

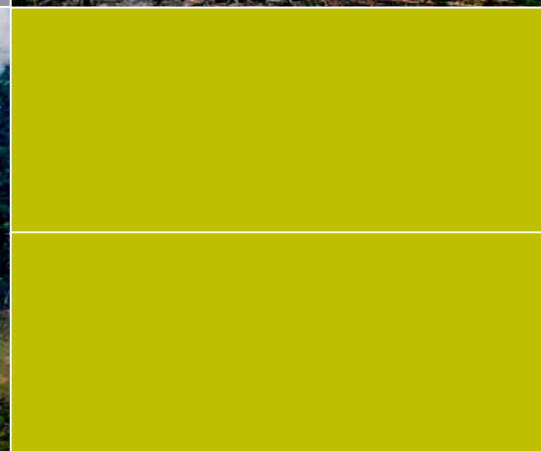


# Real-Time Evaluation of Norway's International Climate and Forest Initiative

Contributions to National REDD+ Processes 2007-2010

Executive Summaries from Country Reports

Evaluation Report 18/2010



**Norad**

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# **Real-Time Evaluation of Norway's International Climate and Forest Initiative**

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**March 2011**

LTS International in collaboration with Indufor Oy,  
Ecometrica and Christian Michelsen Institute



## Preface

This evaluation is part of the first phase of a real-time evaluation of Norway's International Climate and Forest Initiative (NICFI). As such, it is a major undertaking and the first of its kind for the Evaluation Department. The evaluation is conducted by a team of independent evaluators from the British company LTS International in collaboration with Indufor Oy, Ecometrica and Christian Michelsen Institute.

The evaluation was initiated in accordance with the Evaluation Department's mandated responsibility to evaluate Norwegian development cooperation and motivated by the strong interest from NICFI to draw early lessons and allow corrections to be made in 'real time'.

The primary purpose of this evaluation has been to develop a baseline for subsequent ex-post evaluations and to provide early feedback to the stakeholders and the public about preliminary achievements. As with any evaluation, the purpose is to provide feedback of lessons learned and to provide basis for accountability, including the provision of information to the public.

The evaluators have been provided with a rather daunting task, but we believe that the complexity of the evaluation subject has been well captured by the evaluators. Yet it should be recognized that not all aspects of NICFI have been evaluated at this stage and that the evaluation is not intended to give *the* answer about NICFI. It should also be kept in mind that REDD (Reducing emissions from deforestation and forest degradation) is a complex and moving target.

We would like to acknowledge the efforts made and the cooperation rendered by the initiative's staff and their development partners. We also gratefully acknowledge the support of our external advisers who have commented on the draft reports.

Our hope is that the reports from the first phase of the real-time evaluation will not only add to the experience and lessons learnt through this initiative, but as well contribute to an informed public debate about an important topic.

Oslo, March 2011



Asbjørn Eidhammer  
Director of Evaluation



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## Acronyms

BAPPENAS	National Development Planning Agency (Indonesia)
BAU	Business-As-Usual
BNDES	Brazilian Development Bank
CBFF	Congo Basin Forest Fund
CO <sub>2</sub>	Carbon dioxide
COFA	Guidance Committee of the Amazon Fund
COMIFAC	Central African Forests Commission
COP	Conference of the Parties
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
FAO	Food and Agriculture Organisation
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FPIC	Free Prior and Informed Consent
Gol	Government of Indonesia
GRIF	Guyana REDD+ Investment Fund
Gt	Giga tonne
GTZ	German Technical Cooperation Agency
IDB	Inter-American Development Bank
IFCA	Indonesia Forest and Climate Alliance
INCAS	Indonesian National Carbon Accounting System
INPE	National Institute for Space Research (Brazil)
IRA	Institute of Resource Assessment (Tanzania)
JCN	Joint Concept Note
LCDS	Low Carbon Development Strategy
LoI	Letter of Intent
MoF	Ministry of Forestry
MoU	Memorandum of Understanding
MRV	Monitoring, reporting and verification
MSSC	Multi-stakeholder steering committee (Guyana)
NAFORMA	National Forest Resources Monitoring and Assessment (Tanzania)
NAPA	National Adaptation Programme for Action
NCCSC	National Climate Change Steering Committee
NGO	Non-Governmental Organisation
NICFI	Norway's International Climate and Forest Initiative
Norad	Norwegian Agency for Development Cooperation
ODA	Official development assistance

OECD/DAC	Organisation for Economic Cooperation and Development / Development Assistance Committee
PNC	Papua New Guinea
PROFOR	The Program on Forests
REDD	Reducing Emissions from Deforestation and Forest Degradation
R-PIN	Readiness Project Idea Note
R-PLAN	Readiness Plan
R-PP	Readiness Preparation Proposal
UKP4	Presidential Delivery Unit for the Supervision and Monitoring of Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
USAID	United States Agency for International Development
WB	World Bank
WWF	World Wide Fund for Nature

## Introduction

The primary objective of the Norwegian Government's climate policy is to help establish a global, binding, long-term post-2012 regime that will ensure cuts in global greenhouse gas emissions sufficient to limit global temperature rise to no more than two degrees Celsius above pre-industrial levels. Measures to Reduce Emissions from Deforestation and forest Degradation (REDD <sup>1</sup>) in developing countries are considered necessary if this target is to be achieved. To this end, *The Government of Norway's International Climate and Forest Initiative (NICFI)* was launched in December 2007, pledging substantial development cooperation funding towards efforts to support REDD.

In order to progressively assess the results of the Initiative with regard to its objectives and the general objectives of Norwegian development cooperation, Norad's Evaluation Department commissioned a real-time evaluation starting in early 2010. A consortium of independent consultants and experts lead by LTS International was assigned to carry out the evaluation under a framework agreement covering a four-year period (2010–2013).

The objectives of the real-time evaluation are to assess the impact and results of the Initiative's support in four major areas:

1. For improving the prospects of the inclusion of a REDD mechanism in a post-2012 climate regime;
2. For the preparation of mechanisms and implementation of activities to attain verifiable reductions in greenhouse gas emissions;
3. For the conservation of natural forests to maintain their carbon storage capacity;
4. With regards to the general objectives of Norwegian development cooperation, such as those related to livelihoods, economic and social development and the environment.

During 2010, five country level evaluations were carried out. The five countries were Brazil, Democratic Republic of Congo, Guyana, Indonesia and Tanzania. These countries receive significant support from NICFI through different channels and mechanisms, they represent a range of forest types and conditions, are at different stages in the forest transition, represent different national policy contexts, and together they cover each of the three tropical continents. Consequently, NICFI

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<sup>1</sup> The terms REDD and REDD+ are used interchangeably in this report. In both instances the intended meaning is REDD-plus, as defined in the Bali action plan – “reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”.

support in each of these countries has been used for different purposes, including stakeholder consultations, capacity-building, institutional strengthening, demonstration activities, and application of policies and measures.

A major purpose of the national level evaluations carried out in 2010 was to establish a baseline for subsequent evaluations. Because of the variation in the length of time during which NICFI has been engaged with the five partner countries covered by the 2010 evaluations, and the substantial differences between them, it was decided it was too early to try and draw wider lessons and conclusions through a synthesis study this year. This summary report therefore contains the Executive Summaries from each of the country reports. Interested readers are encouraged to read the full reports for greater detail.

## Executive Summary - Brazil

This report presents the results of an evaluation of the Norway's International Climate and Forest Initiative's (NICFI) support to the formulation and implementation of national REDD strategies and other REDD readiness efforts in Brazil. The evaluation has been carried out as part of a series of national-level evaluations of NICFI contracted in connection with an ongoing four year real-time evaluation agreement signed between Norad's Evaluation Department and a consortium of research consultancy companies led by LTS International.

The report identifies that the most concrete contribution made by NICFI to Brazilian climate and forest policy has been its support to the Amazon Fund (Fundo Amazônia). The Amazon Fund is a performance based fund aimed at raising donations for non-reimbursable investments in efforts to prevent, monitor and combat deforestation, as well as to promote the preservation and sustainable use of forest in the Amazon biome. Whilst the creation of the Amazon Fund was a Brazilian initiative, the financial support provided by NICFI can be seen to have produced a significant stimulus to policy debates in the country regarding deforestation, emission reductions and alternatives to REDD. As one informant phrased it, the promise in 2008 of *"a billion dollars was like turning the key in the car, it helped start the ignition for the motor to start"*. The sense of this comment has been widely echoed in media reports<sup>2</sup> and by many of the government officials, non-governmental organizations and civil society representatives interviewed in the course of this evaluation.

Brazil has developed a strong position on the national ownership and management of its forests in international climate policy debates. When the discussion of REDD re-emerged in the UNFCCC negotiations in 2005, Brazil insisted on taking a broad focus on emission reductions, adopting a national approach (as opposed to a project-based approach), and excluding market-based approaches in the design of the financing system. These views have evolved, adapting to Brazil's own internal processes. Brazil's voluntary emission reduction commitment, announced at the 15<sup>th</sup> Conference of the Parties of the UNFCCC in Copenhagen (2009), is national in scope, but started only in the Amazon region. Today, market as well as non-market based approaches are being considered in the numerous REDD+ initiatives that are being developed at the federal, state and sub-state levels. Whilst some discussion still surrounds its coverage and accuracy, Brazil is also widely recognised nationally and internationally for the development of an impressive governance system for the national regulation and monitoring of the forests of the Amazon.

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<sup>2</sup> <http://www.reuters.com/article/idUSN14183934>

Following some evidence of a connection between this system and a recorded drop in deforestation levels in the Amazon, proposals are now being implemented to extend this system to cover other biomes in the country.

NICFI's financial support is furthermore recognised as connected to the successful institutional placement and character of the Fund i.e. its placement under the administrative control of the Brazilian Development Bank (BNDES) and the strong role of civil society in the Guidance Committee of the Amazon Fund (COFA). It is for these reasons that the current report concludes that NICFI has made a highly relevant contribution to REDD+ readiness processes in Brazil.

NICFI's support has been effective in that it has successfully stimulated Brazilian environmental and climate policy debates and efforts to reduce deforestation. The fact that the Amazon Fund is widely regarded as an important example of the development of a national mechanism for disbursement of results-based payments, and because NICFI's support had a positive impact on momentum and direction of change in Brazil must also be recognised as successes. Despite these successes, our interviews highlighted a series of areas in which the effectiveness of NICFI support in Brazil could be enhanced in future.

Whilst recognising both that NICFI has been effective in getting things started, and that there are areas for improvement in the operation of the Amazon Fund, as explained in the report, it is too early to usefully make further comment on effectiveness and efficiency. What has been done so far has had limited effectiveness and has not been able to be particularly efficient due to procedural constraints. It is agreed that the approach taken in Brazil was unique and had to be so to clearly recognize Brazilian sovereignty.

As is described in the report, problems in the Fund's application and selection processes have resulted in the widespread qualitative impression that adjustments need to be made in order to ensure that the Fund achieves its objectives. Civil society organisations, community associations, private sector organisations and state governments, who see themselves as central actors and beneficiaries are frustrated with the limitations, complexity, strict specifications and lack of transparency in these processes. As a result of these complications it has not been possible for many organisations to apply, or be successful in their applications to the Fund. The bureaucratic and legal bottlenecks encountered in the Fund's application and selection process, are moreover not only seen by indigenous organisations and community associations as a technical problem, but a mechanism that repeats failures to recognise their rights and importance in reducing deforestation.

We underline in the report that given very real constraints of ownership and time it is questionable whether NICFI could in any way have assisted the Amazon Fund to avoid these problems. Whilst recognition is made of BNDES's knowledge and efforts to address these difficulties, our informants have questioned whether NICFI is in a position to encourage a rapid response to these problems without questioning Brazilian sovereignty over the Fund. Recognizing the importance of national ownership Norway has correctly respected Brazil's sovereignty over the Fund and

the Amazon, but this complicates NICFI's possibilities to request and lobby for adjustments. A rapid response is seen as important because there are indications that, as a result of excessive rigidity in the system, the money promised by Norway is not being used efficiently. More precisely, whilst NICFI is fulfilling its commitments to transfer funds to the Amazon Fund, as a result of these bottlenecks there is a significant mismatch between the resources available in return for reduced deforestation, and the actual disbursement of funds to supported projects.

Further highlight is made in the report of other difficulties facing the Amazon Fund – the main focus of NICFI support in Brazil. Discussions with the Amazon Fund team at BNDES revealed that, as yet, there is no clear sustainability strategy for the Fund. Should deforestation increase again in the Amazon region, the Fund might not be able to raise international funds to help it through this period. Whilst BNDES are working together with Norad and GTZ to develop a logical framework for the strategic operation of the Fund, at present there is no clear strategy in place to use the Fund to address the most critical threats to forests or forest-livelihoods. NGO representatives interviewed in the course of the evaluation questioned the political nature of the choice of the five projects that were funded in connection with the COP-15 meeting in 2009. Frequent comment was also made on the need to clarify the use of the 20%, earmarked for monitoring and verification activities beyond the Amazon area. Emphasis was also made by several analysts and organisations that further care should be taken by the Fund and its supporting structures such as the National Institute for Space Research (INPE) to keep up with the changing nature of deforestation in the country e.g. the move from large-scale to small-scale deforestation.

Whilst there is general support for the make-up and role of the COFA as a body guaranteeing the legitimacy and direction of the Amazon Fund, State-level officials, NGOs and civil society organisations question whether improvements could not be made to both its representation and expansion of support to private, state and federal institutions. Environmentalists and indigenous organisations also question the Brazilian administration's understanding of sustainable development, highlighting what they see as an apparent contradiction between efforts to reduce deforestation and encourage sustainable forest livelihoods through the Amazon Fund on the one-hand; and political and financial support to large-scale infrastructure and extraction projects with highly damaging social and environmental consequences on the other hand. Emphasis was made by a broad array of Brazilian and foreign non-governmental organisations of a need to reconsider these policies and for a more general clarification of carbon rights in the country.

The report highlights the following lessons learnt:

- NICFI support to Brazil has acted as an important stimulus to policy debates and actions on REDD alternatives and the reduction of deforestation. As such NICFI support is evaluated as being highly relevant.
- There is a relationship between NICFI support and national policy, but Brazil has independently developed its own regulatory and monitoring systems, and is in the process of defining its own alternative position on REDD+.

- Brazil aims to develop a national system for not only monitoring and reducing deforestation, but emission cuts and carbon accounting. Whilst insisting on the importance of a national system for the verification of emission cuts and socio-economic rights there is growing support from the State level and sectors of the central government for private/public sub-national initiatives.
- Given time constraints, but also the constraints of BNDES regulations and funding structures, the Amazon Fund – the focus of NICFI support in Brazil – has so far faced serious problems in its efforts to efficiently disburse funds.
- Brazil now operates an impressive system for the regulation and monitoring of the forests in the Amazon region, and as such is well advanced in readiness to REDD+. Whilst other countries can learn from the methodologies and technologies operated by Brazil, because of topographic differences and legal restrictions there are difficulties in exporting these systems.

Based on the above comments, and recognising the political necessity for NICFI to recognise Brazilian sovereignty, the report makes the following recommendations, which are intended for follow-up by NICFI and their partners in their ongoing dialogue and partnerships on REDD+:

- Whilst recognising that legal changes can take time, we recommend that a rapid review of the current regulations and application procedures of the Amazon Fund is carried out. Connected with this we also recommend that NICFI discuss with the Amazon Fund the possibilities for a fine grained study of the bottlenecks encountered in the application and processing procedures of the fund.
- We recommend the creation of an integrated plan for the Amazon Fund consisting of projects targeting key deforestation and degradation threats.
- We recommend that a dialogue is opened on how a strategic framework for the Fund can function in parallel with a plan for the disbursement of funds. This would help to ensure that available resources are utilised to achieve effective outcomes.
- We propose that discussions are started on how different initiatives – including the small grants programme now being considered, but also linkage to the private sector and Federal level, could improve the disbursal rates of the Amazon Fund.
- Indigenous peoples and other forest dwelling communities are key to combating deforestation. Appropriate measures to ensure increased participation of these marginalised groups within the scope of the Amazon Fund need to be discussed long with elaboration of projects for sustainable development.



## Executive Summary - Democratic Republic of Congo

This report is part of a series of real-time evaluations to assess the results of Norway's International Climate and Forest Initiative (NICFI) against its specific objectives and the general objectives of Norwegian development cooperation. The purpose of this country level evaluation is to assess NICFI's support to the formulation and implementation of a national REDD strategy and other REDD readiness efforts in the Democratic Republic of Congo (DRC). The methodology of the evaluation involved setting a baseline and comparing the changes and assessing the contributions of NICFI during 2007–2010.

As Norway has no special historical relationship with DRC, NICFI supports the REDD+ process in the country through a number of multilateral mechanisms: the World Bank's Forest Carbon Partnership Facility (FCPF), the UN-REDD Programme (UNDP, UNEP and FAO) and the African Development Bank's Congo Basin Forest Fund (CBFF). NICFI also provides project funding to the World Wide Fund for Nature (WWF-USA), to act as a REDD technical advisor to governments in the Congo Basin, and to Rainforest Foundation Norway, which supports Congolese civil society. The total funding commitment so far through the FCPF and UN-REDD Programme for DRC's Readiness Preparation Proposal (R-PP, also known as REDD Preparation Plan in DRC) is US\$ 10M, and a further US\$ 20M is likely to be committed to REDD+ pilot projects through the CBFF.

DRC's forests form 60% of the Congo Basin rain forest, the second largest tract of rain forest in the world, so DRC is important if REDD+ is to succeed. By contributing to REDD in DRC, NICFI aims to enhance the understanding of REDD in the Congo Basin and showcase the possibility of meeting the twin goals of the Central African Forests Commission (COMIFAC) convergence plan, i.e. reduction of poverty and greenhouse gas emissions from forests, through implementing REDD+.

DRC is a high forest cover – low deforestation rate country emerging from a long period of political and civil instability that eroded public and social institutions. A process of forest sector reform was initiated in 2002 along with a moratorium on new forest concessions and review of old forest titles that was re-endorsed by presidential decree in 2005. The forest reform process is slow, but began to yield results from 2007. REDD was not on DRC's national agenda at that stage and DRC had no institutional or knowledge base on which to build REDD.

DRC's R-PP was developed between September 2009 and June 2010 and involved a large REDD awareness drive among stakeholders at national and provincial levels,

including a well attended Summer University on REDD. Between June and August 2010, DRC's REDD National Coordination Unit was strengthened and preparations for implementation of the studies described in the R-PP were in full swing. REDD pilot projects have been developed and are under review for funding and concepts for early REDD investment projects have been elaborated. In October 2010, the Minister of Environment, Nature Conservation and Tourism was due to hold a donor round table. Proposals have been made towards accessing the World Bank Forest Investment Programme's US\$ 60M allocation to DRC.

All in all, REDD in DRC is in the early stages of development and very much work-in-progress. The current focus is on studies, developing tools and institutional mechanisms for REDD. Much of the progress made can be attributed to NICFI support through the multilateral funds to which NICFI is the major contributor.

We find the relevance of NICFI support in DRC to be medium to high. DRC is taking its forests seriously and would like see them make a real contribution to national development. It would like to manage them for the prosperity of the country and its people and regards REDD+ as an important opportunity to do so. NICFI's support to DRC responds to all the REDD readiness components as internationally defined, and makes a great effort to build capacity in DRC's institutions. Within the short period of one year, much REDD dynamic was generated through wide stakeholder participation. The challenge will be to move the readiness process beyond the pure technical requirements to also address forest governance, land and forest tenure issues, and to roll out at decentralised provincial scale and into other key sectors such as energy and agriculture. More could be done to support DRC in developing a realistic REDD reference scenario that fits the country's needs and development realities.

The effectiveness of the NICFI financing and support in DRC appears to be medium to high. The Ministry of Environment, Nature Conservation and Tourism, with UN-REDD programme and FCPF support, has, in a very short period, made good progress towards putting REDD on DRC's development agenda and to developing plans for readiness and early implementation. So far this has been a centrally coordinated and steered process however, and insufficient thought and commitment has been given to empowerment of actors at provincial levels and of Congolese civil society through allocating capacity, resources and sharing and delegating responsibilities.

The evaluation mission found it difficult to assess the efficiency of NICFI funds used through the various different mechanisms employed. We do note that with the relatively modest funds provided so far, a large dynamic has been released and much has been achieved in little time. The quality and professionalism of the support provided to DRC through the different mechanisms is appreciated as being high.

### **Key recommendations for support to DRC REDD readiness process by NICFI and the implementing agencies it is supporting**

The evaluation team's recommendations are intended for follow-up by NICFI and their partners in their ongoing dialogue and partnerships on REDD+. The main recommendations are the following:

- Continue to support the implementation of the Readiness Preparation Proposal (R-PP) with vigour and through the existing mechanisms of the FCPF, UN-REDD programme, CBFF and civil society channels;
- We suggest that it would be useful to submit the CBFF to an open and formal review at an early stage to confirm the value of the direction it has taken so far and to clarify, and where necessary unblock, issues of internal and external functioning, including the size and capacity of the fund, to allow it to respond to national REDD processes. It would also be useful to consider the need to mobilise additional financial resources within (or outside) the CBFF to enable it to fund the necessary REDD+ pilot projects in DRC;
- For the DRC REDD readiness preparation process to focus more prominently on measuring 1) progress in the forest reform agenda, and 2) progress on improving forest governance. It is here that DRC's progress towards REDD readiness might best be seen;
- We recommend that NICFI considers mobilising more direct support to the land tenure reform agenda of DRC. This requires additional funds and the REDD National Coordination Unit would need to develop better operational links with relevant Ministries and other national and international organisations supporting reform of land tenure;
- At the moment REDD in DRC is generally considered as a forest sector issue. This does not enhance broad national multi-sector ownership of the REDD agenda and it may lead to tunnel vision. We propose that a number of institutional developments should be considered:
  - The REDD National Coordination Unit should gradually be moved closer to the Prime Minister's Office with Minister Endundo continuing to play a lead in mobilising national and international support and thus creating the framework for strengthening inter-sectoral coordination and resource mobilisation;
  - NICFI could support DRC in the design and implementation of a low-carbon development strategy. We are not convinced that the FCPF and UN-REDD programme would be the best mechanisms for this – it would require NICFI to develop a closer and direct relationship with DRC;
- The REDD Readiness process should give higher priority to investing in supporting land-use planning processes with a high level of local participation at provincial level. This may take a few years, but we see no short-cuts if REDD is to succeed in DRC. The DRC REDD National Coordination Unit, with support of the FCPF could request for the mobilisation of funds from within the World Bank's Forest Investment Program (FIP) for this or seek to mobilise additional early REDD investments;
- Through the REDD Readiness process, a more open dialogue should be promoted for DRC to be eligible under UNFCCC for REDD+ funding for its strong and measurable engagement to (1) sustainably manage a well defined and substantial area of national forest estate instead of going down the road of future "BAU" scenarios and; (2) develop a low (-forest-) carbon energy sector

reducing dependency on wood-energy; and (3) develop climate-smart agriculture;

- Once DRC's reference scenario is formulated, providing a clear vision on REDD in the context of DRC's future development, NICFI could, as a priority, mobilise support for the setting-up of a national early investment fund for REDD. This may require a closer bilateral relationship between Norway and DRC;
- The REDD Readiness process should support effective decentralisation of the REDD+ process and the adoption of a number of selected key "REDD+ provinces". This will require additional mobilisation of technical and financial resources and could be linked to decentralised development initiatives with other bilateral and multilateral donors.

## Executive Summary - Guyana

This report is one of five national-level studies conducted as part of the Real-Time Evaluation of Norway's International Climate and Forest Initiative. It aims to document the baseline on Reducing Emissions from Deforestation and Forest Degradation (REDD) in November 2007 and identify changes in Guyana between then and October 2010. Changes found were then analysed to determine the relevance, effectiveness and efficiency of Norway's support to Guyana so far and draw preliminary lessons learned and recommendations. There should be at least two further evaluation visits to Guyana over the next three years.

As a high forest cover / low deforestation rate country, Guyana has been keen to engage in a pilot of REDD for avoided deforestation and to utilise payments for the environmental services provided to protect its extensive forest resource and assist in funding its Low Carbon Development Strategy (LCDS). The Memorandum of Understanding (MoU) signed in November 2009 between Guyana and Norway created a system through which this could be achieved and lays out the aims and obligations of both partners, including agreement on a financial mechanism and on securing the important safeguards required for the use of Norwegian development funds. Guyana had developed its Readiness Plan Idea Note (R-PIN) in February 2008 and submitted its revised Readiness preparation proposal (R-PP) in April 2010.

The agreement with Guyana provides for performance based payments of up to US\$ 250 million over 5 years from 2010 to 2014 against measured and verified reduction in deforestation and forest degradation from an agreed baseline rate, as well as the fulfilment of a set of "enabling activities". Norway was keen to pilot a REDD mechanism in a high forest cover / low deforestation country and Guyana was an ideal candidate as a small country whose president had already promoted such a scheme for Guyana since the Bali UNFCCC meeting in 2007. Furthermore, the country had concrete plans for using the revenues generated to finance low carbon development.

Guyana has huge interest in capturing REDD payments as means of protecting its very extensive forest resource while ensuring its sustainable management, as well as using funds generated to support a Low Carbon Development Strategy (LCDS). Guyana's LCDS lays out ambitious plans for national low carbon economic development and was the subject of a country wide consultation process which was independently monitored and, despite some reservations, was considered by moderators to be credible, transparent and inclusive overall. The level of national

ownership is high and Guyanese society is remarkably well informed about it, but the precise costs and obligations of REDD and LCDS are not always fully understood.

The MoU defining the agreement, with an attached detailed Joint Concept Note clarifying the obligations and intentions, was signed in November 2009 to foster partnership between Guyana and Norway on issues of climate change, biodiversity and sustainable low carbon development. Key topics included in the Joint Concept Note (JCN) include the strategic framework for REDD within Guyana, a continuous multi-stakeholder consultation process, governance, the financial mechanism, monitoring, reporting and verification, together with recognition of indigenous peoples' and other forest communities' rights.

In 2007, there was little national ownership of a REDD strategy; it was essentially an international and politically driven agenda. The relevant policies were mainly limited to forestry, which had endeavoured to expand the economic return from an extensive resource base of low inherent productivity with limited accessibility. Much of the commercial species in accessible areas had been cut and the return cycle is long, over 60 years. Promoting environmental services was thus very attractive and had been presaged by the Iwokrama international conservation project, undertaken to demonstrate forest conservation and sustainable management. There is also an extensive conservation concession run by Conservation International.

The availability of accurate data was quite limited in 2007 and capacity to collect monitoring information was low. On the positive side, the historic deforestation rate was very low, less than 0.5%. There was little information on livelihoods, economic and social development and conservation, the most extensive data coming from past forest inventories.

The financial mechanism for funding was only finalised in October 2010, although it had been agreed from the outset that funds would be disbursed through an intermediary using safeguards from recognised international implementing agencies.

Despite the lack of significant funding, NICFI engagement has encouraged and supported national ownership, with REDD being actively discussed widely in Guyana by many sectors of society. This has been paralleled by the setting up of specific government structures. A multi-stakeholder steering committee has been set up which meets regularly and has engaged people from a wide cross-section of society but not the main political opposition party.

In terms of relevant policies and strategies, the most notable changes that can be linked to NICFI support relate to much tighter control at field level of both forestry and mining, the two major drivers of forest loss and degradation. Progress has been made on enhancing monitoring, reporting and verification capacity through the engagement of international consultants and with support from other donors (notably USAID). This process has been largely driven from the Guyanese side. In respect of livelihoods, development and conservation, the most prominent discussion has related to Amerindian interests, in part as these are specifically

mentioned in the MoU. There has been less discussion or progress with other rural groups and the urban poor have been scarcely touched in the debate.

The level of cross-sectoral collaboration has been impressive and in particular, the close links established between mining and forestry are laudable if not yet fully effective. At the same time, it is those engaged in field activities in these two sectors who are being required to bring their operational standards to full compliance with regulations as part of the national REDD effort and yet appear to receive little direct benefit from so doing.

Against the standard OECD/DAC criteria of relevance, effectiveness and efficiency, NICFI support to Guyana is judged moderately or highly relevant and effective but of rather more limited efficiency. Nevertheless, overall NICFI support to Guyana is highly valued and has huge potential to assist wider development within the bounds of appropriate, mutually agreeable safeguards.

### **Recommendations**

The evaluation team's recommendations are intended for follow-up by NICFI and their partners in their ongoing dialogue and partnerships on REDD+.

#### *Financing*

- The delays in releasing funds, which were resolved on 9 October 2010, have caused considerable antipathy in Guyana and the partners should ensure that the reasons are explained and action agreed to remedy this while clarifying that LCDS itself is not a Norwegian programme;
- It is not apparent to the evaluators why the delays were so protracted but the over optimistic statements by the government of Guyana on the speed of financing were inappropriate. A more proactive stance by the World Bank and Norway may have helped but the real cause was the unrealistic raising of expectations. Clearer agreement may be required from now on over the timetable;
- There may be value, with hindsight, in Norway and the World Bank revisiting the process by which GRIF was developed to identify whether there are lessons that may be learned that would pre-empt a similarly unfortunate delay and situation in future.

#### *Safeguards*

- While the safeguards that are to be applied to the use of NICFI funding are clearly laid out in the MoU/JCN and the Administrative Agreement – application of the safeguards of partner entities (e.g. WB, IDB, UNDP) – they may need to be more clearly explained and a clear consensus reached with Guyana about them; this has begun to be addressed in the agreement over GRIF signed 9 October 2010 and the transfer of funds to the Trustee;
- The partners should identify any activities proposed in the LCDS where there could be potential conflicts with agreed safeguard requirements, and agree on this with the Government of Guyana. It would be unfortunate if national funding for the LCDS activities were to compromise Norway's efforts to apply sound safeguards to those elements of the LCDS supported from its payments;

- Given the importance of biodiversity conservation within REDD, it would be appropriate for the Partners to engage in discussion on resuscitating the National Forestry Standard with a view to securing independently verified certification for production forests at all operating scales. An effective and perhaps mandatory certification scheme for all production forests in the country would be highly complementary to joint aims;
- Wildlife conservation, especially in forest and mining concession areas, may need to be reviewed in the light of comments received on heavy hunting pressures.

#### *Amerindian Issues*

- While Amerindian issues (at least for titled communities) seem to have been relatively well accommodated in the LCDS by Guyana, the slow progress with titling and the resolution of outstanding extension claims needs to be addressed urgently. It would be useful for the partners to reflect on and, if appropriate, discuss the situation of other rural dwellers and the urban poor and potential benefits for them to secure more balanced equity for all poor and vulnerable groups. The present situation seems to take on board many needs of Amerindian communities but it is not evident that the needs of other poor groups will be similarly recognised;
- Greater clarity on the mandate and accountability of the various Amerindian representative groups would assist the debate on Amerindian issues. The Partners could usefully work towards greater independence for the National Tousehaos Council as a national representative body;
- It would be useful to revisit the proposed speed with which outstanding Amerindian land titles will be settled and to endeavour to deal with all of them as soon as possible, to remove the disparity between titled and untitled communities in respect of REDD. The apparent impasse in respect of land extensions continues to cause friction within Guyana and engender criticism from outside and it would be helpful to tackle this matter;
- It is not clear that Amerindian communities yet have sufficient knowledge to take fully informed decisions on “Opting-in” and further effort is indicated on this. The apparent mechanism by which any REDD funds accruing to communities would be spent, essentially through approval by the Ministry of Amerindian Affairs, is inappropriate. Efforts to build capacity and leave communities in charge of their own affairs, while meeting appropriate transparency and accountability standards should be prioritised;
- It would also be appropriate to provide greater clarity on the interim position of untitled Amerindian communities and at the same time reconsider whether non-Amerindian rural communities should not receive more direct benefit from REDD.

#### *LCDS and Wider Political Aspects*

- Given that the LCDS is a national programme with a time-frame that extends beyond the political cycle, it would be useful to support measures which encourage a stronger bi-partisan approach, in order to minimise the politicisation of the LCDS and increase the chances that it would be maintained and advanced by future governments of any party;



- The current exclusion of the opposition PNC from direct engagement in the Multi-stakeholder steering committee (MSSC) and hence in debate outside parliament on the LCDS is not helpful to long term national interests. Measures to increase bipartisan understanding and agreement would be useful;
- Although the LCDS makes substantial mention of Amerindian communities and needs, it is largely silent on the needs of other rural poor and of the urban poor. Greater equity for all poor, disadvantaged and vulnerable groups in Guyana would be beneficial;
- Any support that can be marshalled to improve understanding in Guyana of the process of negotiating to address and resolve differences would be very helpful to the longer term success of NICFI support;
- Permanent representation by Norway in Guyana, at least during the initial phase would greatly facilitate programme delivery and should be considered for the remainder of the development phase;
- The present approach to securing improved mining and forestry practices may need to be revisited to secure better cooperation. Consideration is needed for benefit sharing to reward improved practices, especially by small operators;
- The Special Land Use Committee on Mining and Forestry is an excellent idea but it appears to be too heavily dependent on government agencies and needs to engage actors from both sectors if it is to be effective.

#### *MRV*

- As monitoring, reporting and verification (MRV) is crucial to long term success with REDD, capacity building is very important, especially in light of the historic loss of skilled people from Guyana. Further efforts may be needed to utilise fully existing expertise in Guyana and develop a balanced cohort of national personnel who can take over MRV from external people as soon as possible. External consultants should have skills transfer included in their contracts as a matter of course. Options for community based MRV, which could also create rural employment, should be taken wherever possible; including the wider debate about efficiency in the wood processing chain since that is crucial to re-investment;
- Action to address the high cost of wood processing in Guyana, through measures to improve conversion efficiency could reduce the demand for log exports and should be pursued vigorously in concert with policy changes to limit and ultimately obviate most log exports. The impact of increased harvest of lesser used species should be subject to a special study with particular focus on its impact on REDD activities.

#### *Forestry Sector Issues*

- There may be merit in reviving the planned National Forestry Standard as a means to securing independently verified operations would fit well with the plans for effective REDD+. Some financial support to assist in improving practices, especially for smaller operators, would be useful and could secure greater cooperation in return;
- The Partners should give more detailed consideration to the lack of direct benefits from REDD to forest users, other than titled Amerindian communities,

including the wider debate about efficiency in the wood processing chain since that is crucial to re-investment;

- Action to address the high cost of wood processing in Guyana, through measures to improve conversion efficiency could reduce the demand for log exports and should be pursued vigorously in concert with policy changes to limit and ultimately obviate most log exports. The impact of increased harvest of lesser used species should be subject to a special study with particular focus on its impact on REDD activities.

## Executive Summary - Indonesia

This report presents the findings of an evaluation of the support provided by Norway's International Climate and Forest Initiative (NICFI) to the formulation and implementation of national REDD strategies and other REDD readiness efforts in Indonesia up until the end of August 2010. The evaluation is one of five national-level evaluations of NICFI carried out as part of an ongoing four year "real-time" evaluation agreement<sup>3</sup> signed between Norad's Evaluation Department and a consortium of research consultancy companies led by LTS International.

The country field mission took place in Bangkok and Indonesia from 28 July – 14 August, and literature was consulted until the end of August 2010. The evaluation examines Indonesia's REDD programme in six progress areas identified with Norad: i) National Ownership; ii) REDD strategies and policies; iii) Monitoring, Reporting and Verification Systems; iv) Deforestation and Forest Degradation Rates; v) Social and Environmental Safeguards and Co-benefits, and vi) Donor Support and Coordination.

The report shares a common structure with the other four national-level assessments. The first two sections review the programme objectives and theory of NICFI globally and in Indonesia, and the evaluation methodology. In Section 3, a baseline situation of REDD in Indonesia, taken to be 2007, is described with reference to these six progress areas, and then in Section 4, an account of progress up to the time of the assessment in mid-August 2010 is provided. In Section 5, NICFI's contribution to this progress is described and in Section 6, an assessment is made of the *relevance*, and to a lesser extent the *effectiveness* and *efficiency* of these contributions. Section 7 presents conclusions and recommendations.

### **NICFI Objectives and Programme Theory**

The rationale behind NICFI's support for REDD is to make a substantial contribution in the struggle against global warming. The climate-related goals will therefore determine which support is to be initiated, continued, terminated or changed. Sustainable development and poverty alleviation are overarching goals of Norwegian foreign and development policy. Thus, in addition to the climate-related goals, these are essential goals for NICFI. In pursuing the different goals, the climate policy and the development policy should be mutually supportive.

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<sup>3</sup> In addition to the five national studies (the others being Democratic Republic of Congo, Tanzania, Guyana and Brazil), the real-time evaluation includes a global REDD policy evaluation.

The funding shall be used in accordance with the objectives of NICFI:

- To work towards the inclusion of emissions from deforestation and forest degradation in a new international climate regime;
- To take early action to achieve cost-effective and verifiable reductions in greenhouse gas emissions;
- To promote the conservation of natural forests to maintain their carbon storage capacity.

NICFI promotes national ownership of REDD+ programmes, and particularly respects partner country sovereignty in development and implementation of policies and measures, as long as basic requirements established in framework documents and/or use of development cooperation funding are met. In line with this, NICFI is applying a “light touch” approach in Indonesia, engaging very few of its own staff, but remains committed to provide political, technical or administrative support to the GoI on request.

### **NICFI’s support to REDD in Indonesia**

NICFI’s support in Indonesia is provided through four main funding channels:

- Bilateral agreement: the Letter of Intent (LoI) of May 2010, pledging up to US\$ 1 billion in performance-based payments, including US\$30 million start-up funds in 2010;
- Multilateral mechanisms: UN-REDD (started March 2010), World Bank’s Forest Carbon Partnership Facility, and Forest Investment Program (both still in planning)
- Norad-managed Civil Society Support Scheme (since 2008);
- Embassy-managed development cooperation grants (since 2008)<sup>4</sup>.

The major components of NICFI, the Bilateral Partnership and UN-REDD, began implementation in May and March 2010 respectively, and it is thus too early to assess their impact. One of the main functions of this evaluation is therefore to provide a history of REDD in Indonesia and a situation analysis in August 2010, which will serve as a baseline for a comprehensive assessment of NICFI, and particularly the Bilateral Partnership, in the future. The main findings, conclusions, and recommendations of the present evaluation, summarised below, relate mainly to NICFI’s relevance and likely effectiveness and efficiency.

### **Baseline Situation in 2007**

In 2007, the state of ***national ownership and stakeholder participation*** on REDD was an outcome of the Indonesia Forest and Climate Alliance (IFCA) process through which Indonesia had prepared its technical contribution to the 13<sup>th</sup> Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP13). Although the Ministry of Forestry (MoF) was initially a reluctant partner in IFCA, their “ownership” strengthened in the run up to COP13. Donors, international non-governmental organisations (NGOs) and technical consultants were important participants in IFCA, but the process excluded national NGOs.

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<sup>4</sup> Some of the Embassy managed grants are relevant to, but not actually part of NICFI.

At COP13, Indonesia presented an analysis and case study of how a REDD mechanism could function as an international mitigation action that would yield carbon emissions reductions. This analysis (IFCA 2007) formed the basis of Indonesia's first **draft REDD strategy**.

The IFCA studies provided a sound preliminary analysis of drivers of planned and unplanned **deforestation and forest degradation**, and reported deforestation rates of 0.22 million to 1.18 million ha/yr (avg 0.7 million ha/yr) for the period 2000–2005. Of this 70% was in dry land forest and 30% in peat forest. However, accurate determination of these rates depends crucially on the definitions of forest and forest degradation, and these had not been agreed.

In 2007, most bilateral and multilateral donors and the Government of Indonesia (GoI) had policies relating to **social and environmental safeguards** (including indigenous rights, land and forest rights, free prior and informed consent, gender, livelihoods and benefit sharing, biodiversity and monitoring and redress mechanisms) deriving from their official development assistance (ODA) activities. The Community, Climate and Biodiversity Alliance had recently developed related standards for carbon projects. The debate relating these safeguards to REDD was just beginning.

IFCA was the main conduit for **donor support** during the run up to COP13, in Bali in 2007. DFID and the World Bank **coordinated** the inputs from national and international experts. PROFOR and the Australian and German Governments provided additional financial support.

### **Progress on REDD up to August 2010**

Following COP13, the MoF took over **national ownership** of Indonesia's REDD programme, but is perceived to have neglected the participation of other stakeholders, and treated REDD as a job done, rather than a concept requiring further development and adaptation. Through 2008, the MoF led on planning for UN-REDD and FCPF, both which are perceived to have proceeded slowly and uncreatively.

Only after President Susilo Bambang Yudhono's announcement at the Pittsburgh G20 meeting in late 2009 of Indonesia's own greenhouse gas emission reduction targets, were **national cross-sectoral interest** and participation in climate change and REDD renewed. This rapidly led to the National Planning Agency (BAPPENAS) coordinated *Indonesia Climate Change Sectoral Roadmap* and the Ministry of Finance produced *Green Paper on Economic and Fiscal Strategies for Climate Change Mitigation*, both with significant REDD components. It also renewed Norway's interest in the possibilities of a bilateral programme with Indonesia.

The **National REDD-Indonesia Strategy Readiness Phase 2009–2012** was published in March 2010. The strategy is based on best available data, but remains incomplete, as it does not yet fully address all the drivers of deforestation and forest degradation. Through the Norway-Indonesia Lol, a multi-stakeholder process

will build on these documents to produce a full National REDD+ strategy before the end of the 2010<sup>5</sup>.

Since 2007, the MoF promulgated several key pieces of **regulation** to control different aspects of the rapidly developing REDD sector, in particular the rapidly increasing number of voluntary carbon market and official REDD demonstration projects. The legislation on benefit-sharing has been contested by the Ministry of Finance, asserting it is not MoF's mandate to decide on national financial matters.

Advances in the accuracy of **monitoring and reporting** of forest data and carbon stocks since 2007 have included site specific estimates of changes in all five carbon pools by several demonstration projects, as well as national-level research on the estimation of carbon emissions from peat forests. By mid-2010, a national reference level had not been officially established. Arguably, the Business-As-Usual (BAU) estimate of 2.95 Gt CO<sub>2</sub>e (of which 1.5 Gt from forest sector) in 2020, which formed part of the background for President Yudhoyonos G20 announcement, may be seen to serve as such in the interim. Many donors are supporting MRV work, but different methodologies are being developed. By mid-2010 the definitions of "forest" and "**forest degradation**" needed for accurate MRV still had not been agreed. Through development of the Indonesian National Carbon Accounting System (INCAS), some progress had been made on conceptualizing and measuring leakage, but it remained unclear how this would be integrated into the national reference level. Important progress had been made with preliminary BAU estimates and mitigation scenarios have been developed for both peat and forest land. The differences between the *drivers* and *causes* of deforestation in Indonesia were better understood, but no progress had been made on determining or differentiating the causes and drivers of forest degradation, separately from deforestation.

Since 2007, progress to ensure **social and environmental safeguards** and policies are upheld in Indonesia's REDD strategies, laws and activities has been slow, but highlights include the passing of a forestry regulation which ensured significant sharing of REDD benefits with communities, and UN-REDD's lead on free, prior and informed consent for its readiness phase activities in Central Sulawesi. New forestry regulations have also enabled the implementation of various village forestry schemes that could provide rights applicable for REDD, however application procedures make them difficult for communities to access so that uptake has been very limited. Promised agrarian reform and progress on indigenous rights has not materialised, and overall there appears to be considerable resistance to many safeguards in government and the business establishment. FCPF has been criticised for failing to uphold safeguards in the R-PLAN process.

Since COP13, there has been increased **donor support** to REDD+ in Indonesia. As of August 2010, US\$ 144 million in bilateral finance for REDD+ has been agreed or pledged, and a further US\$ 85 million has been mainly pledged through the World Bank's Forest Carbon Partnership Facility and Forest Investment Program (FIP).

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<sup>5</sup> By autumn 2010, this date had been put back and the Strategy was expected by the end of the preparatory phase, which itself was expected to run sometime into 2011. It should be noted that according to the LoI, the REDD+ Strategy is a living document which will be revisited, revised and developed further as implementation proceeds and lessons are learned.

IFCA was disbanded soon after COP13, and since then **donor coordination** on REDD+ has been rather *ad hoc* and inadequate, which is disappointing, given the large number of donors and interventions currently being planned or implemented.

### **NICFI's Contribution to REDD+ in Indonesia**

Norway is by far the biggest donor for REDD+ in Indonesia and one of the few to be contributing new money. Norway is the major donor to the US\$ 5.6 million UN-REDD programme, but only one of many donors to FCPF and FIP, and these contributions are not explicitly earmarked for Indonesia. Through the bilateral Lol Norway has pledged performance-based payments of up to US\$ 1 billion. In August 2010, NICFI agreed to disburse US\$ 30 million of this upfront to support the preparation phase of the Lol. Local and international NGOs and research organisations have received some US\$ 15 million for REDD+ related activities.

Although UN-REDD is limited to readiness activities, it has an important comparative advantage in its community approaches, and the application of UN convention related social and environmental safeguards, especially Free Prior and Informed Consent (FPIC).

The Lol of May 2010, and the President's commitment to its delivery, notably through the appointment of the Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan (UKP4, the Presidential Delivery Unit for the Supervision and Monitoring of Development) as interim implementation managers, has been perhaps the most important development in REDD in Indonesia, and is proving a potential "game-changer", particularly in broadening **national ownership**. By mid-August 2010, the Lol had elevated the position of REDD+ on the national agenda, catalysed action to address critical bottlenecks in REDD+ readiness, broadened government and civil society participation and stimulated media interest and national debate on REDD+.

The first (preparation) phase of the Lol targets some actions of strategic importance: preparation of the **national REDD+ strategy**, establishment of a special agency reporting to the President on REDD+ development and implementation, establishment of an **independent MRV agency**, and the establishment of a **REDD+ funding instrument** and financial management institution. In mid-August 2010, work was well underway under the direction of the UKP4, but outputs are not expected until the end of the year. The subsequent phases of the Lol (2011–2016) will include some important **REDD relevant actions**: a two-year moratorium on new concessions for conversion of natural forest and peat (to be in place by 1 January 2011), the creation of a degraded lands database, and the start of performance based payments for emissions reductions. Early drafts, statements and opinions on the moratorium from various quarters, including the MoF, have been criticised for not addressing forest conversions permissible under existing licences.

NICFI is supporting **MRV development** and capacity building through UN-REDD and relevant **research**, especially by CIFOR. Through the FCPF, further technical work on MRV is planned. In addition to the independent MRV agency, mentioned above, the Lol will support Indonesia to establish a national degraded lands data-

base, which should be used to inform future land use planning, and enable commercial plantation development to be steered away from remaining natural forests and peatlands, thereby reducing **deforestation** and emissions and protecting biodiversity.

The Lol has been criticised for its weak approach to **social and environmental safeguards**, and it appears to the evaluators at least partly correct that in its drive to establish performance-based payments for emissions reductions in Indonesia, NICFI risks compromising its broader development cooperation objectives and social and environmental justice. However, it is appreciated that the Lol negotiations, particularly concerning issues relating to national sovereignty, have been delicate and some objectives may be better approached indirectly. NICFI is supporting work on social and environmental safeguards through its Civil Society Support Scheme, and scope remains to include targeted approaches in the National REDD+ Strategy and specific outputs and indicators in later agreements developed under the Lol.

Donor coordination is, strictly speaking, the responsibility of Gol and the Lol does not include any specific **donor coordination** outcomes. Nevertheless, it may provide donors with elements of a much needed shared focus. The Presidential Delivery Unit for the Supervision and Monitoring of Development, UKP4, is providing the coordination required to deliver the Lol and there are plans to include the establishment of a formal Joint Consultation Group which will engage in some donor coordination.

From 2009, NICFI's Norad-managed civil society grants have helped support a wide range of international and local NGOs in Indonesia to engage on REDD+ issues, and some are now contributing to national policy debates on, amongst other issues, social and environmental safeguards and to approaches to implementation of demonstration projects. Through the civil society grants channelled through the Embassy, Indonesian and international organisations are doing important research on governance related issues.

### **Conclusions and Lessons learned**

The main components of NICFI (the Lol and UN-REDD) have only recently started implementation, so it is still too early to assess their impact. In terms of relevance, NICFI's support is very well matched to Indonesia's REDD+ strategic priorities and policies, to Indonesia's commitment to its own emissions reductions and to many of Norway's REDD+ objectives. Activities identified in the Lol, such as drafting of the national REDD+ strategy, strategies and initial frameworks for an independent REDD+ institution and an independent national MRV institution, the design of a financing instrument and piloting demonstration activities (UN-REDD), address key bottle-necks in Indonesia's REDD+ development, and support the required strategic, financing and transparency processes required under the UNFCCC. However, firmer agreement is required to social and environmental safeguards if emissions reductions are not to be achieved at the expense of Norway's broader development cooperation objectives and social justice.



The Lol and the President's commitment to it, through his UKP4, are emerging as a potential "game changer" for REDD+ in Indonesia. Although at the time of the field mission evaluation the details of the bilateral partnership were still being discussed, the Lol was already perceived by many observers to be catalysing greater stakeholder participation, public interest and debate, and increasing the commitment, speed and effectiveness of the Indonesian government's action on REDD+. It remains to be seen what concrete impacts this enhanced attention and action will have on the real issues in forest governance and the drivers of deforestation.

The overheads of NICFI appear very low, suggesting future efficiency may be high, but lack of staff on the ground may compromise eventual outcomes, and the evaluators consider the "light touch" approach to be risky. Any future assessment of NICFI's efficiency will require better disaggregated budget information.

### **Key Recommendations**

These recommendations are intended for follow-up by NICFI and their partners in their ongoing dialogue and partnerships on REDD+. The evaluators recognise that details of the bilateral partnership are still being discussed, and that NICFI may be aware of and acting on many these issues.

- Although NICFI considers the "light touch" approach as important for promoting national ownership of REDD+ in Indonesia, the reviewers think that, in a programme of such importance, more of a balance needs to be struck between promoting ownership and providing inputs and oversight. Several more staff persons should be employed in-country (at the Embassy and in the pilot provinces) to support the partnership. They are needed to track and respond to developments in Indonesia, liaise with NICFI staff in Oslo, other donors and NGOs, provide due diligence, provide focused and on-going advice and capacity building to the Gol and to inform negotiations. NICFI's own staff would best ensure that programme theory and objectives are upheld, especially that national ownership of the REDD+ process is not compromised
- The Lol calls for an independent annual review of deliverables, based on which the Joint Consultative Group will provide advice on level of payments. However, since REDD+ in Indonesia is developing rapidly, it is recommended that some kind of interim review be conducted six-monthly to help keep the programme on track.
- The proposed two-year moratorium on the licensing of new concessions does nothing to address potentially extensive forest land clearance under existing concession contracts. Encourage the Gol to extend the moratorium to prohibit conversion of all natural forests of an agreed ecological status, and all peatlands. To complement this extended moratorium, NICFI should support Gol to carry out an independent third party review of the legality of all existing plantation, logging and mining concessions and encourage the Gol to cancel any found not to be fully legal.
- Move towards a more direct and explicit approach to ensuring social and environmental safeguards in national policy, strategy and legislation on REDD+, clarify mechanisms through which any partner organisations' safeguards are to be upheld and, particularly, ensure the application of safeguards in the demonstration provinces. Provide support for the development of a monitoring system

for safeguards. Ensure incorporation of social, legal and economic information about individual land units in the degraded lands database.

- Currently, the licences from MoF and local government are the only means communities have to gain access to forest lands for REDD+ and local development, but obtaining and using them is proving difficult. Support research to clarify the uptake and impact of the current licensing system, to inform policy change.
- Support GoI and UKP4 in efforts to coordinate donor activities related to all the different components of REDD+.
- Participatory land use planning will be fundamental to achieving a REDD+ strategy that accommodates Indonesia's sustainable development objectives, resolves conflicts and protects biodiversity. Provide technical assistance to support work in the pilot provinces to revise provincial spatial plans in accordance with the national REDD+ strategy, and link back to the degraded lands database. Ensure that the database incorporates data on the economic, social and legal status of land units. Analyse opportunities for providing forest tenure for indigenous peoples and local communities
- To promote biodiversity objectives of the Lol, encourage GoI not to shy from the considerable challenges, and select Papua as a demonstration province, as this will help protect the largest remaining tracts of natural forest in Indonesia<sup>6</sup>.

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<sup>6</sup> In late December 2010, after the submission of this report, the decision was taken to select Central Kalimantan as the first pilot province (Phase 2, e), so this recommendation should now apply to the selection of the second pilot province.

## Executive Summary - Tanzania

The purpose of this country level evaluation is to assess Norway's International Climate and Forest Initiative (NICFI)'s support to national REDD strategy development and other REDD readiness efforts in Tanzania. Norway and Tanzania signed a Letter of Intent (LoI) on a Climate Change Partnership focussed on REDD in April 2008. The purpose of the Partnership is to "*implement programmes on adaptation and mitigation of climate change*". To operationalise the Partnership, NICFI has committed NOK 500 million (about US\$ 83 million)<sup>7</sup> over a five-year period. This evaluation sets a baseline of 2007, before NICFI and the Tanzania-Norway Partnership were in place, then compares this baseline with the situation in 2010, assessing the contributions that NICFI has made over that period.

In Tanzania NICFI financing supports, *inter alia*, (i) REDD policy development processes; (ii) public, private and community piloting of REDD mechanisms and actions ("REDD pilots"); (iii) research, training and education on REDD; (iv) institutional development, including monitoring, reporting and verification (MRV) system development; (v) development of a REDD financing mechanism / performance-based financing; and (vi) programme management. The UN-REDD budget in Tanzania is financed from NICFI's NOK 500 million bilateral partnership allocation to Tanzania.

NICFI supports the implementation of the National REDD Framework's readiness process through the bilateral and UN-REDD programmes. Although Tanzania is a partner in the NICFI supported World Bank Forest Carbon Partnership Facility (FCPF), the country does not receive funding from the FCPF, but benefits from using its framework and safeguards checklists.

Tanzania submitted a Readiness Plan Idea Note (R-PIN) to the FCPF in 2008. A draft Readiness Preparation Proposal (R-PP) was submitted in 2009 for initial comments and the revised document was submitted in August 2010.

NICFI bilateral support is managed by the Embassy of Norway in Dar es Salaam, which has contracted the Institute of Resource Assessment (IRA) to provide secretariat services to the national REDD Task Force. IRA contracted five in-depth studies in 2009 which contribute to the National REDD Strategy preparation by the Task Force. The Embassy selected, with advice from the Task Force, nine REDD pilot projects for implementation, and seven of those have been contracted to start work by the Embassy.

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<sup>7</sup> Using exchange rate valid at the time of the present evaluation: 1 NOK = 0.166 US\$

A key feature of REDD in Tanzania is a strong focus on participatory forest management as a major institutional arrangement and delivery mechanism for securing sustainable forest management and reductions in emissions from deforestation and forest degradation.

At the time of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP 13) in Bali in 2007, knowledge about REDD, climate change mitigation and adaptation was very limited among Tanzanian policy makers, technical ministries and civil society, and no REDD projects existed. At grass roots level there was almost no awareness/knowledge and therefore no ownership of climate change mitigation, adaptation and REDD in 2007. However, activities such as participatory forest management were underway in 2007, along with activities to promote carbon sequestration and trading through Voluntary Carbon Markets in this context.

Although climate change and REDD were not mentioned specifically in any policies or strategic documents in 2007, many relevant policies and legislation (see Annex 2) were already in place. Tanzania's National Adaptation Programme for Action (NAPA) was also in place by 2007.

Norway is the largest donor by far to Tanzania's REDD strategy development. REDD policy development is entirely financed by NICFI and the establishment and implementation of all activities of the REDD task force and REDD secretariat have also been financed by NICFI. A National REDD Framework was prepared in 2009 and a REDD Strategy is under preparation, the first draft expected by the end of October 2010<sup>8</sup>.

Although no performance-based REDD payments have been made, various activities, such as a research programme implemented by Sokoine University and nine pilot projects implemented by various NGOs, are receiving NICFI funding. NICFI is also the major financier of UN-REDD.

The NICFI support to the Tanzanian REDD process was evaluated following the OECD/DAC Evaluation Standards. The key evaluation conclusions are as follows:

- NICFI financing and support in Tanzania is highly relevant;
- NICFI financing and support in Tanzania appears to be highly effective;
- The efficiency of NICFI financing is high, if speed of operations is used as the criterion<sup>9</sup>.

The evaluation team's recommendations are intended for follow-up by NICFI and their partners in their ongoing dialogue and partnerships on REDD+. The key **recommendations** of the evaluation are:

- There is a need to increase Tanzanian ownership at a high political level. Active leadership and commitment is needed.

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<sup>8</sup> The cut-off date of this evaluation is October 1st 2010, later developments are not included.

<sup>9</sup> It was not possible to assess cost efficiency during this evaluation given the short time period over which activities have taken place – actual expenditure figures were available only from the first year of implementation (2009) of the five year implementation frame.

- In order to improve cross-sectoral coordination and cooperation, the National Climate Change Steering Committee (NCCSC) should be activated and a technical committee on REDD under the NCCSC should be established and made operational. The REDD Task Force, originally made up of the Division of Environment under the Prime Minister's Office and the Ministry of Natural Resources and Tourism – Forestry and Beekeeping Division, has been expanded to include Zanzibar and the Regional Administration and Local Government section of the Prime Minister's Office. The full participation of these key entities needs to be secured.
- There is a need to focus support on planning, designing, and supporting the decision making required around REDD financing / performance-based payments, in addition to the fund disbursement mechanism. Closely linked to the REDD financing / payment modalities and mechanisms, there is a need to develop benefit and risk sharing formulas.
- The draft proposal on the national REDD Trust Fund needs to be better elaborated and requires a detailed analysis of the pros and cons of the options proposed.
- The issues above require the involvement and engagement of Ministries of Finance (mainland and Zanzibar) as they will be key stakeholders when REDD financing commences.
- Models for district level (and Prime Minister's Office – Regional Administration and Local Governments) engagement with REDD need to be developed and established.
- There is a need for the forthcoming REDD strategy to address the issue of essential land use changes such as the conversion of some forests to other land uses due to population increase and possible need to expand agriculture. Macro land-use planning or zoning should also be taken into consideration.
- Cross-cutting issues, such as gender, HIV-Aids and anticorruption measures need to be articulated clearly in the National REDD Strategy.
- The sustainability of the MRV framework should be addressed. The continuation of the National Forest Resources Monitoring and Assessment (NAFORMA) project work following the Finnish/ FAO project is estimated to require some US\$ 500,000 per year. The financing for this must be discussed, agreed and secured as soon as possible.
- Private sector involvement and participation in the REDD process must be organised and supported.
- Capacity development needs continuing attention, but the focus should not only be on "REDD capacity". Capacity constraints are not limited to capability in articulating REDD issues. The largest capacity constraints are in local level sustainable forest management and use, i.e. how to make multiple use forestry a profitable business at local level and how to organise conservation of forests in a sustainable manner.
- The dissemination of information and exchange of experience among NGOs and civil society organisations should be systematised. Annual or twice yearly platforms to exchange experience and information should be organised and supported.

- Donor coordination needs additional attention. Special efforts, such as specific REDD meetings of the Development Partnership Group on Environment should be considered and organised regularly (e.g. once or twice a year).
- Tanzanian lessons learned indicate that there is a need for stronger integration of REDD planning processes at national level with broader national and local level land use planning, particularly with reference to plans for agricultural development. High-level political discussions could be useful in this regard.

# Annexes







# Annex 1

## Terms of Reference

### **Real-time evaluation of Norway's International Climate and Forest Initiative: The Initiative's support to the formulation and implementation of national REDD strategies**

*Final version, 11 June, 2010*

#### **General background: REDD and Norway's Initiative**

The primary objective of the Norwegian Government's climate policy is to play a part in establishing a global, binding, long-term post-2012 regime that will ensure deep enough cuts in global greenhouse gas emissions. To this end, the Government has launched Norway's International Climate and Forest Initiative and pledged substantial funding towards efforts to reduce emissions from deforestation and forest degradation.

Reducing emissions from deforestation and forest degradation in developing countries (REDD) has the potential to generate significant, cost-efficient and quick reductions in greenhouse gas emissions. It has been estimated that emissions from the forestry sector in developing countries account for about one fifth of the global CO<sub>2</sub> emissions. REDD has therefore attracted high-level political attention over the last few years<sup>1</sup>.

REDD is based on the idea that the international community can pay developing countries, either directly or to sub-national actors, to put in place policies and measures to reduce their rate of deforestation and forest degradation. This would be a cheaper option than reducing greenhouse gas emissions from sources in developed countries as well as from most other sectors, yet there is widespread consensus that REDD must add to deep emission reduction commitments from industrialised countries. REDD could also generate a range of co-benefits, such as biodiversity conservation and poverty alleviation.

However, as with any transforming policy, the success of REDD is dependent on numerous conditions. The debate and emerging literature on REDD has especially concentrated on the difficulty of designing an international and national REDD architecture that can channel reliable funding and ensure real emissions reductions, while also delivering co-benefits<sup>2</sup>. This involves issues such as determining the

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1 REDD is used here in a broad sense and generally includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (i.e. REDD+).

2 See, for example: (1) Angelsen, A. (ed) 2008. Moving ahead with REDD: Issues, options and implications. CIFOR, Bogor, Indonesia. (2) Angelsen, A. with Brockhaus, M., Kanninen, M., Sills, E., Sunderlin, W.D. and Wertz-Kanounnikoff, S. (eds) 2009. Realizing REDD+: National strategy and policy options. CIFOR, Bogor, Indonesia.

source and mechanism of finance (public or private, fund-based or market-based, compliance or non-compliance markets) and the scale of REDD (national or sub-national accounting), setting reference levels for REDD payments, developing systems for monitoring, reporting and verification (MRV), addressing possible land tenure reforms, ensuring the rights of indigenous peoples and local communities, and establishing governance safeguards, including fighting corruption in the forestry sector.

Norway's International Climate and Forest Initiative was launched by the Norwegian Government at COP-13 in December 2007, pledging up to 3 billion Norwegian kroner per year over five years to reduce emissions from deforestation and forest degradation in developing countries<sup>3</sup>. The objectives of the Initiative are<sup>4</sup>

1. to work towards the inclusion of emissions from deforestation and forest degradation in a new international climate regime
2. to take early action to achieve cost-effective and verifiable reductions in greenhouse gas emissions
3. to promote the conservation of natural forests to maintain their carbon storage capacity.

The Initiative is being financed by official development assistance (ODA) funds. Thus, the overriding objectives of Norwegian foreign development policy also apply to the Initiative, in addition to the directly climate-related objectives listed above. These objectives include social and economic development, poverty reduction, the welfare and rights of indigenous peoples and other people living in or from forests, better land use, and the protection of biodiversity and the environment in general. In the work towards these goals, it is a goal in itself that the climate policy and the foreign development policy are to be mutually supportive.

The Initiative supports the UN Collaborative Programme on Reduced Emissions from Deforestation and Forest Degradation (UN-REDD Programme) jointly managed by FAO, UNDP and UNEP, the Forest Carbon Partnership Facility (FCPF) and the Forest Investment Program (FIP) managed by the World Bank, the Congo Basin Forest Fund (CBFF) managed by the African Development Bank, and the Amazon Fund managed by the Brazilian Development Bank (BNDES). Norway has also entered into a bilateral agreement with Tanzania, signed a Memorandum of Understanding with Guyana and with Mexico, and a Letter of Intent with Indonesia. Non-governmental organisations are funded through a grant scheme administered by the Norwegian Agency for Development Cooperation (Norad)<sup>5</sup>.

The overall responsibility for the Initiative lies with the Ministry of the Environment, where a secretariat has been established. The Ministry of Foreign Affairs, supported by Norwegian missions abroad and Norad, is responsible for foreign and development policy related to the Initiative, as well as the management and disbursement

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3 COP is an abbreviation for Conference of the Parties, which is the supreme body of the UNFCCC. COP-13 took place at Bali, Indonesia.

4 See Proposition No. 1 to the Norwegian Parliament 2008-2009

5 For more details about NICFI, see the web site (also available in English): <http://www.regjeringen.no/dep/md/tema/klima/klimaogskogprosjektet.html?id=548491>

of funds. An inter-ministerial body has been established for coordination and, when necessary, the facilitation of government discussions related to the Initiative.

It is essential to recognise the strategic nature of the Initiative. It was launched with the aspiration that it would contribute in building support for the potential of REDD to prevent climate change and encourage initiatives and funds from other parties in the international community. Substantial risks due to existing economic interests and weak governance in many of the countries harbouring the largest remaining tropical forests were recognised, and the Initiative was launched with an emphasis on the importance of patience, a long-term perspective and the need to experiment and learn from experience. Indeed, the development of national REDD strategies and implementation mechanisms are expected to require substantial time and support in most countries. An important objective of the Initiative is therefore to support capacity development and the political reforms needed to facilitate REDD over the longer term.

### **The real-time evaluation framework**

The need for timely information and rapid learning calls for a real-time evaluation to progressively assess the results of the Initiative with regard to its objectives and the general objectives of Norwegian development cooperation. The real-time approach is especially useful in fast-moving situations, and the developing issues around REDD are just that. As the Initiative is expected to be a significant recipient of Norwegian ODA funds for several years, it is also in the interest of policy-makers and the public to have access to up-dated and impartial information about the progress and status of the Initiative. Hence, the real-time evaluation should serve both a documentation function and a learning function. This approach allows the Initiative to adjust its programming during the course of implementation, i.e. in real time.

The real-time evaluation will cover a time span of four years, i.e. 2010-2013. A framework agreement has been signed with a consortium of independent consultants and experts led by LTS International. The work load has been estimated at 150 weeks per year, distributed among several evaluation assignments. The terms of reference and timing of the different evaluation tasks will be agreed with the consultants and concerned stakeholders on a case-by-case basis. Each evaluation will be commissioned as a call-off order under the framework agreement.

The real-time evaluation should cover all the partners that have received ODA grants, including multilateral, bilateral and non-governmental agencies. In order to stimulate continuous learning and debate, the concerned stakeholders will be actively consulted during the evaluation process and reports will be made available to the general public.

The overall objectives of the real-time evaluation are to assess the results of the Initiative's support:

1. for improving the prospects of the inclusion of a REDD mechanism in a post-2012 climate regime

2. for the preparation of mechanisms and implementation of activities to attain verifiable reductions in greenhouse gas emissions
3. for the conservation of natural forests to maintain their carbon storage capacity
4. with regards to the general objectives of Norwegian development cooperation, such as those related to livelihoods, economic and social development and the environment.

The first three objectives refer to the objectives of the Initiative, while the fourth objective derives from the use of ODA funds.

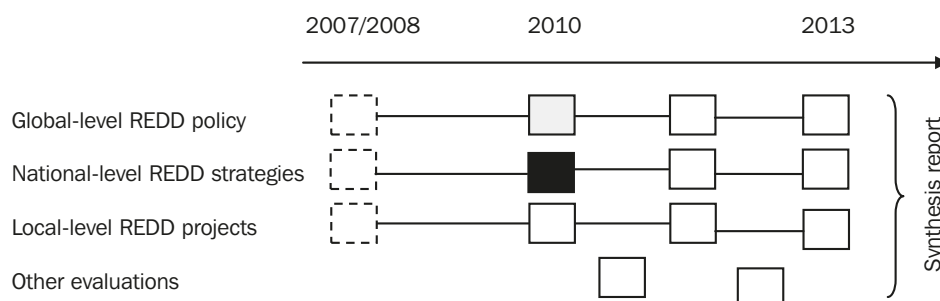
The final product of the real-time evaluation is expected to be a synthesis report that addresses the four overall objectives. However, in order to develop a synthesis and to create learning and provide feedback to the Initiative along the way, a series of evaluations will be carried out. It is envisaged that the real-time evaluation will consist of three core evaluation tasks, which will be repeated at regular intervals (e.g. 2010, 2012, 2013), combined with stand-alone evaluations or studies of specific thematic or geographical areas (e.g. evaluations of anti-corruption measures, effectiveness of different funding channels and mechanisms). The backbone of the real-time evaluation will be the following three core evaluations:

- Global level: The Initiative's contribution to an international REDD regime
- National level: The Initiative's support to the formulation and implementation of national REDD strategies
- Local level: Lessons learned from REDD demonstration projects supported by the Initiative

The global level evaluation will primarily address the first objective of the real-time evaluation, while the national and local level evaluations will primarily address the second, third and fourth objective of the real-time evaluation.

The three levels correspond to the notions of policy, programme and project. While the global level evaluation is policy-oriented and the local level evaluation is project-oriented, the national level ('programme') evaluation will assess the formulation and implementation of REDD strategies in a selection of case study countries. All the evaluations shall combine assessments of the status and progress of the overall REDD agenda with efforts to identify the actual contributions of the Initiative. The latter will be a main methodological challenge for the whole evaluation exercise, especially in cases where funding has been channeled through multilateral agencies and development banks.

**Figure 1. A conceptual model of the real-time evaluation. Dashed lines indicate baseline (which shall be established retrospectively), grey box indicates an on-going evaluation, black box indicates the present evaluation, and white box indicates a planned evaluation.**



There is also a need to closely coordinate this real-time evaluation with the monitoring and evaluation programmes of the Initiative's partners. It is known that the UN-REDD Programme, FCPF, CBFF, BNDES, and Norads' Civil Society Department are already planning reviews of their respective portfolios. There are also numerous research and development groups involved in REDD related studies, e.g. Centre for International Forestry Research (CIFOR) is conducting a global comparative study on REDD<sup>6</sup>. Norad's Evaluation Department and the evaluation team need to continuously follow the developments across the international REDD arena in order to avoid duplication of work and to incorporate knowledge generated by others.

### The present evaluation

The present evaluation task concerns the national level described above. It aims to evaluate the Initiative's support to the formulation and implementation of national REDD strategies and other REDD readiness efforts, as of 2010. As the international REDD architecture is likely to build on national policies and measures, this evaluation task will constitute a main pillar of the whole real-time evaluation programme.

The target countries for Norway's International Climate and Forest Initiative are at different stages of REDD planning and implementation, ranging from initial readiness stage (early phase 1) to advanced REDD strategy formulation (late phase 1) and results-based REDD actions (phase 2)<sup>7</sup>. Consequently, the funds are used for different purposes, including stakeholder consultations, capacity-building, institutional strengthening, demonstration activities, and enforcement of policies and measures. In Brazil and Guyana, the Initiative's payments are intended to create incentives for REDD actions while the funds will be used to address a wider agenda beyond the Initiative's REDD related objectives (cf. the Amazon Fund and Guyana's Low Carbon Development Strategy, respectively).

The Initiative's funding at the country level is delivered through a diversity of channels and mechanisms, including a single multilateral institution with multiple donors

<sup>6</sup> See CIFOR's web site: <http://www.cifor.cgiar.org/>

<sup>7</sup> The phased approach to REDD has not been formally adopted. For details about the proposed phases, see the IWG report (Report of the Informal Working Group on Interim Finance for REDD+. Discussion document, 27 October 2009). In short, phase 1 refers to national REDD strategy development, phase 2 refers to implementation of national policies and measures for REDD, and phase 3 refers to performance-based payments on the basis of quantified forest emissions and removals against agreed reference levels.

(e.g. FCPF in Ghana), a single multilateral institution with multiple donors combined with a multi-bi program through an international financial institution (FCPF and Guyana REDD+ Investment Fund in Guyana), two multilateral institutions (e.g. FCPF and UN-REDD Programme in Bolivia), two multilateral institutions combined with a bilateral programme (e.g. FCPF, UN-REDD Programme and Royal Norwegian Embassy in Tanzania), two multilateral institutions combined with a regional fund (e.g. FCPF, UN-REDD Programme and CBFF in the Democratic Republic of Congo), and direct bilateral payments to a national fund (Amazon Fund in Brazil). Among these mechanisms, only the support to the Amazon Fund is directly performance-based (phase 2), but the Initiative also plans to make performance-based payments to Guyana and Indonesia.

The Initiative's wide geographical coverage (> 40 countries) and multiple support channels (multilateral, bilateral and non-governmental) create methodological and practical challenges in the evaluation process<sup>8</sup>. However, assessing the aid effectiveness with respect to REDD performance over time in a few selected countries may serve both the documentation function and the learning function of the real-time evaluation. In this initial evaluation, five countries have been selected for case studies, but other countries may be added at a later stage.

### **Purpose and objectives**

The purpose of this evaluation is to assess the Initiative's support to the formulation and implementation of national REDD strategies<sup>9</sup>. This will be achieved by developing a real-time methodology upon which the status and progress of national REDD performance can be evaluated<sup>10</sup>. The national level evaluations using the same methodology (or adapted methodology if found necessary) will be carried out periodically in the selected countries.

Accordingly, the present evaluation has two main objectives:

1. Develop a methodology for the real-time evaluation of the Initiative's support to the formulation and implementation of national REDD strategies
2. Evaluate the status and progress of the Initiative's support to the formulation and implementation of national REDD strategies in a selection of case study countries as of 2010

As an integral part of the real-time evaluation approach, the learning aspect shall be addressed by identifying lessons learned and their potential implications for the Initiative's future support to the formulation and implementation of national REDD strategies.

### **Scope**

The evaluation shall include the following five countries: Brazil, Guyana, Democratic Republic of Congo, Tanzania, and Indonesia. These countries receive significant support from the Initiative through different channels and mechanisms, they are at

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<sup>8</sup> The geographical coverage also includes countries supported by FCPF only.

<sup>9</sup> 'Support' refers to financial contributions and policy and technical advice conveyed through the different channels and mechanisms that ultimately target national REDD efforts.

<sup>10</sup> Status and progress of national REDD performance shall be measured against the second, third and fourth objective of the real-time evaluation, cf. page 3.

different stages in the forest transition, they represent different national policy contexts, and they cover each of the three tropical continents.

Whereas the evaluation shall attempt to identify the actual contributions of the Initiative, it shall also include an assessment of the status and progress of the national REDD processes as a whole. This will ensure that the findings and recommendations from this evaluation could also be relevant for other REDD actors. The contributions of the Initiative need to be mapped by providing a summary of how its financial resources are being used by year (i.e. fund recipients, size of funding, country, activities).

National REDD strategies are expected to be informed by demonstration projects at the sub-national level, and hence, the evaluation shall carry out a preliminary mapping of such projects in the case study countries. While also relevant for addressing the objectives of this evaluation (cf. evaluation questions below), the available information about the REDD demonstration projects shall primarily feed into the subsequent local level evaluation described above<sup>11</sup>. In Brazil, therefore, the performance of the Amazon Fund's project portfolio is, for the purpose of the present evaluation, subordinate to the wider REDD policies and measures at national level<sup>12</sup>.

As the three climate-related objectives of the Initiative are supplemented with the development-related objectives associated with the use of ODA funds (cf. objective 4 of the real-time evaluation), including those related to poverty alleviation, indigenous peoples' rights, environment, and anti-corruption, the evaluation should try to distinguish between the climate-related effects and the development-related effects of the Initiative.

The time period under investigation in the present evaluation is 2007-2010. The launching of the Initiative in 2007 (COP-13) should serve as a base year for later evaluations, and hence, particular emphasis should be placed on assessing the national REDD situation at that stage, i.e. constructing a baseline retrospectively. The contributions of the Initiative towards the formulation and implementation of national REDD strategies should then be evaluated for the period 2007-2010.

The evaluation should focus on the relative contributions of the Initiative rather than the overall performance of the fund recipients.<sup>13</sup> This is particularly relevant in cases where the funding is channeled through multilateral agencies and development banks. In such cases, the emphasis should be on the strategic contributions of the Initiative in influencing the policies and programmes of the fund recipients, and not only on the actual outcomes in terms of carbon effectiveness, cost efficiency, equity and co-benefits on the ground.

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11 Separate Terms of Reference will be developed for the local level REDD project evaluation.

12 The activities financed through the Amazon Fund are not necessarily part of the government's action plan to combat deforestation or an integral part of Plano Amazonas Sustentavel (PAS) since there is no direct link between the Amazon Fund and these programs (see 'Assessment of BNDES as a potential mechanism for Norwegian support to the Fundo Amazônia (Amazon Fund)', Norrad, 27 June 2008).

13 It should be recognised that NICFI operates in an institutional context that is largely determined by other actors. The preexisting actors and frameworks limit the range of available options.

## Evaluation questions

The below list of questions is not exhaustive and the questions may have different relevance for the different case study countries.

### *Formulation of national REDD strategies*

National ownership:

- To what extent has the Initiative's financial and policy support contributed to building political REDD leadership and commitment?
- To what extent has the Initiative contributed to strengthening institutional capacities at the national level?
- To what extent has the Initiative contributed to cross-sectoral coordination within the government in the target countries?
- To what extent has the Initiative contributed to active involvement by civil society to enhance national ownership?

Donor support and coordination:

- To what extent has the Initiative and its partners contributed to a coordinated and harmonised approach to REDD at the country level?
- To what extent have the Initiative's multilateral partners responded to the support needs of the country?
- How has Norwegian ODA policies and the Initiative's viewpoints on social and environmental safeguards related to equity and co-benefits been communicated and negotiated with the fund recipients?<sup>14</sup>
- To what extent has the Initiative contributed to creating synergies across countries?

Consultation process:

- To what extent has the REDD stakeholder consultations been inclusive and participatory?
- To what extent has the national REDD process involved indigenous peoples and local communities?
- To what extent has the Initiative's support to civil society organisations and research institutions contributed to the national REDD strategy?
- How has the issue of equity and co-benefits been treated in the stakeholder consultations?

Policy content:

- Is the REDD strategy at present soundly formulated, based on solid analysis and data, and likely to be efficient and effective in promoting emissions reductions?
- Has the REDD strategy been effective in promoting diagnosis of causes of forest carbon emissions, including external drivers, and formulation of plans to reduce emissions?

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<sup>14</sup> Equity refers to the sharing of REDD benefits among different stakeholders, while the debate on co-benefits in REDD has concentrated on environmental services (e.g. biodiversity), socio-economic services (e.g. poverty alleviation), governance and rights issues (e.g. rights of indigenous peoples and local communities), and climate change adaptation. Safeguards refer to donor policies that promote equity and co-benefits, while avoiding harmful side-effects, e.g. anti-corruption safeguards and anti-plantation safeguards.



- To what extent is the REDD strategy integrated into the wider policy framework of the country, including land tenure policies, agricultural and energy policies, and infrastructure development plans?
- To what extent is the REDD strategy coordinated with Nationally Appropriate Mitigation Actions (NAMAs) or broader national low carbon strategies, and to what extent are REDD payments proposed to be channeled into NAMAs?
- Which sub-national incentives for REDD have been developed in the REDD strategy?
- Which institutional set-up is proposed at the national level in order to manage sub-national payments and ensure that the MRV system would meet international reporting and verification requirements?
- How adequate are the proposed MRV systems for carbon fluxes?
- To what extent are the proposed reference levels robust and credible enough to prevent any profiteering and free riding (capturing REDD payments on changes that would have taken place anyhow)?
- Is the REDD strategy likely to have a positive impact on livelihoods, development, and local environment (i.e. equity and co-benefits)?
- To what extent have social and environmental safeguards related to equity and co-benefits been incorporated into the REDD strategy?

#### *Implementation of national REDD strategies<sup>15</sup>*

- To what extent have the Initiative's REDD payments contributed to cost-effective and verifiable reductions in greenhouse gas emissions?<sup>16</sup>
- To what extent is the implementation of the REDD strategy addressing the underlying drivers of deforestation and forest degradation in the country?
- What is the quality of greenhouse gas emissions data on which the payments are based?
- To what extent is the Initiative contributing to improving the MRV system?
- To what extent is the Initiative's funding mechanism additional, contradictory or supplementary to other REDD-related policies and measures of the government?<sup>17</sup>
- To what extent are social and environmental safeguards related to equity and co-benefits being enforced and implemented through national REDD policies and measures?
- To what extent is the implementation of the REDD strategy likely to achieve the development-related objectives and contribute to equity and co-benefits?<sup>18</sup>
- How are stakeholders, especially indigenous peoples and local communities, involved in the implementation of the REDD strategy?

#### **Methodology**

The evaluation shall apply international best-practices to ensure objective, transparent, evidence-based and impartial assessments and learning. The methodology

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<sup>15</sup> Mostly relevant for Brazil and Guyana at present (i.e. phase 2 countries), but also applicable in countries where REDD measures are implemented while the REDD strategy is being developed. Note that the strategy in Guyana refers to REDD+, while Brazil's policies and measures predate the REDD agenda and primarily deal with reduced deforestation in the Amazon.

<sup>16</sup> REDD payments can contribute either directly to reductions in greenhouse gas emissions by earmarked funding to REDD activities (e.g. support to REDD demonstration projects), or indirectly by creating incentives where payments are based on documented results (e.g. the Amazon Fund).

<sup>17</sup> This is particularly relevant in Brazil, cf. footnote above.

<sup>18</sup> Where REDD funds are provided or planned to be provided to national entities, it is important to map how and to whom they are distributed to assess whether those sectors or social groups who are bearing the main costs of REDD are being compensated.

shall be standardised into a real-time evaluation framework that allows comparisons over time. This includes the definition of a set of common indicators that (i) remain valid throughout the real-time evaluation period, (ii) can be used across countries, (iii) address the overall objectives of the real-time evaluation, (iv) cover the issues raised in the evaluation questions, and (v) enable attribution of observed results to inputs from the Initiative. The baseline for each indicator shall be reconstructed and compared to the situation as of 2010.

The country case studies shall include field visits and in-depth literature surveys. The evaluation shall be based on stakeholder interviews and document reviews, including research papers, reports and policy documents.

The analysis shall refer to the three OECD/DAC criteria relevance, effectiveness and efficiency. The latter will require that the evaluation prepares an inventory of the actual outputs and outcomes at the national level and compare them with the Initiative's inputs through the different funding channels and support mechanisms. The corresponding terminology in the REDD literature, i.e. carbon effectiveness, cost efficiency, and equity and co-benefits (the 3E+ criteria), may also be helpful in analysing the data.

In developing the evaluation framework, the monitoring and evaluation systems developed internally by the Initiative's partners (e.g. FCPF's M&E framework) should be considered and drawn upon.

Based on these guidelines, LTS International shall develop a detailed work plan and methodology.

### **Evaluation team**

This evaluation will require team members with in-depth knowledge about the forestry sector and policy development in the target countries combined with international REDD experts.

LTS International shall suggest a composition of team members, taking notice of the size of the evaluation (see below) and the expected distribution of personnel categories agreed for the overall real-time evaluation.

### **Budget**

The estimated size of this evaluation is 83 person weeks. LTS International shall propose a budget based on the personnel requirements and the expected travel and subsistence expenses.

### **Deliverables and time frame**

14 June: Proposed team and final Terms of Reference

16 June: Start of the evaluation

20 July: Inception report<sup>19</sup>

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<sup>19</sup> The inception report shall pay special attention to possible country-specific adjustments in the evaluation questions and the scope of the evaluation, presenting an adjusted and extended outline of the country evaluation reports of the four countries reflecting the respective country situation as well as an extended outline for a synthesis report. It shall also propose a detailed time schedule of each country evaluations, methodology for collecting and analysing data using a real-time approach.

August: Country field visits, including validation workshops

10 September: Five draft final country evaluation reports

1 October: Draft final synthesis report

29 October: Final report

November: Seminars in Oslo

The reports shall be prepared in accordance with the Evaluation Department's Guidelines for Reports.



## EVALUATION REPORTS

- 10.98 Strategy for Assistance to Children in Norwegian Development Cooperation
- 11.98 Norwegian Assistance to Countries in Conflict
- 12.98 Evaluation of the Development Cooperation between Norway and Nicaragua
- 13.98 UNICEF-komiteen i Norge
- 14.98 Relief Work in Complex Emergencies
- 1.99 WID/Gender Units and the Experience of Gender Mainstreaming in Multilateral Organisations
- 2.99 International Planned Parenthood Federation – Policy and Effectiveness at Country and Regional Levels
- 3.99 Evaluation of Norwegian Support to Psycho-Social Projects in Bosnia-Herzegovina and the Caucasus
- 4.99 Evaluation of the Tanzania-Norway Development Cooperation 1994–1997
- 5.99 Building African Consulting Capacity
- 6.99 Aid and Conditionality
- 7.99 Policies and Strategies for Poverty Reduction in Norwegian Development Aid
- 8.99 Aid Coordination and Aid Effectiveness
- 9.99 Evaluation of the United Nations Capital Development Fund (UNCDF)
- 10.99 Evaluation of AWEPA, The Association of European Parliamentarians for Africa, and AEI, The African European Institute
- 1.00 Review of Norwegian Health-related Development Cooperation 1988–1997
- 2.00 Norwegian Support to the Education Sector. Overview of Policies and Trends 1988–1998
- 3.00 The Project “Training for Peace in Southern Africa”
- 4.00 En kartlegging av erfaringer med norsk bistand gjennom frivillige organisasjoner 1987–1999
- 5.00 Evaluation of the NUFU programme
- 6.00 Making Government Smaller and More Efficient. The Botswana Case
- 7.00 Evaluation of the Norwegian Plan of Action for Nuclear Safety Priorities, Organisation, Implementation
- 8.00 Evaluation of the Norwegian Mixed Credits Programme
- 9.00 “Norwegians? Who needs Norwegians?” Explaining the Oslo Back Channel: Norway’s Political Past in the Middle East
- 10.00 Taken for Granted? An Evaluation of Norway’s Special Grant for the Environment
- 1.01 Evaluation of the Norwegian Human Rights Fund
- 2.01 Economic Impacts on the Least Developed Countries of the Elimination of Import Tariffs on their Products
- 3.01 Evaluation of the Public Support to the Norwegian NGOs Working in Nicaragua 1994–1999
- 3A.01 Evaluación del Apoyo Público a las ONGs Noruegas que Trabajan en Nicaragua 1994–1999
- 4.01 The International Monetary Fund and the World Bank Cooperation on Poverty Reduction
- 5.01 Evaluation of Development Co-operation between Bangladesh and Norway, 1995–2000
- 6.01 Can democratisation prevent conflicts? Lessons from sub-Saharan Africa
- 7.01 Reconciliation Among Young People in the Balkans An Evaluation of the Post Pessimist Network
- 1.02 Evaluation of the Norwegian Resource Bank for Democracy and Human Rights (NORDEM)
- 2.02 Evaluation of the International Humanitarian Assistance of the Norwegian Red Cross
- 3.02 Evaluation of ACOPAMA ILO program for “Cooperative and Organizational Support to Grassroots Initiatives” in Western Africa 1978 – 1999
- 3A.02 Évaluation du programme ACOPAMA Un programme du BIT sur l’« Appui associatif et coopératif aux initiatives de Développement à la Base » en Afrique de l’Ouest de 1978 à 1999
- 4.02 Legal Aid Against the Odds Evaluation of the Civil Rights Project (CRP) of the Norwegian Refugee Council in former Yugoslavia
- 1.03 Evaluation of the Norwegian Investment Fund for Developing Countries (Norfund)
- 2.03 Evaluation of the Norwegian Education Trust Fund for Africa in the World Bank
- 3.03 Evaluering av Bistandstorgets Evalueringsnettverk
- 1.04 Towards Strategic Framework for Peace-building: Getting Their Act Together. Overview Report of the Joint Utstein Study of the Peace-building. Norwegian Peace-building policies: Lessons Learnt and Challenges Ahead
- 2.04 Evaluation of CESAR’s activities in the Middle East Funded by Norway
- 3.04 Evaluering av ordningen med støtte gjennom paraplyorganisasjoner. Eksemplifisert ved støtte til Norsk Misjons Bistandsnemda og Atlas-alliansen
- 5.04 Study of the impact of the work of FORUT in Sri Lanka: Building Civil Society
- 6.04 Study of the impact of the work of Save the Children Norway in Ethiopia: Building Civil Society
- 1.05 –Study: Study of the impact of the work of FORUT in Sri Lanka and Save the Children Norway in Ethiopia: Building Civil Society
- 1.05 –Evaluation: Evaluation of the Norad Fellowship Programme
- 2.05 –Evaluation: Women Can Do It – an evaluation of the WCDI programme in the Western Balkans
- 3.05 Gender and Development – a review of evaluation report 1997–2004
- 4.05 Evaluation of the Framework Agreement between the Government of Norway and the United Nations Environment Programme (UNEP)
- 5.05 Evaluation of the “Strategy for Women and Gender Equality in Development Cooperation (1997–2005)”
- 1.06 Inter-Ministerial Cooperation. An Effective Model for Capacity Development?
- 2.06 Evaluation of Fredskorpset
- 1.06 – Synthesis Report: Lessons from Evaluations of Women and Gender Equality in Development Cooperation
- 1.07 Evaluation of the Norwegian Petroleum-Related Assistance
- 1.07 – Synteserapport: Humanitær innsats ved naturkatastrofer: En syntese av evalueringsfunn
- 1.07 – Study: The Norwegian International Effort against Female Genital Mutilation
- 2.07 Evaluation of Norwegian Power-related Assistance
- 2.07 – Study Development Cooperation through Norwegian NGOs in South America
- 3.07 Evaluation of the Effects of the using M-621 Cargo Trucks in Humanitarian Transport Operations
- 4.07 Evaluation of Norwegian Development Support to Zambia (1991 - 2005)
- 5.07 Evaluation of the Development Cooperation to Norwegian NGOs in Guatemala
- 1.08 Evaluation: Evaluation of the Norwegian Emergency Preparedness System (NOREPS)
- 1.08 Study: The challenge of Assessing Aid Impact: A review of Norwegian Evaluation Practise
- 1.08 Synthesis Study: On Best Practise and Innovative Approaches to Capacity Development in Low Income African Countries
- 2.08 Evaluation: Joint Evaluation of the Trust Fund for Environmentally and Socially Sustainable Development (TFESSD)
- 2.08 Synthesis Study: Cash Transfers Contributing to Social Protection: A Synthesis of Evaluation Findings
- 2.08 Study: Anti-Corruption Approaches. A Literature Review
- 3.08 Evaluation: Mid-term Evaluation the EEA Grants
- 4.08 Evaluation: Evaluation of Norwegian HIV/AIDS Responses
- 5.08 Evaluation: Evaluation of the Norwegian Research and Development Activities in Conflict Prevention and Peace-building
- 6.08 Evaluation: Evaluation of Norwegian Development Cooperation in the Fisheries Sector
- 1.09 Evaluation: Joint Evaluation of Nepal’s Education for All 2004-2009 Sector Programme
- 1.09 Study Report: Global Aid Architecture and the Health Millennium Development Goals
- 2.09 Evaluation: Mid-Term Evaluation of the Joint Donor Team in Juba, Sudan
- 2.09 Study Report: A synthesis of Evaluations of Environment Assistance by Multilateral Organisations
- 3.09 Evaluation: Evaluation of Norwegian Development Cooperation through Norwegian Non-Governmental Organisations in Northern Uganda (2003-2007)
- 3.09 Study Report: Evaluation of Norwegian Business-related Assistance Sri Lanka Case Study
- 4.09 Evaluation: Evaluation of Norwegian Support to the Protection of Cultural Heritage
- 4.09 Study Report: Norwegian Environmental Action Plan
- 5.09 Evaluation: Evaluation of Norwegian Support to Peacebuilding in Haiti 1998–2008
- 6.09 Evaluation: Evaluation of the Humanitarian Mine Action Activities of Norwegian People’s Aid
- 7.09 Evaluation: Evaluation of the Norwegian Programme for Development, Research and Education (NUFU) and of Norad’s Programme for Master Studies (NOMA)
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