiness, scaling up and likely impacts on REDD-plus outcomes

With respect to the REDD formulation process, so far the main lessons stemming from the Mexican experience can be summarized as follow:

- Adequate time and resources must be given from the start for consultation and communication to ensure all key sectors of society are first involved in the R-PP development process, but later in the Strategy development process;
- Care must be taken to expand discussion on strategy development beyond the traditional forest sector actors, as drivers of deforestation and forest degradation are often found in other sectors and these other sectors will thus inevitably be part of the solution. For instance, in Mexico, some of the key drivers are found in the agricultural sector, the road sub-sector and the tourism sector;
- In cases where UN REDD is not present, coordination between WB and the UN on REDD issues could be furthered. Fortunately, this is somewhat ensured by a strong institutional set up in CONAFOR in Mexico, which clearly has the overall vision for REDD in the country;
- The setting up of an effective and transparent payment for ecosystem services scheme for REDD will undoubtedly require significant investment in getting the right policy harmonization, institutional structures and groups represented and involved in the management of such schemes, down to the local landowner level. MRV is important, but what is the use of MRV if the people managing the forest do not find equitable the approach proposed for revenue sharing?
- Successful land use management schemes in Mexico must take into account the productive value of the forest and ensure that sustainable extraction management practices are promoted as an integral part of the sustainable forest management solution for small landowners, ejido and communities. Failure to recognize and integrate this significant source of revenue for small land owners would make efforts at implementing REDD in a sustainable manner in a country like Mexico an elusive goal;
- The R-PP process would have benefitted from expanding beyond the usual suspects, and in particular further involve representatives of other key ministries in the consultative process, as well as

representatives of indigenous groups (for instance, no one from the national Indigenous people Commission was present in the R-PP process);

- To do adequate consultation, adequate time is needed, and basic capacities of local groups must be built so they can engage in the discussions, etc... The 2008-2012 window is unlikely to allow enough time for these complex processes to happen. For instance, it took SAO 5 to 7 years before it could start work with the communities on payment schemes (addressing issues such as land tenure, property rights, how will you distribute, etc...). Building a trust relationship to enact payment service in a way that is sustainable and benefit the community takes time;
- MRV is only one building block, there are a lot of other institutional development challenges that must be targeted to address the Readiness package;
- In the longer run, there is a need to create different windows within the FCPF process for access by different groups (civil society, private sector, etc). There is also a need, in developing these windows, to recognize the various levels of interventions (e.g. National vs. local NGOs which have a different focus);
- Political momentum and support is critical to advancing the REDD agenda in a context of sectoral institutional competition. In Mexico, the very strong commitment of the national government to environment and climate change issues, and its role in fostering inter-ministerial collaboration has been key in moving the REDD agenda beyond CONAFOR and the forest sector . The period between now and the upcoming federal elections in 2012 thus represents a window of opportunity not to be missed in terms of securing the basic institutional and policy commitment building blocks to keep the REDD agenda moving beyond that date.

What steps has the FCPF taken to ensure that these lessons are appropriately conveyed to the broader REDD-plus community?

The South-South learning through the PC meetings has been the main tool used by the FCPF. The Government of Mexico, has itself taken additional steps, for instance through the show casing of its “Vision” document at COP16 in Cancun. It is hoped that this evaluation will also end up being a valuable tool for this sharing. But much remains to be done to ensure adequate capitalization on these lessons at the international level.

How can successes be replicated, or failures avoided, in a wide range of country conditions, including as a prelude to operationalizing the Carbon Fund?

This can best be done by adequately integrating the lessons from the early R-PP development stage in the upcoming strategy development phase in Mexico. The EC/AFD project now starting will itself certainly generate lessons as to different potential institutional set ups, their strength and weaknesses, and how they could potentially contribute to the operationalization of the Carbon Fund all the way to the local level. In that respect, the lessons from Mexico’s experience with payment for environmental services schemes would gain from being more widely disseminated, as they has provided a clear view that if such payments are not geared towards addressing changes in behavior vis-à-vis impact drivers, taking into account a more integrated land use management approach, involving different sectors, their utility and impact in the long run will remain limited.

EFFICIENCY

Cluster Four: To what extent has the FCPF been efficient in achieving desired results?

How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures?

As already mentioned, Mexico in the end decided not to request the US\$ 200 000 available for the formulation of the R-PP. Although there was an initial interest from CONAFOR to obtain these funds, interviews revealed this did not take place mainly for two reasons. CONAFOR itself could not make the request for those funds from the Bank. Any agreement with the Bank had to first go through the Ministry of Haciendas, which had no interest in going through all the administrative loops required for such a small amount. In addition, given the way WB agreements for funds work, CONAFOR would have

had to demonstrate it was capable of using its own funds to make advance payments even prior to receiving payment by the WB upon deliverables. Since CONAFOR did not itself have access to counterpart funds at the time for the REDD work, this requirement would have been difficult to meet. On the positive side, the fact that Mexico did not have to wait for the R-PP formulation grant disbursement allowed it to move swiftly with the development of the R-PP. Mexico is now awaiting the Readiness fund of US\$ 3.6 million. Its final R-PP was tabled in March 2010. It has thus been essentially a year. It is clear that the readiness grant will only cover a small portion of the strategy development and readiness work required. Although no global figure for readiness cost could be provided by government officials at the time of the mission, as an indication, Norway has just approved a US\$ 16 million project to support Mexico on its MRV readiness work, only one of the components under the R-PP.

Were the countries able to use the resources provided in a timely manner?

From what was already mentioned, it is clear that the disbursement of the FCPF readiness grant has been delayed. This delay, in the end, might have been more of a blessing than a curse in the case of Mexico. While the FCPF R-PP discussion preempted the broader national REDD discussion, the process has moved ahead fast in the meantime with the development of the "Vision". This has allowed CONAFOR to clarify where FCPF readiness grant funds would have the best value added given this broader framework and given what other donors have signified as their interest in supporting the REDD agenda in Mexico since COP16. CONAFOR is now in discussion with the FCPF to see if the budget for the grant can be reallocated, namely to direct strategy development cost related to communication, consultation and institutional capacity development, some of the areas where funding is still short but where needs are pressing in order to move ahead with the strategy development in the month ahead. Originally, a large share of the readiness grant was to be attributed to the MRV component.

Has the TAP been utilized efficiently in the assessment of the R-PPs? And, has the selection process of the TAP been transparent, free from conflict of interest, and has the independence of reviewers been ensured? Does the combined use of TAP reviews of the R-PPs, PC reviews and the WB's due diligence represent an efficient process for assessing R-PPs?

Participants from Mexico generally felt the R-PP review process was useful and complementary in its different steps. The comments were pointed and this was due to the fact that in particular TAP members were, amongst others, very knowledgeable about Mexico and its forest sector. The PC review process in particular has been seen as a great opportunity for South-South exchange and learning. The TAP and the PC made a number of constructive criticisms on the draft R-PP, weaknesses that were recognized by a number of the stakeholders interviewed. The R-PP had a very strong focus on MRV. The R-PP was also weak on communication, on capacity building targets and elements to focus on the legal and institutional framework for REDD, although still a lot of work is required at this level. As for the due diligence process at the Bank and the SESA requirement, it is mainly known to the group of actors closely involved with the FCPF process. The general impression in that respect is that Mexico will be in a position to respond to these safeguard requirements from the Bank given its on-going efforts at this level.

How do participating countries perceive the costs and benefits of the FCPF Readiness Mechanism, including timeliness and magnitude of resources?

So far, most stakeholders do not know specifically about the FCPF. Those that know believe it has brought rigor to the process in its early stages. Above all, the central actors in the "Vision" process that were interviewed all shared the view that the FCPF support is basically project funding that is meant to come in support of a much broader and inclusive process of REDD-plus strategy development at the national level. Within that framework, FCPF resources for readiness are seen rather as symbolic.

Cluster Three: Is the FCPF cooperating with other processes?

At the country level:

How is donor coordination for REDD-plus readiness support manifesting itself in FCPF countries?

So far, CONAFOR is the only organization in the country that has the information and is in a position to ensure coordination amongst donors on the REDD issue. It does appear to be playing that role to a certain extent. For instance, interviews with UNDP and Norway reveal that they did not have direct

interaction on their REDD support to Mexico. It should be noted that UN-REDD is not active in Mexico as Mexico has observer status only, in UN-REDD. The Vision document was developed with support from UNDP, at the request of CONAFOR. Norway has just signed a MOU with the Government of Mexico for collaboration on MRV, to be managed through UNDP with FAO technical support, with CONAFOR as the main national executing agency. The project will focus on three aspects: developing and implementing MRV in Mexico, promoting Mexico as a center of excellence on MRV and promoting south-south collaboration in the region, and, allowing for lessons learning. In essence, all this interaction has essentially been through and by CONAFOR. That being said, coordination is yet to be optimized at different levels. First, this would begin by devising a clear overall vision within CONAFOR as to how different funding sources will specifically complement each other. At the moment, there exists a broad perspective on how different sources could support different steps of the strategy development and readiness process, but at a very holistic level. This vision has yet to be operationalized in the discussion and the project/program objectives of the different funding windows in development namely: Norway MRV support (US\$ 16 million), FCPF support (US\$ 3.6 million), EC/AFD support (2 million Euros), GEF/IFAD support (US\$ 18 million in total, including US\$ 5 million GEF funding), FIP support (US\$ 40 to 60 million), USAID support (US\$ 30 million), to name the most important ones. Secondly, from the perspective of nesting all this REDD support within CONAFOR, a forest agency. The political apparatus for the REDD strategy development process has been brought up a level, to an inter-ministerial structure, the Working Group on REDD, nested under the Inter-ministerial Committee on Climate Change. This is a welcome development given the multi-sectoral nature of REDD and the drivers to be addressed to effectively tackle deforestation and forest degradation. However, the implementation structure for donor coordination on REDD issues has somehow stayed under CONAFOR. It thus remains to be seen how the REDD agenda will develop, given a trans-sectoral nature at the implementation level in the years to come. Addressing the drivers of deforestation in other sectors, is likely to require policy changes and capacity development in the centralized and decentralized structures in these other sectors. Where the resources for this will come from and how these other sectors will be provided incentives to change their practices has yet to be clarified and articulated with the efforts to be undertaken by CONAFOR.

In what way, has bilateral and multilateral assistance to FCPF countries for REDD-plus readiness changed?

In addition to the points already made above on how actors are now aligning under CONAFOR., it should be noted that few actors have a clear picture of where the donors are and where the resources are coming from, for REDD. This information has been kept purposefully within a group of central actors. It is true that the REDD process has already unduly created great expectations in terms of money that will come for the state or for local actors and landowners and that these expectations must be managed. People do not necessarily understand this will be a long process, with the preparation phase going on until 2013, and that the funding identified so far, is not for payment transfer, but strictly for the preparation phase. This brings out the urgent need for a solid communication strategy with stakeholders on REDD and the readiness process, and the fact that REDD resource to come, must not so much be seen as a payment transfer scheme that will solve all problems, but rather as one leg to the sustainable forest management stool that must be built.

Has the FCPF sought to build on the existing bilateral and multilateral programs in the REDD Country Participant?

It could be said that by working through the focal point structure for REDD under CONAFOR, the FCPF has recognized on-going work and expertise built within CONAFOR on REDD related matters, namely on forest management programs funded by the WB, looking at forest inventories and payment for environmental services schemes. By doing this, it has confided in a national organization with a capacity to coordinate forest related management efforts. In effect, the R-PP process has built its consultative process around a consultative technical committee already in use for the payment for environmental services program, thus building on existing structures, experiences and network on forest management issues in Mexico. Since then, the REDD process has started expanding this network beyond the forest sector, under the pressure of Mexican civil society and the Environment Ministry. The challenge ahead will now be to ensure the readiness phase builds on the existing bilateral and multilateral programs in other key sectors where some of the main drivers of deforestation and forest degradation are located.

ANNEX F: NEPAL COUNTRY - REVIEW REPORT

Introduction

1.1 Evaluation objectives

This report is an annex to the First Independent Program evaluation of the Forest Carbon Partnership Facility (FCPF). This evaluation was commissioned by the Participants Assembly (PA), based on the FCPF Charter and its aim is to present a broad and representative perspective on the achievements and challenges in the FCPF. In addition to the PA and PC and Observers, the evaluation should be of direct relevance to the WB Management, and the broader REDD-plus community.

The objective of the First Program Evaluation is to assess the effectiveness of the governance structure of the Facility and the operational effectiveness of the Readiness Fund, and suggest ways of enhancing FCPF support to the REDD Country Participants. The FCPF, through the Readiness Fund and the Carbon Finance Mechanism, seeks to learn lessons from an innovative experience aiming to develop a realistic and cost-effective new instrument for tackling deforestation. The First Program Evaluation therefore contributes to providing a broad and representative perspective on the achievements and challenges in the FCPF to date.

The evaluation covers the first two years of FCPF operations, namely from June 2008 to June 2010, covering ongoing as well as completed activities. The evaluation team uses the OECD/DAC Standard Evaluation Criteria of: relevance, effectiveness, and efficiency. Given the early stages of the FCPF, the OECD DAC criteria of impacts and sustainability will be targeted in subsequent evaluations. Thus, the scope of the evaluation includes progress made by the FCPF in directing resources to the activities that are most likely to contribute to REDD-plus in the future, and some lessons for future REDD-plus regimes. The evaluation aims to look at the FCPF's contribution at the country levels, as well as at the global level.

At the global level, the evaluation reviews the structure, functions, processes and impact drivers of the FCPF program as a whole. Impact drivers are the important factors that are needed in order to realize project impacts. As defined in the Fourth Overall Assessment of the Global Environment Facility, Impact Drivers “may be generated by the project itself through the project's outputs and outcomes, already existing in the project's wider context, developed by another parallel project ... or another agency, or established by the host government, community or other institutional partner post project as a means of securing the project's Impacts. Or they may be missing, in which case, the project's impacts will be diminished or eliminated.”⁸⁸

At the country level, the evaluation assesses the formulation of Readiness Preparation Proposals (R-PPs) and the country context of the R-PPs (though not the R-PPs themselves), which include the structure, functions and processes of each country's 'forest-relevant' system, the existing capacity and resources to formulate the R-PP. The evaluation aims 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.

1.2 Purpose of the field visit to Nepal

As part of this evaluation process and to inform in particular the country level analysis described above, visits to three countries allow the evaluation team to deepen its analysis and understanding of the key determinants of the program implementation history, the strengths and weaknesses of the

⁸⁸ GEF 2009, OPS4, p. 12 available at :
http://www.thegef.org/gef/sites/thegef.org/files/documents/M2_ROI%20Handbook.pdf

FCPF as regards country/local situation and context, the limits to the readiness process and possible ways for improvement/lessons learned. This also involves an analysis of Country Participants' institutional capacity and risks to successful and timely implementation of the REDD-plus readiness process, and the identification of strengths and weaknesses of existing governance arrangements.

This third country visit took place in Nepal and was conducted by the Senior Evaluator. The findings of this report build on similar country visits conducted in the Democratic Republic of Congo and Mexico. This document reports the findings from the Nepal mission and must be read in conjunction with the main report, which it supports. This country report deliberately does not generate in-country recommendations – rather it is meant to inform and enrich the findings, conclusions and recommendations of the overall evaluation report.

1.3 State of advancement in readiness process

Nepal signed its agreement with FCPF based on the approval of their R-PIN in August 2009 and with that, an agreement for the US\$ 200,000 preparation grant. The R-PP was presented and reviewed at the PC5 meeting in Gabon in June 2010 and approved in October 2010. Since the final approval in October 2010, Nepal signed an agreement for the US\$ 3.4 million readiness grant in March 2011. Co-financing of the R-PP process has been secured from a number of sources, such as existing forest sector programs funded by the UK's Department for International Development (DFID) and Swiss Agency for Development and Co-operation (SDC). Norad has provided support to a number of complementary processes through global financing to international and regional NGOs. These additional contributions have been important in supplementing and enriching the FCPF process as well as filling financing gaps caused by delays in disbursement and receipt of FCPF funds in Nepal.

1.4 Methodology for field visits

The mission to Nepal took place over a period of 10 days from March 1st to March 11th, was conducted by the Senior Evaluator and assisted by a national consultant. The list of persons consulted appears in the final section of this report. Where possible, existing networks and channels were used to increase coverage and efficiency. The process allowed for interviews and/or focus groups with all categories of key stakeholders involved directly or indirectly in the R-PP and Readiness process in Nepal. In total, 60 persons were consulted, including government staff involved in the REDD-plus formulation process, national NGOs representing local communities, IPs and low caste (*dalit*) interests, research and policy groups, international NGOs, multi-lateral and bi-lateral donors supporting REDD-plus and forest reforms. Furthermore, through a three day field trip, local communities (including IPs) were consulted at the local level and two REDD pilot projects supported by bilateral donors were visited in central and western Nepal, which were in the process of developing REDD-plus methodologies relating to MRV and revenue sharing / payment mechanisms. Additional information was collected during the visit (some of which was translated from Nepali into English), which was reviewed and helped shape the findings and conclusions presented in this report.

1.5 Mission report structure

The mission report below is structured following the three OECD/DAC evaluation criteria that have been used to structure the main FCPF evaluation report – namely: relevance, effectiveness and efficiency. Under each of these headings, it addresses the key evaluation questions around the four thematic clusters highlighted to be covered, as per the terms of reference for this independent evaluation.

2.0 Relevance

2.1 Cluster One: In what way has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants?

All those consulted during this field review visit confirmed that the R-PP represents a nationally-owned plan for REDD-readiness, designed to cover all areas of support, whether from government, bilateral or multi-lateral development partners. One of the key outputs of the R-PP will be a national REDD strategy, which will clearly define the identity, mandate, role and function of existing and new institutions in support of performance-based payments. As such, FCPF has been central to the development of REDD-plus processes in Nepal and is recognized as the key factor in moving this process forward. As seen in a number of other countries, participants to the REDD-plus development process felt that perhaps the greatest added value of the FCPF process to date was the clear and constructive guidance given to the development of REDD-plus readiness. While the forest sector is well developed in Nepal and high levels of technical capacity exist both within and outside government, REDD is a relatively new concept and not widely understood. The guidance provided by the FCPF, particularly through the step-wise R-PIN and R-PP process and the template format has been welcomed as a means to demystify REDD-plus and create a nationally-owned strategy.

Furthermore, the guidelines for consultation have been welcomed by stakeholders outside government, as a means to engage more directly and strategically in policy formulation processes. Both government representatives and NGO stakeholders report that the process for formulating the REDD-plus process has been more inclusive and participatory than any other strategy development initiative conducted to date in the forest sector. This is in large part due to the importance placed on this in the guidelines provided by FCPF. While the rights of IPs at a national level have been receiving increased attention over the past decade, representatives of IP groups indicate that until recently, this engagement has not been reflected within the Ministry of Forestry and Soil Conservation (MFSC). IP representatives have been able to use the FCPF guidelines, with their strong emphasis on engaging with IP interests, as a means to open dialogue and discussion with MFSC for the first time.

UN-REDD does not currently operate in Nepal, although it remains a partner country to this programme. As such, the financial support provided by the FCPF has been of particular importance to staff responsible for developing REDD-plus readiness plans within MFSC.

2.2 Cluster two: In what way is the FCPF relevant in the global context of REDD-plus?

Globally, Nepal is seen as a world leader in the field of community forestry. Supported by a range of bilateral and multi-lateral donors (including the WB) over the past three decades, Nepal has been able to demonstrate how the transfer of clear rights and responsibilities from the state to local actors provides positive impacts in terms of improved forest condition, sustainable livelihoods and strengthened local governance. Nepal hopes to build upon these experiences to provide a secure foundation for REDD-plus processes. Many lessons have been learned over this period with regard to the sharing of benefits (both between the state and local actors and within participating communities), avoiding or mitigating the risks of elite capture at community level, low cost and participatory tools and techniques for forest management and monitoring and strengthening the voice of forest user groups through national networks and associations. All of these lessons will be of importance during REDD-readiness and as Nepal moves towards the development of its National REDD Strategy. Many other countries across South East Asia are experimenting with community forestry approaches (such as Cambodia, Vietnam and Laos), and are also involved in REDD-readiness. Through channels provided by the FCPF, Nepal will be in a very strong position to inform the regional and global debate around REDD-plus and in particular how local forest management rights can be strengthened and protected.

In what way are the FCPF Mechanisms relevant at the national levels for its Country Participants?

The REDD-plus process in Nepal was supported by the creation of a number of new structures. Firstly, within the MFSC, a REDD Forestry and Climate Change Cell, or “REDD cell”, was established made up of government staff, who act as the overall secretariat to the readiness preparation process. An inter-ministerial body, the Apex Body was created, chaired by the Minister for Forestry and Soil Conservation and composed of other key government departments (such as Planning Commission, Ministry of Finance, Ministry of Environment, Ministry of Agriculture and other key sectors). A nine-member REDD Working Group was established to support the work of the REDD cell, with three members being drawn from national civil society organizations. Finally, a REDD stakeholders forum was established with a cross-section of interests and institutions to ensure that diverse range of views were articulated and incorporated into the emerging REDD-readiness plan. While these structures are clearly new institutions, they seek to actively build upon key sectoral and institutional interests from across government and NGOs.

The R-PP makes frequent mention of the long experience developed in Nepal around community forestry. Within this, it recognizes the critical role that forests play in the livelihoods of poor, natural-resource dependent households and communities across the country and that with the right conditions, the important way in which communities can be engaged to support and benefit from sustainable forest management. The R-PP recognizes the importance of a multi-stakeholder approach to sustainable forest management and the need to engage across different interest groups at national and local levels.

With regard to the integration of the R-PP process within national policy processes, the document clearly takes account of prevailing forestry legislation. However, it remains relatively silent on broader processes ongoing outside the forestry sector, such as local government reforms, fiscal decentralization reforms, poverty reduction processes and broader aspects of climate change and adaptation, which is increasingly important within Nepal. The document does discuss briefly the potential impact of the constitutional review process that is ongoing, following comments provided to earlier drafts of the R-PP through the TAP review process. Overall, therefore, the process of developing the R-PP has been relatively concentrated within forestry sector interests, and has yet to begin a meaningful dialogue beyond this sector.

Climate change adaptation is an increasingly important element within current development work in Nepal. Significant funding will be made available through the Pilot Program for Climate Resilience (PPCR) and a number of initiatives are currently ongoing across the country through existing bilateral and NGO channels. The National Adaptation Plan of Action (NAPA) was officially launched in November 2010 by the Prime Minister. Forests – and in particular, community forestry represents an important means through which adaptation and mitigation measures may be pursued in tandem. This is clearly articulated within the R-PP, appearing as one of the core “principles” that will underlie Nepal’s roadmap for moving towards REDD readiness.

Nepal has a highly diverse population with IPs estimated to make up 8.4 million or 37% of the total population. 59 indigenous “nationalities” have been identified under the National Foundation for Development of Indigenous Nationalities Act of 2001⁸⁹. Furthermore, in September 2008, the government of Nepal ratified the ILO Convention 169 on Indigenous and Tribal Peoples, being the first country in Asia to do so. The same year, the government of Nepal also ratified the UNDRIP,

⁸⁹ Sherpa, PD. 2010. Situation of Indigenous Peoples in the REDD+ process in Nepal. NEFIN.

although it has yet to introduce or modify national legislation to provide a legal basis under Nepali law for its implementation. The R-PP process was able to link closely to these national developments, with a national IP organization, the Nepalese Federation of Indigenous Nationalities (NEFIN) represented on the REDD Working Group and strong representation of IP interests within the strategy development process.

3.0 Effectiveness

3.1 Cluster Two: Is the FCPF on track to meeting its objectives?

What has been the progress of the FCPF in building capacity for REDD-plus in developing countries in tropical and subtropical regions?

Within the context of Nepal, one of the most important impacts of FCPF to date has been the beginning of a national dialogue around issues of REDD-plus. Stakeholders from within and outside government all agree that before the advent of the FCPF in Nepal, understanding around REDD had been confined to a very limited number of senior staff within the government, who represented national interests within UNFCCC meetings. Little attempt was made to provide a feedback or communication mechanism between the positions adopted by national negotiators and interests within and outside government and resources for this were simply not available from within government. With the advent of the FCPF and the preparation of the R-PP following acceptance of the R-PIN, a door was opened to a more open, inclusive and broad-based discussion around REDD-plus issues as well as an increase in capacity to engage in REDD-plus issues.

Another key aspect in this regard is the role of government within the REDD-plus process. Prior to the FCPF process in Nepal a number of international NGOs and donor-funded projects had been making plans for establishing REDD-plus pilots. Key organizations in this regard are Worldwide Fund for Nature (WWF), the International Centre for Integrated Mountain Development (ICIMOD) and the Regional Centre for Community Forestry Training (RECOFTC), together with a number of national NGOs. With funding support from a bilateral donors such as Norad and Ministry of Foreign Affairs Finland (through WWF-Finland), field based activities were launched to test the viability of REDD-plus as well as pilot methodologies for benefit sharing and MRV. A more recent initiative, supported by DFID through the Forests and Livelihood Program is exploring various models of carbon credits in the voluntary market through the Plan Vivo approach (See Box 1). With this rapid development of field based pilots, there was a risk that national government agencies such as MFSC would be “left behind” and unable to fulfill their role as overall regulator policy maker. With the funding support from FCPF to develop the R-PP, government was able to begin to assert its role as a credible partner to these field based processes, through the establishment of the REDD cell and the associated structures (such as REDD Working Group). Support provided by the FCPF placed government in the centre of the policy formulation process by providing it with the necessary (financial, technical and human) capacity to enable it to carry out its functions effectively.

A total of 57 workshops were conducted through the R-PP development process between May and December 2009 across all major ecological and administrative regions in the country. Four workshops were held with IP and IP representatives, three specifically with women and one with *dalit* (low caste, “untouchable”) communities. Over 3,000 individuals participated in these workshops. These sub-national workshops were important in raising local level awareness around issues of climate change mitigation and adaptation and through this; some initial concerns and recommendations were generated from the local level with which to inform the national R-PP process. Furthermore, this consultation process was important in identifying key deforestation drivers as well as their underlying causes.

Box 1: REDD-plus pilots in Nepal**Design and Setting Up of a Governance and Payment System for Nepal's Community Forest Management under REDD:**

This project, funded by Norad started in July 2009 and is implemented by ICIMOD, the Federation of Community Forest Users (FECOFUN) and the Asian Network for Sustainable Agriculture and Bioresources (ANSAB). The broad objective of the project is to demonstrate and feasibility of a REDD payment mechanism in Community Forestry. The project is developing methodologies for assessing carbon stocks, which are being monitored over time within established community forest sites across three watersheds in Dolakha, Gorkha and Chitwan districts within the middle hills region of Nepal. Through the injection of donor funds, the project will pilot the establishment of a national REDD fund mechanism which will provide payments to community forest user groups based on changes in carbon stocks. The project aims to assess whether the overall viability of REDD-plus financing within a fund based system, establish the costs of developing and maintaining MRV processes and develop experience in ensuring accountability, transparency and inclusion.

Forest Carbon Inventory Methodology Development: This project implemented by WWF and Winrock International and with support from Ministry of Foreign Affairs (Finland) through WWF Finland, is undertaking a carbon inventory across the Terai Arc Landscape (TAL). Through this process, the project has developed a carbon assessment methodology applicable to landscape and national levels.

Plan Vivo: With support from the DFID Forests and Livelihoods Programme, 4 sites within 4 districts in the east and mid west of the country are being supported to generate "Plan Vivo Certificates" for a range of actions designed to enhance carbon stocks (on farm and within community forests), improve forest management, reduce forest degradation and support climate change adaptation measures for participating communities.

The consultation and participation plan development process was facilitated by a consortium of seven national civil society organizations representing community forest user groups, *dalits*, women, IPs, forestry professionals and policy research interests. In addition to developing a consultation and participation plan for the R-PP, an additional spin-off benefit of this process was that additional capacity was built within these seven national civil society organizations, and those institutions and individuals who were consulted. The strong emphasis placed in the R-PP development process on engaging with IPs and IP representatives helped raise national level awareness around the importance of mainstreaming IP issues within natural resource management and national policy formulation.

At national level, experts and resource persons were consulted from across a wide spectrum of interest groups including academics, environmental lawyers, journalists, donor representatives, private sector, project staff and so on.

With support from Norad, two other complementary processes have been supported in Nepal with which to support increased capacity and engagement in the REDD process in Nepal. The first, called "Grassroots Capacity Building Program for REDD in Asia and Pacific" is implemented by RECOFTC, this project works in Nepal, Vietnam, Laos and Indonesia. In Nepal, the project works together with FECOFUN and has activities in 9 districts. The project seeks to build local level capacity and understanding around REDD and climate change. It undertakes local level training exercises, has developed training and publicity materials and supports journalists to write or communicate around REDD issues in the media. Although not technically a pilot project (in terms of developing and piloting performance based payments at the local level, it has played an important part in raising awareness at the local level and increasing engagement and understanding among forest users, managers and owners.

A second, Norad-supported project, called the Climate Change and REDD Partnership Program works through NEFIN and has been established to increase the voice of IPs within the REDD formulation process. The project has supported the development of a "position paper" regarding IPs views and demands relating to the R-PP and National REDD Strategy. This has necessitated extensive capacity building work with which to raise awareness and understanding on REDD-plus issues at the local level.

Overall, capacity building efforts have been concentrated to date within interest groups and representatives from within the forest sector, and there has been relatively little involvement of wider

stakeholders from other government departments or from other sectors of relevance to REDD-plus. This is being addressed through an expansion in membership of the REDD working group (which will be expanded to incorporate other sectoral interests from within government such as environment, energy, agriculture and rural development).

Are the current objectives realistic in relation to the capacity of REDD Country Participants, time frame, resources for REDD-plus readiness and bridge finance likely to be available before large-scale systems of performance-based payments?

Much work has to be done if Nepal is to be considered ready for REDD-plus. The R-PP outlines a range of studies that will need to be conducted, outreach and communication activities, the development of the REDD Strategy itself, establishing a reference scenario, an MRV system and some kind of fund-based payment mechanism. In addition to this, considerable capacity still needs to be built across a range of sectors.

Most critically, however, will be the development of interventions and strategies designed to address the nine deforestation drivers included in the R-PP – namely high dependency on forest and forest products (timber, firewood and other non timber forest products), illegal harvesting of forest products, unsustainable harvesting practices, forest fire, encroachment, overgrazing, infrastructure development, resettlement, and expansion of invasive species. For these drivers to be addressed comprehensively, a range of interventions will be required covering improved forest management, strengthening community forestry, improving agriculture and livestock practices and spatial planning. Furthermore, additional underlying factors relating to governance and the rule of law, rural poverty will also need to be addressed. While it is not envisaged that these issues will be tackled in the period of the R-PP, comprehensive planning will be required, including working collaboratively with a range of governmental departments, ministries and donor funded projects to explore opportunities for integration and linkages. Additional funding will also be required to address those areas that are currently not being supported by either government or donors. In the absence of UN-REDD or FIP support, it is unclear where or how these additional funds will be secured.

Some resource persons contacted as part of this review also expressed skepticism regarding the degree to which deforestation and forest degradation can realistically be addressed in the Terai regional of Nepal. This is an area where natural resource conflicts are very high indeed, fuelled by a range of factors, such as landlessness, high levels of poverty, climate change impacts, forest encroachments, in-migration from the middle hills, centralized systems of forest management in high value forests (with low benefits for local people) and complex systems of political patronage. These are problems that have persisted for decades, and would require high levels of political will – which in the current political environment is lacking.

Have there been any impacts as a result of knowledge generated and disseminated by the FCPF?

3.2 Cluster Four: How effective has the FCPF governance structure been?

Relatively few of the persons consulted in Nepal had definitive views regarding the FCPF governance structure at international levels, although representatives of the REDD Cell, who had attended PC sessions in the past indicated their overall satisfaction with the transparency of the FCPF process as well as the balanced representation of north and south partners on the PC and PA.

What have been the catalytic effects of the FCPF outcomes?

Within the context of Nepal, the FCPF has had a number of catalytic outcomes. Firstly, it has helped generate additional funds in support of REDD-readiness. The FCPF has been able to demonstrate a

clear level of commitment from government regarding its interest and willingness to pursue REDD-readiness. The specific support provided by FCPF has generated a degree of confidence from other donors and has facilitated the provision of additional support from sources such as DFID, SDC and Norad. Importantly, the Government of Nepal, has also recognized the importance of the readiness process and has committed NRP 8.3 million (around US\$ 115,000) to cover aspects such as REDD piloting, awareness raising and the preparation of policies and legal changes. USAID and JICA are also exploring how additional support to specific aspects of readiness might also be provided, such as through the development of field pilots (USAID) and supporting MRV processes (JICA).

In addition, the support provided through FCPF has been able to position government more centrally within the REDD debate and process. Prior to support from FCPF, government had little capacity or ability to engage in, support or co-ordinate field activities carried out by INGOs relating to REDD-plus. This has helped mitigate the risk of rather uncoordinated field pilots and divergent methodologies.

National NGOs and civil society organization report that the support provided through the FCPF has been an important tool with which to increase collaboration with government and to develop a more open and transparent platform for dialogue, negotiations and decision making. Furthermore, particular interest groups whom previously had only relatively limited access to and influence over government processes (such as those representing IPs, *dalits* and women), were able to demand a “seat at the table”, knowing the R-PP guidelines placed strong emphasis on these matters.

3.3 Cluster One: What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?

Have there been any unintended positive or negative outcomes from the Readiness Mechanism

As seen in the DRC, one unintended positive impact may be the creation of a space for increased dialogue and discussions between government and non-state actors. This has been created through support from FCPF and has resulted in changed perceptions (from both stakeholder groups), regarding the benefits of mutual co-operation. Government is soon planning to begin the development of a new National Forest Sector Strategy that will form the basis of a multi-stakeholder program, supported by a number of bilateral donors and implemented by stakeholders inside and outside government. The process adopted for the R-PP process will provide valuable lessons to inform the development of the new sector strategy, and has created strong level of expectations for similar levels of consultation and transparency. Furthermore, the R-PP and REDD strategy (soon to be developed) will provide an important element (or chapter) within the higher-level forest sector strategy document, with clear linkages proposed between the two.

With regard to unintended negative impacts, one area that merits discussion relates to the position of IPs. The FCPF / R-PP guidelines stop short of FPIC, and unlike the UN-REDD, do not advocate strongly for conformity to UN declarations such as UNDRIP. The government of Nepal is a leader within the South East Asia region and has ratified both UNDRIP and ILO 169 – although importantly, neither of these have been translated into the national legal framework as yet. The absence of clear guidance from FCPF on conformity to national and international law relating to IP has meant that the position of IP organizations to lobby for greater IP rights within the R-PP has been somewhat weakened. It is a discussion that is ongoing.

As found DRC, there are very high expectations that REDD-plus financing will generate large amounts of cash and will solve many of the underlying problems that have impacted on the forest sector for decades. While Nepal has significant area of forest cover, much of it is in the middle hills area a relatively low level of carbon stocks. Furthermore, much of the deforestation that was

prevalent in these areas in the 1980s and 1990s has been reversed or halted, due to the intensive and highly successful introduction of community forestry during this period. Consequently, it is important to be realistic regarding the total potential revenues that might be available to Nepal once performance-based payments are initiated.

What lessons and implications does the FCPF experience offer for REDD-plus readiness, scaling up and likely impacts on REDD-plus outcomes

One of the most important lessons that the Nepali experience offers relates to the deliberate efforts to engage national stakeholders outside government, with the double benefit of increasing national ownership and building capacity. Deliberate efforts have been made to avoid a reliance on international consultants (as used extensively in other countries), but to tap in to existing national expertise. While the R-PP may not be technically as strong as seen in other countries, it has created a strong momentum for increased local engagement. As discussed in the last section of this review, important lessons have been learned about undertaking multi-stakeholder processes, ensuring effective representation and creating an enabling environment for dialogue and discussion. Many of these lessons will be incorporated into future strategy development processes being carried out by the MFSC (such as the forest sector strategy process).

A second key lessons from Nepal concerns key interest groups potentially impacted by REDD-plus (such as women, *dalit* and IPs) and the need to provide additional support if their voices are to be heard. This may require additional funding and capacity building efforts from external donors, plus a willingness from government to open a political space to allow them to present their concerns and positions.

What steps has the FCPF taken to ensure that these lessons are appropriately conveyed to the broader REDD-plus community?

To date, it would appear that there has been relatively limited sharing of the Nepali experiences with other participating countries, other than through the process of PC meetings, on which Nepal is represented. One example of a more deliberate attempt to share Nepal's experience came through the circulation of the terms of reference for the Nepali SESA at a recent PC meeting, as it was considered to be an important contribution to the global debate on preparing for SESA implementation. A training meeting, facilitated by the FMT in Nairobi, Kenya in 2009, brought together a number of FCPF participant countries to learn about SESA, and Nepal participated in this meeting and also contributed ideas and inputs to the broader discussion.

How can successes be replicated, or failures avoided, in a wide range of country conditions, including as a prelude to operationalizing the Carbon Fund?

A core principle of the R-PP process in Nepal has been the emphasis on transparency and accountability. This principle will become increasingly important, as key decisions are taken over the course of the next 12-24 months regarding a host of issues such as benefit sharing modalities, the nature, identity and structure of the proposed REDD fund as well as social and environmental safeguards to reduce potential negative impacts or risks.

Early experience in Nepal points to the importance of coordinating efforts of voluntary market REDD projects, implemented by projects or international NGOs with national efforts to prepare for REDD-readiness. The extra capacity and resources available to non-governmental entities has meant that a number of pilot projects are currently under development (Box 1), all of which are pursuing options for voluntary market funding. Important methodologies and lessons are being developed regarding carbon measurement, MRV, benefit sharing and transparent systems. At the same time, with support from FCPF and others, the REDD Cell is developing strategies for similar areas, for

their application in the anticipated compliance market. There is a potential risk (albeit unrealized to date) that without sufficient co-ordination from government, that important forest blocks with high carbon values may be captured under the voluntary market through project-based approaches, leaving little of substantive value for the fund based mechanism (which will come at a later point). Furthermore, there is a risk that without sufficient national co-ordination from government, methodologies developed locally may not be compatible with national systems.

4.0 Efficiency:

4.1 Cluster Four: To what extent has the FCPF been efficient in achieving desired results?

How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures?

There appear to have been problems in Nepal involving both the World Bank and the Country in terms of disbursing and accounting for FCPF funds.

The result of these obstacles during the preparation phase led to delays in the approval of the readiness grant (which was approved in March 2011).

Resolving these issues in a timely manner and moving forward with the readiness grant will be important if the momentum that has been developed over the past 18 months is to be maintained, and the high levels of participation continued. Increasing the capacity of government to administer the larger readiness grant has already been foreseen as a high priority, and this will be supported through the recruitment of financial management and procurement specialists to support the REDD Cell administration.

Were the countries able to use the resources provided in a timely manner?

The indications are that when the funds arrived, they were used in a timely and effective manner. There are also good indications of value for money, as a result of a heavy dependence on local (rather than international) consultants and service providers. As mentioned elsewhere in the report, this helped increase local ownership and buy-in, as well as building capacity locally.

Has the TAP been utilized efficiently in the assessment of the R-PPs? And, has the selection process of the TAP been transparent, free from conflict of interest, and has the independence of reviewers been ensured? Does the combined use of TAP reviews of the R-PPs, PC reviews and the World Bank's due diligence represent an efficient process for assessing R-PPs?

REDD Cell staff and the R-PP writing team members indicated a satisfaction with the quality of comments received from the TAP and PC review process. Furthermore a teleconference was undertaken with the FMT regarding comments received and how they should be addressed. In general, comments received were positive in nature and constructive. Specific comments regarding the implications of REDD-readiness planning within the context of the current constitutional review process were considered to be particularly helpful and were responded to in the final version of the R-PP. With regard to the timeliness of the comments, concerns were raised that in some cases, the comments were received rather late and as a result there was little time with which to consult outside the writing team for feedback and make the necessary revisions given up-coming deadlines for submission.

How do participating countries perceive the costs and benefits of the FCPF Readiness Mechanism, including timeliness and magnitude of resources?

As indicated above, there have been considerable challenges with regards to the transaction costs of administering the preparation grant and many issues remain unresolved at the time of preparing this report. As a result, there is a somewhat mixed perception of the FCPF support. On one hand, most stakeholders consulted within and outside government appear to be highly appreciative of the technical and strategic guidance, tools and formats provided by the FCPF, to assist in the preparation of the R-PP. On the other hand, the administrative and financial constraints appear to have somewhat offset some of these benefits, particularly when seen from the perspective of government.

4.2 Cluster Three: Is the FCPF cooperating with other processes?

At the country level: How is donor coordination for REDD-plus readiness support manifesting itself in FCPF countries?

Bilateral agencies appear to be increasingly well coordinated in Nepal through the medium of the Forestry Donor Group, which has been operational for a number of years. Within this donor group, there is active participation from DFID, MFA (Finland), SDC, JICA, USAID, Danida and EU. A major portion of the work conducted by this group revolves around climate change matters – both from adaptation and mitigation perspectives. Given that the FCPF grant is administered from outside Nepal, and that FCPF represents the WB's only forest sector program in Nepal, WB has not been participating within this donor group.

With regard to links between government and donors around REDD-plus issues, this has been strengthened recently. The revised version of the REDD Working Group now includes one donor representative, who will be selected from within the Forestry Donor Group to act as a conduit between that group and the government on REDD-plus issues.

In what way, has bilateral and multilateral assistance to FCPF countries for REDD-plus readiness changed?

Funding support to REDD-readiness in Nepal has increased significantly since the advent of the FCPF process. Increased funds have come from a number of sources. Firstly, existing bilateral programs supporting the forest sector (namely the SDC Nepal-Swiss Community Forestry Project and the DFID Forests and Livelihoods Program, both of whom have allocated funding support to the R-PP process, aligned program activities to support readiness objectives (such as undertaking consultations within focal districts), and provided technical and material support to the REDD Cell and REDD Working Group.

The US government, through USAID, has recently announced a new natural resources and climate change program called “*Hariyo Ban Nepalko Dhan*” (Hariyo Ban) program. The Hariyo Ban program aims to reduce threats to biodiversity and vulnerabilities of climate change in Nepal through an appropriate set of site-based interventions in priority biodiverse landscape(s) as well as enabling policy environment at the national level. An important element of the program will be to build the structures, capacity and operations necessary for effective and sustainable landscapes management, especially REDD-plus readiness. The anticipated budget for this program will be around US\$ 30 million.

As indicated earlier in this report, Norad is supporting a number of national or regional programs operational in Nepal through organizations such as RECOFTC, NEFIN (together with three regional IP NGOs) and ICIMOD. These interventions aim to increase local awareness, understanding and engagement of forest-dependent communities, as well as to test REDD-plus

methodologies at field level. WWF have been able to secure funds through MFA (Finland) for the development of carbon assessment tools in the Terai Arc Landscape.

Three donors, namely DFID, SDC and MFA (Finland) have agreed to provide US\$ 150 million support over ten years through a multi-stakeholder forestry program. An initial three year ‘transition phase’ will develop the overall strategic plan for the forest sector and establish the necessary structures and processes for joint financing and implementation. Climate change (both adaptation and mitigation) are included as core elements within this program.

With regard to multi-lateral funding support to REDD-plus, the picture is less clear. Nepal is not a FIP Pilot country, nor is it included currently in UN-REDD. Nepal, is however, a participant to the PPCR with a budget of US\$ 110 million. Although mitigation is not foreseen in this program, as has been indicated earlier, many of the actions foreseen in the PPCR and the NAPA are potentially relevant to mitigation (such as community forestry and afforestation), so important links can be developed here.

Has the FCPF sought to build on the existing bilateral and multilateral programs in the REDD Country Participant?

Strong linkages have been developed between the FCPF supported activities and other ongoing programs in Nepal – particularly within the forestry sector. Important financial, technical and material contributions have been made from SDC and DFID funded forestry programs. As a result, the R-PP process has built strongly on existing government and donor-funded support. Fewer linkages have been developed outside the forestry sector – for example to processes involved with land tenure reforms, decentralization reforms or agricultural development, all of which will be important when strategies are being developed with which to address deforestation drivers.

In what way and to what extent have stakeholders been engaged in FCPF?

With support from FCPF Preparation grant, but also extensive supplemented by donors and projects working in the forest sector, there has been a strong level of engagement in the R-PP development process in Nepal. Consultations and engagement have taken place through a range of forums and processes:

- The REDD Working Group (with representatives from government and civil society);
- The REDD Stakeholders Forum (a wider body with broader representation from civil society and government);
- The Apex Body (an inter-ministerial body with more of an oversight and decision-making function);
- A range of consultations carried out at national and sub-national level. This has been extensively supplemented by donor-funded programs such as the DFID Forests and Livelihood Program (working in 15 districts), the Norad-funded RECOFT initiative, and the Norad support provided to NEFIN working with IP issues.

During the preparation of the R-PP, many stakeholders consulted (including the government) have indicated that the consultations and engagement have been primarily from stakeholders directly linked to the forest sector, such as staff from within MFSC, forest-based NGOs and other civil society organizations with strong links to the forest sector. Government staff from outside MFSC, while represented on the Apex Body, has not been represented within the REDD Working Group, for example (although this is now changing during R-PP implementation with an expansion of membership planned). Discussions held with the Ministry of Finance indicated that their involvement to date in the R-PP had been minimal, and compared less favorably than other forest

sector process such as the ongoing development of the Multi Stakeholder Forestry Program discussed earlier in this document.

Representation of private sector has been low throughout the R-PP preparation. This is more a reflection of the state of engagement of the private sector within the forest sector, rather than as a result of their exclusion from the planning process. Much of the “private sector” engagement in forestry is either informal or artisanal in nature. Larger commercial interests in timber harvesting have a poor track record in terms of transparency, and are known to be largely co-opted by senior government representatives.

There has been a very deliberate attempt to involve national civil society organizations within the R-PP process. Of nine members of the REDD Working Group, three were from national NGOs. Furthermore, the REDD Cell adopted a deliberate strategy of encouraging key NGOs working within the REDD Working Group to assume responsibility for undertaking the development of the Consultation and Participation Plan. Seven national NGOs working with the forest sector representing a range of interests were engaged to undertake this assignment. Furthermore, there was very little reliance on international consultants (other than existing adviser staff who were able to allocate time to this assignment) – the bulk of the studies were conducted by national consultants. An important spin-off of this process has been to build capacity and ownership among Nepali nationals working within the forest sector. There has also been an important and healthy discussion within national NGOs regarding the degree to which they can fulfill multiple roles within government-lead processes. Is it possible, for example, to retain independence and loyalty to lower level constituents, while participating as a REDD Working Group member, while carrying out consultancy tasks and with longer term interests to secure funding for implementing REDD pilot projects? On reflection, the answer to this question appears to be yes – the benefits have outweighed the potential risks. The process has created a strong incentive for collaboration between civil society and government around shared goals.

With regard to the process of soliciting inputs from civil society and local communities, discussions held with national NGOs involved in the process have indicated some important lessons learned. Rather than inviting selected NGOs to be represented on the REDD Working Group, a more deliberate process could have involved providing some limited funds to support civil society groups to meet among themselves initially, and develop a more structured process for feeding into the REDD Working Group. This could have included, for example, electing two members from within the civil society group to act as their elected representatives. So, rather than representing their own organizations and interests, their mandate becomes broader – representing the broader interests of national civil society from which they were elected. Furthermore, the separate discussion forum for national civil society could have developed its own positions and recommendations as a group – and then channeled these through their representatives.

The interests of IPs were represented on the REDD Working Group through NEFIN. NEFIN had additional funds (outside the FCPF) to support a consultative process on REDD-plus across its broad network. A position paper was developed by NEFIN outlining minimum conditions through which IPs would accept to participate in and support the REDD-plus process. This included adherence to principles of FPIC and conformity to ILO 169 and UNDRIP (both ratified by government of Nepal). Although a number of their demands were not met (including specifically adherence to UN Conventions), there was a satisfaction at least, that the voices of IPs had been heard more strongly than before within national policy formulation processes within the forestry sector.

A final challenge has been identified in this process, and this relates to capacity. There is a great diversity of national organizations and umbrella organizations. Many of these have considerable levels of legitimacy and represent important and marginalized interests. However, in contrast, for

many of these organizations, they lack capacity to engage meaningfully in complex policy processes. They have to be supported with capacity building for them to be able to present their concerns in a structured and constructive manner.

ANNEX G: FIELD VISIT SAMPLE METHODOLOGY

Whereas the evaluation will integrate all participating countries, the selection of countries for the three proposed case-studies have been made based on status of progress in readiness made by the countries and keeping in view the geographic representation. As per the other two criteria suggested by the FMT during the teleconference, nature of REDD challenges and stakeholder participation, the evaluation team felt that these criteria were too subjective at this point in the sampling in order to provide an objective, unbiased sample.

Based on the criteria, the evaluation team undertook a review of the FCPF member countries as listed in Table 1.

Table 1: List of Participating Countries and Criteria

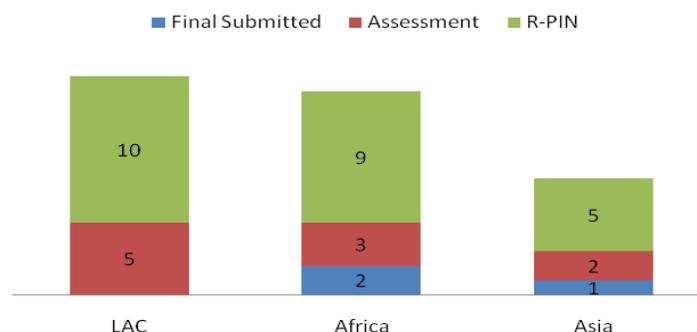
Country	Region	Status of Readiness Proposal	Involvement with other Global REDD Initiatives		
			UN-REDD	FIP Pilot Country	REDD+ Partnership
Argentina	LAC	Assessment	O		P
Bolivia, Plurinational State of	LAC	R-PIN	M		
Chile	LAC	R-PIN			
Colombia	LAC	R-PIN	O		
Costa Rica	LAC	Assessment	O		P
El Salvador	LAC	R-PIN			
Guatemala	LAC	R-PIN	O		P
Guyana	LAC	Assessment	O		P
Honduras	LAC	R-PIN			P
Mexico	LAC	Assessment	O	Y	P
Nicaragua	LAC	R-PIN			
Panama	LAC	Assessment	M		
Paraguay	LAC	R-PIN	M		
Peru	LAC	R-PIN		Y	
Suriname	LAC	R-PIN			
Cameroon	Africa	R-PIN			P
Central African Republic	Africa	R-PIN	O		P
Congo, Democratic Republic of	Africa	Final submitted	M	Y	P
Congo, Republic of	Africa	Assessment	O		P
Equatorial Guinea	Africa	R-PIN			P
Ethiopia	Africa	R-PIN			
Gabon	Africa	R-PIN	O		P
Ghana	Africa	Assessment		Y	P
Kenya	Africa	Final submitted	O		P
Liberia	Africa	R-PIN		Y	
Madagascar	Africa	R-PIN			P
Mozambique	Africa	R-PIN			
Tanzania	Africa	Assessment	M		
Uganda	Africa	R-PIN			P
Cambodia	Asia	R-PIN	M		
Indonesia	Asia	Assessment	M	Y	P
Lao People's Democratic Republic	Asia	Assessment			P
Nepal	Asia	Final submitted	O		P
Papua New Guinea	Asia	R-PIN	M		P
Thailand	Asia	R-PIN			
Vanuatu	Asia	R-PIN			P
Vietnam	Asia	Assessment	M		P

O=Observer country (in the case of UN-REDD, these are considered Other Partner Countries such as Nepal for example), M=Member country, Y=Yes, P=Partner country

The review has demonstrated that each region is at different stages in terms of Status of their R-PP. Africa has the most countries that have submitted their Final R-PP. Combined with the number of countries at the Assessment stage, 35 per cent of African countries are in advance stages of the Readiness process. While LAC has the most participating countries, only 33 per cent are at the

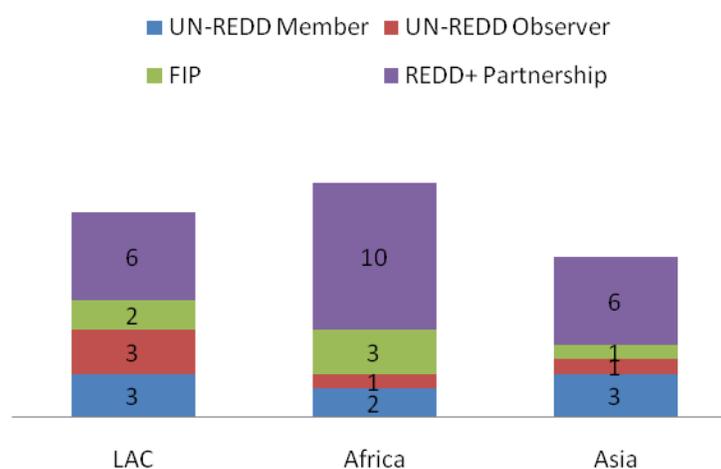
Assessment stage and none have submitted a Final R-PP, leaving 77 per cent at the early stages of the process, the R-PIN. In Asia, 50 per cent of participating countries are either at the Assessment stage or have submitted their Final R-PP (see Figure 1).

Figure 1: Status of R-PP



The review has also demonstrated the different levels of involvement with other Global REDD Initiatives for each region. Africa has the highest level of total involvement with the three other Global Initiatives in the selection criteria, followed by LAC participant countries, and Asia participant countries. However, it must be noted that in regards to the UN-REDD Program and the Forest Investment Program, all three regions are quite similar in their participation with some minor variability (see Figure 2).

Figure 2: Level of Involvement in other Global REDD Initiatives



Following this assessment, a review of the TORs, and consultation with the FMT the evaluation team proposes that, in order to benefit as much as possible from the field visits and ensure that the FCPF does indeed gain knowledge on lessons learned from experience to date and good practices, field visits be conducted in following countries:

Country	Region	Status of Readiness Proposal	Involvement with other Global REDD Initiatives		
			UN-REDD	FIP Pilot Country	REDD+ Partnership
Mexico	LAC	Assessment	O	Y	P
Congo, Democratic Republic of	Africa	Final submitted	M	Y	P
Nepal	Asia	Final submitted			P

ANNEX H SURVEY QUESTIONS

Welcome

Here you will find a survey relating to your experience with the Forest Carbon Partnership Facility (FCPF). The survey is administered by Baastel (Canada) and Nordeco (Denmark), the consultant firms who have been mandated by the Participant's Committee, the governing body, of the FCPF to undertake an independent evaluation of the FCPF to identify lessons learned and provide recommendations for the future implementation of the FCPF. The evaluation is looking at the following three OECD DAC criteria: relevance, effectiveness, and efficiency, to draw conclusions and recommendations for the future.

The survey has 25 questions. There is no wrong or right answer. For multiple choice questions, if you feel the question does not apply to you, please choose 'N/A'; if you prefer not to answer for any other reason, please select the option 'Prefer not to Answer'. You will need approximately 30 to 40 minutes to complete the questionnaire. Your answers will be combined with those of other participants. You will not be identified individually and your opinions will remain strictly confidential.

If there are additional issues that you would like to bring to the attention of the consultants, please get in touch with Carolina Vergara at Carolina.vergara@baastel.com

Thank you again for taking the time to share your experience!

Survey targeting: All stakeholder groups

Language:

Region (Latin America and Caribbean; East Asia and Pacific, Africa):

Country:

Type of organisation/institution:

(tick as appropriate):

- **Country participant stakeholder (Government institution/National NGO or International NGO / Other civil society/ private sector)**
- **Participant Committee Observers**
- **Donor Participant including Carbon Fund Donors**
- **Member of FCPF Facility Management Team**
- **Members of Ad Hoc Technical Advisory Panel**
- **Member of the Participant Committee**
- **Other**

Name of organization/institution:

Role of your institution within the context of the R-PP Readiness-Plus process:

Relevance:

1. In your view, to what degree have activities supported by the FCPF been coherent and relevant to REDD-readiness activities being supported within your country?

- Highly Coherent and highly relevant
- Coherent and relevant
- Moderately Coherent and moderately relevant
- Incoherent and irrelevant
- Highly incoherent and irrelevant
- N/A
- Prefer not to answer

2. In your view, in what way, has the FCPF added value to REDD-plus processes being undertaken by your country? (Please provide concrete examples, if possible). If you prefer not to answer please leave the box empty.

3. In your view, has the Participant Committee been responsive to the key international conventions?

- Yes
- No
- N/A
- Prefer not to answer

Comments are optional:

4. Has your organization/institution had previous experience working with other REDD-plus initiatives?

- Yes
- No
- N/A
- Prefer not to answer
 - If A1=Yes, go to Q5.
 - If A1=No, go to Q8

5. Please name the one or more REDD-plus initiatives with which you have had the most experience/contact. If you prefer not to answer please leave the box empty.

6. To what extent would you say these other initiatives are similar to the FCPF programme, in terms of providing a similar service? [very similar, similar, dissimilar, very dissimilar, N/A, Prefer not to answer]

7. Please compare your FCPF experience with other Global REDD-plus initiatives in the following areas: [significantly better, somewhat better, somewhat worse, or significantly worse, N/A, Prefer not to answer]

- [Q7a] Amount of information provided by the programme in terms of adequately supporting preparation your country's readiness proposal and support for REDD-plus readiness.
- [Q7b] Degree of support and responsiveness (resource person, expert advice, documentation) provided by the FCPF in the preparation of your proposal.
- [Q7c] Timeliness of support.
- [Q7d] The overall performance of the program in your country. You may want to focus on key achievements and gaps.

Comments are optional:

Effectiveness

Considering your experience and knowledge of the FCPF:

8. As a FCPF Participant Country
Are the definition of "REDD plus readiness", the procedures for formulation, procedures for assessment and review of R-PPs, the guidance notes on consultations, etc., clear, and understandable?

- Yes
- No
- N/A
- Prefer not to answer

Comments are optional:

As a FCPF Participant Country, please provide your opinion on the following statements:

	Highly Agree	Agree	Disagree	Strongly Disagree	N/A	Prefer not to answer
The FCPF process has significantly contributed towards your country's capacity to prepare its R-PP .						
The FCPF process has enhanced your country's understanding of REDD-plus issues.						
The FCPF has provided your country with adequate financial and technical resources to prepare its R-PP.						
As a result of FCPF support, your country has the potential to undertake large-scale systems of performance-based payments for REDD-plus.						
The materials (i.e. Guidelines, technical notes, lessons learned, templates, manuals etc.) provided by the FCPF have been used in your country for national planning on REDD-plus and REDD-plus readiness activities						
The FCPF has been effective in delivering its objectives regarding REDD readiness ⁹⁰ .						

Comments are optional:

9. Have other capacities (at the institutional/national level) been strengthened as a result of participation in the FCPF and the REDD+ Readiness process?

- Yes
 No
 N/A
 Prefer not to answer

a) if yes, in which areas? Comments are optional:

10. To your knowledge, have there been any unintended outcomes (negative or positive) as a result of undertaking the preparation of the R-PP and participating in the FCPF Readiness Mechanism?

- Yes
 No
 N/A
 Prefer not to answer

⁹⁰ As per the Information Memorandum of June 2008, the objectives include : 1. Developing a national reference scenario for REDD; 2. Adopting a national REDD strategy that would seek to reduce emissions and at the same time conserve biodiversity and enhance the livelihoods of forest-dependent indigenous peoples and other forest dwellers. The REDD strategy should reflect each country's priorities and be mindful of its constraints; and 3. Designing and, if possible, implementing accurate measurements, monitoring and verification systems to enable countries to report on emissions from deforestation and forest degradation.

If yes, please provide examples and describe the effects of these unintended outcomes. Comments are optional.

11. To your knowledge, has the FCPF programme been responsive to the concerns expressed by stakeholders including Indigenous peoples and local communities in the course of the REDD-plus readiness? You may want to comment on the level of engagement you have had so far in the FCPF.

- Yes
 No
 N/A
 Prefer not to answer

- a) If yes, can you please elaborate on what these concerns are, and how and to what extent FCPF has responded to them keeping in view the state of advancement of REDD-plus readiness? Comments are optional

12. In your view, have the activities of the FCPF Readiness Mechanism played a catalytic effect in your country for REDD-plus? By catalytic effect we broadly refer to mechanisms pertaining to (a) demonstration, including by pilot projects; (b) replication; and (c) scaling-up REDD-plus outcomes as well as sustainability.

- Yes
 No
 N/A
 Prefer not to answer

If yes, please describe any type of catalytic effects as a result of FCPF outcomes, and underlying causes. Comments are optional.

13. Can you describe any key strengths of the FCPF programme?

- a) Weaknesses of the FCPF programme?

15. Has your participation in the FCPF been meaningful?

- Yes
 No
 N/A
 Prefer not to answer

- a) If yes, mention areas where you have found participation to be most useful from REDD-plus such as support in setting up country level REDD-plus processes; strengthening national dialogue on REDD-plus or any other area. Comments are optional

- b) In what areas do you feel further assistance would be more helpful? Comments are optional.

Efficiency

16. In your view, as a Participant country please indicate your level of agreement with the following statements:

	Highly Agree	Agree	Disagree	Strongly Disagree	N/A	Prefer not to answer
Your country had access to the Readiness funds in a timely manner.						
The disbursement of the Readiness funds was done in a timely manner.						

The Readiness funds were used in a timely manner in your country.						
The allocated resources per country by the Readiness Mechanism were adequate to undertake the FCPF activities						

Comments are optional:

17. In your view, please indicate your level of agreement with the following statements:

	Highly Agree	Agree	Disagree	Strongly Disagree	N/A	Prefer not to answer
The governance of the FCPF is accountable and transparent.						
Regarding REDD-plus readiness, is the role of the Facility Management Team (FMT) clear?						
Is the FMT well executed?						
Has the Participant Assembly been effective in providing strategic direction and allocating resources commensurate with agreed objectives?						
Does the Participant Committee (PC) perform the necessary strategic steering function?						
Are the decisions taken by the PC based upon consistent application of agreed performance standards, criteria and indicators?						

Comments are optional:

18. To your knowledge, were there changes in the use of funds, time, and resources between the years 2006 and 2010?

- Yes
 No
 N/A
 Prefer not to answer

If yes, can you please elaborate? Comments are optional.

19. To your knowledge have there been any changes to the FCPF objectives?

- Yes
 No
 N/A
 Prefer not to answer

If yes, can you elaborate on the underlying causes and rational for these changes? Comments are optional.

20. What has been your level of satisfaction regarding the following aspects of the review process undertaken by the Technical Advisory Panel (TAP)?

	Highly Agree	Agree	Disagree	Highly disagree	N/A	Prefer not to answer
TAPs have been adequately resourced.						
The reporting arrangements are appropriate.						
The panels performed their review function well.						
The panels performed their advisory function well.						
The Panels have been independent of the FMT, PC and the World Bank.						

Comments are optional:

21. Based on your experience with the FCPF REDD-plus readiness, to what degree have there been any changes in donor coordination for REDD-plus activities?
- High
 - Moderate
 - Low
 - None
 - N/A
 - Prefer not to answer

If yes, can you provide examples of the type of changes in donor coordination? Comments are optional.

22. In your view, as a Country participant, has there been an increase or decrease in bilateral and multilateral assistance in your country for REDD-plus readiness which you think is a consequence of your country's participation in FCPF and preparation of its R-PP?
- Yes
 - No
 - N/A
 - Prefer not to answer

Please provide examples and describe the impacts or lack thereof, of these changes in your country. Comments are optional:

23. In your view, has participation in the FCPF influenced synergies between bilateral and multilateral partners or between multilateral partners regarding REDD-plus activities?
- Yes
 - No
 - N/A
 - Prefer not to answer

Please provide examples or lack thereof of these synergies and how you perceive the FCPF influenced this. Comments are optional:

24. What has been the level of success of the FCPF to build on the existing bilateral and multilateral programmes?
- Highly Successful
 - Successful
 - Moderately Successful
 - Unsuccessful
 - Highly unsuccessful
 - N/A
 - Prefer not to answer

Comments are optional:

25. Finally, do you have additional comments to make about the FCPF programme?

Thank you for being a part of this survey!

ANNEX I INTERVIEW PROTOCOLS

All Protocols contained variations of the same questions in order to ensure triangulation of answers. During missions, these same protocols were modified depending on the context and stakeholder groups but contained the same basic themes and criteria to feed into the triangulation of data.

a) Interview Protocol PC Members and Observers

Baastel (Canada) and Nordeco (Denmark), have been mandated by the Participant's Committee, the governing body, of the FCPF, to undertake an independent evaluation of the FCPF in view of attaining lessons learned and providing recommendations to undertake the activities of the FCPF on a larger scale. The evaluation is looking at the following three OECD DAC criteria, relevance, effectiveness, and efficiency, to draw conclusions and recommendations.

Programme Relevance

1. In your view, how has the work of the FCPF been relevant within the global context of REDD-plus?
2. In your view, what has been the value added of the FCPF to the REDD-plus process?
 - a. What have been the main attributes of the Readiness process?
3. Can you provide examples of how the Participant Committee has been responsive to the key international conventions?
 - a. How have these been responsive to the needs of REDD participant countries?

Programme Efficiency

4. In regards to efficiency, what have been the strengths and weaknesses of the FCPF in regards to its disbursement of funds to Participant Countries?
 - a. How could they have been allocated in a more efficient manner?
5. Was the time allocated to implement the Readiness Mechanism realistic?
 - a. What has been key to ensuring a timely delivery to Participant Countries?
 - b. What have been the main challenges in regards to a timely delivery?
6. How has the use of internal and external expertise been used to maximise the efficiency of the FCPF? Have there been any challenges in regards to the use of expertise within the FCPF or with Participant Countries?
 - a. What have been some of the good practices in regards to providing expertise to Participant Countries?
7. Over the course of the FCPF fiscal years, can you provide any changes in the use of funds, time, and resources between the years 2008 and 2010?
8. In your view, what have been some of the good practices in the management of the Readiness Trust Fund?
 - a. What have been some of the bad practices, if any?
 - b. Has the rate of disbursement been timely?
 - c. Have there been any constraints in the disbursement of funds?
 - d. If so, can you describe them?

9. In regards to the review process of the R-PP, what has been the value added of the following: TAP, Participant Committee, and World Bank due diligence?
 - a. In your view, what are the strengths and weaknesses of this review process?
 - b. What are areas of redundancy?
 - c. Which are the areas of complementarity?
 - d. In your view, how has the TAP contributed to the R-PP process?
 - e. What has been their level contribution?
 - f. In your view, how can this process be conducted in a more timely manner?
 - g. In what way could the resources be utilized more efficiently for the review process?

10. The Readiness Mechanism provides 200 000 USD to Participant Countries, is this amount sufficient to undertake the FCPF activities (the development of the RPP)?
 - a. If so, please elaborate.
 - b. If not, could you elaborate on the financial needs required to ensure the Readiness activities are undertaken.
 - c. What have been the main benefits?

11. REDD-plus initiatives have been growing in the last years, since its inception, can you provide examples of synergies that the FCPF has had with these other initiatives?
 - a. In your view, has there been any overlap between the FCPF and other REDD-plus initiatives?
 - b. More specifically, how has the FCPF created links between the following REDD-plus initiatives: Forest Investment Programme, The GEF, other bilateral initiatives, and regional initiatives? What has been gained from these links? To what degree have they been successful?

12. In what way have the FCPF and UN-REDD been complementary? Can you provide examples of efforts that have been made to ensure this?
 - a. What have been the key learning experiences and impacts that have stemmed jointly from the FCPF and UN-REDD?
 - b. In your view, what are the similarities in the operational guidance on the engagement of indigenous people of the FCPF and UN-REDD?
 - c. Conversely, what are differences?

13. What have been the key achievements of the FCPF in informing the UNFCCC process?
 - a. What has been the most challenging in informing the UNFCCC?

Programme Effectiveness

14. The FCPF has established a participatory governing system, in your view what have been the key achievements of this system?
 - a. What have been the key challenges of this system?

15. The FCPF has aimed to provide a governing system that is accountable and transparent, in your view, has this been achieved?
 - a. If so, please elaborate.
 - b. If not, please elaborate.

16. In your view, how has the Participant Assembly contributed to the FCPF? How has the Participant Committee contributed to the FCPF?

17. In comparison with other REDD-plus initiatives, what are the strengths and weaknesses of the FCPF governance system? Can you provide concrete examples?

18. Have there been any catalytic effects of FCPF outcomes? If so, can you provide examples? If not, can you elaborate?
19. Can you provide us with some key lessons learned in regards to the FCPF REDD-plus Readiness activities?
 - a. In your view, what are the implications of these lessons for REDD-plus readiness?
 - b. In what way could these FCPF lessons have an impact on REDD-plus readiness?
 - c. In view of creating a larger scale approach to REDD-plus readiness, is there a potential for these lessons to be scaled-up?
 - d. In what way has the FCPF conveyed information on its lessons learned?
 - e. In your view, what has been the value of this information?
 - f. Would there have been a better way to convey these lessons from the FCPF?

Thank you for your participation

b) Interview Protocol Participant Country

Baastel (Canada) and Nordeco (Denmark), have been mandated by the Participant's Committee, the governing body, of the FCPF, to undertake an independent evaluation of the FCPF in view of attaining lessons learned and providing recommendations to undertake the activities of the FCPF on a larger scale. The evaluation is looking at the following three OECD DAC criteria, relevance, effectiveness, and efficiency, to draw conclusions and recommendations.

Programme Relevance

1. In your view, how has the work of the FCPF been relevant within the global context of REDD-plus?
 - a. In what way, has the FCPF Readiness Mechanism been coherent with activities in your country?
2. In your view, what has been the value added of the FCPF to the REDD-plus process?
 - a. What have been the main attributes of the Readiness process?
3. Can you provide examples of how the Participant Committee has been responsive to the key international conventions?
 - a. How have these been responsive to the needs of your country?

Programme Efficiency

4. The Readiness Mechanism provides 200 000 USD to Participant Countries, is this amount sufficient to undertake the FCPF activities (the development of the RPP)?
 - a. If so, please elaborate.
 - b. If not, could you elaborate on the financial needs required to ensure the Readiness activities are undertaken.
 - c. What have been the main benefits?
5. In your view, was your country able to access the funds for the Readiness Mechanism in a timely manner?
 - a. How could the funds been accessed more efficiently?

- b. Between the time that your country could access the funds, and the disbursement of the funds from the FCPF, in your view, how could this have been conducted in a more timely manner?
6. Once your country received the funds, how were they used and disbursed? In your view, how could these funds been used more efficiently?
7. In regards to the review process of the R-PP, what has been the value added of the following: TAP, Participant Committee, and World Bank due diligence? In your view, what are the strengths and weaknesses of this review process? What are areas of redundancy? Which are the areas of complementarity?
 - a. In your view, how has the TAP contributed to the R-PP process?
 - b. What has been their level contribution?
 - c. In your view, how can this process be conducted in a more timely manner?
 - d. In what way could the resources be utilized more efficiently for the review process?
8. With the increasing interest in REDD-plus initiatives, have there been any changes in donor coordination and activities?
 - a. If so, what types of changes have occurred?
 - b. What types of changes have occurred in bilateral and multilateral assistance?
 - c. Do you have examples of synergies between donors in your country in regards to REDD-plus activities? In what way has the FCPF contributed to these changes?

Programme Effectiveness

9. In your view, was the time frame provided to achieve the FCPF objectives adequate?
 - a. What have been the major delays? What were the causes of these delays?
10. What were the resources put at the disposal your country to undertake FCPF activities? In your view, were these resources adequate? Please elaborate.
11. In your view, what is the potential of your country to undertake large-scale systems of performance-based payments?
12. The FCPF has produced a number of resource materials to generate knowledge on REDD-plus and their activities, in your view, how have these materials been useful?
13. How has the work undertaken with FCPF built capacity in your country?
 - a. What have been the major constraints to capacity building in your country?
 - b. In your view, does your country have the capacity to attain the FCPF objectives? Please elaborate.
14. Have you undertaken any performance-based incentive payments programme?
 - a. If so, what has been the level of success of this programme?
 - b. What has been the incentive payments provided?
 - c. What has been the reduction of GHG emissions?
15. In your view, would the FCPF be able to accompany your country to set objectives and standards for REDD-plus?

16. The FCPF has established a participatory governing system, in your view what have been the key achievements of this system?
- In your view, how has the Participant Assembly contributed to the FCPF?
 - How has the Participant Committee contributed to the FCPF?
 - What have been the key challenges of this system?
 - How has the FCPF governing system shown that it is transparent and accountable?
 - In comparison with other REDD-plus initiatives, what are the strengths and weakness of the FCPF governance system? Can you provide concrete examples?
17. Have there been any catalytic effects of FCPF outcomes?
- If so, can you provide examples?
 - If not, can you elaborate?
18. Have there been any unintended outcomes from the Readiness Mechanism, in your country?
- If so, can you describe the effects of these outcomes?
19. Can you provide us with some key lessons learned in regards to the FCPF REDD-plus Readiness activities? In your view, what are the implications of these lessons for REDD-plus readiness?
- In what way could these FCPF lessons have an impact on REDD-plus readiness?
 - In view of creating a larger scale approach to REDD-plus readiness, is there a potential for these lessons to be scaled-up?
 - In what way has the FCPF conveyed information on its lessons learned to your country?
 - In your view, what has been the value of this information?
 - Would there have been a better way to convey these lessons from the FCPF?

Thank you for your participation

c) Interview Protocol TAP Members

Baastel (Canada) and Nordeco (Denmark), have been mandated by the Participant's Committee, the governing body, of the FCPF, to undertake an independent evaluation of the FCPF in view of attaining lessons learned and providing recommendations to undertake the activities of the FCPF on a larger scale. The evaluation is looking at the following three OECD DAC criteria, relevance, effectiveness, and efficiency, to draw conclusions and recommendations.

Programme Relevance

20. In your view, how has the work of the FCPF been relevant within the global context of REDD-plus?
- In what way, has the FCPF Readiness Mechanism been coherent with activities in Participant Countries?
21. In your view, what has been the value added of the FCPF to the REDD-plus process?
- What have been the main attributes of the Readiness process?
22. Can you provide examples of how the Participant Committee has been responsive to the key international conventions?
- How have these been responsive to the needs of participant countries?

Programme Effectiveness

23. In your view, how has the TAP contributed to the R-PP process?
 - a. What has been the TAP's level contribution?
24. In regards to the review process of the R-PP, what has been the value added of the following: TAP, Participant Committee, and World Bank due diligence?
25. What are areas of redundancy between each process?
26. Which are the areas of complementarity between each process?
27. In your view, what are the strengths and weaknesses of R-PP review process?
28. In your view, how can this process be conducted in a more timely manner?
29. In what way could the resources be utilized more efficiently for the review process?

Thank you for your participation

d) Interview Protocol World bank staff

Baastel (Canada) and Nordeco (Denmark), have been mandated by the Participant's Committee, the governing body, of the FCPF, to undertake an independent evaluation of the FCPF in view of attaining lessons learned and providing recommendations to undertake the activities of the FCPF on a larger scale. The evaluation is looking at the following three OECD DAC criteria, relevance, effectiveness, and efficiency, to draw conclusions and recommendations.

Programme Relevance

20. In your view, what has been the value added of the FCPF to the REDD-plus process?
 - a. What have been the main attributes of the Readiness process?

Programme Efficiency

21. In regards to efficiency, what have been the strengths and weaknesses of the FCPF in regards to its disbursement of funds to Participant Countries?
 - a. How could they have been allocated in a more efficient manner?
22. Was the time allocated to implement the Readiness Mechanism realistic?
 - a. What has been key to ensuring a timely delivery to Participant Countries?
 - b. What have been the main challenges in regards to a timely delivery (for both the formulation and the preparation grants)?
23. Given the delays between R-PP approval and Readiness Grant experienced by a number of countries, and given the fast evolving REDD context in the Participant Countries (also in terms of new donor funding part of the REDD agenda), how flexible can the Bank be in terms of allocation of funds to specific activities under the Readiness Grant?
24. How has internal and external expertise been used to maximise the efficiency of the FCPF within the Bank? Have there been any challenges in regards to the use of expertise within the FCPF or with Participant Countries?
 - a. What have been some of the good practices in regards to providing expertise to Participant Countries?

25. In your view, what have been some of the good practices in the management of the Readiness Trust Fund?
- What have been some of the bad practices, if any?
 - Has the rate of disbursement been timely?
 - Have there been any constraints in the disbursement of funds?
 - If so, can you describe them?
26. In regards to the review process of the R-PP, what has been the value added of the World Bank due diligence?
- What are areas of redundancy and/or complementarity with other FCPF review steps?
 - In your view, how can this process be conducted in a more timely manner?
 - In what way could the resources be utilized more efficiently for the review process?
27. The Readiness Mechanism provides 200 000 USD for formulation of the R-PP and 3.4 million USD for the Strategy development and readiness process, are these amounts sufficient in your view to undertake the FCPF activities?
- If so, please elaborate.
 - If not, could you elaborate on the financial needs required to ensure the Readiness activities are undertaken.
 - What have been the main benefits?
28. REDD-plus initiatives have been growing in the last years, since its inception, can you provide examples of synergies that the FCPF has had with these other initiatives?
- In your view, has there been any overlap between the FCPF and other REDD-plus initiatives?
 - More specifically, how has the FCPF and the World Bank created links between the following REDD-plus initiatives: Forest Investment Programme, the GEF, other bilateral initiatives, and regional initiatives? What has been gained from these links? To what degree have they been successful?
29. What have been the links, if any, between the FCPF work and the other World Bank sector support in the countries targeted? What have been the challenges at this level?
30. Can you provide any insight on what the role of the World Bank Regional Teams has been in regard to the FCPF? What have been the achievements and challenges of their involvement?
31. In what way have the FCPF and UN-REDD been complementary? Can you provide examples of efforts that have been made to ensure this?
- What have been the key learning experiences and impacts that have stemmed jointly from the FCPF and UN-REDD?
 - In your view, what are the similarities in the operational guidance on the engagement of indigenous people of the FCPF and UN-REDD?
 - Conversely, what are differences?

Programme Effectiveness

32. In your view, how has the Participant Assembly contributed to the FCPF? How has the Participant Committee contributed to the FCPF?

33. In comparison with other REDD-plus initiatives, what are the strengths and weaknesses of the FCPF governance system? Can you provide concrete examples?
34. How do you perceive the multi-delivery partner approach now being promoted by the FCPF? In what way is this helping and/or impeding the FCPF in meeting its objectives? What are the lessons from the World Bank delivery experience that should feed into the further development of this multi-delivery approach?
35. Have there been any catalytic effects of FCPF outcomes? If so, can you provide examples? If not, can you elaborate?
36. Can you provide us with some key lessons learned in regards to the FCPF REDD-plus Readiness activities?
 - g. In your view, what are the implications of these lessons for REDD-plus readiness?
 - h. In what way could these FCPF lessons have an impact on REDD-plus readiness?
 - i. In view of creating a larger scale approach to REDD-plus readiness, is there a potential for these lessons to be scaled-up?
 - j. What could be the implications of these lessons for the operationalization of the Carbon Fund?
 - k. In what way has the FCPF conveyed information on its lessons learned?
 - l. In your view, what has been the value of this information?
 - m. Would there have been a better way to convey these lessons from the FCPF?

Thank you for your participation

ANNEX J LIST OF FCPF PARTICIPANTS

List of FCPF Participants, Donors and Observers

FCPF Participant Country	Donor Participant	Observers
Argentina	France	Forest Dependent Indigenous Peoples and Forest Dwellers UNFCCC Secretariat The United Nations Collaborative Program on Reducing Emissions from Deforestation in Developing Countries (UN-REDD) Program Non-governmental Organizations Private Sector International Organizations
Bolivia	Australia	
Chile	Denmark	
Colombia	Finland	
Costa Rica	Japan	
El Salvador	Netherlands	
Guatemala	Norway	
Guyana	Spain	
Honduras	Switzerland	
Mexico	United Kingdom	
Nicaragua	United States (XXX USAID)	
Panama		
Paraguay	Carbon Fund Donors	
Peru	European Commission	
Suriname	Germany	
Cameroon	Norway	
Central African Republic	The Nature Conservancy	
Democratic Republic of Congo (DRC)	XXX (US)	
Congo, Republic of		
Equatorial Guinea		
Ethiopia		
Gabon		
Ghana		
Kenya		
Liberia		
Madagascar		
Mozambique		
Tanzania		
Uganda		
Cambodia		
Indonesia		
Lao		
Nepal		
Papua New Guinea		
Thailand		
Vanuatu		
Vietnam		

ANNEX K: TERMS OF REFERENCE

Forest Carbon Partnership Facility (FCPF)*First Program Evaluation*

Terms of Reference

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FCPF Overview

1. The Forest Carbon Partnership Facility (FCPF), which became operational in June 2008, is a global partnership 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-plus). The FCPF assists tropical and subtropical forest countries in developing the systems and policies for REDD-plus and provides them with performance-based payments for emission reductions. The FCPF contributes to demonstrating how REDD-plus can be applied at the country level.
2. The FCPF has the dual objectives of building capacity for REDD-plus 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. Two separate mechanisms have been set up to support these objectives:
 - (a) Readiness Mechanism: The FCPF's initial activities relate to technical assistance and capacity building for REDD-plus 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-plus interventions, adopt and complement national strategies for stemming deforestation and forest degradation, and design national monitoring, reporting and verification systems for REDD-plus. These activities are referred to as 'REDD-plus Readiness' and supported by the Readiness Fund of the FCPF. These activities create a framework for future REDD-plus investments or performance-based payments.
 - (b) Carbon Finance Mechanism: It is expected that around five countries that will have made significant progress towards REDD-plus readiness will participate in the Carbon Finance Mechanism and receive financing from the Carbon Fund, through which the Facility will implement and evaluate pilot incentive programs for REDD-plus based on a system of compensated reductions. The selected countries, having demonstrated ownership on REDD-plus, 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 Reductions Programs. The structure of these payments will build on the options for REDD-plus that are currently being discussed within the UNFCCC process, with payments made to help address the causes of deforestation and degradation. Within the Carbon Finance Mechanism, payments will only be made to countries that achieve measurable and verifiable emission reductions.
3. Together, these two mechanisms seek to learn lessons from first-of-a kind operations and develop a realistic and cost-effective large new 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, the lessons generated from the FCPF's methodological, pilot implementation and carbon finance experience will provide insights and knowledge for all entities interested in REDD-plus. 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-plus over the medium term.

4. 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 Reductions Programs.

Specific assistance to REDD-plus readiness is envisaged in the following areas:

- Developing a national reference scenario for REDD;
 - Adopting a national REDD strategy to reduce emissions, conserve biodiversity and enhance livelihoods of forest-dependent people in the context of country priorities and constraints; and
 - Designing accurate measurement, monitoring and verification (MRV) systems to enable countries to report on emissions from deforestation and forest degradation.
5. Unlike general development assistance, receipt of carbon finance, beyond funds for REDD-plus readiness, is contingent on credibly demonstrating the ability of a country to achieve results in the form of emission reductions.
6. Other relevant background information on FCPF is available in the Information Memorandum and the FCPF Charter on the FCPF website at www.forestcarbonpartnership.org.

FCPF Evaluation

7. As provided in the FCPF Charter, evaluation is the responsibility of the governing body, in this case the Participants Committee (PC) on behalf of the Participants Assembly (PA).ⁱ The PC has approved the Terms of Reference (ToR) for the First Program Evaluation, based on which the Facility Management Team (FMT) is to source external consultants to undertake the First Program Evaluation. The PC will establish a working group to provide overall oversight at different stages of evaluation. The FMT will facilitate the evaluation process in accordance with the guidance provided by the PC and report progress to the PC. 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.ⁱⁱ The FMT has proposed to the PC in its Annual Work Plan and Budget for fiscal year 2010-2011 to undertake the First Program Evaluation as part of its regular work program

Determining Key Evaluation Questions

8. The First Program Evaluation will ensure a broad and representative perspective on the achievements and challenges in the FCPF. A draft evaluation framework was prepared to facilitate a first interaction with stakeholders on the key questions and methodology for the First Program Evaluation. 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. In this case, impacts are perhaps too early to assess, but the causal chain leading up to them would be investigated.

9. OECD/DAC Standard Evaluation Criteria include relevance, effectiveness, efficiency, impacts and sustainability.ⁱⁱⁱ The first evaluation will primarily address the first three criteria. The remaining two, i.e., impacts and sustainability, will be targeted in subsequent evaluations.

10. The present draft indicates a relatively modest level of ambition compared to the very first draft. This revision is based on the comments received from the PC guiding the FMT to take a balanced approach keeping in view the resources and the timeframe of the First Program Evaluation. The intention is to tailor the scope of the evaluation so that results can be obtained in a timely manner to allow for course corrections early on in the operations of the Facility. Subsequent evaluations may be more ambitious given that those will build on the evaluative evidence that has been gathered through the first evaluations.

11. The first draft framework was published on FCPF website and widely distributed in December 2009. Reactions, suggestions and comments were received from seven stakeholders: four from PC members, two from CSOs, and informal inputs from the WB's Independent Evaluation Group (IEG).

12. These comments and suggestions were taken into account in this first draft framework of the proposed evaluation framework that was presented as FMT Note 2010-13 to the PC on March 24, 2010. Further comments were received from seven PC members with inputs for prioritizing key questions for the First Program Evaluation. These have been incorporated in the ToR.

Suggested Evaluation Approach

13. The evaluation will cover ongoing as well as completed activities, comprising 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 stage for changes in implementation still to be feasible, and provide timely information for the REDD-plus community. The evaluation will start with the most strategic questions, for which allow sufficient time and resources need to be allocated, before moving on to subsidiary questions. The detailed methodology will be formulated by the team conducting the evaluation and made available to the PC.

Evaluation Period

14. The First Program Evaluation will cover the first two years of FCPF operations, namely from June 2008 to June 2010.

Audience

15. The evaluation is of interest to the FCPF PA, PC and Observers, the WB Management, and the broader REDD+ community.

Timeline

16. It is expected that the First Program Evaluation will be completed by March 2011, with interim results expected to become available in time for the third PA meeting in November 2010. After the First Program Evaluation, the PC will determine the frequency of the evaluations.

Evaluation Objectives

17. Following the FCPF objectives and in accordance with Article 16 of the FCPF Charter Article 16, the objective of the First Program Evaluation will be to assess the effectiveness of the governance structure of the Facility and the operational effectiveness of the Readiness Fund, and suggest ways of enhancing FCPF support to the REDD Country Participants.

18. In light of these objectives, 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 REDD-plus in the future, and some lessons for future REDD-plus regimes. The framework is proposed to be concurrently implemented at three levels:

At the global level. This would review the structure, functions, processes and impact of the FCPF program as a whole;

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 R-PPs (though not the R-PPs themselves). This would include the structure, functions and processes of each country's 'forest-relevant' system, the existing capacity and resources to formulate the R-PP. 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

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 determining 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.

19. An evaluation of the FCPF's knowledge sharing at the country, regional and global levels shall also be conducted.

20. The First Program Evaluation will report on key outcomes and catalytic effects of those outcomes and the impacts that were achieved particularly from the REDD-plus readiness process. There are four clusters of questions on which the evaluation will focus.

Scope of work: Key Questions for the First Program Evaluation

21. This section presents the key questions in four clusters. Many of these questions require several sub-questions to allow for an informed answer in the evaluation. Whilst the focus of the evaluation is on the key questions included in the four clusters, the evaluation team should incorporate the specific sub-questions included in FMT Note 2010-13 as relevant, to supplement and strengthen the evaluation.

22. **Cluster One (FCPF role and effectiveness of learning):** Has the FCPF added value to the REDD-plus processes undertaken by REDD Country Participants? What are the key lessons, intended and unintended outcomes for REDD-plus readiness in REDD Country Participants?

23. This cluster of key question will establish the context and framework in which the FCPF operates. It will look at the current understanding of the phenomena of deforestation and forest degradation, their dynamic and trends, what is known about their causes and how they could be addressed, as well as at the role of the FCPF, its effectiveness in contributing to REDD-plus readiness and its role as a knowledge sharing forum in addressing these issues. Some sub-questions to be addressed include the following:

- (a) What lessons and implications does the FCPF experience offer for REDD-plus readiness, scaling up and likely impacts on REDD-plus outcomes? The lessons learnt should include an assessment of the FCPF's ability to help REDD countries set objectives and standards, e.g., for implementation of safeguards, national REDD-plus management arrangements and consultation and participation processes, and ensuring that Indigenous Peoples and other forest-dependent peoples have been adequately consulted, and that their rights

- under national law and applicable international obligations are respected as provided in the FCPF Charter, ;
- (b) What steps has the FCPF taken to ensure that these lessons are appropriately conveyed to the broader REDD-plus community?
 - (c) How can successes be replicated, or failures avoided, in a wide range of country conditions, including as a prelude to operationalizing the Carbon Fund (since REDD-plus readiness forms the basis for future Emission Reductions Payment Agreements under the Carbon Fund)?
24. The above assessment should be seen in their context, i.e., factors that may have contributed to the successes or constrained optimal achievements. The findings of this cluster should be cross-referenced to those of Cluster Four, 'Performance of the FCPF' to conclude on the added value of the FCPF.
25. **Cluster Two (Relevance of FCPF):** Is the FCPF on track to meet its objectives? Have the FCPF objectives evolved? What is the relevance of the FCPF within the context of the REDD-plus developments at the global and national levels?
26. The assessment to the above question should be guided by the following sub-questions:
- a) 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? If so, how have they evolved and what considerations have driven this evolution?
 - b) Are the current objectives realistic in relation to the capacity of REDD Country Participants, time frame, resources for REDD-plus readiness and bridge finance likely to be available before large-scale systems of performance-based payments?
 - c) How do participating countries perceive the costs and benefits of the FCPF Readiness Mechanism, including timeliness and magnitude of resources?
27. **Cluster Three (Cooperation with other initiatives):** Is the FCPF cooperating with other processes? The assessment in particular should focus on the following:
- (a) Cooperation with other processes at the program level:
 - i. UN-REDD Programme: Does the FCPF take into account possible synergies and overlaps? What are the complementarities, and the efforts to develop complementarities, joint learning and impacts produced by the FCPF on UN-REDD (and vice versa), with special emphasis on countries that are members of both initiatives? This should specifically include an assessment of how the harmonized FCPF and UN-REDD operational guidance on engagement of Indigenous Peoples has been applied.
 - ii. UNFCCC process: To what degree has the FCPF informed the UNFCCC process, and has been successfully informed by the UNFCCC process on REDD-plus? How has the FCPF taken into account progress made in the UNFCCC process?
 - iii. Forest Investment Program (FIP): Do opportunities exist, and are they being used, to develop links between the FCPF Readiness Fund and the FIP?
 - iv. Global Environment Facility (GEF): Do opportunities exist, and are they being used, to develop links between the FCPF Readiness Fund and the GEF?
 - v. Do opportunities exist, and are they being used, to develop links between the FCPF Readiness Fund and other bilateral and regional initiatives?
 - (b) Coordination and cooperation with other processes at country level:
 - i. How is donor coordination for REDD-plus readiness support manifesting itself in FCPF countries?

- ii. For example, has bilateral and multilateral assistance to FCPF countries for REDD-plus readiness changed? If so, how? In particular, how do these bilateral and multilateral partners relate to the REDD Country Participant's R-PP?
- iii. Has the FCPF sought to build on the existing bilateral and multilateral programs in the REDD Country Participant? For example, the FLEGT initiative is operational in some REDD countries; has REDD-plus drawn upon this or similar initiatives?

28. **Cluster Four (Performance of the FCPF):** How effective has the FCPF governance structure been? Has the FCPF been efficient in achieving desired results? The cluster will be guided by the following questions:

(a) What are the key elements of the FCPF governance structure and how has the governance structure affected implementation of the FCPF? Is the governance system of the FCPF adequate for delivering its objectives and up to international standards? This sub-question will build on Cluster One and look at the role and effectiveness of the governance structure, and the extent to which the FCPF has a transparent and accountable system of governance. This system will be compared to similar global programs and funds. The responsiveness of the Participants Committee to guidance of key international conventions and also to the needs of REDD Country Participants will be assessed.

(b) To what extent has the FCPF been efficient in achieving results?

This question should assess the efficiency with respect to resource use and how this might have affected the overall FCPF delivery, including the role of the PC and the FMT and the organizational architecture within which the FCPF operates. Some guiding sub-questions are as follows:

- i. Has the FCPF used its resources (funds, time and expertise) efficiently to maximize its outputs and provide early lessons for REDD-plus? If not, why?
- ii. Has the TAP been utilized efficiently in the assessment of the R-PPs? Has the selection process of the TAP been transparent, free from conflict of interest, and has the independence of reviewers been ensured?
- iii. Does the combined use of TAP reviews of the R-PPs, PC reviews and the WB's due diligence represent an efficiency process for assessing R-PPs?
- iv. How efficiently and timely has the FCPF disbursed the proceeds of the Readiness Fund to REDD Country Participants, taking into account Bank Operational Policies and Procedures?
- v. Are the resources sufficient to meet the countries' REDD-plus readiness needs?
- vi. Were the countries able to use the resources provided in a timely manner? If not, why?

29. FMT Note 2010-13 Add.1, Annex 3 contains additional specific questions received from stakeholders in the process of arriving at key evaluation questions included in the current ToR. These questions could be used in the evaluation process to help supplement and strengthen the evaluation of the issues defined in each cluster. FMT Note 2010-13 Add.1 and the detailed stakeholder inputs received will be made available to the evaluation team to be used as relevant.

Methodology

30. In collecting and analyzing data and drawing conclusions and recommendations, the evaluation methodology will be based on a wide variety of sources of information and use methods to ensure that 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). If needed, a special methodology to gather and analyze data will be developed and adopted. 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. The Evaluation team will develop the detailed methodology.

31. **Gender aspects** will be taken into account where appropriate and relevant. This will especially be the case when developing methodology for the country, agency and field visits and the stakeholder consultations, but gender aspects may be incorporated elsewhere as well.
32. The **terminology** to be used in evaluation will be defined in a consistent manner and relate to international usage of the terms concerned.
33. **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 among others, the GEF Evaluation Office and Independent Evaluation Group of the WB will be considered essential sources of information.
34. **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.
35. **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.
36. **Country and field visits.** To ensure a representative sample of recipient countries, interventions, geographical regions, at least three countries will be visited during the implementation of First Program Evaluation. Evaluative evidence from more FCPF countries will be included.
37. **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 a these countries will be undertaken to draw and verify results.
38. **Participation in international meetings.** Where possible, in order to limit costs, the evaluation team will request feedback on the FCPF from Participants present at international meetings, either through the stakeholder consultation process, semi-structured interviews or focus group meetings.
39. **Complementarities with the other evaluations:** The evaluation team will seek to develop complementarities with the evaluation of other institutions/organizations, including Norway's Climate and Forest Initiative being undertaken by the Evaluation Department of NORAD.

Deliverables/ Specific Outputs expected from Consultant

40. 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 in collaboration with the FMT;
 - Prepare the inception report;
 - Implement and independently undertake the necessary evaluative work for each cluster;
 - Evaluate relevant sources of information through desk reviews and literature studies;

- 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, NGOs, CSOs and stakeholder groups (representative list in Annex 1);
- Prepare draft reports for each sub-component, including evaluative findings and emerging recommendations;
- Conduct discussions with the external panel of experts and PC working group as relevant;
- Share the interim findings at PA3/PC7 (November 2010);
- Receive and incorporate feedback from stakeholders before finalizing the report;
- Prepare the final report for the First 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.

Delivery Schedule

41. The desired timelines for the evaluation is as follows. The consultant should keep in view the following milestones and timeline in submitting the work programme with their proposals.

Tentative Timeline for Conduct of First Program Evaluation

	Late Sept- Early Oct 2010	Oct 2010	Nov 2010 (PC7)	Dec 2010 - January 2011	Feb 2011	Mar 2011(PC8) -Apr 2011
Inception Report, refining ToRs and methodology development						
Stakeholder consultations						
Documentation review						
Country & field visits						
Data analysis						
Interim report (PA3/PC7)						
Preparation of Draft Evaluation Report						
Editing and communication						
Workshop to present report to stakeholders						
Submission of Final Evaluation report						

Acceptance Criteria for Deliverables

42. 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 and paper copies of the report shall be presented. Specific criteria shall be developed and mutually agreed with the consultant before the contract is signed.

Specific inputs to be provided by the Client

43. The Consultant shall undertake the evaluation in an independent manner, The Facility Management Team at the WB will facilitate the country field visits. Publication of the report shall be the responsibility of the FMT.

Budget

44. 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.

ⁱ 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.

ⁱⁱ The PC approved the FY2009 and FY2010 budgets in June 2008 and June 2009, respectively. For FY2011, a work plan will accompany the FMT's budget proposal to the PC.

ⁱⁱⁱ 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.