

Discussion of Effectiveness of Multilateral REDD+ Initiatives

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Executive Summary

Background

The REDD+ Partnership aims to improve the efficiency, effectiveness, transparency and coordination of REDD+ initiatives and related financial instruments, to facilitate among other things knowledge transfer, capacity enhancement, mitigation actions and technology development and transfer. The Partnership's 2010 Work Programme, agreed in Bonn in August 2010, included a component requesting the REDD+ secretariat to initiate efforts for an early assessment of the effectiveness of four multilateral REDD+ funding initiatives: FCPF, FIP, GEF, and UN-REDD. In October 2010 the REDD+ Partners confirmed that this study should be undertaken and this report represents the output of the assessment.

The objectives of the assessment are to synthesize key messages on achievements of the four Multilateral Initiatives (MIs) in enabling REDD+ delivery, and to identify possible gaps to be addressed, with a view to further improving the effectiveness of the MIs for delivery of REDD+ at the global level. It is envisaged that this will facilitate a discussion within the REDD+ Partnership on effectiveness of multilateral REDD+ initiatives and produce recommendations which, together with findings from other ongoing and proposed evaluations of initiatives, will serve as the basis for possible real-time assessments of the REDD+ Partnership in 2011 and 2012.

Approach and Methodology

This study utilised a two-stage approach to assess the effectiveness of the four MIs within seven assessment areas identified from the Terms of Reference and elaborated further in Table 1. A category for other issues was also included to capture issues identified within the assessment above and beyond the existing areas, and a short summary on comments made in relation to the REDD+ partnership is also included.

Table 1 Areas of Assessment

Assessment Area	Elements assessed
Role and Structure of the MIs	Assessing the clarity and transparency of the role of the MIs with relation to REDD+ developments, the strengths of the different initiatives with regard to the piloting nature and how partner countries have been selected.
Coordination, Overlaps and Gaps	Assessing coordination between and within MIs at international, national and sub-national levels as well as with respect to safeguards and MRV systems and what overlaps and gaps currently exist.
National Ownership and Transformational Change	Assessing levels of national ownership within participating countries and how likely progress towards readiness were to lead to transformational change in relation to REDD+.
Knowledge Transfer	Assessing progress in imparting lessons learnt and knowledge to participating REDD+ countries.
Stakeholder Engagement	Assessing levels of stakeholder engagement at the global and country level and the added value of consultations.
Finance	Assessing gaps between levels of finance available for different elements of REDD+ readiness as well as the speed and delivery of that finance to participating countries.
Engagement of the Private sector	Assessing the role of the MIs in enhancing private sector engagement

Stage 1:

The first stage encompassed a review of nine existing evaluations of various aspects of one or more of the MIs in question, focusing around the seven core themes identified from the Terms of Reference. The review of evaluations took into account the relative merits, quality, and relevance of each and was aimed, in particular, at identifying a baseline of issues from which Stage 2 further assessment could be made.

Stage 2:

The second stage utilised a semi-structured interview approach to gain views from four key actor and stakeholder categories: representatives of national governments of A) developing and of B) developed countries; C) representatives of the initiatives themselves and their constituent intergovernmental organisations; and D) civil society and private sector representatives. Within each group a sample of representatives was identified for interview, with selection based on the goal of a balanced geographical representation and a balance of engagement with the different initiatives. A total of 39 interviews were conducted with 20 respondents from REDD+ participant countries (with representatives from Latin America, Africa and Asia), 9 from donor countries, 5 from multilateral organisations, and 5 from other organisations including NGOs and the private sector. All interviews were undertaken confidentially so as to allow interviewees to express their views freely. A full breakdown of actors and stakeholders interviewed is therefore not included.

Interviews were semi-structured including both short answer and open answer questions. They were predominately conducted face-to-face during the meeting of UNFCCC subsidiary bodies in Bonn in June 2011, with several additional interviews conducted at other meetings and via phone in the weeks following that meeting; some respondents also provided input via e-mail. The interviews captured the wide range of experience and opinion within the respondent categories; it was evident that in some cases, respondents were not aware of recent changes and in other cases had misunderstood matters of fact.

Conclusions and Recommendations

The two stages of the assessment have been useful in charting the evolution of the MIs and attitudes towards them amongst key actor and stakeholder groups since a 'baseline' in early 2010 when the earliest reports were developed. The initial review of nine documents provided an overview of many of the challenges that the MIs had encountered during their early operations as well as making explicit some of the measures that were being taken to address these. The interviews have provided an overview of how far these measures have come and how their impacts are viewed as well as identifying any emerging issues.

Overall the findings from this process have been positive with respondents acknowledging the efforts that have been made to improve the effectiveness of the MIs. Opinions were most significantly shaped by the actions of the FCPF and UN-REDD with whom interview respondents had had the most contact. Consequently, there is a bias in the information presented through the assessment towards these initiatives. Key areas or progress identified by the majority of respondents were:

- Increased coordination between the MIs, mainly between UN-REDD, the FCPF and to a lesser degree FIP which have made significant efforts to harmonise approaches and increase communication between the MIs;
- The work of UN-REDD and the FCPF on defining the concept of readiness and supporting the mapping of steps towards this.

These efforts have gone some way to reducing both uncertainty around how to engage in REDD+ as well as taking some initial steps towards reducing the transaction costs related to that engagement.

Progress, however, was still seen as incomplete with a significant number of areas of improvement identified within both the documents reviewed and the interviews undertaken. While many of these are specific to the MI or country in question a number of central themes emerged as important for further consideration including; the sustainability of financial flows, the engagement of the private sector, and the need to continue the evolution of the structure and operation of the MIs. These issues were raised with the caveat that the most pressing challenge facing developments on REDD+ is the need for a clear agreement within the UNFCCC to provide a clear outline of the standards that are required as well as the scale of potential financial flows available. It is also pertinent to comment that amongst interviewees, awareness of key issues and progresses varied significantly from a small minority with a very detailed knowledge to a majority who had very specific knowledge of their own situation and rather limited knowledge of the wider context. This limited understanding of the different initiatives has hampered the assessment and will affect the progress of REDD+ both within the negotiations and outside. This issue emphasises the need for continued information sharing, coordination and capacity building.

Within this context the challenge for the MIs and the other organisations and initiatives with which they are engaged is to work to reduce uncertainty both in relation to the transaction costs of engagement and to clarify the opportunities for future engagement that exist.

These issues are covered in more detail throughout the report. A summary of key findings and specific recommendations is provided below for each of the core themes assessed.

Role and Structure of the Four Multilateral Initiatives

Understanding of the roles of the FCPF and UN-REDD has increased considerably since the previous assessments in 2010. This increased awareness appears to correlate with their high levels of REDD+ specific activity with both being commended for their work on defining 'readiness'.

Levels of awareness of FIP and GEF as well as other initiatives are more limited with awareness of the potential role of GEF in REDD+ particularly limited amongst the developing country partners interviewed.

The FCPF and UN-REDD were both identified as having core strengths within their operating approaches. The UN-REDD approach of working through implementing agencies had allowed it to deliver funds and provide technical support on the ground quickly which in several cases had been crucial to the progress of national readiness processes. The flexibility of funds in terms of value and their ability to adapt to the changing context were also seen as positive. The use of fixed funding levels by FCPF regardless of country size was heavily criticised.

The FCPF is perceived as being more effective for setting standards and focusing on core issues such as governance and safeguards for REDD+ while also seeking nationally appropriate approaches. It was also seen as being valuable for future REDD+ financing with its good links to FIP and the Carbon fund. With new operating procedures with relation to funding implementing agencies it was also anticipated that its most significant challenge with regard to piloting (the speed of the flow of money) may be able to be addressed.

Recommendations on Role and Structure

- MIs and the REDD+ partnership should review how their roles are communicated to countries in relation to one and other with a focus on identifying key relative strengths as well as to what extent and how future support will available. This is particularly relevant to FIP and GEF. The ongoing internal review of UN-REDD also provides an opportunity for it to clarify its precise role and how this is presented to participant countries.

Coordination, Overlaps and Gaps

The early criticisms of lack of coordination among the MIs have been acknowledged and significant efforts have been made to improve coordination between them.

At the international level MIs have improved communication and approaches with progress made on safeguards, MRV and administrative processes. Much of this progress has resulted from increased communication between FCPF, UN-REDD and FIP with joint meetings and efforts to develop shared approaches.

In safeguards, consistency between MIs has improved notably with the Common Approach (see Box 1) signalling the most significant step forward. In MRV, while there has been progress, more is to be done. But in both carbon and non-carbon MRV, much will depend on the final shape of REDD+ and its context when an overarching agreement is reached under UNFCCC. Administratively the production of a joint funding application form for UN-REDD and FCPF was seen by recipient countries as a positive step.

Increased levels of coordination between UN-REDD and the FCPF has led to some questions as to the value of having two distinct initiatives with similar operating approaches but two separate governing bodies. This is particularly relevant with an increasing number of countries looking to access both UN-REDD and FCPF support.

Coordination outside of UN-REDD, the FCPF and to a lesser extent FIP is less well recognised and there remains confusion over how FIP and GEF are integrated into the REDD+ landscape internationally. The regional Development Banks have also been identified as requiring further integration into early REDD+ developments prior to becoming engaged at the national levels through initiatives such as FIP.

At the national level progress has been made on common contact points, or at least on better information exchange. In countries where national systems are strong, MIs are able to find useful roles easily and are able to further strengthen coordination with other donors. In countries where this is not the case, on the ground staff have facilitated coordination. There remains a challenge, however, in coordinating with well funded pilot initiatives in many countries that may be significantly better resourced than national level actors. Challenges were also raised with regard to the coordination of UN-REDD implementing agencies at national level.

Coordination of safeguards at the national level remains a challenge with many respondents noting the need to balance international and nationally appropriate approaches.

Recommendations on Coordination, Overlaps and Gaps

- All four MIs should continue to pursue and promote a common delivery platform for their interventions and the use of joint missions whenever possible.
- Partner Governments should strengthen, where necessary, coordination between relevant ministries, departments and agencies working on REDD+ to facilitate coordination between donors.
- MIs should ensure that all international agencies involved, including delivery partners, are linked into the MI coordination systems, at the international level - this could be a significant focus of the current review of UN-REDD.
- MIs should continue to address coordination on safeguards with further work on how these relate to national safeguards. This could be achieved through the regional sharing of experience and may serve to build stronger support for effective safeguards.

National-level Ownership and Transformational Change

From the position recorded in the earlier evaluations, where national ownership was often seen as fragile, there has been good progress. Many countries now appear more REDD+ literate and are taking more of a lead within international discussions. UN-REDD programmes were found to have made particularly valuable contribution where personnel from funded agencies are placed in ministries and departments and can mentor and support national personnel. FCPF is generally seen as requiring national responsibility and thus supporting national ownership.

The findings on FIP suggest that without good national capacity, national ownership would be limited. GEF operates through a more strongly nationally focused approach, which appears to give good opportunities, although these are yet to be recognised within the context of REDD+.

The extent of cross government national ownership was, however, questioned by many respondents who identified national ownership to be held within a very small cadre of people within a specific ministry(ies). This lack of broader engagement has been critical in limiting the potential for transformational change. More progress has been made within countries where there is senior political buy in to REDD+ and coordination is held within influential ministries (such as finance) or offices (such as that of the president).

Recommendations on National-level Ownership and Transformational Change

- MIs, donors, and Governments should review and support improvements in the quality and coordination of dialogue between MIs, donors and Governments at a national level to improve country ownership of the objectives set during Readiness.
- MIs should provide further clarity on potential funding streams available to countries (see recommendations under 3.9 Role and Structure). Clarity in the scale and sustainability of these funds would strengthen efforts at the national level to build broader political engagement in REDD+.
- MIs should continue to assisting partners to progress rapidly through the readiness phase so that they can access more substantial sources of finance. Until it is clearly demonstrated that REDD+ will deliver substantial finance, it will be hard to secure “buy-in” at the highest political levels in some countries.

Knowledge Transfer

Progress has continued with regard to knowledge transfer although this has been less significant than other areas. The FCPF ‘country dashboard’ and the UN-REDD collaborative workspace have provided good forums for information flow and there has been considerable south-south sharing amongst countries as they move through the readiness process. However, contrary to earlier assessments interview respondents did not view knowledge transfer from the MIs as being particularly effective.

Several countries reported feeling overawed by the level of information and knowledge available through different channels, how quickly this progressed and the difficulty of identify reliable sources and summaries of information. Capacity building at national level was also seen as highly varied with a need for more balanced support to different stakeholder groups including civil society and the private sector that will support national and sub-national debate.

The danger of creating unrealistic expectations on the speed and magnitude of REDD+ funds is also an issue that could be further addressed through improvements in knowledge transfer.

Recommendations on Knowledge Transfer

- MIs should continue to maintain up-to-date information portals, and FIP and GEF should look into ways to improve awareness of the opportunities they provide.
- MIs should review how existing funds to support non-government actors are being utilised.

- Participant Countries must take responsibility for effective knowledge transfer within country, MIs can assist in this also through support at regional level and encouraging comprehensive engagement within countries.

Stakeholder Engagement

Interview respondents had largely positive views on levels stakeholder engagement at the international level. The work by FCPF and UN-REDD on draft Guidelines on Stakeholder Engagement in REDD+ Readiness has the potential to be a further major step forward in clarifying the key elements in effective stakeholder engagement.

There has been more steady progress internationally than at the national level, with UN-REDD and FCPF, in particular, raising the level of participation well above the norm for donor related processes. Focused support to capacity building of southern NGOs, using the dedicated funds available in all the MIs, including FIP and GEF, might be useful, however, to enhance their engagement at the international as well as the national level. Given that, at present, southern NGO/CSO engagement appears limited compared with that of northern NGOs.

Participant countries report difficulties in identifying and coordinating civil society representatives at the national level who were fully 'representative' of forest communities. With civil society itself often highly fragmented, this is an issue that is further compounded by the, at times, highly technical nature of REDD+ discussions and the evolving nature of the REDD+ goalposts.

A further emerging issue is the cost of engaging stakeholders. The comprehensive nature of safeguards has meant that engagement has taken more time, and been wider ranging, than was initially assumed by many groups.

Recommendations on Stakeholder Engagement

- Partner countries engaging in different approaches for stakeholder engagement should continue to exchange information on the benefits of their different models. Regional workshops have an important role to play in sharing experiences.
- MIs should continue to clarify with partner countries what constitutes appropriate levels of stakeholder engagement. This should include clarification of how FPIC should be interpreted within different countries and how it applies to forest communities as well as indigenous groups.
- MIs, the REDD+ Partnership and donors should review how support can be provided to raise the capacity of southern NGOs and CSOs so that these organisations can take an increasingly substantial role in representing the interests of their stakeholder groups.

Finance

Existing assessments largely concluded that, while MIs have leveraged substantial funds, funding was insufficient to meet the needs of REDD+ countries. Transaction costs have proven to be much higher than expected and improving effectiveness is not without cost implications. The need to go beyond donor support systems and voluntary funding in the longer-term is clear to all respondents.

There has been some improvement in the speed of disbursement with notable efforts made by FCPF and GEF. Long financing lead times, however, remain, and there is concern on the part of numerous developing country respondents that the processes involve disproportionate levels of scrutiny. Improvements are also being made gradually in the transparency of funding through the Voluntary REDD+ Database and other initiatives although progress on this has been slow.

Respondent countries also lack confidence that REDD+ funds will continue to be available. Respondents seemed generally less optimistic about the future of REDD+ than has been reported in the past. These concerns have led some countries to move more quickly than they would have done otherwise, with the intention of capitalising on funding prior to it running out.

Recommendations on Finance

- The REDD+ Partnership should continue its work on the Voluntary REDD+ Database to develop better information on financial flows and in particular, building in a temporal dimension would aid planning into the future.
- MIs, the REDD+ Partnership and/or Donor countries should review, through economic studies, the costs and benefits of achieving REDD+ at national level on the basis of detailed analysis of what progress has been made to date. Studies should include assessment of the transaction costs as well as costs to the differential benefits and costs to different stakeholder groups. This information will greatly assist planning and decision making at national and international levels.
- In line with the First Program Evaluation for the FCPF (#5) it is recommended that the FCPF review its policy of fixed support sums for each country regardless of size and complexity.

Engaging the Private Sector

There is general agreement that there is a need to involve the private sector more heavily in REDD+ discussions. Although to date many countries have been reluctant to do this as they have felt unprepared to engage them.

Although there has been some engagement with the private sector through MIs and at national level in some countries, it is generally acknowledged that this has been inadequate so far. It is anticipated that FIP will improve this situation within its countries of operation in due to its more comprehensive framework for private finance engagement, including opportunities for a range of financial support mechanisms and risk sharing with private capital.

Critical barriers to private sector investment revolve around risk, due diligence and the likely returns. Until there is agreement on REDD+ at UNFCCC which leads to a market in regulatory offsets that includes REDD+, prices are likely to be too low and uncertain to attract long-term investors seeking low risk/low return opportunities.

Recommendations on Engaging the Private Sector

- MIs should look to establish a clearer definition of the private sector including all the different actors involved (not just financial ones) and how they can be engaged in REDD+.
- MIs, donors and country governments should increase levels of engagement with the private sector within countries (including through consultations and discussions on national strategies). This is particularly relevant for large and small-to-medium enterprises (SMEs) engaged in activities that affect the forest and/or will be affected by changes resulting from REDD+.

Other Issues

The broader objectives of REDD+, particularly forests' contributions to adaptation to climate change and environmental values beyond carbon, were present in the baseline created from earlier assessments. However, stage 2 interview respondents were more narrowly focussed on REDD+ as a mitigation strategy.

Over time, as the need for climate change adaptation becomes stronger this issue may re-emerge. With both FIP and GEF including opportunities for adaptation and other environmental

services to be supported with their funding, both adaptation and non-carbon environmental services are likely to receive more attention moving forward.

Recommendations on Other Issues

- MI should investigate the links between REDD+ activities and climate change adaptation, given the complementarities, as well as developing a strategy to more explicitly pursue adaptation objectives within the MIs.
- MIs, the REDD+ Partnership and/or donors should consider reviewing how the additional costs of REDD+ can be addressed when compared to other opportunities for carbon offsetting and how the suite of additional benefits that REDD+ can offer can best be presented to both donors and the private sector.
- REDD+ Partnership countries should investigate ways in which other land uses, such as mining, can be moved to operate to similar standards and under similar safeguards to those expected of SFM and REDD+. REDD+ Partner countries have the authority to pursue this, both within and outside the REDD+ Partnership dialogue, if they choose to do so.

Key Findings with relation to the REDD+ Partnership

The REDD+ Partnership was seen as a useful body in supporting coordination and information sharing between MIs and both donor and recipient countries. Its broad coverage was seen as a key strength improving information sharing across different initiatives and allowing for countries that are yet to fully engage in REDD+ to gain additional knowledge. The Voluntary REDD+ database was also seen as a positive step in increasing transparency although it was recognised that continuing work is needed to make it fully functional.

It is evident that this role of communication and coordination remains highly relevant given the rapid pace of REDD+ developments and the variation in levels of REDD+ knowledge between and within groups regarding progress in both REDD+ and the initiatives established to support it. Critical within this will be the ability of the Partnership to provide well-synthesised and coordinated information on developments regarding REDD+ and how it is being supported and operationalised as well as taking steps to help reduce uncertainty over the shape and structure of a future REDD+ mechanism. From the recommendations presented within this report is suggested that the Partnership focus on:

- 1 Recommendations relating to the need for forward looking and innovative studies that examine the differences between REDD+, with its rich range of co-benefits, and other opportunities for 'carbon fixing'.

Because REDD+ can deliver so much more than alternatives such as cleaner industrial processes and green energy technologies such as wind, wave and solar power, it should be separated and efforts made to find ways of rewarding countries that deliver the suite of benefits rather than simply carbon. This is critically important, as well, because forest carbon is of course relatively more expensive than some other alternatives that deliver carbon services only, and therefore cannot compete with these as a source of carbon credits only. As a source for PES more broadly defined, however, forests are uniquely valuable. PES must therefore be part of whatever REDD crediting mechanism is brought into reality in order for REDD actually to work.

- 2 Recommendations relating to the need to increase understanding of the costs of achieving REDD+ particularly at national level.

Although studies such as the Eliasch Review attempted to estimate the costs of achieving REDD+, in terms of capacity building and dealing with constraints such as land tenure, they did not have much hard data from which to work. Because there has now been substantial

experience gathered by a large number of countries on the costs of meeting the requirements of REDD+, there is scope for a much more detailed analysis of this, including better indications of the likely costs of meeting REDD+ for individual countries. This would also allow better understanding of the costs to countries with different "profiles" of creating capacity for REDD+ generally and for complying with safeguards, MRV and other requirements, and hence provide for a truly informed discussion of safeguards and other actions required for REDD+.

- 3 Recommendations relating to the need to build national capacity within a wider target range of people than has perhaps been the case to date. This includes the need for capacity building for delegations negotiating REDD+ (including ensuring that country representatives receive effective briefing on national and/or regional interests, positions and strategy before negotiation sessions on REDD are to take place).
- 4 Recommendations relating to the need for clearer information to be provided on the particular strengths of each MI and provides solid guidance to countries on where and how each can best support particular element of the national strategy.

Given that national strategies all need some external funding, clear insights into which components would be best served by specific MIs, possibly also including where the private sector (internal and external to the country) could fit in a complementary way would be helpful to partner countries. As part of this, all REDD+ recipient countries should be encouraged to develop their own national strategies and have clear strategies for fitting the various funds with different pieces of the work identified in their strategies. Countries taking leadership themselves will go a long way towards effective coordination of MI funds at the national level, and could obviate many potential problems of coordination.

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List of Acronyms

AWG	<i>Ad hoc</i> Working Group
CBFF	Congo Basin Forest Fund
CO ₂ e	Carbon dioxide equivalent
CSO	Civil society organisation
DRC	Democratic Republic of Congo
EU-ETS	European Union Emissions Trading Scheme
FAO	Food and Agriculture Organisation
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Programme
FLEGT	Forest Law Enforcement Governance and Trade
FMT	Facility Management Team (FCPF)
FPIC	Full, prior and informed consent
GEF	Global Environment Facility
HCVF	High conservation value forest
IGO	Intergovernmental organisation
INGO	International non-governmental organisation
IPs	Indigenous Peoples
ITTO	International Tropical Timber Organization
MIs	Multilateral initiatives
MRV	Monitoring, reporting and verification
NFP	National Forest Programme
NGO	Non-governmental organisation
NICFI	Norway's International Climate and Forest Initiative
NPD	National programme document
OECD/DAC	Organisation for Economic Cooperation and Development, Development Assistance Committee
PCR	Physical and cultural resources
PES	Payment for environmental services
PT	Programme Team (UN-REDD)
REDDES	Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (an ITTO initiative)
R-PP	Readiness Preparation Proposal
SFM	Sustainable forest management
UNFCCC	UN Framework Convention on Climate Change
UN-REDD	UN-REDD Programme
USAID	United States Agency for International Development

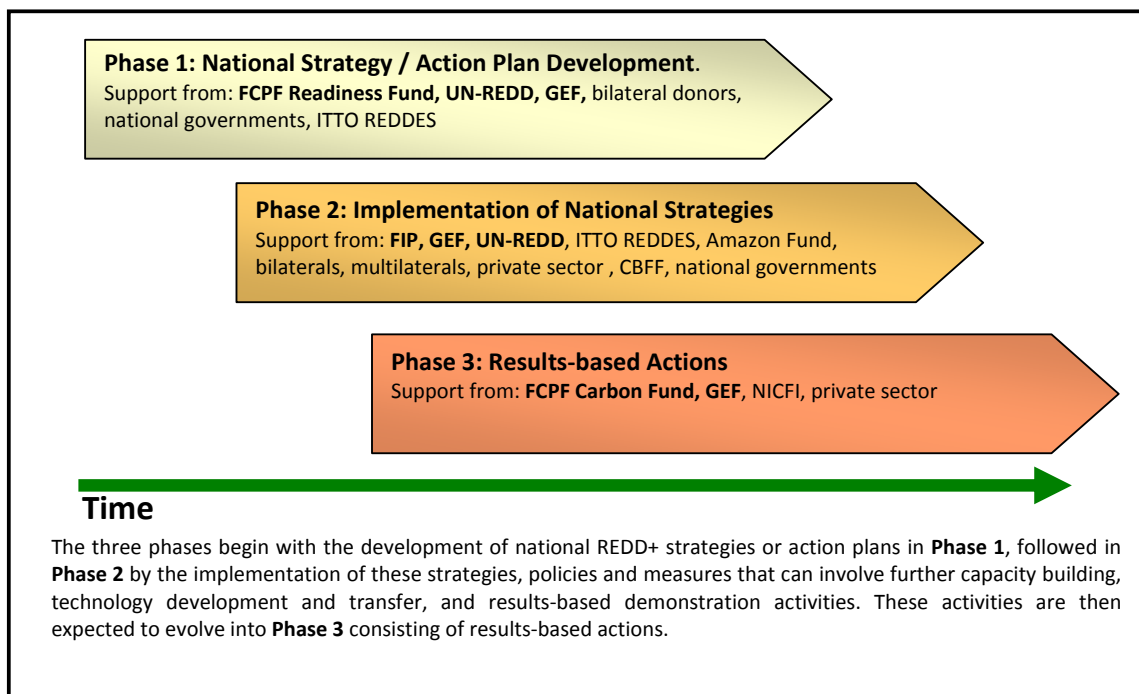
1 Introduction

At the Oslo conference in 2010 US\$4 billion was dedicated to fast-start financing of REDD+ activities between 2010 and 2012, including US\$3.5 billion pledged in Copenhagen. This finance will support developing countries in their efforts to address the challenges associated with deforestation, forest degradation, forest carbon enhancement, conservation and sustainable forest management. In order to maintain political will and momentum prior to the finalisation of a REDD+ agreement under the UNFCCC, it is necessary to ensure this substantial finance is directed in a coordinated and effective way.

The REDD+ Partnership aims to improve the efficiency, effectiveness, transparency and coordination of REDD+ initiatives and related financial instruments, to facilitate among other things knowledge transfer, capacity enhancement, mitigation actions and technology development and transfer. Not an MI itself, the REDD+ Partnership allows for developing and developed countries partners to capitalise on the political momentum and implement REDD+ in anticipation of a UNFCCC mechanism that is inclusive of REDD+. The Partnership's 2010 Work Programme, agreed in Bonn during the UNFCCC sessions of the AWGs in August 2010, included a component requesting the REDD+ Partnership secretariat (FMT/PT) to initiate efforts for an early assessment of the effectiveness of four multilateral REDD+ funding initiatives: FCPF, FIP, GEF, and UN-REDD (the MIs).

The four identified MIs are all working towards creation of an effective and functional REDD+ architecture. Each identifies itself within its founding literature as having specific characteristics which support different elements of a country's progress within the three phases of REDD+ development¹. These four MI's are by no means alone within this environment and there are a number of multilateral and bilateral initiatives also providing additional support to specific phases or geographical regions or thematic elements. Figure 1 below illustrates the roles of the initiatives in relation to these 3 phases.

Figure 1 Potential MI Support to Phases of REDD+ Development



1 UNFCCC. 2010. Decision 1/CP.16. *The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention* (FCCC/CP/2010/7/Add.1, p. 13).

Source: Adapted from *Enhancing Cooperation and Coherence among Multilateral REDD+ Institutions* (#10) Synthesizing the key messages on achievements of the MIs in enabling REDD+ delivery and possible gaps to be addressed is necessary to further improve the effectiveness of the MIs for delivery of REDD+ at the global level. This report aims to do this and it is envisaged that it will facilitate a discussion within the REDD+ Partnership on the effectiveness of multilateral REDD+ initiatives. The recommendations, together with findings from other ongoing and proposed evaluations of initiatives, work will feed into the REDD+ Partnership work plan for 2011 and 2012.

1.1 Structure of the Report

Following this introduction, Chapter 2 describes the methodology employed in this study. Chapter 3 presents the substantive findings of the study across seven core themes relevant to the MIs, as identified from questions in the Terms of Reference: role and structure; coordination, overlaps and gaps; national engagement; knowledge transfer; stakeholder engagement; finance; and engagement of the private sector. An additional section on 'other issues' identified during the course of the interviews is also presented at the end of Chapter 3.

Chapter 4 presents a summary of the conclusions and recommendations presented at the end of each assessment area covered in chapter 3.

Annex 1 lists the core questions posed in the Terms of Reference and how they transpose to the seven core themes identified above. Annex 2 is an example of the questionnaire used in the assessment. Annex 3 is a list of countries showing their engagement in the four MIs, with separate tables for recipient and donor countries.

In Annex 4, there is a summary of the earlier evaluations summarising their coverage, objective, approach, methods/evidence base, scale and perspective.

2 Methodology

The objective of the present study is to synthesise 'key messages on achievements of the MIs in enabling REDD+ delivery and possible gaps to be addressed'².

This has been achieved through a two stage approach. Stage one was a desk based review of existing reports and evaluations with a focus on 9 studies listed within the Terms of Reference³. Stage two updated the findings of these evaluations through conducting key respondent interviews. In both stages a framework of seven themes identified from questions within the terms of reference was used to structure the assessment. These questions were also used to guide discussion during interviews and were a focus of the Stage 1 assessment. While it is acknowledged that a range of MIs exist, this study focuses on only four: FCPF, FIP, GEF and the UN-REDD Programme.

Table 1 Areas of Assessment

Assessment Area	Elements assessed
Role and Structure of the MIs	Assessing the clarity and transparency of the role of the MIs with relation to REDD+ developments, the strengths of the different initiatives with regard to the piloting nature and how partner countries have been selected.
Coordination, Overlaps and Gaps	Assessing coordination between and within MIs at international, national and sub-national levels as well as with respect to safeguards and MRV systems and what overlaps and gaps currently exist.
National Ownership and Transformational Change	Assessing levels of national ownership within participating countries and how likely progress towards readiness were to lead to transformational change in relation to REDD+.
Knowledge Transfer	Assessing progress in imparting lessons learnt and knowledge to participating REDD+ countries.
Stakeholder Engagement	Assessing levels of stakeholder engagement at the global and country level and the added value of consultations.
Finance	Assessing gaps between levels of finance available for different elements of REDD+ readiness as well as the speed and delivery of that finance to participating countries.
Engagement of the Private sector	Assessing the role of the MIs in enhancing private sector engagement

2.1 Stage One: Review of Earlier Evaluations

This study began with a comprehensive review of nine key documents presented in Table 2 (and subsequently numbered as such in the following report) Even though the evaluations under consideration are at most just over one-year old, the pace of change in REDD+ has been fast. Consequently, the wider global policy framework within which the initiatives are operating has evolved substantially. The current situation is therefore quite different from the ones

² Terms of Reference for the study

³ 10 documents are listed within the Terms of Reference for the assessment however UN-REDD's evaluation is yet to be completed and as such information from this was not available.

prevailing when these earlier evaluations took place. As such, these documents were used to elicit a 'baseline' understanding of issues under the core themes.

Table 2 Stage 1 Earlier Evaluations

Report Overview		
#	Title	Date
1	McKinsey & Company, <i>Countries' Views on Current Multilateral REDD+ Initiatives</i> (McKinsey & Co)	April 2010
2	Interim REDD+ Partnership, <i>Survey of REDD+ Financing and Activities</i>	May 2010
3	Cadman and Mareseni, <i>REDD+ Governance Quality: Participants' Attitude Survey</i>	May 2010
4	Norwegian Agency for Development Cooperation (Norad), <i>Real-time Evaluation of Norway's International Climate and Forest Initiative (NICFI Evaluation)</i>	March 2011
5	FCPF Participants' Committee, <i>First Program Evaluation for the FCPF</i>	May 2011
7	GEF Evaluation Office, <i>OPS 4: Progress toward Impact - Fourth Overall Performance Study of the GEF (OPS4)</i>	April 2010
8	Lele <i>et al.</i> , <i>Environmental and Global Governance: Can the Global Community Rise to the Challenge?</i>	2010
9	European Commission, <i>FCPF Monitoring Report (EC Report)</i>	December 2010
10	Secretariats of FCPF, UN-REDD Programme and FIP, <i>Enhancing Cooperation and Coherence among REDD+ Institutions to Support REDD+ Activities</i>	November 2010
Note that the TOR had included the <i>Internal Review of the UN-REDD Programme</i> (#6). However, at the time of writing, this had not been completed and was therefore not included in this study.		

In undertaking Stage 1 and developing this 'baseline' it was important to take into account the relative merits, quality, and relevance of each of the earlier reports and evaluations. These are wide-ranging in both their subject matter as well as in their coverage, quality and relevance. They employ a range of approaches and methods and focus variously on finance, governance and coordination between MIs. In contrast, themes of safeguards, stakeholder engagement and ownership of process are covered in less detail.

The coverage of the MIs in early evaluations is biased towards FCPF (in 8 of the 10 reports) and UN-REDD (in 7 of the 10 reports). While the FIP and GEF are often mentioned, they are only explored in detail in three reports and one report, respectively. As FCPF and UN-REDD have made the most progress on tangible REDD+ readiness activities to date, there is an inbuilt information bias towards these initiatives, in both praise and criticism of their operations.

Two studies are, in fact, specific to FCPF. The first, the *First Program Evaluation for the Forest Carbon Partnership Facility* (#5), is a very comprehensive evaluation and was completed only in late May 2011. It, therefore, presents information that is effectively one year more recent than that contained in the other reports. The second (#9) is the short *Monitoring Report* undertaken by the European Commission at a very early stage in the development of FCPF. Because reference is made to FCPF far more often than to any of the other MIs, there tends to be much more discussion of this initiative in comparison with others; this can be misleading in respect of the balance but is an effect of the sampling systems used in the studies.

Two further reports are focussed on a single MI. *OPS 4: Progress toward Impact - Fourth Overall Performance Study of the GEF* (#7) relates only to GEF, but includes information on all its focal areas. The second, the internal review of UN-REDD (#6), scheduled for earlier this year, was been postponed and hence was not included in this study.

Six of the early evaluations were commissioned by an MI or MIs themselves with a further two commissioned by the REDD+ Partnership. The forward-looking study on Enhancing Cooperation and Coherence amongst REDD+ Institutions (#10), for example, is a joint evaluation by the Secretariats of the FCPF, UN-REDD and FIP.

The evidence base of evaluations is largely stakeholder surveys and interviews; some with only small numbers of respondents (as low as 16). The first three evaluations listed above are opinion surveys using different systems of sampling and vary also in their presentation. The *Survey of REDD+ Financing and Activities* (#2), commissioned by the Partnership, gives a detailed summary of responses. The reports by McKinsey & Co (#1), with a defined sample structure, and by Cadman and Maraseni (#3) present numerical analysis and comments but these are not attributed in detail. The latter is also subject to very detailed sub-division of interviewees, leading in some cases to conclusions being drawn on the basis of very few responses.

Most evaluations are global in coverage, although some also include country case studies. The *NICFI Evaluation* (#4) is unique in including one global study and five national-level evaluations (Brazil, DRC, Guyana, Indonesia and Tanzania). These five countries are very different in terms of the modality of REDD+ support. In Brazil, for example, support is channelled through the Brazilian National Development Bank (BNDES) while in Tanzania support has been channelled through the Norwegian Embassy. Furthermore, the 2010 *NICFI* global evaluation focused on the international policy framework and did not assess the MIs *per se*.

Unlike the other reviewed documents, the study conducted by Lele *et al.* (#8) of the Lincoln Institute of Land Policy, is not a formal evaluation but an analytical and challenging academic review and discussion of key issues such as safeguards relevant for REDD+ delivery. It also tackles the question of whether REDD+ readiness plans and proposals are realistic and feasible in the face of the huge challenges faced.

Further information on the early evaluations with respect to the coverage of the MIs, report objectives, approach to effectiveness, evidence base and scale of these reports is detailed in Annex 6. Despite these differing report characteristics, a baseline was able to be developed around seven core themes: role and structure; coordination, overlaps and gaps; national engagement; knowledge transfer; stakeholder engagement; finance; and engagement of the private sector.

2.2 Stage Two: Interviews

Using the findings from Stage 1, semi-structured questionnaires were developed to be answered by key actors and stakeholders. Interview questions identified whether opinion was consistent with the findings of the early evaluations, if progress had been made in the year that passed since the majority of the early evaluations had been completed and any emerging issues. Annex 2 presents an outline of the questionnaire which comprises predominantly of open-ended questions short answer questions were also used but did not produce sufficient results to be valuable within the assessment.

Interviews were predominately conducted face-to-face during the meeting of UNFCCC subsidiary bodies in Bonn in June 2011, with several additional interviews conducted at other meetings and via phone/Skype in the weeks following that meeting; some representatives also provided further input via e-mail. REDD+ Partners that were not included in the samples were given the opportunity to complete a set of short-answer questions. The interviews were semi-structured and not all respondents chose to answer all questions, some focused on only the few topics that were of great interest to them. The interviews overall, however, captured the wide range of experience and opinion.

A total of 39 interviews were completed by four key actor and stakeholder categories; representatives of national governments of A) developing and of B) developed countries; C) representatives of the initiatives themselves and their constituent intergovernmental

organisations; and D) others not in the groups above including civil society and private sector representatives (see Table 3). Within this study, actors are identified as representatives of national governmental and intergovernmental organisations comprising the MIs with official responsibility to set or implement REDD+ related policy. Stakeholders are all other groups, and their representatives, who are identified as having an interest, or stake, that is potentially affected (either positively or negatively) by REDD+ funding. Within these categories selection for interview was based on the goal of a balanced geographical representation and a balance of engagement with the different MIs. However, it is acknowledged that the selection of respondents was biased in favour of national governments, which represent over 80% of the sample.

All interviews were conducted confidentially so as to allow interviewees to express their views freely; thus a full breakdown of actors and stakeholders interviewed is not included.

Table 3 Stage 2 survey respondents

Sample Group	Sub-total	Total
A) Developing country partners, of which		20
Central and South America and Caribbean	6	
Africa	5	
Asia and Pacific	9	
B) Developed country partners		9
C) Intergovernmental organisations + the MIs themselves		5
D) Others inc. NGOs, Private Sector, CSO		5
Total sample size		39

3 Analysis and Findings of the Four Multilateral Initiatives

Analysis from Stages 1 and 2 of the assessment are presented according to the seven core themes laid out in table 1 in the methodology. Within each core theme a number of sub-themes have also been identified (Figure 2). The key findings, focusing on progress from the baseline and emerging challenges is then presented for each core theme along with recommendations for action.

Relevant quotes from reports and interviews are included within the analysis. For all quotes from respondents it must be remembered that these are respondents' opinions. As such they should not be taken as statements of fact or representative of the opinion of any of the authors of this report. Any inaccuracies of these quotes, such as with regard to the MIs themselves, should be regarded as valuable information into the perceptions of actors and stakeholders.

Figure 2 Core thematic areas and subsections

Assessment Area	Sub-sections
3.1 - Role and Structure of the MIs	<p>3.1.1 Perceptions of the Initiative</p> <p>3.1.2 Selection of Partners</p> <p>3.1.3 Administrative Processes</p> <p>3.1.4 Key Findings and Recommendations</p>
3.2 - Coordination, Overlaps and Gaps	<p>3.2.1 International coordination</p> <p>3.2.2 National and sub-national level coordination</p> <p>3.2.3 Coordination on safeguards</p> <p>3.2.4 Coordination on MRV systems</p> <p>3.2.5 Overlaps</p> <p>3.2.6 Gaps</p> <p>3.2.7 Key Findings and Recommendations</p>
3.3 - National Ownership and Transformational Change	<p>3.3.1 National ownership</p> <p>3.3.2 Transformational change in relation to REDD+</p> <p>3.3.3 Key Findings and Recommendations</p>
3.4 - Knowledge Transfer	<p>3.4.1 Key Findings and Recommendations</p>
3.5 - Stakeholder Engagement	<p>3.5.1 Key Findings and Recommendations</p>
3.6 - Finance	<p>3.6.1 Magnitude of finance</p> <p>3.6.2 Speed of disbursement</p> <p>3.6.3 Confidence in future funding</p> <p>3.6.4 Key Findings and Recommendations</p>
3.7 - Engagement of the Private sector	<p>3.7.1 Key Findings and Recommendations</p>

3.1 Role and Structure of the MIs

3.1.1 Perceptions of the Initiatives

Earlier evaluations noted varied levels of understanding amongst national governments as to the roles of the MIs in the context of the three phases of REDD+ development (see Figure 1). The FCPF Readiness Fund primarily targets phase 1 activities, with the FCPF Carbon Fund largely focusing on phase 2 and 3 activities. UN-REDD concentrates on readiness and demonstration activities in phases 1 and 2. FIP focuses more on phase 2 than

do UN-REDD and FCPF but also has flexibility to support activities in phases 1 and 3, while GEF is relatively broader in scope and can potentially assist all three phases. The McKinsey & Co report (#1) found scope and strategic goals to be most clear in the FCPF, followed by UN-REDD and with only marginal agreement that strategic goals and processes are clear in FIP (GEF 5 was not included in that evaluation).

Studies also indicated that overall perceptions of the role of MIs were affected by perceptions of the needs and absorptive capacity for REDD+ activities among both recipient and donor countries. These differing perceptions of need are most clearly illustrated within the *Survey of REDD+ Financial Activities* (#2), which indicates a significant gap between the levels of finance pledged by donors and participating countries' predictions of the finance that will be required to achieve REDD+ readiness.

The existing studies also touch on the differing understandings of the medium- to long-term nature of financing. The *NICFI Evaluation* (#4) indicates that not all actors in partner countries yet understand that NICFI's objectives are to work towards the inclusion of a REDD+ mechanism in a post-2012 climate regime. One of the recommendations emanating from the *NICFI Evaluation* calls for clarification that current finance through aid does not imply that an aid-based mechanism will operate for REDD+ in the long term and, moreover, that current aid is tied to performance and achievement of agreed targets.

In contrast to the earlier evaluations, all interview respondents questioned during Stage 2 in this study had a good awareness of the roles of the FCPF and UN-REDD and noted the significant role that these institutions had played in developing the concept of 'readiness', an achievement that is also supported by the FCPF's recent *First Program Evaluation* (#5). Respondents also commented that these two initiatives had worked hard to address different perceptions of their role and the definition of REDD+ readiness, and had achieved some success in this, including modifying their governance structures, increasing stakeholder participation and expanding their coverage.

'Both FCPF and UN-REDD have made it clearer what 'Readiness' is this has helped us understand it and to get further support'
Developing Partner Country

However, tensions remained regarding the scale and nature of long term support, with most participating countries commenting that support provided individually by the FCPF and UN-REDD, for both phase 1 and phase 2 activities, is insufficient. Respondents requested that the process be streamlined so that there was a 'one stop shop' for readiness with rapid access funds that were sufficiently flexible to address the varying economic, social and geographical contexts of applicant countries.

The FCPF process was seen as being strongest for REDD+ financing, with the linkages between the R-PP process and with the FIP and the Carbon Fund providing good continuity of support at the national level for subsequent phases. Operationally, however, the speed of funding disbursement had proved challenging to several countries. UN-REDD was seen as providing a flexible approach to the readiness process, which was facilitated by the approach of funding implementing agencies to provide on-the-ground capacity quickly. This support was seen by almost all respondents as positive where long term support personal were provided to help countries through both the political and technical challenges of getting 'ready for REDD+'. This was particularly true in locations where national capacity was low, although in some cases respondents noted that this had led to a reduction in country ownership. Box 1 provides further examples of views on the strengths of the UN-REDD and FCPF. The FCPF is now exploring this approach and at the Partnership meeting in June 2011 agreed to utilise UNDP IADB and FAO as possible delivery partners.

Box 1 Perceptions of Strengths and Weaknesses Within UN-REDD and FCPF

The FCPF works through national World Bank offices which ... 'know the environment and forest sector well and has a lot of weight with the government so can help us get things done.'

Developing Country Partner

'The World Bank offices have good experience in the forest sectors and good convening power.'

Developed Country Partner

'FCPF is more of a standard-setting body, with peer review process and opportunity for observers to comment, leading to a sort of 'stamp of approval'. UN-REDD is more of an assistance and aid delivery mechanism.'

Developed Country Partner

'FCPF has proven to be a useful forum for discussion with excellent lesson sharing. On-the-ground support has been less good than with UN-REDD, good for country ownership but not so good for countries with limited capacity.'

Developed country Partner

'UN-REDD is much faster (than other MIs) at getting money to the ground and when it is there, there is more flexibility to manage it to meet the immediate needs'

Developing Country Partner

'The UN agencies can be really good technically but sometimes treat us like a contracting agency not the owners of the process.'

Developing Country Partner

'UN-REDD is quite different from FCPF, it mobilises capacity from 3 UN agencies, especially in countries with limited capacity, hence valuable for countries that are not able to be supported by FCPF or bilaterally.'

Developed Country Partner

Within countries engaged in FIP there was awareness of how FIP fitted within the 3-phase structure, although countries were still unsure of how this would materialise operationally. Countries not involved with FIP were less clear on the role of FIP or how to become engaged with it. Despite this view, the size of FIP funds and their flexibility were recognised by those that had been more strongly engaged with FIP as valuable to the readiness process.

The role of GEF within the three phases of REDD+ development was not well understood by respondents. GEF has a very distinct role with its REDD+ funding part of a wider national package that also includes SFM, land degradation and the conservation of biodiversity, in addition to other climate change-related funding. However, many respondents viewed it (wrongly) as being solely a biodiversity initiative that had limited relevance to national level REDD+ developments. This misconception can be attributed to both the relatively low levels of engagement GEF has had to date in REDD+, given the relatively recent (2010) launch of the more REDD+ focused GEF5 commitment period, as well as to a possible sampling bias with most interview respondents from ministries or departments that may not have familiarity with GEF.

'Despite its scale and scope, GEF seems largely invisible on REDD.'

NGO representative

3.1.2 Selection of Partners

FCPF and UN-REDD have both expanded substantially their numbers of partners in response to requests, as noted for example in the *First Program Evaluation of FCPF* (#5). FCPF is supporting activities in 37 countries, while UN-REDD is active in 13 but has also brought in 22 countries as observers; enabling these countries to benefit from knowledge-sharing opportunities. FIP, now supporting activities in eight countries, has a very transparent process with an expert panel and a governing body, made up of both donor and recipient countries, which undertakes the selection of partner countries.

GEF operates rather differently; in its document, *System for Transparent Allocation of Resources (STAR)*, GEF 5 has plans for 144 eligible countries. These include plans for biodiversity, climate change and land degradation. Forests can be part of any or all of these three categories, including climate change, and the plans are country-specific and country-led, with detailed systems in place for plan delivery and differing flexibility for the initial allocations on a country-by-country basis.

Despite these high levels of transparency there remained some confusion amongst respondents in Stage 2 about how countries were selected and became engaged with different MIs. This was particularly true with FIP with only a limited number of country representatives being aware of how selection had occurred.

All MIs have been positive in their responses to potential partner countries. What is not apparent is whether there has been sufficient attention paid to ensuring that expectations are not unduly raised. REDD+ is not necessarily relevant for all countries. While the enthusiasm is good, it needs to be realistic to avoid the undermining effect of future disappointment.

'I do not know what UN-REDD's criteria are for selection; they seem strange.' Developing Country Partner

'We are not sure how we were selected to be involved in FIP ... the subsequent process has also lacked clarity, including difficulties with agreement on the overall budget.' Developing Country Partner

3.1.3 Administrative Processes

Frustrations with low levels of early coordination on administration were apparent in the earlier evaluations, with complaints of cumbersome processes, complexity due to multiple formats, and changing, non-standardised requirements. The joint FCPF, UN-REDD Programme and FIP report (#10) noted that better coordination in scheduling FCPF, FIP and UN-REDD governing body meetings is essential. Progress is being made in standardising REDD+ proposal formats received from countries. For example, at a country's request, a common template can be used for country submissions for both UN-REDD and FCPF, as has been done in the DRC. Indeed, the joint report notes that these three MIs propose to consider development of a 'common delivery platform' managed and led by REDD recipient countries themselves.

'Coordination is improving: there is movement toward common documents, e.g., for proposals. There is no problem in starting with different approaches and different governance structures and ending up with different things; if they then converge you have something more solid.'
Developed Country Partner

The responses from interviewees generally acknowledged and welcomed the efforts and progress made in coordination and administration. Several respondents noted that harmonisation at country level was now more of an issue with bilateral than with multilateral initiatives. One outstanding issue that remains is harmonisation of administrative cycles of MIs.

3.1.4 Key Findings on Role and Structure

Since the production in 2010 of the majority of reports and evaluations sampled, awareness of the roles, functions and structure of the MIs has increased. Understanding of the roles of the FCPF and UN-REDD has increased considerably and both are commended on their efforts to define readiness and the progress and begin to clarify a countries progress within that.

Improvements in awareness however appear to be directly correlated, particularly amongst recipient countries, to the levels of visible implementation of REDD+ related activities

achieved to date: awareness and understanding of FIP and GEF remaining limited. The potential role of FIP is understood, but there is a lack of clarity on how it functions and hence on its potential value as a partner for those countries that are not directly engaged with it. This is something that may resolve itself as its pilots get underway and provide information on their progress.

Similarly, there is a lack of awareness of GEF, and its potentially very flexible and integrative approach was not broadly recognised. This may be simply a reflection of the sample of interview respondents but given its potential levels of available funding and the opportunity it provides for linking REDD closely with other environmental and conservation actions, this seems to need further investigation

The FCPF and UN-REDD were both identified as having core strengths within their operating approaches and structures. The UN-REDD approach of working through implementing agencies had allowed it to get funds and technical support on the ground quickly which in several cases had been instrumental to the progress of national readiness processes. The flexibility of funds within the funded agencies was also seen as positive. The FCPF is perceived as being more effective for setting standards and focusing on core issues such as governance and safeguards for REDD+ while also seeking nationally appropriate approaches. It was also seen as being relevant with regard to future REDD+ financing with links to FIP and the Carbon fund. With new operating procedures with relation to funding implementing agencies it was also anticipated that its most significant challenge with regard to piloting (the speed of the flow of money) may be able to be addressed.

Recommendations on Role and Structure

- MIs and the REDD+ partnership should review how their roles are communicated to countries in relation to one and other with a focus on identifying key relative strengths as well as to what extent and how future support will available. This is particularly relevant to FIP and GEF. The ongoing internal review of UN-REDD also provides an opportunity for it to clarify its precise role and how this is presented to participant countries.

3.2 Coordination, Overlaps and Gaps

3.2.1 International Coordination

Within earlier evaluations broad consensus existed that coordination between MIs is necessary for increasing both effectiveness and efficiency of REDD+ activities. Criticisms focussed around the overburdening of national governments with reporting requirements and on the lack of coordination of focal points and stakeholders; both increasing the transaction costs of REDD+ activities. The joint FCPF, FIP and UN-REDD report (#10) illustrates a willingness to deal with criticisms regarding coordination between these initiatives. Strong examples of progress on coordination are also evident in the earlier evaluations, in particular between the FCPF and UN-REDD. In DRC, for example, the approach of the two multilaterals has been harmonised such that the country submitted its Readiness Preparation Proposal (R-PP) to both FCPF and UN-REDD.

The joint report on Enhancing Cooperation (#10) offers pragmatic suggestions for collaboration, including a REDD+ work programme and a common platform to share country experiences, disseminate lessons learned and facilitate policy discussions. Joint annual meetings between FCPF, FIP and UN-REDD are proposed. The Voluntary REDD+ Database, guided by the REDD+ Partnership, is to contain information on REDD+ commitments, financial pledges, national strategies, and investment plans; commitments and expressed

formal agreements that include financial transfer; actions linked to explicit targets; and independent verification of action results.

'An example where a Common Delivery Platform (CDP) is possible is the Democratic Republic of Congo. The foundation for this is that the DRC participates in all three initiatives and is the first country to produce a single document for approval by the governing bodies of FCPF and UN-REDD initiatives. The FCPF and UN-REDD have undertaken joint missions and the country has established national structures to facilitate coordination' (Enhancing cooperation and coherence among REDD+ institutions to support REDD+ activities, #10).

The *NICFI Evaluation* (#4), however, points out a possible operational risk of collaborative activities. Noting that forcing too stringent similarities between MIs may lead them to 'become bogged down in circular discussion and negotiation on details, either within a post-agreement committee stage or within the institutions of the UN-REDD programme, FCPF, FIP and members of the Interim REDD+ Partnership'.

From interview respondents, positive comments were received on the success that had been achieved on coordination by the MIs themselves, although again FIP and GEF were seen as less fully linked in than FCPF and UN-REDD.

3.2.2 National- and Subnational-level Coordination

At the national level, respondents of McKinsey & Co (#1) note that there is a need to ensure that the focal points for the various MIs are either the same or maintain close cooperation. The *First Program Evaluation of FCPF* (#5) recommends strengthening the participation of key sectoral ministries in national R-PP planning processes, particularly in identifying, negotiating and resolving conflicting land uses. More cross-sectoral involvement will also improve the balance between technical and structural challenges. This desire for a stronger separation between politics/negotiation and the more technical issues of REDD+ is also expressed in McKinsey & Co.

Overall, interview respondents noted that progress is being made to improve coordination within countries, although the comments also indicate a time lag before the improvements already made within the MIs percolate down fully. Multilateral development banks in the FIP pilot countries, for example, have been encouraged to liaise with country focal points for the FCPF and UN-REDD in order to enhance early collaborative efforts.

'There was a lot of confusion to begin with but now staff from each initiative are attending each others' meetings they seem to agree on more things, I'm not sure whether FIP does that though, they seem quite behind... GEF seems quite separate.'
Developing Country Partner

Countries also appear to be increasingly aware of the need to ensure national level coordination of both the MIs and their delivery partners, such as the regional development banks, and to link this with bilateral activities and funding. High-level national coordination for fund allocation, agreement on principles and a registry for funding and actions could all help improve the effectiveness of finance.

' There are multiple layers of coordination issues. We therefore want to have a donors' meeting in our country as a first step, to see who is doing what.' Developing Country Partner

'Our [national] interagency coordination has improved during the process of REDD+ development; this is very good.' Developing Country Partner

' The World Bank offices have a good ability to get donors and Government together.'
Developing Country Partner

'It was more difficult to coordinate the different UN agencies than to coordinate all the other donors.' Developing Country Partner

'FIP ran a joint mission which was good but they didn't seem aware of anything that had happened in the country already' Developing Country Partner

' The Readiness plans are a good way of coordinating donor input' Developing Country Partner

'Coordination at a national level is the responsibility of the host government - they need to set up a central point for donors to deal with on REDD+ otherwise it becomes very confusing'
Developing Country Partner

3.2.3 Coordination on Safeguards

Both social and environmental safeguards have risen fast on the REDD+ agenda. The *First Program Evaluation of FCPF* (#5) notes that that it will be challenging to meet the World Bank safeguard procedures, in addition to emerging safeguards, while ensuring a coherent national approach. In addition, it notes that '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' approach through piloting and experimentation followed by a careful assessment of impacts and outcomes.'

In both the GEF's *OPS 4* (#7) and the *EC Report* (#9) the need for improvement in gender and social standards is recognised: 'GEF project performance should be further strengthened through improved guidelines, a better fee structure, and strengthening of social and gender issues' (*OPS 4*) and 'the integration of gender issues in the R-PPs needs closer attention' (*EC Report*).

The FCPF and UN-REDD show the most progress in operationalising safeguards in the earlier reviews. For example, World Bank initiatives also benefit from existing established safeguards, and together these two initiatives are working to present common guidance on consultation and engagement processes to ensure meaningful participation of indigenous peoples (IPs) and forest-dependent communities in REDD+ ⁴.

While the strength of social safeguards, for IPs in particular, is recognised and lauded by many, responses from others point to a tension between safeguards pertaining to IPs and the responsibility (and in many cases the democratic mandate) of sovereign governments to make decisions as representatives of all of the populations within their territories. This was evidenced in differences of opinion over whether 'FPIC' should entail 'consent' or 'consultation' and how to interpret either of these in the context of decisions on REDD. There were comments from several countries that their own national safeguards should be given greater recognition.

A significant number of developing country interviewees emphasised the parallel needs, and in some cases perceived neglect, of other forest communities. It was noted by one

⁴ FCPF and UN-REDD. DRAFT Guidelines on Stakeholder Engagement in REDD+ Readiness with a Focus on the Participation of Indigenous Peoples and Other Forest-Dependent Communities. May 18, 2011.

respondent that one reason for at least superficial disparity between UN-REDD and the World Bank bodies in their treatment of safeguards, such as safeguards relevant to IPs, is that the UN-REDD has an obligation to promote all UN conventions and protocols and adhere to UNDRIP.

As for environmental safeguards, several respondents noted the relative lack of attention being given to these, particularly with regard to biodiversity and SFM. A strong perception exists that although there are relevant safeguards on environmental issues, these have currently taken a back seat to social ones, especially in terms of prominence in discussions. The cost of meeting safeguards was also noted, together with the recognition that in some cases these could be very large in comparison with current funding levels.

Box 2 The Common Approach

Concerns over differences in standards and requirements for safeguards have now been at least partially addressed in the FCPF Readiness Fund Common Approach to Social and Environmental Safeguards for Multiple Delivery Partners (DPs), as mandated by the FCPF Participant Committee (PC). This document, developed by a task force including representatives of the FCPF and candidate DPs, sets out what is needed in order for the safeguards of the entities delivering assistance funded through the FCPF's Readiness Fund to achieve 'substantial equivalence' with the World Bank safeguards under which the FCPF Readiness Fund operates.

Six of the World Bank's safeguards are most relevant:

- Environmental Assessment: To help ensure the environmental and social soundness and sustainability of investment projects/strategies and to support integration of environmental and social aspects of projects/strategies into the decision-making process;
- Natural Habitats: To promote environmentally sustainable development by supporting the protection, conservation, maintenance, and rehabilitation of natural habitats and their functions;
- Forests: To realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests;
- Involuntary Resettlement: To avoid or minimize involuntary resettlement and, where this is not feasible, to assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of projects/ strategy implementation, whichever is higher;
- Indigenous Peoples: To design and implement projects/strategies with the full and effective participation of Indigenous Peoples in a way that fosters full respect for Indigenous Peoples' dignity, human rights, traditional knowledge, and cultural uniqueness and diversity and so that they: (i) receive culturally compatible social and economic benefits; and (ii) do not suffer adverse effects during the development process; and
- Physical and Cultural Resources: To assist in preserving physical cultural resources and avoiding their destruction or damage. PCR includes resources of archaeological, palaeontological, historical, architectural, religious (including graveyards and burial sites), aesthetic, or other cultural significance.

The Common Approach also lays out guidance for stakeholder engagement, disclosure of information, and grievance and accountability mechanisms. This approach was formally approved at the Ninth Participants' Committee Meeting in June 2011 - further information on the approach can be found at - www.forestcarbonpartnership.org

One way of addressing the complex structure of safeguards has been the establishment of a task force by the FCPF for developing a common approach to social and environmental safeguards for their multiple delivery partners for REDD+ (see Box 2).

While UN-REDD has been involved in developing some of the documentation gathered together under the rubric of the common approach on the FCPF website, one respondent

noted that FAO and UNDP are participating in the task force not as members of the UN-REDD Programme and questioned whether the FCPF 'multiple delivery partner approach' as it is being defined is the most efficient way to provide support in countries needing more technical assistance than FCPF can provide.

3.2.4 Coordination on REDD+ Monitoring and MRV Systems

Earlier evaluations note that UN-REDD and FCPF have made tangible progress in the development of standardised systems for REDD+ monitoring including measuring, reporting and verification (MRV). Coordination between agencies is further aiding this and there are moves towards development of non-carbon MRV systems by both FCPF and UN-REDD. With monitoring approaches also being developed by other organisations, particularly for non-carbon impacts, ensuring in country coordination of MRV will be crucial. The *NICFI Evaluation* (#4) draws attention to the importance of capacity building for MRV and the danger of high transaction costs where MRV is contracted out internationally. The *NICFI Evaluation* also addresses the question of extending MRV to co-benefits, including biodiversity and livelihood values, noting the lack of baseline information as well as the lack of current systems.

'Everyone is approaching MRV in a different way, waiting for guidance from UNFCCC on the rules, still waiting and wanting to move forward. It is a timing problem in that countries do not want to wait, so they are going forward and nobody knows the rules'
Intergovernmental Organisation

The results from the interviews suggest that there is much further to go on developing and supporting REDD+ monitoring and MRV. Some comments were made regarding lack of coherence within countries, with some subnational groups receiving funding and training independently, and national governments sometimes unable to keep track of all the activities going on in this area. However, the most consistent comment was that there was as yet no universally agreed system or standard at which to aim, although the need for MRV was fully recognised.

A few respondents echoed the issues raised in the *NICFI Evaluation* (#4) on extending monitoring to co-benefits. It was noted in particular that in countries where capacity is weak, the cost of all monitoring and reporting on co-benefits will be large.

3.2.5 Overlaps

It is not unexpected that the mandates of MIs overlap and this can prove synergistic. The *First Program Evaluation of the FCPF* (#5) noted how additional finance from UN-REDD has sped up progress towards REDD+ readiness in DRC. The existence of multiple MIs has also been good for diversity and for lesson-learning. Earlier evaluations note that overlaps might speed up 'thinking', by encouraging discourse on, for example, safeguards and MRV. Conversely, they note dangers exist where the proliferation of initiatives increases opportunities to secure and spend money quickly. Moreover, a multitude of REDD+ activities at the subnational level may result in a lack of national ownership and carries the risk of a reduction in the efficiency of finance.

The interview responses suggest that overlaps are not seen as a problem. It was noted, however, that overlaps may prove more of an issue in respect of bilateral initiatives. One respondent noted that the complexity of REDD+ prevents any single initiative from responding as fully as needed. This calls for more strategic partnerships and an effort to exploit collaborative advantages rather than competitive advantages.

On the benefits of working with more than one MI, respondents' views varied. Several saw having alternatives for the piloting phase as positive, with two main reasons noted: first, the 'choice of initiatives' had reduced the power of one to dictate the agenda; second, the presence of two MIs in country had increased the speed of innovation with 'competition' occurring between initiatives as well as shared learning. Having multiple initiatives supporting readiness can also, of course, provide countries with higher levels of funding than either could provide alone.

Others respondents noted that the existence of multiple initiatives had presented a more confusing picture for countries looking to engage. The increasing standardisation of procedures and shared countries particularly between UN-REDD and FCPF, also led several countries to question the value of multiple initiatives. While the differing strengths of the two initiatives were recognised by respondents (see Section 3.1), the requirements for two governing bodies was questioned. Accessing UN-REDD style support and FCPF style support through one structure with the potential for different approaches to be used at different points during the process, was mentioned by several respondents as an option to streamline readiness processes. With FCPF already investigating different funding modalities it may be relevant for UN-REDD to assess their relationship with other MI's during their upcoming evaluation.

'There has been a lot of joint progress between UN-REDD and FCPF on things they both work on but if you are applying to both you have to attend all the meetings and then present your application at each one - sometimes several times, this takes a lot of time and effort.'
Developing Country Partner

3.2.6 Gaps

The main 'gap' in MI activities appears largely to be financing shortfalls. The *Survey of REDD+ Financing and Activities* (#2) and the *First Programme Evaluation of the FCPF* (#5) both emphasise this. Concerns have been expressed that finance is insufficient to achieve REDD+ readiness. Engagement of the private sector is, therefore, critical for long term funding. But progress on this is currently unclear given that there is as yet no overarching binding long-term climate change agreement within the UNFCCC regime. In the medium-term, bilateral finance and project level finance might be able to meet some of the shortfall. A concurrent move to reduce the transaction and administration costs of MIs, being pursued through improved coordination as noted above, could help decrease this shortfall.

A further 'gap' in transformational change has been flagged up in a number of reports. Reports have noted the need for more structural change and shift to a low carbon economy. This embedding of REDD into a nation's economic development plans and processes will be crucial for long-term change and to address the drivers of forest losses.

The interview responses noted the financing gap as the most critical one, although attention was also drawn to the need to give more consideration to mining, agriculture and charcoal production as critical drivers of deforestation.

3.2.7 Key findings on Coordination, Gaps and Overlaps

The early criticisms of lack of coordination among the MIs have been acknowledged and systems have and are being put in place to improve coordination between them.

At the international level MIs have improved communication and approaches with progress made on safeguards, MRV and administrative processes. Much of this progress has resulted from increased communication between FCPF, UN-REDD and FIP with joint meetings and efforts to develop shared approaches.

In safeguards, consistency between MIs has improved notably with the Common Approach (see Box 2) signalling the most significant step forward. In MRV, while there has been progress, more is to be done. But in both carbon and non-carbon MRV, much will depend on the final shape of REDD+ and its context when an overarching agreement is reached under UNFCCC. Administratively the production of a joint funding application form for UN-REDD and FCPF was seen by recipients as a positive step.

This increased coordination and harmonisation between UN-REDD and FCPF has led to some questions as to the value of having two distinct initiatives with similar operating approaches but two separate governing bodies. This is particularly relevant with an increasing number of countries looking to access both UN-REDD and FCPF support.

Coordination outside of UN-REDD, the FCPF and to a lesser extent FIP is less well recognised and there remains confusion over the roles of FIP and GEF as well as other institutions and initiatives. The regional Development Banks in particular have been identified as being indeed of being better coordinated with REDD+ development prior to becoming engaged through initiatives such as FIP.

At the national level progress has been made on common contact points, or at least on better information exchange. In countries where national systems are strong MIs are able to find useful easily and are able to further strengthen coordination with other donors. In locations where this is not the case on the ground staff have facilitated coordination but in some cases have found it difficult to keep pace with well funded sub-national support operations from other donors or NGOs.

Coordination of safeguards at the national level also remain a challenge with many respondents noting the need to balance international and nationally appropriate approaches.

Recommendations on Coordination, Gaps and Overlaps

- All four MIs should continue to pursue and promote a common delivery platform for their interventions and the use of joint missions whenever possible.
- Partner Governments should strengthen where necessary coordination between relevant Ministries departments and agencies working on REDD+ to facilitate coordination between donors.
- MIs should ensure that all international agencies involved, including delivery partners, are linked into the MI coordination systems, at the international level - this could be a significant focus of the current review of UN-REDD.
- MIs should continue to address coordination on safeguards with further work done on how these relate to national safeguards. This could be achieved through the regional sharing of experience and may serve to build support for effective safeguards.

3.3 National-level Ownership and Transformational Change

3.3.1 National-level Ownership

Earlier evaluations note that ownership of REDD+ processes by the national governments undertaking them is considered crucial to success and that synergies with existing national systems are likely to result in higher levels of national ownership. They also show that country leadership has, however, proven challenging.

Where ownership is defined as how embedded projects are in national or local priorities, as in the GEF *OSF4*, FCPF is found to be more country-led, with progress relying on host governments generating plans and documentation (although external partners are often engaged to aid in the preparation of documentation), as noted in the *First Programme Evaluation of the FCPF* (#5). Under UN-REDD, national activities are intended to be identified and led by the host government with support and finance being provided through UN bodies, but respondents of McKinsey & Co (#1) report that UN-REDD can take over national agencies.

McKinsey & Co note that there must be a move away from bringing in short term international experts and towards building national capacity to sustain momentum for REDD+; a sentiment also shared by Lele *et al.* (#8).

In contrast interview respondents provided generally positive feedback on levels of country ownership (including with regard to UN-REDD), but gave differing views on the depth of this ownership within wider government circles and indeed within the larger national society. Many noted that awareness of and commitment to REDD+ or indeed to low carbon growth did not extend beyond their own ministries and in many cases agencies or departments.

'The UN governance structure is less attractive than FCPF because the UN actively steers.'
McKinsey and Company (#1)

The lack of financial incentives was widely cited as the basis for this situation, with the funds that are currently available to the majority of countries for readiness activities being insufficient to attract wider political interest. Those countries that had attracted larger bilateral or indeed FIP funding commitments saw them as making a significant difference in their ability to attract wider support across government.

'We need significant changes to happen but that is difficult to achieve when there is no certainty (regarding the future of REDD+) and the money is small and slow to come - it makes us very vulnerable within the government.'
Developing Country
Government

It was also noted by several respondents that the uncertainties surrounding future REDD+ financing and failures of previous 'promised acronyms' made them feel both uncertain and vulnerable when pressing for wider commitments from higher levels within their governments. This appeared to be true within donor agencies as well with one donor respondent noting that, REDD+ is often seen as highly complex and potentially problematic by middle management in delivery agencies, in comparison with other programmes with more funds but considerably less demand on management time. In other words, the current incentives for grappling with

REDD+ processes are too low in many cases, for national ministries and delivery partner personnel, to spur effective efforts.

All respondents noted that the concept of readiness in the development of national plans provided a good tool to develop national ownership. Institutionally the FCPF was seen as facilitating country ownership, because a high degree of responsibility is placed on participating countries. The limited funds available at R-PP development stage, however, was noted as a constraining factor, with funds often only sufficient for the hiring of a consultant team to develop the R-PP and insufficient to develop more sustained engagement from government staff. One respondent, however, pointed out that FCPF funding for R-PP development was originally intended only as 'seed' funding. It was suggested that longer-term technical assistance from an early stage in national strategy development (pre-R-PP development) would be more effective in developing national ownership and would facilitate engagement with other delivery partners.

Respondents provided a mixed image of UN-REDD funded National Programmes (NP's), with varying national approaches resulting in considerable differences in national ownership. In

locations where personnel funded through the NP were based within government ministries, they were seen to have provided valuable support to national representatives through capacity building and supporting the management of different external actors leading to strengthened national ownership. The potential for funded agencies to utilise the funds provided through the national programme in a more flexible way was also appreciated.

In other locations, however, where funded staff (usually within UN agencies) remained based within their organisation's offices both in country and overseas, the process was less valued with some feeling that they were being used as a 'contracting agency' for UN agencies which at time had 'lost their focus' with regard to their engagement in national REDD+ developments⁵.

Experience of FIP is more limited for all respondents, although that Programme, too, appeared to have suffered from difficulties in communication. Several participating countries noted that communications with the Programme had been unclear and the levels of finance promised had changed repeatedly, as had dates for both joint missions and for the submission of investment plans. The limited time frames provided for the development of investment plans also appear to have created challenges for establishing broad ownership of the process, as well as difficulties in maintaining continuity with existing REDD+ work. One country noted the value of being able to work with the same consultant team on both R-PP development and investment plan development.

Despite the wide membership of GEF, none of those interviewed really knew much about GEF and its role in REDD+. This may be a reflection of the sample group but there is certainly a strong impression that GEF should perhaps do more to ensure that its potential contribution to REDD+ is more widely known, even if it is well understood by its contact points in country. Both the programmatic approach of GEF and the similar approach of FIP have potential advantages - the former particularly in scope, the latter in scale - for countries that wish to undertake transformational change.

3.3.2 Transformational Change

It is suggested in the *Survey of REDD+ Financing and Activities (#2)* that for REDD+ to become embedded in national policies and strategies across the board there must be a move to higher profile ministries, for example from forestry and environment ministries to finance/treasury ministries. The rationale for this is clear: with the cross-sectoral nature of REDD+ thus conveyed from an early stage, and with REDD+ integrated in sustainable development strategies, there is likely to be potential for deeper transformational or structural change. Such a transformational change must encompass a shift to a low carbon economy as well as effective efforts to address the drivers of deforestation. This point echoes experience from much earlier works on forestry development more generally which have, for example, pointed to the need for, and/or the failure of, the forestry sector to secure adequate consideration in key strategy documents such as poverty reduction strategies and national economic development plans.

'The roles of more cross-cutting ministries such as ministries of finance or local government are increasingly being recognised. Some countries are now exploring how REDD+ 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' (First Program Evaluation of the FCPF, #5).

The fifth replenishment of the GEF promises to take a more holistic view of forests, applying its new Transformative Programmes in Sustainable Forest Management/REDD+ and

⁵ Quotes from two developing country partner government representatives in countries with UN-REDD programmes

including more programmatic approaches. GEF is the only one of the four MIs that makes a strong and direct link between SFM and REDD+. However, the joint FCPF, UN-REDD Programme and FIP report (#10) similarly notes that one of FIP's objectives is 'to initiate and facilitate steps towards transformational change in developing countries' forest-related policies and practices'.

In Stage two interviews, several respondents noted that while MIs can have some influence and advocate better integration of REDD+ and forestry at an appropriate level in governments, the issue is one that is ultimately a matter for individual countries. Some countries, such as those that have been engaged in FLEGT and national forest programmes, are likely to have already made some progress in this respect, since the same principles apply to these. The definition of what constitutes 'transformational change' is country-specific and FIP works with country definitions of this.

Other respondents noted that even in developed countries, with much greater resources for national coordination, the wide nature of climate change poses problems that are not always successfully solved. Consequently, transformational change is likely to remain an issue that will require ongoing attention. This is particularly true with funding levels at their current position with respondents noting that until REDD+ starts to attract and deliver substantial funding it will be difficult to raise its profile in economic development plans and transformational change initiatives in most countries. This lack of broader ownership may not prevent significant shifts within the forest sector but will present challenges in delivering more society wide changes several of which remain important if REDD+ is to succeed.

3.3.3 Key Findings on National-level Ownership and Transformational Change

From the position recorded in the earlier evaluations, where national ownership was often seen as fragile, there has been good progress. Many countries now appear more REDD+ literate and are taking more of a lead within international discussions. UN-REDD was found to have made particularly valuable contributions in countries with limited capacity, which often face an unenviable choice between slow progress on REDD+ or using external expertise. This is especially so where personnel are placed in ministries and departments and can mentor and support national personnel. FCPF is generally seen as requiring national responsibility and thus supporting national ownership.

The findings on FIP suggest that without good national capacity, national ownership would be limited. GEF operates through a more strongly nationally focused approach, which appears to give good opportunities, although these are yet to be recognised within the context of REDD+.

The extent of cross government national ownership however was questioned by many respondents with many identifying national ownership to be held within a very small cadre of people within a specific ministry(ies). This lack of broader engagement has been critical in limiting the potential for transformational change. More progress has been made within countries where there is senior political buy in to REDD+ and coordination is held within influential ministries (such as finance) or offices (such as that of the president).

Recommendations on National-level Ownership and Transformational Change

- MIs, donors, and Governments should review and support improvements in the quality and coordination of dialogue between MIs, donors and Governments at national level to improve country ownership of the objectives set during Readiness.

This should include the development of nationally appropriate indicators of progress across ministries that can be revisited over time and should build on lessons learned from other

initiatives such as FLEGT, NFP's on building ownership of an initiative within broader Government circles should be identified.

- MIs should provide further clarity on potential funding streams available to countries (see recommendations under 3.1 Role and Structure). Clarity in the scale and sustainability of these funds would strengthen efforts at the national level to build broader political engagement in REDD+.
- MIs should continue to assisting partners to progress rapidly through the readiness phase so that they can access more substantial sources of finance. Until it is clearly demonstrated that REDD+ will deliver substantial finance, it will be hard to secure "buy-in" at the highest political levels in some countries.

3.4 Knowledge Transfer

Despite the EC *Report* (#9) noting that FCPF has embarked on an 'ambitious endeavour', it also comments that the quality of R-PPs and R-PINs has generally increased over time. Over time, information sharing will occur and knowledge gains will be made. To catalyse this organic knowledge transfer, as requested by the Interim REDD+ Partnership, FCPF and UN-REDD have been encouraged to support the development of a voluntary REDD+ database. Common platforms for sharing information are outlined in the joint FCPF, UN-REDD and FIP evaluation (#10). FCPF have launched a knowledge-sharing platform and the FCPF Dashboard presents country progress. UN-REDD also has a collaborative workspace. An unplanned element of knowledge sharing has been considerable South-South cooperation in knowledge exchange and preparation of R-PPs.

'It has been good to be able to talk to other countries about how they have progressed and what has worked or been difficult.'
Developing Country Partner

However, many lessons are still emerging in REDD+, and there is a danger that there is too much information, duplication and repetition in knowledge transfer. The *NICFI Evaluation* (#4) emphasises that while the discourse has expanded rapidly, there is a danger of being overwhelmed by REDD+ information.

Contrary to earlier assessments knowledge transfer was not seen by interview respondents as being particularly effective, with few respondents identifying it as having been fully successful. Participant countries noted benefits in South-South learning that had been facilitated through both the activities of the FCPF and UN-REDD and the development of a format for readiness proposals that allowed for some comparison (although the high variation in quality of these was noted as making comparison difficult).

The REDD+ Partnership was also seen by recipient Partners as a potentially useful forum for knowledge sharing as there are representatives from a wide number of different countries with engagement in different initiatives. This view was echoed by donors for whom the Partnership is valuable for sharing knowledge and holding discussions on strategic issues. Despite these efforts however significant differences occurred within the levels of awareness of changes within REDD+ and the MIs amongst respondents supporting concerns over inadequate knowledge transfer.

'The (REDD+) Partnership is good because it has a broader forum for sharing information than either of the other initiatives.'
Developing Country Partner

Respondents also noted that more consideration could be given to the information flow between stakeholder groups. Very little flow within countries was reported by the *Survey of REDD+ Financing and Activities* (#2), such as from forest-dwelling community groups towards funding institutions and government. The importance of such bottom-up

knowledge transfer from local communities and others, as well as downwards from outside, was noted by a number of respondents.

Lessons should also be taken from the processes adopted by past or existing in country initiatives, such as integrated conservation and development projects, PES, FLEGT activities, to further country level ownership and engagement in the knowledge-sharing processes (though avoiding a proliferation of new institutions and associated transaction costs).

Improvements will have great value in ensuring against unrealistic expectations on the benefits from REDD+; noted specifically by one interviewee as being an essential aspect of knowledge transfer.

3.4.1 Key Findings on Knowledge Transfer

Progress has continued with regard to knowledge transfer although this has been less significant than other areas. The FCPF 'country dashboard' and the UN-REDD collaborative workspace have provided good forums for information flow and there has also been considerable south-south sharing amongst countries as they move through the readiness process. However, contrary to earlier assessments interview respondents did not view knowledge transfer from the MIs as being particularly effective.

Several countries reported feeling overawed by the level of information and knowledge available through different channels, how quickly this progresses and the difficulty of identify reliable sources and summaries of information. Capacity building at national level was also seen as highly varied with a need for more balanced support to different stakeholder groups including civil society and the private sector that will support national and sub-national debate. T

The danger of creating unrealistic expectations on the speed and magnitude of REDD+ funds is also an issue that could be further addressed through improvements in knowledge transfer.

Recommendations on Knowledge Transfer

- MIs should continue to maintain up-to-date information portals, and FIP and GEF should look into ways to improve awareness of the opportunities they provide.
- MIs should review how existing funds to support non-government actors are being utilised.

The improvement of two-way knowledge transfer between national and sub-national levels, is necessary as well as for building on the current positive results from "South-South" transfer mechanisms. With funds available for developing stakeholder capacity in countries, including FIP and GEF as well as FCPF and UN-REDD. The observation that the capacity of southern NGOs needs to strengthened to counter the current dominance of northern NGOs provides a good place for using this funding.

- Participant Countries must take responsibility for effective knowledge transfer within country, MIs can assist in this also through support at regional level and encouraging comprehensive engagement within countries.

3.5 Stakeholder Engagement

Early evaluations show that, through their governance processes such as advisory groups, boards, information services and their sponsorship of and participation in public events and

discussions, MIs have been progressive and transparent in their actions that affect different stakeholders, particularly forest dwellers and IPs.

Differences remain between initiatives in the degree of choice and influence allowed to different stakeholders at the international level. In UN-REDD, stakeholder representatives selected by the group they represent are full members of the Policy Board and are able to contribute to decision making; in FCPF, these representatives are advisory. For FIP, decisions are taken by the FIP Sub-Committee of the World Bank's Strategic Climate Fund. The FIP Sub-Committee is composed only of representatives of (up to six) donor and (six) recipient country governments. An Expert Group has, however, been created to make recommendations to the Sub-Committee; this group is gender-balanced and includes members from developed and developing countries as well as representatives of indigenous people and local communities.

GEF has an Assembly in which representatives of all member countries may participate, but its main governing body is the GEF Council, whose members represent 32 constituencies (16 developing countries, 14 developed countries and 2 countries with economies in transition). However, the Council proclaims an 'open door policy toward non-governmental organizations and representatives of civil society' which makes it 'unique among international financial institutions.'⁶

MIs have encouraged national bodies to engage and consult on REDD+ related issues with subnational stakeholder groups. The *First Programme Evaluation of the FCPF* (#5) notes that one of its catalytic effects had been engagement of governments in broad consultative processes with stakeholders that would otherwise not necessarily have been consulted.

The level and timing of engagement of stakeholders and consultations is hard to map. Because it cannot be known what would have happened in the absence of consultations their value is hard to judge objectively. Moreover, the "absorptive capacity" for consultation varies between countries and this can also impact on MI efforts. Notwithstanding these difficulties, evaluations suggest that improvements could be made to increase the utility of consultations. Having commended FCPF for its engagement of stakeholders, particularly in its reports on specific countries, the *First Program Evaluation of the FCPF* (#5) makes recommendations for the provision of dedicated funds for national civil society actors to support more deliberative civil society and IP engagement through a global mechanism rather than through country grants. It is noted that some R-PPs (e.g., those of Ghana, Kenya and Nepal) included relatively detailed national consultation strategies and plans. The *Survey of REDD+ Financing and Activities* (#2) calls for better strategies for involving stakeholders in a meaningful and cost-effective manner in the preparation and implementation in REDD+. It suggests the possibility of replicating both multi-sector and multi-stakeholder dialogue, which is currently confined to national-level, at the provincial level.

There are concerns however, that funding has so far been insufficient to include the full range of stakeholders. Furthermore, the balance between appropriate stakeholder engagement and undue influence in REDD+ activities is not always clear; this is particularly true when NGO actions are considered. To avoid becoming overwhelmed by stakeholders and reducing efficiency, while still sufficiently incorporating the stakeholder views, requires more objective engagement of stakeholders. Efficient but effective and equitable engagement is necessary. The evaluations highlight that there are likely to be trade-offs between engagement and efficiency and it must be ensured that inertia does not result from trying to engage too much. Some of McKinsey & Co's (#1) survey respondents suggest developing a framework to help identify when to involve which stakeholders.

⁶ Information from <http://www.thegef.org/gef/assembly%20> and <http://www.thegef.org/gef/council>.

In Stage two interviews, respondents provided positive views on levels of engagement at the international level, particularly by the FCPF and UN-REDD, with both being seen as having adapted to engage higher numbers of stakeholders. Despite GEF's strong overall governance system, several respondents noted that this was more of a traditional donor-recipient relationship, with national submissions being presented to a donor committee. This is incorrect, however, as GEF funding decisions are taken by its 32-member Council, which includes both donor and recipient countries.

'FCPF and UN-REDD started slowly but are actually of a high standard in terms of stakeholder engagement at all levels - all they have to do is to keep it up, keep improving and stay committed to implementing what they promise!'

Northern NGO

International NGOs (INGOs) have been prominent in REDD+ and seem supportive of the current level of stakeholder engagement. One respondent noted that at international meetings, country representatives might feel dominated by the size of INGO delegations and their level of knowledge. This is obviously an issue for many small countries, who may have only one or two representatives at a meeting. There was also attention drawn to the danger of civil society representation being dominated by 'northern' INGOs at the expense of the more representative 'southern' national NGOs, who may not always share the INGO agenda but, rather, generally support what their countries are doing but want it to be more transparent.

Within the national context respondents recognised that stakeholder engagement is challenging within all countries and the composition of and selection processes for national-level REDD+ technical bodies vary. Initial differences in guidance from the UN-REDD Programme and from the FCPF had confused some participant countries, many being unsure of what levels of engagement were 'required'. Participant countries had also found it difficult to identify and coordinate civil society representatives to engage at the national level who were fully 'representative' of forest communities, given that civil society itself is often highly fragmented, an issue that was also compounded by the at times highly technical nature of REDD+ discussions.

'We are very concerned about consultations that want to get to the grassroots level: they create excessive expectations at the community level. We have been extremely careful not to raise expectations about what REDD+ implies. The last thing we want is to have grassroots consultations on a mechanism that has not even been born, with no idea of the money that is there.'

Developing Country Partner

Many recipient countries also noted that creating spaces for dialogue around a subject which had not yet been finalised, and of which many government officials were as yet unsure, also presented problems. It was noted, for example, that in some cases open fora had been dominated by NGO workers who had received REDD+ training, at the expense of others who may be more informed about the forest sector itself. Trying to ensure that all those engaged have appropriate understanding of the topics and issues being discussed is of great importance and should be fundamental to skills development and knowledge transfer activities.

Interview respondents from developing countries were all vocally supportive of the need for consultation, although they raised several issues of importance. One was to reinforce the baseline findings that it was a costly process, which for some exceeded the external finance they had received. It was also noted that there was a danger of raising expectations too soon on the size and timing of REDD+ related finance. Related to this are

'UN-REDD has done some interesting things with regard to implementing FPIC but it is not appropriate to many countries and a more flexible and gradual approach to building engagement might be needed in some countries.'

Developing Country Partner

comments on the lack of knowledge about even current finance flows, much less about where future finance will come from.

The definition of what constitutes 'consultation' was also queried. For some, it is considered simply passing over information, for others it entails much more detailed discussion and for some, in some cases, consent is required from specific stakeholders. It was suggested that not all countries can respond to the specific requirements of all safeguards due to national legal constraints.

3.5.1 Key Findings on Stakeholder Engagement

Interview respondents had largely positive views on levels of engagement of stakeholders at the international level. The work by FCPF and UN-REDD on draft Guidelines on Stakeholder Engagement in REDD+ Readiness has the potential to be a further major step forward in clarifying the key elements in effective stakeholder engagement.

There has been more steady progress internationally than at the national level, with UN-REDD and FCPF, in particular, raising the level of participation well above the norm for donor related processes. Focused support to capacity building of 'southern' NGOs, using the dedicated funds available in all the MIs, including FIP and GEF, might be useful, however, to enhance their engagement at the international as well as the national level.

Participant countries report difficulties in identifying and coordinating civil society representatives at the national level who were fully 'representative' of forest communities. With civil society itself often highly fragmented, this is an issue that is further compounded by the, at times, highly technical nature of REDD+ discussions and the evolving nature of the REDD+ goalposts.

A further emerging issue is the cost of engaging stakeholders. This has been more substantial than anticipated, particularly for countries with limited capacity and limited national funds. The comprehensive nature of safeguards has meant that engagement has taken more time, and been wider ranging, than was initially assumed by many groups. No respondent refuted the assertion of earlier evaluations that a trade off between efficiency and effectiveness - while also considering transparency - is necessary, even though the balance is not easy to strike and finding a balance acceptable to all will be challenging and require regular review and revision.

Recommendations on Stakeholder Engagement

- Partner countries engaging in different approaches for stakeholder engagement should continue to exchange information on the benefits of their different models. Regional workshops have an important role to play in sharing experiences.
- MIs should continue to clarify with partner countries what constitutes appropriate levels of stakeholder engagement. This should include clarification of how FPIC should be interpreted within different countries and how it applies to forest communities as well as indigenous groups.
- MIs, the REDD+ Partnership and donors should review how support can be provided to raise the capacity of southern NGOs and CSOs so that these organisations can take an increasingly substantial role in representing the interests of their stakeholder groups.

3.6 Finance

The financing of REDD+ is of course a key issue in many of the evaluations as well as for all respondents. The initiatives vary widely in the absolute amount of finance both pledged and disbursed. Points raised about financing can be categorized into three areas: (i) the overall magnitude of funds available, (ii) the levels of administration required to access funds and the speed of their disbursement, and (iii) their sustainability or confidence in future funding. Note that issues relating to the prospects for private sector financing, are taken up in section 3.7.

3.6.1 Magnitude of Finance

Early on, FCPF made a decision to provide identical levels of funding per country. This contrasts with UN-REDD, which is more flexible and provides variable levels of readiness funding depending on country needs. The *Program Evaluation of the FCPF* (#5) recommends review of this FCPF decision and consideration of whether to allow for variable levels of funding per country. Funds for consultation and stakeholder engagement were seen as particularly lacking. This is pertinent given that development of safeguards will define the standards required in this area and the more that is required the greater will be the level of funding needed.

In his paper on finance presented at the REDD+ Partnership meeting in June 2011, Markku Simula⁷ noted funding gaps in the different REDD+ phases. He cautioned, however, that information is only really available for phase 1, and stated that figures for bilateral support for readiness are hard to quote with confidence. He noted that bilateral support covers some 12% of the overall cost, while domestic sources account for 20%. Interestingly, while substantial domestic finance was reported from richer countries such as Mexico and Argentina, it was also high in Ethiopia (32%) and Ghana (23%). This suggests that at least some poorer countries have been willing to prioritise REDD+ readiness from national funds.

According to the Voluntary REDD+ Database, some US\$ 4.24 billion has been put on the table by donors for REDD+ development;⁸ however, the overall needs seem to be well in excess of 5 times this and maybe even more. Simula suggests a figure of US\$ 20 billion from 2015 to reduce deforestation by 25% with a further US\$ 4 billion for degradation.

In Stage two responses, almost all recipient countries saw a significant gap between needs and the total volume of funds available for REDD+ readiness activities. National strategy development was routinely identified by respondents as being under-funded, particularly in respect of finance from FCPF and particularly by respondents from larger and more complex countries. The R-PP formulation grant was originally intended to be seed funding but in some cases has been viewed as being for the total cost. R-PP formulation grants provided by the FCPF were seen as too low to provide sufficient support to countries, particularly those that were large and complex. This, in combination with slow disbursement, may put countries that are both large and poor at a decided disadvantage. While UN-REDD handles requests for funds on a more case-by-case basis, it has other challenges, including a low level of funds in total compared to that of the FCPF. One respondent noted that Norway remains the main donor for UN-REDD, a situation with which Norway is not comfortable, although UN-REDD has taken some effective steps to broaden its funding base.

For the strategy implementation phase, respondents noted a general lack of funding across all areas, but with little consistency regarding which activities are under-funded. For the

⁷ Markku Simula (2010; updated April 2011) Analysis of REDD+ Financing Gaps and Overlaps. Commissioned by REDD+ Partnership.

⁸ Voluntary REDD+ Database: <http://reddplusdatabase.org/>.

main R-Package, estimated costs for REDD+ readiness in many countries vastly exceed the \$3.4 million available.

As noted in earlier analysis, respondents also noted that the low levels of funding available make it difficult to catalyse the wider government support for REDD+ needed to secure transformational change. This situation had been improved in some locations by the addition of additional bilateral funds or the promise of future FIP funding. Respondents within FIP countries noted that the addition of FIP finance had bought wider buy-in from both other government ministries and the private sector, which gives validity to the comment from many interviewees that the level of funding was important to catalyse national interest at higher levels of government and hence to open the door to transformational change.

3.6.2 Speed of Disbursement

The speed of disbursement was a major concern in earlier reports and evaluations due to long financing lead times. This challenge is fundamentally equated to the tension between the need for effective standards and safeguards and speedy disbursement of finance. Although problems related to efficiency of fund management and delivery, focus and targeting, as well as performance accountability are also seen as responsible for delays.

Responses gathered by McKinsey & Co (#1) and the *First Program Evaluation of FCPF* (#5) noted the speed at which finance is disbursed is a major factor in the efficiency of the initiatives and in the perception of their efficiency. UN-REDD appears to be the most able to get finance to the ground level with the FCPF receiving criticism for initial delays in disbursing funding. This had also been a concern for FIP which, operational since 2009, was slow to get started, although the latest information from FIP indicate these delays have now been overcome. This may reflect the fact that FIP operates through a broader range of financing modalities. As noted by the information on the FIP website, in addition to grants - the financing modality of other the initiatives - FIP offers concessional loans, guarantees and/or equity, which are valuable for parallel financing. Diversification of funding could help overcome perceived problems with disbursement rates, which it is worth noting, despite criticisms, are not dissimilar to normal donor-funding cycles.

'Getting approval for funding can take a long time and requires a lot of revisions of documents - this causes people to loose interest and motivation at home.'

Developing Country Partner

'The FCPF disbursement problem is real. Strong support from WB at high level but regional level management is risk averse. They operate at a very large scale overall while REDD+ related financing is small and complex, time consuming and potentially controversial.'

Developed Country Partner

The speed of funding disbursement was a common point of concern among respondents. Despite the progress made over the last 12 to 18 months, respondents still saw both UN-REDD and the FCPF as having excessive levels of administration for the amount of funding available, the complexity of national strategy documents required, and the levels of scrutiny to which such documentation is subjected. The number of subsequent checks was also seen as disproportionate to the levels of funding provided directly through these initiatives. This was particularly a complaint of countries with a high profile on the international stage: both the World Bank and UN agencies are risk averse in such contexts, leading them to require higher levels of due diligence to be doubly sure there are no hidden problems. Several respondents compared this situation to that of the CDM, whose complexity is seen as having adversely affected its uptake over a wide range of countries and were very keen to avoid REDD+ following a similar route.

Those countries engaged in the FIP provided more positive responses on the levels of administration relative to funding available although all

also provided the caveat that this was with relation to their experience 'to date', with no countries having actually received funds.

Funding availability for national strategy development was seen as a critical issue; some countries noted that delays present a challenge to them in initiating this process. Several participant countries noted that these delays made maintaining momentum and establishing government ownership difficult, as well as increasing the risk from using their own political and social capital to drive the process forward.

3.6.3 Confidence in Future Funding

While MIs have leveraged significant funding for REDD+ activities, additional and more diverse funding is still required. There is a general perception of a need to move beyond donor support systems and voluntary funding in the longer-term. Numerous REDD countries are already committing resources over and above MI finance.

'We wanted to get our proposal in (to the FCPF) as quickly as possible as we were worried we would miss our 'window' for funding.'
Developing Country Partner

Earlier evaluations did not address the question of the sustainability of finance, but interview respondents gave a bleak picture on future funding and its capacity to bridge the gap between what is currently pledged and participant country estimates of funding requirements. When asked their views on the long-term availability of funds, many respondents answered that they were unconvinced that funds would continue to be available and that this had led them to seek funding 'while it is available'. Many developing country respondents said they had adjusted the timing of national submissions to gain faster access to funds. With regard to longer-term funding, a lack of confidence in its availability was also linked with a lack of certainty as to how to go about securing long-term funding.

3.6.4 Key Findings on Finance

The baseline largely concluded that, while MIs have leveraged substantial funds, funding was insufficient to meet the needs of REDD+ countries. Although the ToRs asked a specific question on the speed of finance and delivery of funding, interview responses were also forthcoming on the question of the gap in the overall magnitude of funds and largely confirmed this baseline perception.

The gap between the level of funds pledged and the level identified by countries as needed is not accurately quantified but is of the order of 5 times current pledges. Transaction costs have proven to be much higher than expected and improving effectiveness is not without cost implications. The need to go beyond donor support systems and voluntary funding in the longer-term is clear to respondents.

An ongoing problem is lack of clarity on the size and flow of funds. Until guidance is forthcoming from the UNFCCC, including a binding emissions target for emissions and technical details on how REDD+ is to function it will not be clear what financing will be required.

There has been some improvement in the speed of disbursement with efforts made by FCPF and GEF. Long financing lead times, however, remain, and there is concern on the part of numerous developing country respondents that the processes involve disproportionate levels of scrutiny. This highlights the fact that trade off between effectiveness and efficiency of funding disbursement are inevitable.

The work on the voluntary REDD+ database is responding to repeated complaints about lack of transparency over funding levels and disbursement but the issue is highly complex,

with the need for tight definitions. There have been problems with re-labelling of funds and with the quality of the data being provided.

'We don't really see this funding as long term what we want is to use it as an incentive to help switch our economies towards things that are more sustainable.'
Developing Country Partner

An interesting finding is the extent to which countries lack confidence that REDD+ funds will continue to be available. Respondents seemed generally less optimistic about the future of REDD+ than has been reported in the past. These concerns have led some countries to move more quickly than they would have done otherwise, with the intention of capitalising on funding prior to it running out.

Recommendations on Finance

- The REDD+ Partnership should continue its work on the voluntary REDD+ database to develop better information on financial flows and in particular, building in a temporal dimension would aid planning into the future.
- Ms/the REDD+ Partnership and/or Donor countries should review the costs of achieving REDD+ at national level on the basis of existing progress.

Although studies such as the Eliasch Review attempted to estimate the costs of achieving REDD+, in terms of capacity building and dealing with constraints such as land tenure, they did not have much hard data from which to work. Because there has now been substantial experience gathered by a large number of countries on the costs of meeting the requirements of REDD+, there is scope for a much more detailed analysis of this, including better indications of the likely costs of meeting REDD+ for individual countries. This would also allow better understanding of the costs to countries with different "profiles" of creating capacity for REDD+ generally and for complying with safeguards, MRV and other requirements, and hence provide for a truly informed discussion of safeguards and other actions required for REDD+.

- In line with the First Program Evaluation for the FCPF (#5) it is recommended that the FCPF review its policy of fixed support sums for each country regardless of size and complexity.

3.7 Engaging the Private Sector

Given the scale required, sustainable finance for REDD+ activities is generally considered to be linked with increased engagement of the private sector. Existing reports and evaluations find, however, that efforts to engage with the private sector have been limited, apart from some engagement by UNEP and FIP. The *First Program Evaluation of the FCPF* (#5) notes that many private sector players have access to finance, such as in large-scale agricultural production, that by far exceeds the scale of finance available for REDD or indeed within the entire forest sector in most countries.

In his *Analysis of REDD+ Financing Gaps and Overlaps*, Markku Simula notes that, despite wide resistance to private investment in REDD at present, there is some interest from companies in the mining, energy and retail sectors. In such cases, the driver seems to be improved CSR rather than REDD specifically and it is notable that most such investments also include wider co-benefits, including conservation and livelihoods, thereby enhancing their value for CSR.

The definition of the private sector in respect of REDD+ seems, however, to have been focused on commercial investment. But, the private sector encompasses not just investors

but also beneficiaries of REDD+ funding, as the *First Program Evaluation of the FCPF* (#5) noted, such as timber operators seeking alternative revenue streams. Understanding what the 'private sector' encompasses could improve the effectiveness of their engagement. For example, the private sector could include:

- those productive sectors in country that will be affected by efforts to reduce activities that lead to deforestation, and will presumably be beneficiaries of some of the funds potentially being made available through REDD+ for compensation for the loss of revenue from these activities
- businesses that may need to purchase any carbon credits produced by emissions reductions in a REDD+ participant country reducing emissions
- investors, some of whom may be interested in making loans to countries for the purpose of REDD+ preparatory work or to companies for the purchase of REDD+ credits.

Some existing reports make attempts to suggest solutions to the problems faced in attracting private sector engagement. The *First Program Evaluation of the FCPF* (#5) recommends reducing barriers to market entry for responsible private sector actors, supporting feasibility studies and offering bank guarantees for investment capital. It also advocates allowing private sector participation in relevant REDD+ committees. A recent paper produced by PwC for the UK government ⁹ raises the possibility of government partnerships, similar to those offered by FIP, to ameliorate the risks to private investors and suggests linkages with work on forest governance (FLEGT most recently but also earlier work on forest governance generally) as one way of reducing risk to encourage risk-averse investors (Box 3). At the same time, PwC suggests that the private sector should be more engaged during development of REDD so that their concerns are taken into consideration and built into the architecture as it is created. This sentiment is echoed in the *EC Report* (#9) which notes that engaging private sector representatives now could potentially prevent problems in performance-based payments down the line.

Existing reports are not uniformly sanguine, however, about the prospects for private sector participation in REDD+. At present, the market is undefined in terms of both supply and demand and there will not be clarity in terms of a regulatory market unless emissions targets are set under the UNFCCC. In the absence of an international binding agreement setting concrete emissions targets, investment can currently only take place through the voluntary market. Currently, the voluntary market price does not appear adequate for most countries given the transaction costs are larger than originally expected ¹⁰ and the cost of meeting stricter safeguards continue to add to transaction costs. Given that in the future many countries will be seeking to secure investment for REDD phase 3 results-based payments, future price uncertainty creates huge difficulties for both suppliers and potential investors.

⁹ *Funding for forests: UK Government support for REDD+*. PwC with Winrock International, Climate Focus and IUCN, 2011.

¹⁰ Readiness activities are costing up to three times what was expected, according to an FCPF report given at the REDD Exchange workshop in Oslo, June 2011),

Box 3 Funding for Forests: UK Government Support for REDD+

According to a recent PwC report for the UK government⁹, the size of funding that will be required for REDD, even if not known exactly, makes it imperative that private investment is catalysed. It is also noted, however, that REDD is seen as a relatively high risk investment, and the report draws attention to the following risks:

Political risk, for which a high premium would be levied on countries where governance and law enforcement are weak;

Regulatory risk, lack of agreed global agreement on REDD under UNFCCC;

Market risk, lack of certainty over whether REDD will be eligible for obligatory payments, as in the EU ETS (it is not currently);

Country level risk, in those countries where legal and operating frameworks for REDD-related activities remain undefined;

Price risk, fluctuations in a market that is still emerging, including the possibility of price collapse if supply and demand become seriously imbalanced.

These baseline findings match the issues noted in several Stage two interviews that countries that are attractive to investors may not want to sell cheap carbon credits to international buyers. Instead these countries are likely to want to use them to offset their own emissions, particularly countries such as Brazil that are coming under international pressure with regard to their emissions levels in other sectors. The views reported by McKinsey & Co (#1), however, suggest there is a general lack of confidence among investors in the ability of government civil servants to create an appropriate system.

'We are starting to get interest from the private sector (now they have FIP money) but we are not sure how to engage them and to be honest we are worried that we do not have the capacity to manage their engagement at the moment.'
Developing Country Partner

Most interview respondents did, however, acknowledge the need for private sector engagement to bridge the financing gap. While the majority of respondents recognised the importance of private finance, several admitted that they were as yet a long way from ready to engage with the private sector and were nervous about opening space for the private sector to become involved prior to the establishment of effective regulations and guidelines or indeed prior to building sufficient capacity to implement them. There are parallels here with the experience of donor-led institutional change programmes for forestry, which engendered nervousness among some government officials about engaging with the private sector, particularly in the context of a frequent lack of clearly defined and enforced operating standards.

Interviews also offered various ideas regarding the usefulness or desirability of private sector engagement and how to achieve this. Some respondents from the private sector echoed the call by PwC for risk amelioration, also noting a potential role for MIs, and especially their safeguards, to assist with making the due diligence work of potential private investors less costly and more secure. This is seen as potentially very useful given controversies over land rights for IPs and others. For example, giving investors greater certainty can be achieved by translating safeguards into operating standards which the country has the capacity to enforce.

Some respondents noted the need for private finance for REDD+ to be long term. As confirmed by relevant respondents, long-term investors, such as insurance groups and pension funds, seek low risk, predictable investments. In its present form, opportunities for REDD+ are in most cases the opposite of this. The result is that investors would be those seeking higher returns and probably short-term engagement. Risk mitigation through

due diligence and security against external influences such as mining are crucial if long-term private investment is to enter the market.

'REDD is long term and the ideal investors are those that are willing to invest for long periods. Such investors seek relatively low returns but only when the investment can be assured to be low risk. Regulatory and political risks are the main issues, technological risk is better understood. The present uncertainty over REDD is driving these investors away at present.'

Private Sector Representative

Despite the pessimistic picture for private investment, other opportunities exist for engaging the private sector in its broad definition. For some respondents, fostering the cooperation of the private sector is seen as critical for addressing the drivers of deforestation. Although the situation varies between countries, private sector agriculture, logging and mining are all potential drivers; these actors need to be included in REDD processes and more information garnered on how their operations can be adapted, modified and regulated. There needs to be reinvestment of REDD revenues into systems to encourage improved practices as well as enhanced monitoring and control.

3.7.1 Key Findings on Engaging the Private Sector

There is general agreement that there is a need to involve the private sector more heavily in REDD+ discussions. Although to date many countries have been reluctant to do this as they have felt unprepared to engage them.

There are various ways of defining what private sector is meant. To date efforts within REDD+ have been focused on commercial investment and there are few specific mentions in the earlier evaluations that relate to commercial forest use, either large scale or by SMEs, much less other sectors whose activities affect forests. Clarifying which aspects of the private sector should or must be brought into REDD+ processes, and the implications of doing this are necessary.

Although there has been some limited engagement with the private sector through MIs and at national level in some countries, it is generally acknowledged that this has been inadequate so far. Although it is anticipated that FIP will improve this situation within the countries it is operating in due to its more comprehensive framework for private finance engagement, including opportunities for a range of financial support mechanisms and risk sharing with private capital.

Critical barriers to private sector investment revolve around risk, due diligence and the likely returns. Until there is agreement on REDD+ at UNFCCC which leads to a market in regulatory offsets that includes REDD+, prices are likely to be too low and uncertain to attract long-term investors seeking low risk/low return opportunities.

Recommendations on Engaging the Private Sector

- MIs should look to establish a clearer definition of the private sector including the different actors involved and how they can be engaged in REDD+.

This can be used to support understanding of and engagement with the private sector and national and international levels. It should also include information on the implications for private investors - especially relating to risk and due diligence and the need for transparent and effective filters and controls on investment. This information will also be critical in countries that have a historically weak private sector and are not used to foreign investment.

- MIs, donors and country governments should increase levels of engagement with the private sector within countries (including through consultations and discussions on national strategies). This is particularly relevant for large and small-to-medium enterprises (SMEs) engaged in activities that affect the forest and/or will be affected by changes resulting from REDD+.

3.8 Other Issues: Balancing Mitigation, Adaptation, and Other Environmental and Social Values

While the ToRs for this study have made no reference to evaluating the effectiveness of the MIs in terms of balancing wider objectives, existing studies do raise these issues. We take note of them here, providing illustrative quotes from relevant earlier evaluations, in order to highlight their importance to the overall aims of the MIs and thus to the question of the effectiveness of the MIs' performance in fulfilling their mandates.

The first broader objective is that of climate change adaptation which has not featured strongly in MI activities so far, despite the awareness of complementarities between forest conservation and resilience to climate change. Both GEF 5 and FIP, with wider scope and methods of finance than FCPF and UN-REDD, include adaptation as an objective, but how this will be operationalised within these MIs is not yet fully clear.

'We can pilot for REDD, but should already adopt a holistic mindset that balances adaptation, mitigation and growth' (McKinsey & Co, #1).

From an even broader perspective, both addressing and adapting to climate change through REDD+ needs to be done in the context of protecting the many other environmental and social values associated with forests. In the early stages of REDD+ activities, largely building REDD+ readiness as opposed to delivering REDD+, it is perhaps not surprising that biodiversity and livelihood benefits are yet to be adequately delivered from a REDD+ mechanism.

'Despite a shift from RED to REDD to REDD+, the focus of REDD+ has largely remained on forest carbon storage as a mitigation strategy and is not inclusive of other forest values, including biodiversity, watershed protection, forest protection, income generation, social and cultural values' (Lele et al, #8).

'Other potential opportunities for closer collaboration include contributions to the multiple benefits of forests and REDD+ while adhering to the safeguards for biodiversity, ecosystem services, and livelihoods, in alignment with REDD+ development and conservation investments' (joint FCPF, UN-REDD Programme and FIP report, #10).

Few comments on adaptation or broader environmental services from forests were, however, made by respondents during the stage two interviews. Some did express a desire for more attention to be paid to biodiversity in the safeguards and for more discussion of environmental safeguards and the relationship between REDD+ and SFM.

While SFM is only presently clearly stated as an explicit aim by GEF. In the stage two interviews, SFM was mentioned by respondents from intergovernmental bodies. REDD+ has been postulated by some as a way to make SFM more viable, but both face similar obstacles. Firstly competition from alternative markets threatens their implementation; agriculture and timber land uses compete for REDD+ land use, and REDD faces additional competition from alternative climate change mitigation strategies. Secondly, although REDD+ and SFM produce environmental services of value, capturing this value commercially is difficult.

Covering the costs of SFM from timber values alone is challenging, as is covering the costs of REDD+ on the basis of only the carbon benefit. Securing rewards for the benefits REDD+ in addition to carbon, may make REDD+ and SFM more feasible. But the question of whether REDD+ is an environmental service delivered by SFM or whether SFM is a management approach that can deliver REDD+ remains undefined. However, one respondent pointed out that because REDD+ is under the UNFCCC it must align with, and be guided by, whatever is negotiated and ratified within that regime. This same respondent also agreed that safeguards are important within the REDD structure under the UNFCCC and that well designed REDD+ strategies can help address many outstanding issues that are essential for SFM and biodiversity conservation.

3.8.1 Key Findings on Other issues

The broader objectives of REDD, particularly forests' contributions to adaptation to climate change and environmental values beyond carbon, were present in the baseline created from earlier assessments. However, stage 2 interview respondents were more narrowly focussed on REDD+ as a mitigation strategy.

Over time, as the need for climate change adaptation becomes stronger this issue may re-emerge. With both FIP and GEF including opportunities for adaptation and other environmental services to be supported with their funding, both adaptation and non-carbon environmental services are likely to receive more attention moving forward.

Recommendations on Other Issues

- MI should investigate the links between REDD+ activities and climate change adaptation, given the complementarities, as well as developing a strategy to more explicitly pursue adaptation objectives within the MIs.
- MIs, the REDD+ Partnership and/or donors should consider reviewing how the additional costs of REDD+ can be addressed when compared to other opportunities for carbon offsetting and how the suite of additional benefits that REDD+ can offer can best be presented to both donors and the private sector.
- REDD+ Partnership countries should investigate ways in which other land uses, such as mining, can be moved to operate to similar standards and under similar safeguards to those expected of SFM and REDD+. REDD+ Partner countries have the authority to pursue this, both within and outside the REDD+ Partnership dialogue, if they choose to do so.

4 Conclusions and Recommendations

4.1 Summary of Conclusions

Throughout the document short summaries of findings have been provided at the end of each of the areas of assessment: Role and structure of the MIs, Coordination, National Ownership and Transformational Change, Knowledge Transfer, Transparency and Participation, Finance, Engagement of the Private Sector and Other issues. As such this section does not try to reiterate these more detailed discussions (which are also summarised in the executive summary) but instead provides an overview of key themes running through-out the assessment.

Overall the assessment identifies a positive attitude from respondents towards the MIs. Whereas documents produced in 2010 identified an atmosphere of frustration, perceptions have moved more now to appreciation of the efforts undertaken while acknowledging that there remains a long way to go before a fully functioning system exists to support REDD+ readiness. Opinions were most significantly shaped by the actions of the FCPF and UN-REDD with whom interview respondents had had the most contact. As such there exists a bias in the information presented through the assessment towards these initiatives. Key areas or progress identified by the majority of respondents were:

- Increased coordination between the MIs principally between UN-REDD, the FCPF and to a lesser degree FIP who have made significant efforts to harmonise approaches and increase communication between them. This included the provision of a common template for submissions to the FCPF and UN-REDD, work on a common approach to safeguards, and for many most critically higher levels of operational communication and coordination when engaging at national level including joint missions and common contact points. The fact that these changes had occurred through a willingness of the initiatives to adapt and respond to criticism was also seen as highly important.
- The work of UN-REDD and the FCPF on defining the concept of “readiness” and supporting the mapping of steps towards this.

Both of these efforts have gone some way to reducing both uncertainty around how to engage in REDD+ as well as taking some initial steps towards reducing the transaction costs related to that engagement.

Significant challenges, however, remain relating to the scale and availability of finance at present (with many noting the high transaction costs involved in accessing finance) and the uncertainty surrounding the future nature of REDD+, the rules that will govern it (relating to the transaction costs of its implementation) and the finances available from it.

The issue of an uncertain future also underwrote the majority of critical comments made during stage two of the assessment. Developing country partners in particular were uncertain as to how countries could gain access to different MI support and how this support would materialise. This is with regard to the scale of support and the administrative hurdles to gain access to it; both critical to their planning processes and their ability to promote broad government ownership and future transformational change (this remained true in many cases when support for a country had already been agreed - particularly in the case of FIP).

This lack of certainty reflected not only the challenges of preparing for an initiative that does not yet exist but also of maintaining effective knowledge transfer so that all groups engaged remain up to date with what is a complex and rapidly evolving topic and institutional environment. Many respondents noted that they were unable to keep pace with the wealth of literature that was produced on REDD+ or indeed information on changes or developments to funding mechanisms that do not directly affect them. Respondents could be categorised within their groups into a small cadre of highly informed

actors - often those with a significant stake in REDD+ or whose country had bought heavily into it at an early stage - and a majority who, while informed on a specific area, were unaware of progress across the board - including on developments within MIs and the REDD+ negotiations. Indeed many respondents struggled to answer questions on the future of REDD+ financing and support internationally and domestically.

Within this context the challenge for the MIs and the other organisations and initiatives with which they are engaged is to work to reduce uncertainty both in relation to the transaction costs of engagement and to clarify the opportunities for future engagement that exist.

Recommendations focus on the need to provide further clarity of the roles of the different MI's - FIP and GEF in particular, as well as how they fit together as part of a coherent support package for REDD+ now and into the future.

Further study should be undertaken with regard to the potential costs, particularly the transaction costs of REDD+ and how these can be most effectively met, including through the engagement of the private sector. Further work also needs to be done on clarifying the different criteria necessary to increase private sector engagement and to support countries in engaging the private sector from a secure base of understanding the needs of that sector and its possibly divergent interests.

These gains in knowledge must also be matched with continued improvements in knowledge transfer so that well summarised and consolidated knowledge can be available to a range of stakeholders internationally and nationally. Building capacity through such knowledge will improve discourse on REDD+ as well as enabling more effective, and efficient, routes to results-based implementation.

These recommendations are relevant not only to the MIs but other donors and in particular the REDD+ Partnership. The Partnership has already been seen as a useful body in supporting coordination and information sharing between MIs and both donor and recipient countries. Its broad coverage was seen as a key strength in improving information sharing across different initiatives and allowing for countries that are yet to fully engage in REDD+ to gain additional knowledge. The Voluntary REDD+ Database was also seen as a positive step in increasing transparency - an essential element of reducing uncertainty - although it was recognised that more work needed to make it fully functional.

It is evident that this role of communication and coordination remains highly relevant given the challenges of uncertainty and the potentially high transaction costs of multiple initiatives. The Partnership's work programme for 2011 and 2012 also appears appropriate in looking to tackle many of the challenges raised and it will be the ability of the Partnership to implement activities from this programme in a timely manner that will be critical to its ability to strengthen and increase the effectiveness of the MIs and indeed wider REDD+ developments.

4.2 List of Recommendations

4.2.1 Role and Structure of the Four Multilateral Initiatives

- MIs and the REDD+ partnership should review how their roles are communicated to countries in relation to one and other with a focus on identifying key relative strengths as well as to what extent and how future support will available. This is particularly relevant to FIP and GEF. The ongoing internal review of UN-REDD also provides an opportunity for it to clarify its precise role and how this is presented to participant countries.

4.2.2 *Coordination, Overlaps and Gaps*

- All four MIs should continue to pursue and promote a common delivery platform for their interventions and the use of joint missions whenever possible.
- Partner Governments should strengthen where necessary coordination between relevant Ministries departments and agencies working on REDD+ to facilitate coordination between donors.
- MIs should ensure that all international agencies involved, including delivery partners, are linked into the MI coordination systems, at the international level - this could be a significant focus of the current review of UN-REDD.
- MIs should continue to address coordination on safeguards with further work done on how these relate to national safeguards. This could be achieved through the regional sharing of experience and may serve to build support for effective safeguards.

4.2.3 *National-level Ownership and Transformational Change*

- MIs, donors, and Governments should review and support improvements in the quality and coordination of dialogue between MIs, donors and Governments at national level to improve country ownership of the objectives set during Readiness.

This should include the development of nationally appropriate indicators of progress across ministries that can be revisited over time and should build on lessons learned from other initiatives such as FLEGT, NFP's on building ownership of an initiative within broader Government circles should be identified.

- MIs should provide further clarity on potential funding streams available to countries (see recommendations under 3.1 Role and Structure). Clarity in the scale and sustainability of these funds would strengthen efforts at the national level to build broader political engagement in REDD+.
- MIs should continue to assisting partners to progress rapidly through the readiness phase so that they can access more substantial sources of finance. Until it is clearly demonstrated that REDD+ will deliver substantial finance, it will be hard to secure "buy-in" at the highest political levels in some countries.

4.2.4 *Knowledge Transfer*

- MIs should continue to maintain up-to-date information portals, and FIP and GEF should look into ways to improve awareness of the opportunities they provide.
- MIs should review how existing funds to support non-government actors are being utilised.

The improvement of two-way knowledge transfer between national and sub-national levels, is necessary as well as for building on the current positive results from "South-South" transfer mechanisms. With funds available for developing stakeholder capacity in countries, including FIP and GEF as well as FCPF and UN-REDD. The observation that the capacity of southern NGOs needs to be strengthened to counter the current dominance of northern NGOs provides a good place for using this funding.

Participant Countries must take responsibility for effective knowledge transfer within country, MIs can assist in this also through support at regional level and encouraging comprehensive engagement within countries.

4.2.5 Stakeholder Engagement

- Partner countries engaging in different approaches for stakeholder engagement should continue to exchange information on the benefits of their different models. Regional workshops have an important role to play in sharing experiences.
- MIs should continue to clarify with partner countries what constitutes appropriate levels of stakeholder engagement. This should include clarification of how FPIC should be interpreted within different countries and how it applies to forest communities as well as indigenous groups.
- MIs, the REDD+ Partnership and donors should review how support can be provided to raise the capacity of southern NGOs and CSOs so that these organisations can take an increasingly substantial role in representing the interests of their stakeholder groups.

4.2.6 Finance

- The REDD+ Partnership should continue its work on the voluntary REDD+ database to develop better information on financial flows and in particular, building in a temporal dimension would aid planning into the future.
- MIs/the REDD+ Partnership and or Donor countries should review the costs of achieving REDD+ at national level on the basis of existing progress.

Although studies such as the Eliasch Review attempted to estimate the costs of achieving REDD+, in terms of capacity building and dealing with constraints such as land tenure, they did not have much hard data from which to work. Because there has now been substantial experience gathered by a large number of countries on the costs of meeting the requirements of REDD+, there is scope for a much more detailed analysis of this, including better indications of the likely costs of meeting REDD+ for individual countries. This would also allow better understanding of the costs to countries with different "profiles" of creating capacity for REDD+ generally and for complying with safeguards, MRV and other requirements, and hence provide for a truly informed discussion of safeguards and other actions required for REDD+.

- In line with the First Program Evaluation for the FCPF (#5) it is recommended that the FCPF review its policy of fixed support sums for each country regardless of size and complexity.

4.2.7 Engaging the Private Sector

- MIs should look to establish a clearer definition of the private sector including the different actors involved and how they can be engaged in REDD+.

This can be used to support understanding of and engagement with the private sector and national and international levels. It should also include information on the implications for private investors - especially relating to risk and due diligence and the need for transparent and effective filters and controls on investment. This information will also be critical in countries that have a historically weak private sector and are not used to foreign investment.

- MIs, donors and country governments should increase levels of engagement with the private sector within countries (including through consultations and discussions on national strategies). This is particularly relevant for large and small-to-medium enterprises (SMEs) engaged in activities that affect the forest and/or will be affected by changes resulting from REDD+.

4.2.8 Other Issues

- MI should investigate the links between REDD+ activities and climate change adaptation, given the complementarities, as well as developing a strategy to more explicitly pursue adaptation objectives within the MIs.
- MIs, the REDD+ Partnership and/or donors should consider reviewing how the additional costs of REDD+ can be addressed when compared to other opportunities for carbon offsetting and how the suite of additional benefits that REDD+ can offer can best be presented to both donors and the private sector.
- REDD+ Partnership countries should investigate ways in which other land uses, such as mining, can be moved to operate to similar standards and under similar safeguards to those expected of SFM and REDD+. REDD+ Partner countries have the authority to pursue this, both within and outside the REDD+ Partnership dialogue, if they choose to do so.

4.2.9 Key Findings with relation to the REDD+ Partnership

The REDD+ Partnership was seen as a useful body in supporting coordination and information sharing between MIs and both donor and recipient countries. Its broad coverage was seen as a key strength improving information sharing across different initiatives and allowing for countries that are yet to fully engage in REDD+ to gain additional knowledge. The Voluntary REDD+ database was also seen as a positive step in increasing transparency although it was recognised that continuing work is needed to make it fully functional.

It is evident that this role of communication and coordination remains highly relevant given the rapid pace of REDD+ developments and the variation in levels of REDD+ knowledge between and within groups regarding progress in both REDD+ and the initiatives established to support it. Critical within this will be the ability of the Partnership to provide well-synthesised and coordinated information on developments regarding REDD+ and how it is being supported and operationalised as well as taking steps to help reduce uncertainty over the shape and structure of a future REDD+ mechanism. From the recommendations presented within this report it is suggested that the Partnership focus on:

- 1 Recommendations relating to the need for forward looking and innovative studies that examine the differences between REDD+, with its rich range of co-benefits, and other opportunities for 'carbon fixing'.

Because REDD+ can deliver so much more than alternatives such as cleaner industrial processes and green energy technologies such as wind, wave and solar power, it should be separated and efforts made to find ways of rewarding countries that deliver the suite of benefits rather than simply carbon. This is critically important, as well, because forest carbon is of course relatively more expensive than some other alternatives that deliver carbon services only, and therefore cannot compete with these as a source of carbon credits only. As a source for PES more broadly defined, however, forests are uniquely valuable. PES must therefore be part of whatever REDD crediting mechanism is brought into reality in order for REDD actually to work.

- 2 Recommendations relating to the need to increase understanding of the costs of achieving REDD+ particularly at national level.

Although studies such as the Eliasch Review attempted to estimate the costs of achieving REDD+, in terms of capacity building and dealing with constraints such as land tenure, they did not have much hard data from which to work. Because there has now been substantial experience gathered by a large number of countries on the costs of meeting the requirements of REDD+, there is scope for a much more detailed analysis of this, including better indications of the likely costs of meeting REDD+ for individual countries. This would also allow better understanding of the costs to countries with different "profiles" of creating capacity for REDD+ generally and for complying with safeguards, MRV and other requirements, and hence provide for a truly informed discussion of safeguards and other actions required for REDD+.

- 3 Recommendations relating to the need to build national capacity within a wider target range of people than has perhaps been the case to date. This includes the need for capacity building for delegations negotiating REDD+ (including ensuring that country representatives receive effective briefing on national and/or regional interests, positions and strategy before negotiation sessions on REDD are to take place).
- 4 Recommendations relating to the need for clearer information to be provided on the particular strengths of each MI and provides solid guidance to countries on where and how each can best support particular element of the national strategy.

Given that national strategies all need some external funding, clear insights into which components would be best served by specific MIs, possibly also including where the private sector (internal and external to the country) could fit in a complementary way would be helpful to partner countries. As part of this, all REDD+ recipient countries should be encouraged to develop their own national strategies and have clear strategies for fitting the various funds with different pieces of the work identified in their strategies. Countries taking leadership themselves will go a long way towards effective coordination of MI funds at the national level, and could obviate many potential problems of coordination.

Annex 1 Questions from the Terms of Reference

The questions below were provided within the Terms of Reference and were used to guide the assessment. How these questions fit into the seven core themes identified are identified in brackets.

- 1 Core strengths of the multilateral initiatives and whether these strengths are adequately harnessed in the context of REDD+ delivery (*Role and structure*);
- 2 Are the strengths of each initiative matched to the roles of the initiative, in particular the respective piloting nature of some of the initiatives? If there are gaps or inefficiencies how can these be addressed? What additional resources may be required? (*Role and structure*);
- 3 Are there overlaps/redundancies among institutions? What are the benefits and risks of overlaps? Would streamlining based on competitive advantages be more effective? (*Coordination, gaps and overlaps*);
- 4 Is the role of each institution in the space clear and transparent? (*Role and structure*);
- 5 Progress by the initiatives to coordinate for effective delivery, building on existing government systems including progress made on operationalizing safeguards in a coordinated manner in the country, standardization of formats for country proposals, coordination for development of monitoring, reporting and verification systems; (*Coordination, gaps and overlaps*);
- 6 Progress in imparting lessons learnt and knowledge transfer to REDD+ countries. Level of country ownership and engagement of national level institutions in this process. How can this transfer of knowledge from global to national institutions be further enhanced (*National level ownership and transformational change and Knowledge transfer*);
- 7 Adequacy of stakeholder engagement at the global and country level. Mapping of level and timing of engagement and added value of consultations (*Stakeholder engagement*);
- 8 Role of multilateral initiatives in enhancing private sector engagement (*Private sector*);
- 9 Promotion of national-level coordination of REDD+ efforts—within the host government, among the initiatives themselves, and with other programs and stakeholders (*Coordination, overlaps and gaps*);
- 10 Speed of disbursement and delivery of funding (*Finance*).

Annex 2 Sample Questionnaire

Guide Questions for Recipient Interviews - *extended*

Relation between interviewee and the Multilateral Initiatives?

Organisation? Official position?

With which of the four Multilateral Initiatives (FCPF, FIP, GEF, UNREDD) is your organisation engaged? For how long has it been involved with each?

Are there potential barriers for your country to be engaged in any other MI?

Any other REDD+ initiatives (e.g. bilateral) with which your country is engaged?

Effectiveness of the overarching financing architecture

Role and coverage

Is the role of each institution in the space clear and transparent?

- How closely do the priorities of the (each) MI with which you are engaged fit the needs of your country? (Close fit, adequate, insufficient, poor fit)
- Are there any gaps in coverage of the needed areas of activity in your country? (No gaps, a few gaps, many gaps, completely inadequate coverage)

In your opinion, does the/each MI in question have any specific advantage in country?

Coordination

- How effective, in your opinion, is the coordination between MIs? (Very effective, adequately effective, less effective than desirable, not very effective)

How could coordination be enhanced?

In your opinion do the safeguards of different MIs in country conflict with or contradict each other? (examples) Should they be more standardized across MIs?

If there is more than one MI in country, are there in your opinion any conflicts or contradictions between the MRV systems promoted by each? (examples)

- What has been the progress by the initiatives on coordination for effective delivery including:
 - ⇒ building on existing government systems
 - ⇒ progress made on operationalising safeguards in a coordinated manner in the country
 - ⇒ standardization of formats for country proposals
 - ⇒ coordination for development of monitoring, reporting and verification systems?

For each of these aspects, please assess using (Good, adequate, needs improvement, poor)

Effectiveness of (each of) the multilateral initiatives

What would you identify as the core strengths of the/each MI with which you are engaged?

Are the strengths of each initiative matched to the roles of the initiative, in particular the respective piloting nature of some of the initiatives?

Are there gaps, overlaps/redundancies among initiatives and institutions (including other REDD funding entities within the country)?

If there are overlaps and/or duplications and/or inefficiencies:

1. Are these beneficial and, if so, how?
2. What are the risks, if any, from such overlaps?
3. How can the gaps/ overlaps/ inefficiencies be addressed?
4. What additional resources may be required to overcome the gaps/ overlaps/ inefficiencies?

Would streamlining based on competitive advantages be more effective?

- For each MI, how would you rate its overall effectiveness? (Quite good, adequate, somewhat ineffective, not very effective)

Speed of disbursement and delivery of funding

For each MI in the country, what is the level of funding available from the MI in comparison with the funding identified in country as needed from that Initiative for REDD+ readiness activities/ demonstration activities/ results-based activities (depending on country)?

What is the funding disbursement for each MI in country?

For each MI in country, what has been the duration of time between announcement of intention to fund REDD+ there and delivery of funding to the disbursement entity in country?

For each MI in country and each project/activity funded by it, what has been the duration of time between delivery of funding to the disbursement entity in country and delivery of funds to the project/activity?

- Has the funding disbursed and delivered from the (each) MI with which you are engaged been adequate for the activities to be and/or being undertaken in the country in question? (More than adequate, adequate, less than adequate, very inadequate)
- How strongly has the availability of funding influenced national REDD+ plans and timing? (Greatly, somewhat, very little, not at all)
- How confident are you that REDD+ funding will be continue to be available at an appropriate time? (Very confident, confident, some reservations, very unconfident)
- For each MI in question and for each activity/project for which funds are sought, is the administrative process appropriate to the scale of funding being sought, in your view? (Highly appropriate, appropriate, somewhat inappropriate, very inappropriate)
- If you consider the administrative process is not appropriate, could you explain briefly the reason/s for in your opinion?

Promotion of national-level coordination of REDD+ efforts - within the host government, among the initiatives themselves, and with other programs and stakeholders

How, if at all, does the MI promote coordination of REDD+ efforts:

1. within the host government,
2. between itself and other MIs in country,
3. between itself and other MIs more generally,
4. among other programs and stakeholders?

For each type of coordination: are these coordination efforts appropriate?

Progress in imparting lessons learnt and knowledge transfer to REDD countries.

- How would you rate the success of knowledge transfer (very successful, successful, not fully successful, unsuccessful)?

How can the transfer of knowledge from global to national institutions be further enhanced?



What improvements, if any, should be made regarding engagement of national institutions and knowledge transfer from the MI/s in question?

- What, in your opinion, is the level of ownership of the REDD+ process in country? (Almost complete, sufficient, adequate, almost none)

Adequacy of stakeholder engagement at the global and country level. Mapping of level and timing of engagement and added value of consultations.

- Has stakeholder engagement been appropriate? (Excessive, adequate, inadequate, very inadequate)

Do consultations add value to the process and if so, how?

Role of multilateral initiatives in enhancing the private sector engagement

What efforts, if any, has the MI made to enhance private sector engagement in the country? Do you consider it is/would be within its remit to do so?

- What is your opinion on the level of engagement of the private sector in the country's REDD+ activities? (Excessively engaged, appropriately engaged, insufficiently engaged, little to no engagement)

Annex 3 Countries' Engagement with the Four Multilateral Initiatives

Partner Countries						
Country	REDD+ Partnership Countries	FCPF REDD Countries	FIP REDD Countries	UN-REDD Pilot (P)/Observer (O) countries*	GEF-4 National (N) Regional (R)	No.
REDD+ Partnership & all 4 initiatives						2
Dem. Rep of Congo	✓	✓	✓	P	N, R	
Indonesia	✓	✓	✓	P	N, R	
REDD+ Partnership, FCPF, FIP & GEF						3
<i>UN-REDD Observer</i>						
Mexico	✓	✓	✓	O	N	
<i>Not UN-REDD Observer</i>						
Ghana	✓	✓	✓		R	
Peru	✓	✓	✓	O	N	
REDD+ Partnership, FCPF, and FIP						1
Lao (P.D.R.)	✓	✓	✓			
REDD+ Partnership, FCPF, UN-REDD & GEF						3
Cambodia	✓	✓		P	N	
Paraguay	✓	✓		P	N, R	
Vietnam	✓	✓		P	R	
REDD+ Partnership, FCPF & UN-REDD						2
Panama	✓	✓		P		
Papua New Guinea	✓	✓		P		
REDD+ Partnership, FCPF & GEF						9
<i>UN-REDD Observer</i>						
Argentina	✓	✓		O	R	
Central African Republic	✓	✓		O	N, R	
Colombia	✓	✓		O	N	
Congo, Republic of	✓	✓		O	N, R	
Gabon	✓	✓		O	R	
Kenya	✓	✓		O	N	
<i>Not UN-REDD Observer</i>						
Cameroon	✓	✓			N, R	
Equatorial Guinea	✓	✓			R	
Thailand	✓	✓			R	
REDD+ Partnership & FCPF						9
<i>UN-REDD Observer</i>						
Costa Rica	✓	✓		O		

Partner Countries						
Country	REDD+ Partnership Countries	FCPF REDD Countries	FIP REDD Countries	UN-REDD Pilot (P)/Observer (O) countries*	GEF-4 National (N) Regional (R)	No.
Guatemala	✓	✓		O		
Guyana	✓	✓		O		
Honduras	✓	✓		O		
Nepal	✓	✓		O		
<i>Not UN-REDD Observer</i>						
Madagascar	✓	✓				
Suriname	✓	✓				
Uganda	✓	✓				
Vanuatu	✓	✓				
REDD+ Partnership, FIP & GEF						1
Brazil	✓		✓		N	
REDD+ Partnership, UN-REDD & GEF						2
Ecuador	✓			P	N	
Philippines	✓			P	R	
REDD+ Partnership & UN-REDD						1
Solomon Islands	✓			P		
REDD+ Partnership & GEF						3
China	✓				N	
Malaysia	✓				N, R	
Mali	✓				N	
REDD+ Partnership but not actively engaged in any of the 4 initiatives						19
<i>UN-REDD Observer</i>						
Nigeria	✓			O		
Pakistan	✓			O		
<i>Not UN-REDD Observer</i>						
Angola	✓					
Belize	✓					
Burundi	✓					
Chad	✓					
Dominica	✓					
Dominican Republic	✓					
Fiji	✓					
India	✓					
Korea (Rep.)	✓					
Rwanda	✓					

Partner Countries						
Country	REDD+ Partnership Countries	FCPF REDD Countries	FIP REDD Countries	UN-REDD Pilot (P)/Observer (O) countries*	GEF-4 National (N) Regional (R)	No.
Sao Tome and Principe	✓					
Sierra Leone	✓					
Singapore (1)	✓					
Slovenia (2)	✓					
South Africa	✓					
Togo	✓					
Zimbabwe	✓					
Not REDD+ Partnership member but FCPF, GEF & UN-REDD						2
Bolivia		✓		P	N, R	
Tanzania		✓		P	N	
Not REDD+ Partnership but FCPF & GEF						2
Liberia		✓			N	
Nicaragua		✓			N	
Not REDD+ Partnership but FCPF & UN-REDD						1
Ethiopia		✓		O		
Not REDD+ Partnership but FCPF						3
Chile		✓				
El Salvador		✓				
Mozambique		✓				
Not REDD+ Partnership but FIP & GEF						1
Burkina Faso			✓		N	
Not REDD+ Partnership but UN-REDD						1
Zambia				P		
Not REDD+ Partnership but GEF						8
<i>UN-REDD Observer</i>						
Cote d'Ivoire				O	R	
Sudan				O	N	
<i>Not UN-REDD Observer</i>						
Benin					N	
Brunei					R	
Guinea Bissau					N	
Russia					N	
Senegal					N	
Venezuela					N	

Partner Countries						
Country	REDD+ Partnership Countries	FCPF REDD Countries	FIP REDD Countries	UN-REDD Pilot (P)/Observer (O) countries*	GEF-4 National (N) Regional (R)	No.
Not REDD+ Partnership UN-REDD Observer only						4
Bangladesh				0		
Bhutan				0		
Mongolia				0		
Sri Lanka				0		
Total	55	37	8	P 13 O 22	N 27 R 17	77

Notes:

- (1) Not GEF partner
- (2) Not REDD country

Donor Countries						
Country	FCPF Donors	REDD+ Donors	FIP Donors	GEF Donors	UN-REDD donors	Overlaps
Australia	✓	✓	✓	✓		4
Belgium		✓		✓		2
Canada	✓	✓		✓		3
Denmark	✓	✓	✓	✓	✓	5
EU/EC	✓	✓			✓	3
Finland	✓	✓		✓		3
France	✓	✓		✓		3
Germany	✓	✓		✓		3
Italy	✓	✓		✓		3
Japan	✓	✓	✓	✓	✓	5
Netherlands	✓	✓		✓		3
New Zealand				✓		1
Norway	✓	✓	✓	✓	✓	5
Portugal				✓		1
Spain	✓		✓	✓	✓	4
Sweden		✓		✓		2
Switzerland	✓	✓		✓	TBC	3
United Kingdom	✓	✓	✓	✓		4
United States	✓	✓	✓	✓		4
The Nature Conservancy	✓					1

Annex 4 Summary of Earlier Assessments

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
1	Assessment by McKinsey and Company April 2010	•	•		•	Commissioned by Norway and PNG, the report offers insights into accomplishments and strengths of current institutions, key issues and perspectives on future institutional set-up.	Focused on institutions and implementing arrangements it is not an explicit assessment of effectiveness. In particular the report focuses on; high-point moments, continuity and strengths, improvement potential, images of the future, path to action, and concerns.	44 online surveys (28 tropical forest countries, 9 developed countries, 7 multilateral institutions) were completed in addition to 16 in-depth open-ended interviews (8 tropical forest countries, 5 developed countries, 3 multilateral initiative representatives).	A global study, views were elicited from Secretariats, REDD country participants (developing countries) and Donor participants (developed countries).
2	<i>Survey of REDD+ Financing and Activities</i> May 2010	•	•		•	Commissioned by REDD+ Partnership, the report builds a picture of REDD+ financing, activities and implementing arrangements - including multilateral, bilateral partnerships and national REDD+ implementing arrangements.	Surveys allowed for comments on positive aspects of the national or organisational approach to REDD; options for improving coordination and implementing arrangements for REDD at the national, bilateral and multilateral level; and, suggestions for improving information exchange and sharing of experiences in REDD+ planning, design and implementation.	33 online surveys open to members of interim partnership and 'other stakeholders engaged in REDD+ (15 developing countries, 10 developed countries, and 8 multilateral institutions and large international organisations).	A global study including multiple self-selected stakeholders.

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
3	<i>REDD+ Governance Quality: Participants' Attitude Survey Version 1.2</i> May 2010	•			•	An independent study self-commissioned by Tim Cadman and Tek Maraseni, the report considers three institutional components of REDD+ (the UNFCCC REDD-related negotiations, the UN-REDD Programme and the FCPF).	Focussed on institutional governance arrangements rather than effectiveness, governance quality is divided into meaningful participation and productive deliberation. Under these there were four criterion; interest in representation, accountability and transparency, decision-making, and implementation.	86 online survey responses within which a 5 point Likert scale was used to assess governance quality indicators (inclusiveness, equality, resources, accountability, transparency, democracy, agreement, dispute settlement, behavioural change, problem solving and durability).	A global study, respondents categorised themselves into 'environmental', 'social', 'economic', 'government', 'institutional', or 'other' groupings, in addition to stating whether 'north' or 'south'.

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
4	Evaluation of Norway's International Climate and Forest Initiative (NICFI) March 2011	•	•		•	Commissioned by the Norwegian Agency for Development Co-operation's (NORAD) evaluation department, the effectiveness of Norway's support to international REDD+ negotiations, multilateral, bilateral and non-governmental agencies funded by Norway between 2010 and 2013 are evaluated.	A real-time evaluation methodology was developed that can be replicated to show the Initiatives support to the formulation and implementation of national REDD+ strategies. This includes a set of common indicators that can be used across countries and time and that can enable attribution of results to the initiative. The analysis also refers to OECD/DAC criteria of relevance, effectiveness and efficiency.	Desk review plus 22 key stakeholder interviews and fieldwork (22 international CSOs, selected parties to the UNFCCC and IGOs). In the real-time evaluation framework indicators were scored from 0-4 at start and end-points of the evaluation. Scoring represented the state of development to support an operational REDD+ mechanism.	A series of national reports are available for Brazil, DRC, Guyana, Indonesia, and Tanzania. National and global reports are also compiled. Views from multiple stakeholders included.

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
5	First Program Evaluation of the FCPF May 2011 (Draft Evaluation Report)	•				Commissioned by the Participants Committee (the Governing body of the FCPF), the external and independent evaluation covers operations of the FCPF from 2008 to 2010. The report covers the effectiveness of the governance structure of the Facility, the operational effectiveness of the Readiness Fund and suggests enhancements of support to REDD Country Participants.	Relevance, effectiveness and efficiency are the focus of the review as per OECD/DAC Standard Evaluation Criteria for Results-based Management, Monitoring and Evaluation Framework.	Key information interviews (34), online survey (44) and stakeholders consulted during country visits (235), with interviewees are diverse across stakeholder groups. This was complemented by review of R-PP and other FCPF documentation.	The evaluation looks at both global and country level with country visits to DRC, Mexico and Nepal undertaken.

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
6	Internal Review of the UN-REDD Programme February 2011 (TOR only)				•	Commissioned by the UN-REDD Programme, the aim is to assess achievements, opportunities and gaps of the UN-REDD Programme since its launch in September 2008. Objectives are to determine lessons from progress in formulation and implementation of National Programmes and the technical support; assessment of effectiveness of the programme structure, delivery and internal decision-making processes; and, assessment of progress on greater coordination between the agencies and other REDD+ multilateral initiatives.	The review should employ international best-practices to ensure objective, transparent, evidence based and impartial assessments and learning.	Utilising the UN-REDD Framework Document, existing programmes, published papers and interviews with key staff and relevant partners and donors.	Pilot countries with differing policy contexts (Vietnam, DRC and Bolivia) in addition to broader review.

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
7	Fourth Overall Performance Study of the GEF (OPS 4) April 2010			•		Independent study commissioned by GEF Evaluation Office, the OPS4 was designed to address: i) the role and added value of the GEF, ii) the concrete, measurable and verifiable results of the GEF projects, iii) the relevance of GEF to the global conventions and recipient countries, iv) performance, and v) resource mobilization and financial management.	A cluster approach assessing: the role and added value of GEF; concrete, measurable, and verifiable outcomes and impacts of GEF in its six focal areas; assessment of relevance to global conventions and to recipient countries; performance issues affecting GEF results; and, resource mobilisation and financial management at the GEF level.	Desk review, portfolio analysis, case-studies, interviews, country and Agency field visits.	A global report with all GEF 4 projects evaluated.
8	<i>Environmental and Global Governance: Can the Global Community Rise to the Challenge?</i> 2010	•		•	•	Commissioned by the Lincoln Institute of Land Policy, Cambridge Massachusetts and written by Lele, the former Senior Advisor of the World Bank, Zazueta, a Senior Evaluation Officer at the GEF and Singer, Forest Affairs Officer of the UNFF. The aims is to assess strengths and weaknesses of current global environmental policy and aid architecture.	A meta-evaluation of key international organizations, the report focuses on governance, typically assessed as voice, accountability, effectiveness and efficiency. The report does not provide a conclusion on effectiveness, but whether the global community can rise to the challenges outlined.	Desk study of 55 evaluation reports and the Independent Evaluations Group's (IEG) Global Program Reviews of Environmental Programs.	Global

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
9	EC Monitoring Report of the FCPF December 2010	•				Commissioned by the European Union the monitoring report is an ongoing assessment that grades current relevance and quality of design, efficiency of implementation to date effectiveness to date, impact prospects and potential sustainability.	A concise three page report uses results oriented monitoring (ROM). Effectiveness to date is one of five categories graded, but it is acknowledged that the FCPF is in early stages and thus grading is a problematic. The review makes a number of recommendations and comments on the five categories.	Desk review, expert grading.	Global without mention of particular countries.

Overview of Information Resources									
	Title	FCPF	FIP	GEF	UN-REDD	Report Objectives	Approach to Effectiveness	Method/evidence Base	Scale and Perspective
10	<p><i>Enhancing cooperation and coherence among REDD+ institutions to support REDD+ activities</i></p> <p>November 2010</p>	•	•		•	<p>Authored by the secretariats of the FCPF, UN-REDD Programme and FIP to identify short and long-term options for enhancing cooperation and coherence among REDD+ institutions.</p>	<p>Not assessing effectiveness <i>per se</i>, the approach supports matching of national REDD+ needs with financial and technical resources to utilise comparative advantages. It maps the three focus multilateral initiatives to the suggested three phase approach to REDD in the draft text from COP15 (national strategies or action plans, implementation and results-based actions) and proposes options and pragmatic suggestions for improved collaboration and coordination.</p>	<p>Based on discussions of FCPF, FIP, UN-REDD and other multilateral and bilateral initiatives.</p>	<p>A global report, it reflects views of FCPF, FIP, UN-REDD as well as representatives of Amazon Fund, Congo Basin Forest Fund, GEF, UNFF who were present at a meeting to discuss the content of the report.</p>