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30 Years Promoting Sustainable Development

THIRD PROGRAM EVALUATION OF THE FOREST CARBON PARTNERSHIP FACILITY

Final Evaluation Report, Vol.1

Prepared for

The Forest Carbon Partnership Facility (FCPF)

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LIST OF ACRONYMS

Acronym	Definition
AFOLU	Agriculture, Forestry, and Other Land Use
AMEXCID	Mexican Agency for International Development Cooperation
ART	Architecture for REDD+ Transactions
ART-TREES	Architecture for REDD+ Transactions' The REDD+ Environmental Excellence Standard
BSP	Benefit Sharing Plan
CBD	Convention on Biological Diversity
CBP	Capacity-Building Program
CCBA	Climate, Community and Biodiversity Alliance
CERF	Climate Emissions Reduction Facility
CF	Carbon Fund
COCOBOD	Cocoa Board of Ghana
CONAFOR	Mexico's National Forestry Commission
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CSO	Civil Society Organization
CTI	Indigenous Technical Committee
DGM	Dedicated Grant Mechanism
DRC	Democratic Republic of Congo
EnABLE	Enhancing Access to Benefits while Lowering Emissions
EOC	Evaluation Oversight Committee
ER	Emission Reduction
ERP	Emission Reduction Program
ERPA	Emission Reductions Payment Agreements
ERPD	Emissions Reduction Program Document
ER-PIN	Emission Reduction Programme Idea Note
ESMF	Environmental and Social Management Framework
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FGD	Focal group discussion
FGRM	Feedback and Grievance Redress Mechanism
FIP	Forest Investment Program

FMT	Facility Management Team
FNDS	National Fund for Sustainable Development
FPIC	Free, Prior and Informed Consent
FREL	Forest Reference Emission Level
GCF	Green Climate Fund
GCFLP	Ghana Cocoa-Forest Landscape Program
GHG	Greenhouse Gas
HCA	High Conservation Areas
HFLD	High Forest, Low Deforestation
IDB	Inter-American Development Bank
IO	Intermediary Organizations
INAB	National Institute of Forestry
IP	Indigenous Peoples
ISFL	Initiative for Sustainable Forest Landscapes
IUCN	International Union for Conservation of Nature
JCM	Joint Crediting Mechanism
KII	Key Informant Interviews
LC	Local Communities
LEAF Coalition	Lowering Emissions by Accelerating Forest finance Coalition
M&E	Monitoring and Evaluation
MF	Methodological Framework
MRV	Measurement, Reporting, and Verification
NDC	Nationally Determined Contributions
NFMS	National Forest Monitoring System
NGO	Non-Governmental Organization
NICFI	Norway's International Climate and Forest Initiatives
NSC	National Steering Committees
PA	Participants Assembly
PC	Participants Committee
PES	Payment for Environmental Service
PIU	Project Implementation Unit
PNTC	National Climate Transparency Platform
RBP	Result-Based Payments
REDD	Reducing Emissions from Deforestation and Degradation
REM	REDD Early Movers
RF	Readiness Fund
R-Package	Readiness Package
R-PP	Readiness Preparation Proposal
SCALE	Scaling Climate Action by Lowering Emissions

SESA	Strategic Environmental and Social Assessment
SFM	Sustainable Forest Management
SIS	Safeguards Information System
SRETF	Small-scale Recipient Executed Trust Fund
SSKE	South-South Knowledge Exchange
TAP	Technical Advisory Panel
TFF	Tropical Forest Foundation
TOC	Theory of Change
ToRs	Terms of Reference
TTL	Task Team Leader
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention for Climate Change
UN REDD	United Nations REDD Programme
USFS	United States Forest Service
VV	Validation and Verification
VCM	Voluntary Carbon Markets
WB	World Bank

FOREWORD BY THE EVALUATION OVERSIGHT COMMITTEE (EOC)

The Evaluation Oversight Committee (EOC) for the third FCPF Evaluation hereby expresses its endorsement of this comprehensive, high-quality final evaluation report. Established in October 2022, the EOC was formed with the intention of overseeing and advising the independent evaluation, ensuring high quality and timely implementation, and fostering the dissemination of findings over the course of the evaluation period (March 2023 - May 2024). The EOC consists of three FCPF contributor representatives, two FCPF program country representatives, three observers and one delivery partner.[1]

During this period, the EOC reviewed key evaluation documents including the Terms of Reference (ToR), inception report, and interim and final draft evaluation reports, providing substantive feedback and guidance to ensure the evaluation is fit for purpose and relevant for learning, accountability, and decision-making in the FCPF context. Additionally, committee members assisted with the collection and reporting of feedback from other FCPF contributors, observers, and relevant stakeholders, where feasible. The committee held six virtual meetings together with FCPF Facility Management Team (FMT) evaluation coordinators and the independent evaluation team (Baastel), to discuss draft reports, provide updates, and inform ongoing adjustments. The EOC wishes to express our sincere gratitude for this collaborative and enriching evaluation process.

The EOC extends congratulations to the evaluation team for delivering an impressive overview of a vast and complex program. The evaluation evidences the important successes of FCPF over fifteen years of implementation and confirms its high relevance at both the global and country scales, occupying an important niche in the REDD+ and results-based climate finance landscape. This includes documenting FCPF's achievements in building readiness capacity, triggering an interest in jurisdictional Result-Based Payments (RBP), and providing countries with an opportunity to pilot a large-scale RBP scheme to protect forests and benefit local communities. Moreover, it showcases the program's adaptability, effectively responding to evolving global and national dynamics by customizing approaches to meet stakeholders' requirements and adjusting implementation timelines. It also underscores key remaining challenges, including persistent financing and capacity gaps, roll-out of Benefit Sharing Plan (BSP) implementation, and documentation of non-carbon benefits. Uptake of lessons and recommendations in these and other areas will strengthen current FCPF programming as well as the design of future similar programs such as Scaling Climate Action by Lowering Emissions (SCALE).

The EOC is thankful to all individuals involved in the evaluation for facilitating a robust and participatory process for EOC guidance and inputs, concluding in a high quality and highly useful evaluation report. We look forward to continuing to work with FCPF and other stakeholders to support implementation of evaluation findings and recommendations in FCPF and other programs going forward.

Evaluation Oversight Committee for the Second Evaluation of the FCPF Program:

Contributor Representative: Peter Corcoran (Australia)
Contributor Representative: Philip Jones (United Kingdom - UK)
Contributor Representative: Sophie Le Noble (Canada)
FCPF Program Country: Franky Zamzani (Indonesia)
FCPF Program Country: Carine Saturnine Milandou (Republic of Congo)
Observer – Civil Society Organization (CSO): Elizabeth Jeiyol (Climate and Sustainable Development Network - CSDevNet)
Observer – Indigenous Peoples (IP): Grace Balawag (Tebtebba)
Observer - Private Sector: Leslie Durschinger (Terra Global Capital)
Delivery Partner: Efrian Muharrom (World Bank)

[1] The selection of EOC members was conducted through a participatory process, with the submission of an expression of interested candidates. EOC composition followed guidelines in the approved FCPF MEL Framework.

EXECUTIVE SUMMARY

Background and introduction

Launched in 2008, the Forest Carbon Partnership Facility (FCPF) is the world's largest multilateral REDD+ financing mechanism. The FCPF supports REDD+ efforts through two separate, but complementary funds:

- **The Readiness Fund** (RF), which closed in December 2022, provided technical assistance and capacity building to participating countries to build a policy, institutional, and governance framework for future REDD+ investments. In total, 47 REDD+ country participants signed Participation Agreements with the FCPF, of which 45 had concluded Readiness Preparation Grant Agreements.
- **The Carbon Fund** (CF) provides Results-Based Payments (RBPs) to 15 countries that have advanced through REDD+ readiness and implementation and have achieved verifiable Emission Reductions (ERs) in their forest and broader land-use sector through jurisdictional Emission Reduction Programs.

This report summarizes the findings of the third evaluation of the FCPF. The evaluation aims are to assess the FCPF's progress and achievements and to identify lessons learned while providing accountability to financial contributors and other stakeholders. Building on the first (2011) and second (2016) FCPF evaluations and on the baseline data collection exercise conducted in 2021 in five countries, this third FCPF evaluation covered FCPF operations up to 15 August 2023, with a focus on the period since 2018, and spanned the 45 countries of the RF portfolio as well as the 15 countries of the CF portfolio.

The OECD/DAC evaluation criteria of relevance, coherence, efficiency, effectiveness, impact, and sustainability were used to provide a summative evaluation of the RF, an assessment of CF progress and lessons learned, and an examination of the influence of FCPF activities on broader REDD+ programming, including its contributions to local livelihoods and other sustainable development co-benefits.

A theory-based, mixed-methods approach was used to undertake the evaluation, including a desk review of documentation, portfolio analysis, key informant interviews and focal group discussions, an e-survey, in-depth and light-touch country case studies, and thematic studies. Evidence was triangulated and compiled to generate key findings, conclusions and recommendations. Key evaluation findings are presented below.

Relevance

Overall, the FCPF has remained relevant to the high-level needs of participating countries on REDD+. The FCPF demonstrated flexibility in adapting to key global and country changes, by providing tailored responses to key stakeholders' needs and by making necessary adjustments to implementation timelines.

The FCPF has limited relevance for High Forest, Low Deforestation (HFLD) countries. Ten HFLD countries are part of FCPF, but only two of them have been selected as part of the CF (Democratic Republic of Congo and Republic of Congo) although several are working on REDD+ through other mechanisms. Countries such as Bhutan, Panama and the Guyana have either low or negative deforestation rates due to low population densities, low demands for forest conversion or the presence of strong national policies to protect, conserve or restore forests – but currently are not eligible for support from the CF.

The FCPF has incorporated new knowledge and lessons learned from on-going implementation through a mix of informal and formal mechanisms: i) continuous engagement and exchanges with a diversity of stakeholders at national and international level; ii) formal training events; iii) linkages with FCPF-

supported programs (such as the South-South Knowledge Exchange Program for Sustainable Cocoa) and iv) knowledge and communication products. The exchange of lessons learned between and within countries has played an important role in supporting the REDD+ countries to carry out program activities effectively.

Coherence

There is a strong coherence between past and current FCPF activities and national, forest-related climate change commitments, policies, laws and actions. The FCPF Charter commits to ensuring overall consistency with REDD+ guidance from the United Nations Framework Convention on Climate Change and the program can be seen as a mechanism to translate emerging methodological guidance developed through the UNFCCC into workable support for REDD+ readiness and results-based finance through a range of advisory and financial support services Furthermore, the evaluation found evidence of strong coherence between FCPF support and national biodiversity commitments.

There is generally a high level of compatibility and synergy between the FCPF and other REDD+ activities at the country level. FCPF countries have received support for readiness activities from a diverse array of organisations, including bilateral and multilateral entities or programs, alongside various international NGOs. However, country case studies point to a number of divergences in approach and methodology between the FCPF's Methodological Approach and the standards of other comparable jurisdictional REDD+ initiatives. In a number of cases, countries have established a framework for co-ordination of external sources of support to avoid duplication and enhance synergy.

Effectiveness

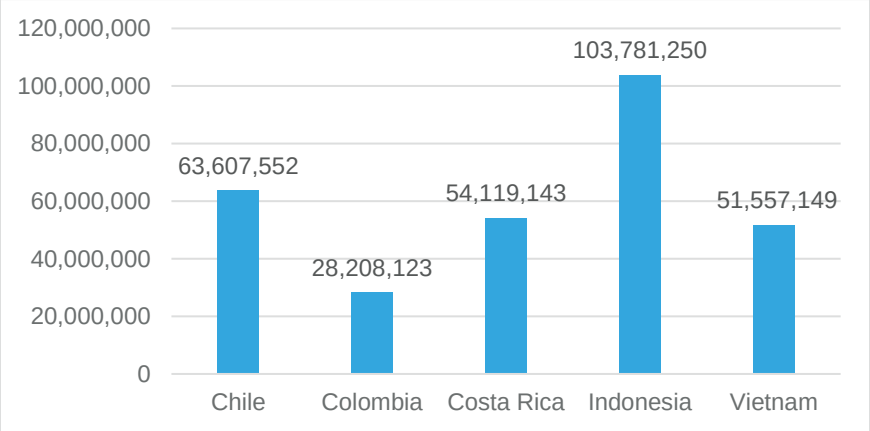
Countries have made significant progress in completing readiness milestones and components. Out of 19 countries that signed a letter of intent to access the CF, 14 countries had submitted their first Monitoring Report by the evaluation cut-off date of August 15, 2023, and 3 had received their first payment for verified ERs, with other following in late 2023 and early 2024. The main activities supported by the FCPF were stakeholder consultations, institutional strengthening, capacity building, and policy and legal framework support, mainly, but not exclusively, for the development of the REDD+ Strategy. Key context elements that have positively influenced RF and CF outputs include political commitment, stakeholder engagement, coordination of readiness support from different donors, and policies already in place. The main constraining context elements mentioned are limited government staff and budget, low government capacity, COVID-19, and the complexity of REDD+ requirements and standards.

The FCPF has contributed to country capacity to deliver or access REDD+ funding by providing a roadmap with clearly signposted steps and requirements. Across all participating countries, the REDD+ Strategy and the Forest Reference Emission Level were the most advanced readiness milestones, while the least advanced were the National Forest Monitoring System and the Safeguards Information System, due to the challenges faced by countries in the operationalization of these new systems. In the majority of countries, the RF has catalyzed readiness co-financing and has contributed to the establishment of an institutional setup for REDD+.

In total, participating countries have been able to mobilise USD 2.6 billion (with an average of USD 57.8 million per country) in support of readiness activities, from both FCPF and non-FCPF sources. However, there are challenges for the continuity and operationalization of REDD+ country institutional frameworks after the closure of the RF, as financing remains a key issue for many countries as they move to RBPs. Remedial measures (such as advance payments and sequencing with other World Bank projects) have mitigated this challenge to some degree. While progress in the implementation of REDD+ instruments is moderate across the portfolio, there are several instances in which countries have used these instruments, either to access RBPs under the CF or to access other sources of REDD+ finance.

By August 2023, the CF had issued USD 94 million in ER payments to six countries, including advance payments. In addition, five countries with endorsed R-Packages were able to secure a total amount of USD 301 million in REDD+ ER payments through non-FCPF ER schemes, and others are in the process of doing so (See Figure 1).

Figure 1: Amount of REDD+ ER payments secured by countries with endorsed R-Packages through non-FCPF ER schemes (in USD) (Indicator 1.C.)



A number of key factors contributed to the advancement of REDD+/CF readiness at country level. Key among these were political leadership, institutional setup, and broad-based stakeholder engagement. The international context (mainly complementary international funding and technical assistance), in-country technical capacity, and enabling national or local policy and strategy were also enabling factors in some countries. The main bottlenecks faced by countries were low technical capacity, international factors (such as COVID-19), limited private sector incentives, financing gaps prior to receipt of RBPs and legal gaps regarding the transfer of ER titles.

FCPF support has built readiness capacity, triggered an interest in jurisdictional RBPs and provided countries with an opportunity to pilot an RBP scheme. The CF has committed to purchasing up to 144 million tCO2e of ERs through ERPAs signed with 15 countries. ER country commitments range from 2.5 million tCO2e (Fiji) to 22 million tCO2e (Indonesia), with a median value of 10 million tCO2e. Rough estimates of the amount of finance mobilized to support the delivery of CF Emission Reduction Programs (ERPs) range from USD 495 million to USD 570 million (Indicator 2.B), with large differences in the amounts of finance reported as mobilized by each country.

A number of key factors enable or constrain the delivery of RBPs at country level. The main factors enabling the delivery of RBPs are (i) financial incentives, (ii) political support for REDD+ (iii) existing institutional capacity, (iv) the assistance of the Delivery Partner[2], (v) the involvement of local organizations, and (vi) the existence of relevant national policies and programs facilitating the implementation of sustainable forest management. The main barriers identified were (i) land tenure and legal arrangements around ER transfers, (ii) the approval of BSPs, (iii) the upfront financing and capacity required to develop RBPs, and (v) the process of receiving and distributing RBPs.

Evidence shows that the standards and management tools supported by the FCPF were successfully used to design and implement ERPs. The development of a Benefit Sharing Plan (BSP) - a requirement under the FCPF Methodological Framework and an integral part of the ERPA to enable

[2] A Delivery Partner is the agency responsible for providing technical and financial support to participating countries on behalf of the FCPF. In most cases, it has been the responsibility of the World Bank, but other agencies have been responsible for a smaller number of countries.

receipt of results-based payments - was met by all 15 countries that signed an ERPA with the FCPF and is the basis for the distribution of ERPA benefits. The FCPF Standard (composed of a number of regulatory documents including the Methodological Framework) is found to be complex by country stakeholders. Despite the complexity, countries generally see the value of using the FCPF Methodological Framework for its rigor, which gives credibility to the ERs generated. Stakeholders have highlighted the useful support of the WB in applying the Methodological Framework. This framework is by design the standard required for the CF ERPs, but it is also suited to generate ERs that could be transacted on the VCM (Tranche A of the ERPA or any additional ERs generated by the ER-Ps). Although demand for forest project scale carbon credits has surged in the VCM in recent years, serious concerns raised about the reliability of REDD+ VCM credits in early 2023 could critically compromise this trend. In this context, the FCPF's pioneering support for the generation of high-integrity jurisdictional REDD+ ER credits appears more relevant than ever.

BSPs are ambitious in nature and were developed in an inclusive manner, emphasizing transparency and equitable distribution. However, the effectiveness of benefit sharing arrangements has yet to be proven as they are still at initial stages of implementation. The main bottlenecks to the disbursement of the RBPs to the beneficiaries are existing legal arrangements and administrative capacities and systems. Many beneficiaries are not yet able to receive payments, due to an absence of legal agreements or an official bank account into which payments can be deposited. In other cases, the structures and systems for benefit sharing were still in the process of being established at the time of payment. Exploring how trade-offs between equity and effectiveness can be negotiated and balanced will be important as BSPs move into full-scale implementation.

Engagement with private sector actors varies significantly between different countries, over time and across different geographical levels. At the global level, the private sector is represented by observers in FCPF governance bodies. At a country level, some countries have been more successful than others in engaging with private sector actors, namely companies involved in agriculture, forestry, and livestock, in many cases through national associations to reach a wider range of stakeholders. Engagement with the private sector has generally declined during the transition from RF to CF. The main enabling factors to private sector engagement at the country level were identified as (i) financial incentives, (ii) capacity building and existing programs, and (vi) interest in community well-being through corporate social responsibility. The main barriers identified are (i) the lack of viable financial investment models, (ii) requirements and costs for ER certification and (iii) lack of knowledge, awareness or communication on ERPs.

The FCPF has been effective in engaging representatives of indigenous peoples, local communities, women and civil society through its established governance structures. In particular, the PA/PC were found to be unique with respect to inclusiveness and consensus-driven decision making. However, participation and decision-making authority in CF meetings has narrowed when compared to RF governance bodies. The level of participation and representation has remained relatively stable over time for the latter but has declined over time for CF meetings**.**

The Capacity Building Program and the mandatory consultations conducted during the readiness phase have been effective means to strengthen stakeholder engagement in national governance processes. By June 2023, the CBP had engaged a total of 132,982 stakeholders, of which 49% were women and 60% represented CSOs. The CBP has enhanced Indigenous Peoples' ownership of the program, decentralized subgrant administration, and built the capacity of Intermediary Organizations (IOs). There is also a strong perception of increased capacity of Indigenous Peoples to engage in national level REDD+ processes. Likewise, mandatory consultations during the readiness phase led to strong level of buy-in from Indigenous Peoples and the leveraging of existing governance mechanisms in some countries.

Overall, there is recognition that traditional knowledge related to sustainable forest management is valuable and relevant, but its actual incorporation into FCPF activities has been limited. The incorporation of the unique experiences, ancestral practices, cosmovision and forest management know-how of Indigenous Peoples into concrete FCPF activities has yet to fully materialize into REDD+ formal documents and be sufficiently documented.

The FCPF has advanced gender integration in REDD processes by assisting countries in creating national gender action plans, fostering knowledge exchange, and enhancing capacity, particularly since 2016. While progress is noted in recognizing and addressing gender gaps in national REDD+ strategies, challenges remain in their actual implementation due to limited allocated financial resources and inconsistent reporting. Despite the absence of a standalone FCPF gender strategy serving as a roadmap from the outset, efforts to embed both gender considerations and social inclusion at the program and country level have been very significant, as is reflected in the growing number of gender-sensitive ER-PD and BSPs that have been formulated under FCPF support.

Impact

Key impacts or results supported by FCPF are presented below in Table 1

Table 1: Key results supported by FCPF across country programs (as of August 2023)

FCPF Key Results
• 34 country readiness packages endorsed; FCPF countries mobilized a total of $2.3B in additional non-FCPF readiness funds • 91M tCO2e ERs reported by FCPF Carbon Fund countries, with 23M tCO2e as excess or additional ERs • $94M in emission reductions payments have been provided to six FCPF Carbon Fund countries; expected to increase to $327.7M in payments to 13 countries based on current ongoing or completed validation and verification processes • 11.4 million ha of forests protected or conserved • 68 partnerships with private sector created in the context of Carbon Fund emission reductions programs • 121 stories/blogs and 114 knowledge seminars or exchanges delivered, along with 79 knowledge products

FCPF is likely to mostly achieve its overall target of 170 million tCO2e emission reductions and removals by the end of the program[3], if all contracted ERs are effectively generated. In addition, if countries continue generating and reporting excess/additional ERs, this target could potentially be met or exceeded.

The program has exceeded the end-of-project target for the indicator relating to area of forest protected or conserved (with an actual figure of 11.4 million hectares by August 2023 against an end-of-project target of 7.7 million hectares). Progress towards the targets of area of forest restored is slower (with 123,324 ha. restored by August 2023, against an end-of-project target of 18.5 million ha.. Furthermore, the slow pace of reporting, ER verification and payment may impact on the number of people receiving monetary benefits by the end of the program.

At least five countries have achieved documented biodiversity conservation benefits derived from changes in biophysical condition or from changes in the effectiveness in the management of high biodiversity areas. Seven ERPs have reported that over 11 million ha of protected areas are found within

[3] FCPF has been extended and will now formally end in December 2028.

their intervention areas. Biodiversity benefits are supported by improved sustainable forest management practices, strengthened formal protection and conservation of high biodiversity areas, and efforts to engage communities and the private sector in improved forest management in ERPs.

In at least six countries, ERPs have supported documented improvements in livelihoods. These have been achieved through enhanced revenues from agriculture, tree nurseries, non-timber forest products, timber products and tourism. Clarified land tenure and improved access to basic services have also been reported.

Reporting on climate adaptation impacts is weak, but at least three countries (Vietnam, Ghana and Mozambique) are likely to have generated climate change adaptation benefits. Generally, information provided by countries is insufficient to ascertain whether climate change adaptation benefits have been generated, although the link between improved forest cover and enhanced climate adaptation through effects on the water cycle, soil health, erosion, and other ecosystem benefits are generally well-known. There is a lack of clarity and differing interpretations across the program and participating countries regarding the definition of non-carbon benefits and the distinction between non-carbon benefits and carbon non-monetary benefits. In the absence of a consistent approach across the program to monitoring non-carbon benefits, the quality of information available is variable and cannot be aggregated.

There are several instances of the influence of indigenous peoples and civil society organizations on national REDD+ processes and approaches to sustainable forest management. In Panama for example, following an official complaint made by IPs regarding their involvement in the development of the R-PP, consultations were re-established using an active listening approach and the 'Balú Wala methodology' - a self-managed consultation tool used by indigenous people based on the respect of their traditional authorities and ancestral means of participation and communication. In Costa Rica, support is being provided to 24 Indigenous Territories to manage forests within their jurisdiction in more sustainable ways leading to reductions in deforestation and forest degradation The influence of local communities with regard to the CF is largely limited to their community and the specific activities they are involved in. Women and women's groups have to a lesser extent influenced national REDD+ processes and approaches to sustainable forest management – although gender mainstreaming is seen in many countries.

A number of factors enable and limit the delivery of carbon and non-carbon benefits. Enabling factors include political will, country-ownership and leadership; support to local livelihoods, advance payments made by the CF and effective local co-ordination structures. Factors that limited delivery of carbon and non-carbon benefits include financing and capacity gaps, limited private sector engagement, and uncertainties over carbon, forest and land tenure.

With 13 countries now reporting ERs[4], there is initial evidence of behaviour change with regard to the improved management of forests. This is being manifested in different ways in different countries but includes strengthened protection and conservation of high-biodiversity forests and sustainable forest management practices by businesses, communities and households.

There is strong evidence that the capacity, tools, approaches, structures and methods that FCPF has introduced at national level within participating countries have been used as a foundation for securing support from other non-FCPF REDD+ programs and are contributing directly to the development of new jurisdictional ERPs. To date, ten FCPF countries have accessed or have signed an agreement to access REDD+ RBPs (outside the CF), most of them through multilateral and bilateral programs, especially the GCF REDD+ RBP program. One RF country (Guyana) has succeeded at registering its ERs under the ART-TREES standard. Both Argentina and Colombia have accessed RBP

[4] Although 14 countries have submitted at least their first ER Monitoring Reports, of these 13 have reported generating emission reductions in the first reporting period.

financing despite lacking an endorsed R-package or having made significant progress on more than two of the four building blocks of REDD+ readiness.

Legal reforms have been introduced in all case study countries reviewed for this evaluation. Reforms have been in support of the establishment of a legal and institutional framework for REDD+, strengthening forest management and combatting illegal deforestation and reforms to establish a regulatory framework for carbon finance. Indonesia, for example, has created a set of legally binding targets for climate change mitigation by 2030 (the so-called AFOLU NetSink2030 which defines pathways and results for climate mitigation from forests and land-use). FCPF has been instrumental in establishing models and approaches, tools and processes with which to make this national level transition.

Country stakeholders have made extensive use of FCPF knowledge, communications and learning products on REDD+ and ERPA and find their applicability in line with their information requirements. The FCPF has been very effective in opening up a space for dialogue on REDD+ as well as producing and disseminating knowledge and learning products that are extensively used by country stakeholders.

FCPF knowledge, communication and learning products on REDD+ and ERPAs are widely recognized as adding value to the global REDD+ community of practice and there is growing evidence that they have influenced the implementation of other non-FCPF supported REDD+ initiatives.

A summary of key country level achievements from the FCPF appears below in Table 2.

Table 2: Highlights and challenges from select country case studies (as of August 2023)

ERs/MRV, payments, and future financing	Co-benefits, private sector, and other issues or achievements
Costa Rica	
• Progress on ERPA delivery, with first payment made of $16.4M and second payment of $16.7M pending • Over 6.6M tCO2e reported across first two ERMRs • FCPF contributed to leveraging additional $54M in REDD+ ER payments through non-FCPF ER schemes; signed ERPA with LEAF. • FCPF Readiness contributed to leveraging REDD+ payments between 11.6 and 14.8 times the initial FCPF investment • Some challenges in BSP operationalization of systems and processes for delivering benefits at lower levels	• Payment for ecosystem services systems supported through FCPF have generated additional revenues for communities • Promotion of conservation agriculture, agroforestry and the planting of shade trees likely generating biodiversity and climate adaptation benefits • Support provided for transferring management responsibilities from the state to local communities through different social forestry models. However, some lack of legal clarity to facilitate ER title transfers • REDD+ has remained a priority across successive governments, due to the strong institutional and policy framework
Ghana	
• First ERPA payment of $4.8M, nearly 100% of funds disbursed to local communities and local government structures but some BSP implementation challenges • Nearly 4.5M tCO2e is reported in first two CF ERMRs • Building on FCPF-supported REDD+ readiness, capacity and structures at national level, Ghana signed ERPA with LEAF and is exploring opportunities to comply with ART-TREES demonstrating growing MRV capacities	• Rehabilitated areas demonstrating increases in average farm yield (from 400kg/ha to 500kg/ha) and increases in revenues for tree nurseries • Private sector cocoa companies strongly involved in design, with emphasis on supporting farmers in livelihood development and diversification • Generation of likely climate adaptation and biodiversity co-benefits, and contributing to resilience of the agricultural sector

	• Legal measures for strengthened forest management and protection, but some gaps in legal clarity required to facilitate ER title transfers • Landscape level co-ordination bodies established with all relevant stakeholders, however challenges in securing funds to facilitate meetings
Indonesia	
• Expected ERPA payment of $110M for pending verification of 31,9M tCOe2, including 9.9M excess ERs • Advance payment of $2.9M with funds transferred to provincial government bodies, but difficulties disbursing to community-level stakeholders • FCPF contributed to leveraging $103.8M of REDD+ ER payments through non-FCPF ER schemes • Strong MRV capacity built at national level, however challenges in meeting increased demand for similar ER programs in other provinces.	• Increased protection for 3.23M ha of forests, with 1M ha designated “Essential Ecosystem Area” and likely generating biodiversity benefits • Larger palm oil companies show interest in engaging due to exposure to markets demanding sustainability and deforestation-free supply chains • FCPF was instrumental in establishing models, approaches, tools and processes for fulfilling national climate targets; REDD+ remained a priority across successive governments due to strong institutional and policy framework • Some challenges on legal clarity regarding land, natural resource and carbon rights required to facilitate ER title transfers and the BSP’s operationalization of systems and processes for delivering benefits at lower levels.
Mozambique	
• First payment of $6.4M delivered for verified 1.3M tCO2e and partial second payment. Benefits distributed to government institutions and some communities, but delays delivering monetary benefits to communities. • Generation of certified ERs through non-FCPF schemes but have not yet obtained payments.	• Climate change adaptation benefits likely to have been generated; REDD+ expected to contribute to resilience of agricultural sector • Improvements in land tenure security through land registration and tenure formalisation, with 270 communities delimited and 17,189 land titles issued, in what proved to be a complex and delicate process, but with great impacts. • Significant impact on livelihoods by improving capacity and incentives to invest in land worked on. However, challenges regarding the rights and title of communities and households over forests, carbon or natural resources • Other challenges related to recent increase in deforestation in program area, engagement with large-scale private sector actors, and BSP implementation for the delivery of monetary benefits to communities on the ground.
Guatemala	
• ERPA delivery progressing with expected first payment of $10.2M for pending verification of $6,3M tCO2e (including 4.2 M tCO2e excess ERs)	• 1,710 jobs created by timber, non-timber or tourism management activities, generating approximately USD 4 million in income. • FCPF helped generate institutional and policy framework for REDD+, but closure of the Readiness Fund has left a financial gap for operationalization of REDD+ framework, and

	coordination within government remains a challenge

Efficiency

Overall, it took longer than originally anticipated to complete RF and CF milestones. The delays in achieving milestones were due to several factors, both internal (administrative bottlenecks, meeting the FCPF's technical and methodological requirements) and external to the FCPF (COVID-19 restrictions, government shifts, building understanding and capacities about REDD+ country stakeholders). In CF countries, RF contributions as part of wider REDD+ readiness efforts were cost effective in enabling countries to engage in RBPs.

Although the readiness process is itself relatively costly and time-consuming, FCPF readiness funding has leveraged RBP financing in participating countries around eight times the value invested by FCPF in readiness support. When combined (FCPF and non-FCPF funding), in total, FCPF countries have contributed to the mobilization of USD 2.6 billion (with an average of USD 57.8 million per country) in support of readiness activities.

Country-level reporting on the RF was satisfactory. Preparation of ER Monitoring Reports under the Carbon Fund has proven much more challenging and have required significantly more support from FMT. The administrative and financial procedures and requirements are generally perceived as efficient under the RF. However, challenges associated with country-level reporting under the CF are perceived as delaying payments.

Sustainability

In general, those countries that have progressed from readiness to results-based finance have been able to sustain REDD+ technical capacity, structures and processes. This is particularly the case for middle-income countries where internal resources have been mobilized, and less so for resource-poor countries. National ownership, expressed through high-level political support and institutionalization of REDD+ structures, capacity and processes has been a key enabler of sustainability, while the financing gap between readiness and results-based action is identified as a key constraint.

Financing and capacity (at national and sub-national levels) are identified as important areas that need to be strengthened in a number of countries if REDD+ is to be effectively sustained moving forward. There is evidence that middle-income countries such as Indonesia or Costa Rica, which have internal resources and capacity to sustain and institutionalize REDD+ structures, systems and processes are more likely to do so than those countries with more limited finances, resources or capacity (such as Republic of Congo and DRC). Creating a regulatory framework for different forms of results-based financing (including voluntary carbon market projects), developing appropriate nesting arrangements and diversifying and unlocking new forms of finance will be key tasks for FCPF-supported countries in the coming months and years. The harmonization of public policies, strengthening enforcement and governance of forests and land-use and engaging with private sector actors in the extractive and land-use sectors are also ongoing challenges being faced by many countries.

FCPF countries have made important progress on the four building blocks of REDD+ readiness. Nearly 60% of the 46 FCPF countries are considered to have reached readiness in at least 3 of the 4 building blocks of REDD+ readiness and 20 countries constituting 44% of FCPF countries have put in place all four readiness building blocks. 74% of RF-supported countries have had their R-Package endorsed by the Participants Committee.

FCPF-supported countries are actively and successfully pursuing opportunities to expand opportunities for jurisdictional REDD+ RBP through a variety of mechanisms. To date, ten FCPF countries have accessed or have signed an agreement to access REDD+ RBPs, most of them through multilateral and bilateral programs, especially the GCF REDD+ RBP program. Of these, 6 have been able to sign agreements with Green Climate Fund, 2 with LEAF Coalition, 1 with REDD Early Movers, 1 with Central Africa Forest Initiative and 1 with Initiative for Sustainable Forest Landscapes.

Recommendations

Based on the findings and conclusions presented above, eight recommendations are provided with reference to current or future programming (beyond FCPF) and of relevance to the World Bank, international partners supporting REDD+ programming, and REDD+ partner countries:

With respect to both current and future programming, the evaluation made recommendations in relation to:

- **Addressing the financing gap**: Identify creative ways to support countries with limited internal financing to support their transition to RBP, including additional support to capacity development, supporting flexible carbon pricing schemes, upfront payments and supporting the smooth roll-out of BSPs.
- **Strengthening engagement of participating countries and non-state actors at global and country level (both at national and sub-national levels):** Strengthen the participation of participating countries and in particular non-state actors in CF meetings and rotating observers (over a three-year period) to increase representation. At a national level, strengthen co-ordination and oversight mechanisms through the direct involvement of non-state actors in the management of ERPs.

With respect specifically to future programming beyond FCPF (such as SCALE), the evaluation identified recommendations in the following areas:

- **Responding to the needs of high forest - low deforestation (HFLD) countries**, which are currently unsupported by the Carbon Fund. This would create incentives for continued forest protection and management in countries with historically low rates of deforestation.
- **Applying theory of change tools, particularly with regard to country-level programming:** This can help improve program design, strengthen monitoring and evaluation and adapting the design of ERPs in response to external changes and needs.
- **Effective capacity development:** The development of tailor-made, country-driven capacity needs assessments, supporting national as well as sub-national capacity building and ensuring that capacity development keeps up to date with external developments (including new approaches to MRV, emerging carbon finance opportunities and south-to-south exchange).
- **Gender mainstreaming:** In future global programs, reinforce and consolidate systematic integration and monitoring efforts on gender, with the aim to report on gender-related outcomes and impacts and better capture transformative gender change.
- **Strengthening private sector engagement:** Support REDD+ countries to strengthen the legal and regulatory environment for private sector actors in value chains that drive deforestation and forest degradation and strengthening links to high-integrity forest carbon markets, standards and projects at global, national and sub-national levels.

- **Benefit sharing:** Manage the trade-offs between equity and effectiveness in the implementation of BSPs and related management arrangements, where possible using existing systems for transferring resources to community level rather than creating new, parallel ones.
- **Supporting non-carbon benefits:** Provide adequate methodological support to REDD+ countries in the definition, design, implementation and monitoring of non-carbon benefits.

MANAGEMENT RESPONSE

Introduction

Established in 2008, the Forest Carbon Partnership Facility (FCPF) is a global initiative aimed at achieving REDD+, which stands for reducing emissions from deforestation and forest degradation, conserving forest carbon stocks, promoting sustainable forest management, and enhancing carbon stocks. FCPF assists 47 developing nations in Africa, Asia-Pacific, as well as Latin America and the Caribbean, in implementing REDD+ by developing national strategies, reference emission levels, measurement systems, and management structures, while supporting local livelihoods and biodiversity. FCPF's two funding mechanisms — the Readiness Fund (RF) and the Carbon Fund (CF) — have a total funding sum exceeding USD1.3 billion. The two mechanisms are supported by a multi-donor fund comprising 17 governmental and non-governmental entities, including the private sector.

The funding in the RF, amounting to over USD470 million, has been used to equip FCPF participant countries with the necessary REDD+ building blocks to access results-based payments (RBPs). As they progress, countries are able to mobilize upfront finance to make the necessary investments to implement their REDD+ strategies and/or investment plans as well as access RBPs from different sources. The World Bank has been supporting these countries in their mobilization of this upfront finance by piloting RBPs through the CF.

The CF has signed Emission Reductions Payment Agreements (ERPAs) with 15 countries for a total of USD721 million for over 144 million emission reductions (ERs).[5] So far, all 15 countries have reported results at least once. At the time of this letter, they reported approximately 93 million ERs in total, of which 70 million will be paid by the World Bank, with 23 million likely to be made available to markets, if desired by the country.

Payments have already been made to almost half of the participating countries. The availability of excess ERs, beyond the ERPA with FCPF, holds forth the novel possibility for countries to mobilize additional carbon finance for development. These carbon benefits are reaching beneficiaries as countries roll out their benefit-sharing arrangements. To ensure equitable and efficient access to benefits by local communities and Indigenous peoples, as well as their participation in decarbonization efforts, the multi-donor trust fund — EnABLE (Enabling Access to Benefits while Lowering Emissions) — is providing key technical and financial support.

Despite the overall success in supporting country readiness, the implementation of national REDD+ strategies has been affected by the insufficient mobilization of upfront finance and results-based finance. As such, the World Bank Group is seeking to address this limitation and provide additional support to REDD+ countries that either did not transition from the RF to the CF or would like to expand beyond REDD+. Specifically, it has created a Natural Climate Solutions (NCS) pillar under its new multi-partner trust fund — Scaling Climate Action by Lowering Emissions (SCALE).[6] SCALE provides a combination of technical assistance and results-based climate finance that will be blended with the World Bank's lending operations that provide part of the required upfront finance. It includes EnABLE as an associated trust fund to foster the meaningful inclusion of disadvantaged or marginalized groups across SCALE's ER programs.[7] SCALE and other funds are key beneficiaries of the lessons highlighted in this evaluation.

[5] One ER equals 1 ton of carbon dioxide equivalent (tCO_2e) of greenhouse gas emissions avoided or removed.
[6] See SCALE Website for more information.
[7] See EnABLE Website for more information.

In April 2023, FCPF commissioned its third independent evaluation. The purpose is to inform and strengthen current FCPF programming and related REDD+ activities, as well as future investments, through an assessment of FCPF's progress, achievements, and lessons learned. The evaluation also aims to provide accountability for the progress obtained and the results achieved.

Specifically, the evaluation sought to address these aims by 1) conducting a final summative evaluation of the RF; 2) examining the ongoing implementation of the CF; and 3) assessing FCPF's influence on the broader REDD+ architecture in recipient countries as well as its contributions to local livelihoods and other sustainable development co-benefits. International standards and best practices for program evaluation were followed. They included the Organisation for Economic Co-operation and Development's Development Assistance Committee's (OECD/DAC) International Evaluation Criteria of relevance, coherence, efficiency, effectiveness, impact, and sustainability.

This document outlines a response by the FCPF's Facility Management Team (FMT) to the key findings and recommendations from the evaluation report. Management is committed to taking them forward in current FCPF and REDD+ program implementation and using them to inform future programming, including SCALE and broader decision-making processes in sustainable forests and carbon markets.

Management's response to findings

Management is very grateful for the opportunity to learn from this independent evaluation. It recognizes that additional support and scaled-up financing are needed to achieve global climate and sustainable forestry goals, including international public climate finance and especially scaled-up private sector financing. Lessons learned on the effective design and implementation of REDD+ readiness and RBPs can help ensure that this financing is fit for purpose and catalytic in achieving its intended aims. While the long-standing RF closed officially in December 2022, the CF is currently fully committed to delivering its objectives and SCALE is taking its first steps toward its operationalization. This is, therefore, an opportune moment to learn from FCPF's implementation experience to inform ongoing and future efforts.

We acknowledge the extensive document review (over 300 documents); field analysis (seven in-depth and five light-touch country case studies, and four thematic case studies); interviews (more than 600 stakeholders); a global survey; and other efforts by the evaluators. This massive endeavor resulted in high-quality and robust evaluation results. We also greatly appreciate the participatory and consultative process in conducting the evaluation, with the engagement of Contributors, World Bank staff, government stakeholders, Project Implementation Units, and additional country-level stakeholders and communities. The evaluation also benefited tremendously from the Evaluation Oversight Committee (EOC) — a group consisting of independent experts, Contributors, and country representatives. It provided tireless input and direction throughout the year-long evaluation process; we are eminently grateful for their efforts.

Overall, the evaluation finds that FCPF has achieved positive results — in terms of relevance, coherence, effectiveness, impact, efficiency, and sustainability. FCPF has been highly relevant at both the global and country scales — occupying an important niche in the REDD+ and results-based climate finance landscapes while demonstrating flexibility in adapting to key global and country changes. Its relevance for high forest, low deforestation (HFLD) countries, however, could be improved as REDD+ methodologies mainly reward countries that have seen high rates of deforestation in the past. This concern will be considered as noted below. Regarding coherence, the evaluation finds strong coherence between past and current FCPF activities and national-level forest-related commitments, including those related to climate change and biodiversity. This thus ensures compatibility and synergy between FCPF and other REDD+ initiatives in the countries.

The evaluation finds that FCPF has generally been effective in delivering intended outputs, including capacity building in many technical areas (for example, safeguards and carbon accounting) and access to RBPs. It has also been effective in helping countries to mobilize finance — USD2.6 billion of FCPF and non-FCPF funding mobilized for readiness, with countries mobilizing eight times the FPCF readiness funding in RBPs. Furthermore, FCPF has also been effective in supporting national and global engagement with Indigenous peoples, local communities, women, and civil society through different means, including the Capacity Building Program. Key recommendations were made to strengthen benefit sharing and private sector engagement, which will be taken into consideration as noted below.

Regarding evidence on FCPF's impact, the evaluation finds significant achievements in climate mitigation (for example, 170 million tons of carbon dioxide equivalent [tCO_2e] by the end of 2025) and non-carbon benefits (for example, 11.4 million hectares [ha] of protected areas and more than 120,000 ha of forest restored, at least five countries reporting biodiversity benefits and at least six reporting livelihoods benefits, and the empowerment of Indigenous peoples). Nonetheless, there is still room for improvement, including further standardizing the reporting of non-carbon benefits. According to the evaluation, efficiency has been adequate, with countries mobilizing additional finance and meeting reporting requirements despite delays in completing the RF and CF milestones.

The evaluation highlights many compelling findings regarding sustainability. In particular, financing gaps have affected overall sustainability significantly, despite the significant progress that the countries have made in REDD+ building blocks, institutionalizing REDD+ frameworks, and accessing results-based finance beyond the CF. As a result, some countries face uncertainty regarding the continuity and operationalization of REDD+ institutional structures after the closure of the RF, even including CF countries.

This is a critical factor for the sustainability of REDD+ in developing countries. Although the FMT has continued to undertake efforts to address this gap in financing and sustainability, especially as part of the CF, additional efforts are needed to provide avenues for countries to access finance. As concessional finance is very limited, mobilizing private sector finance, including through carbon markets, is critical. The SCALE model of combining technical assistance, upfront investments, results-based climate finance, and access to markets can help to address this gap in a number of countries.

Management response to key recommendations

This section reflects on key recommendations, as presented in the evaluation report, and sets out a response.

On both FCPF and future programming beyond FCPF:

1. Addressing the financing gap

Management agrees that creative ways must be found to support countries with limited internal financing in their transition from readiness to RBPs. Although this was partially addressed in some CF countries by allowing advance payments under their financing agreements and looking for synergies with other World Bank lending operations, it remains a challenge for many CF countries. This issue is of even greater concern in non-CF countries, where insufficient financing from non-FCPF sources for results-based finance during the readiness phase has resulted in a substantial financing gap.

Going forward, we plan to address this gap through new approaches under SCALE. It will blend RBPs with upfront investments in capacity-building and mitigation activities. Other innovative approaches to mobilize upfront finance, such as carbon bonds and loan interest buy-downs, are also being considered under SCALE. We are collaborating closely with different partners to ensure that these lessons are integrated into

other initiatives; this has already resulted in the use of advance payments by other results-based finance programs.

2. Engagement of participating countries and non-state actors at global and country levels

Management agrees that the robust engagement of participating countries and non-state actors at both global and country levels is critical. We note that CF governance includes a rotation of Observers for participating countries and non-state actors through a "self-selection" process as stipulated in the FCPF Charter. Although participating countries and non-state actors do not have decision-making powers in the CF governance, their inputs are considered. FMT will consider ways to further enhance the participation of non-state actors.

At the country level, the World Bank continues to work with government counterparts and all relevant stakeholders in the design, development, and implementation of ER programs and benefit sharing plans (BSPs). The World Bank, through EnABLE, is strengthening coordination and oversight mechanisms in CF countries through the direct involvement of non-state actors via multi-stakeholder platforms at multiple levels. However, rolling this out in all CF countries will depend on the availability of resources.

Going forward, in SCALE, countries and non-state actors will be able to participate in the fund's programming as part of the Partnership Technical Committee that will be established and that will have a strong participation from FCPF stakeholders. The FCPF's FMT, whose staff participate actively on SCALE, will also continue to pursue opportunities for interactive knowledge exchange under both FCPF and SCALE. At the country level, EnABLE is expected to continue providing the same support to SCALE countries that it is already providing to CF countries.

On future programming beyond FCPF:

3. High forest, low deforestation (HFLD) countries

Management agrees with the importance of exploring alternative financing mechanisms for HFLD countries (for example, Bhutan, Guyana, and Gabon) and countries that are approaching their ER potential (for example, Costa Rica). FCPF is piloting financing to HFLD countries in two CF countries (Democratic Republic of Congo and Republic of Congo, representing around 13 percent of the portfolio), using adjusted reference levels and it is expected that these two countries will receive their first payments in the coming months.

Nevertheless, we agree that this is only one approach and may not be appropriate for all countries, and there is a need to identify additional mechanisms. As such, FCPF published a report entitled *Options for Conserving Stable Forests*: it lays out potential mechanisms to finance forests not under risk of deforestation.[8] Informed by this report, the World Bank is currently engaging at different levels within and outside the Bank and through different initiatives in an endeavor to identify potential solutions for these HFLD countries, and expects to pilot some of these opportunities in SCALE.

4. Theory of Change (ToC) tools, particularly concerning country-level programming

Management is in agreement that ToC is an important tool for designing effective ER programs. World Bank procedures now require all lending operations to have a clear ToC to articulate project and program design, demonstrate impact pathways, and define critical assumptions. As such, going forward, any program under SCALE will be required to develop a ToC before its approval.

[8] Sophia Simon, Meyru Bhanti, Robert O'Sullivan, Brent Sohngen, Melaina Dyck, and Timothy Pearson, 2021, *Options for Conserving Stable Forests*, Washington, DC: World Bank, https://documents1.worldbank.org/curated/en/541251635971110855/pdf/Options-for-Conserving-Stable-Forests.pdf.

5. Capacity development

Management agrees with the evaluation's identification of the need for more tailored entry points for readiness support to participant countries — in terms of scope, focus, timeline, and budget envelope — depending on the existing level of advancement and capacity. This is, indeed, critical for REDD+ sustainability in many countries, and we appreciate the recommendations made in this regard. We note that one example of such approach is the country-led programming for MRV support under the Global Forest Observation Initiative (GFOI), which has received technical and financial support from FCPF since its inception. GFOI seeks to put countries at the forefront and define needs to coordinate and tailor support from different partners. FCPF is planning to continue such efforts, for example, through a South-South community of practice related to inclusive and participatory forest monitoring. Going forward, SCALE will also be critical in continuing to support countries in capacity development.

6. Gender mainstreaming and non-carbon benefits

While the evaluation notes significant progress on gender inclusivity, we also agree that there is a need to strengthen monitoring and reporting efforts in this area. FCPF has been supporting gender mainstreaming and women empowerment through various methods, including supporting countries to develop and implement Gender Action Plans for their FCPF programs as well as conducting training on gender considerations in ERPs and BSPs for government entities and other stakeholders. In addition, FCPF conducted analyses and published several gender-related studies on land tenure and women's roles in low-carbon value chains and provided recommendations on strengthening these aspects in 15 FCPF programs. Gender aspects in FCPF governance were strengthened by having a gender specialist participating in governance meetings.

7. Private sector engagement

Management recognizes the private sector's pivotal role in scaling up climate-smart, sustainable land use. FCPF has been supporting partner countries in engaging with the private sector by promoting a positive enabling environment as well as economically and socially sustainable value-chain operations. In several countries, FCPF has supported the creation of national regulatory frameworks to create an enabling environment for the private sector to reduce emissions in their supply chains and attract carbon finance. However, we acknowledge that this has been uneven across FCPF countries. Specifically, FCPF's requirements concerning private sector engagement at the country level could have been made more prominent by incorporating them into the FCPF's Readiness Framework and the FCPF's Methodological Framework (MF), for instance.

In efforts to address this issue, the RF launched a set of private sector engagement activities in 2019. It resulted in the development of strategies to scale up the potential of REDD+ and reduce deforestation in seven supply chains. This, in turn, led to the adoption of concrete actions at the country level, including the development and implementation of sustainable models, as well as international workshops seeking to inform and mobilize private sector finance. FCPF also published a manual on REDD+ nesting to support countries in creating the necessary enabling conditions to attract additional carbon finance.[9]

At this time, with the RF closed and CF countries ending their reporting periods in 2024, there are limited opportunities for substantial improvements in private sector engagement in value chains within existing programs. However, opportunities for private sector engagement in carbon markets continue to arise. Excess ERs expected to be generated by CF countries, which are not covered by FCPF, could be made

[9] Charlotte Streck, Donna Lee, Javier Cano, Mercedes Fernandez, Pablo Llopis, and David Landholm, 2021, *Nesting of REDD+ Initiatives: Manual for Policymakers*, Washington, DC: World Bank, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/411571631769095604/nesting-of-redd-initiatives-manual-for-policymakers.

available to carbon markets. The World Bank Engagement Roadmap for Carbon Markets commits to supporting countries in this process.[10] The World Bank is also supporting CF countries by putting in place the necessary elements to access carbon markets effectively from their FCPF programs. They include the transaction infrastructure, increased market access (for example, CORSIA[11]), and the availability of an auction mechanism. Going forward, lessons from FCPF, which were integrated into more recent funds such as the Initiative for Sustainable Forest Landscapes (ISFL), will also be integrated into SCALE. In SCALE, new innovative financial instruments, such as green financing to incentivize private sector investments, are also being considered.

8. Benefit sharing

Management agrees on the importance of managing the trade-offs between equity and efficiency in the implementation of BSPs and related management arrangements. Currently, the Center for International Forestry Research (CIFOR-ICRAF) is concluding a review of global experience with benefit sharing schemes, which will result in the preparation of training modules to be rolled out across World Bank teams and CF countries in the coming fiscal year. Ongoing third-party monitoring (TPM) across several FCPF programs is also enabling the identification of lessons learned, including on equity and efficiency, that are being integrated into FCPF programs.

EnABLE is currently supporting CF countries in their implementation of benefit-sharing arrangements in order to promote increased equity and social inclusion. Although BSPs prescribe a significant proportion of benefits to communities, including to Indigenous Peoples, these groups may still not be able to effectively access these benefits without the necessary support due to historical and structural disadvantages and barriers. EnABLE serves to bridge that gap through direct grants to the civil society organizations in eight FCPF programs, and we are hopeful that it can be adequately resourced to support all 15 FCPF programs and SCALE programs, going forward. Enhanced benefit-sharing approaches and implementation are key components of the improved model being proposed under SCALE.

9. Non-carbon benefits

Similarly, management agrees with evaluation findings on the generation of non-carbon benefits and the need to improve reporting by systematizing and standardizing approaches and requirements for defining, measuring, and reporting on these areas. To help countries further achieve and measure these benefits, we are currently rolling out a pilot program for non-carbon benefit outcome certification. It seeks to support countries with a certification scheme, which will show the non-carbon benefits outcomes generated in a transparent manner. Countries could receive a premium linked to achieving this certified outcome. This pilot will be undertaken within FCPF, with the intent of further mainstreaming it as part of SCALE.

Conclusions

In summary, we deeply value the diligent efforts of the Baastel team in conducting a comprehensive assessment. This has resulted in a meticulously structured and high-quality report, supported by compelling evidence drawn from a diverse range of data sources. Given its timing in FCPF's evolution — marked by over 15 years of implementation experience and progress in community forestry, with ER payments being made and opportunities for commercializing excess ERs in carbon markets, this evaluation provides important guidance for a multitude of decision-making processes. Management remains committed to realizing the critical role of FCPF as a pilot program for innovative learning and transformational results-based climate finance, robust jurisdictional ER programs, and the delivery of high-integrity ERs.

[10] World Bank, 2024, “High Integrity, High Impact: The World Bank Engagement Roadmap for Carbon Markets,” https://www.worldbank.org/en/topic/climatechange/brief/the-world-bank-engagement-roadmap-for-carbon-markets.
[11] Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

1.INTRODUCTION

Deforestation and forest degradation are the second leading cause of global warming, responsible for about 15% of global greenhouse gas (GHG) emissions, which makes the loss and depletion of forests a major driver of climate change. Forests around the world are under threat: the world's forest area decreased by 178 million hectares between 1990 and 2020, which is an area about the size of Libya[12]. Deforestation continues to take place at alarming rates: between 2015 and 2020, the rate of deforestation was estimated at 10 million hectares per year[13]. The impacts of deforestation and forest degradation are felt by local communities, economies and ecosystems directly affected but also globally, as forests play a critical role in mitigating climate change by absorbing and storing carbon dioxide from the atmosphere. Combating both deforestation and degradation of forests has been identified as one of the most cost-effective ways to lower emissions. Therefore, reducing emissions from deforestation and/or forest degradation (REDD+) acts as a critical tool and supports countries' efforts to foster conservation and sustainable management of forests, and enhancement of forest carbon stocks, while also providing opportunities for sustainable development and poverty reduction.

Launched in 2008, the Forest Carbon Partnership Facility (FCPF) is the world's largest multilateral REDD+ financing mechanism. The FCPF was developed in response to a request for the International Bank for Reconstruction and Development to assist developing countries in their efforts in REDD+ by building their capacity and developing a methodological and policy framework that provides incentives for the implementation of REDD+ programs[14]. Administered by the World Bank (WB), the FCPF is a global partnership of governments, businesses, civil society and indigenous people's organizations focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries. The FCPF supports REDD+ efforts through two separate but complementary funds:

- The **Readiness Fund** (RF), which closed in December 2022, provided technical assistance and capacity building to participating countries to build a policy, institutional, and governance framework for future REDD+ investments. In total, 47 REDD+ country participants signed Participation Agreements with the FCPF, of which 45 had concluded Readiness Preparation Grant Agreements. The WB, the Inter-American Development Bank (IDB) and the United Nations Development Programme (UNDP) acted as Delivery Partners under the RF and were thus responsible for providing REDD+ readiness support services to distinct countries.
- The **Carbon Fund** (CF) provides Results-Based Payments (RBPs) to 15 countries that have advanced through REDD+ readiness and implementation and have achieved verifiable Emission Reductions (ERs) in their forest and broader land-use sector through jurisdictional Emission Reduction Programs.

[12] Food and Agriculture Organization of the United Nations (FAO), The State of the World's Forests, 2020.
[13] Food and Agriculture Organization of the United Nations (FAO), The State of the World's Forests, 2020.
[14] International Bank for Reconstruction and Development. 2010. Charter Establishing the Forest Carbon Partnership Facility. (https://www.forestcarbonpartnership.org/sites/fcp/files/fcp-docs/Documents/PDF/Mar2010/Charter-March17_2010_clean.pdf)

2. PURPOSE AND SCOPE OF THE EVALUATION

The purpose of this evaluation is to assess the FCPF's progress and achievements and to identify lessons learned while providing accountability to financial contributors and other stakeholders. Building on the first (2011) and second (2016) FCPF evaluations and on the baseline data collection exercise conducted in 2021 in five countries[15], this third FCPF evaluation is the final evaluation of the RF and assesses progress of the CF. It covered FCPF operations up to 15 August 2023, with a focus on the period since 2018, and spanned the 47 countries of the RF portfolio as well as the 15 countries of the CF portfolio.

The OECD/DAC evaluation criteria of relevance, coherence, efficiency, effectiveness, impact, and sustainability were used to provide a summative evaluation of the RF, an assessment of CF progress and lessons learned, and an examination of the influence of FCPF activities on broader REDD+ programming, including its contributions to local livelihoods and other sustainable development co-benefits. In addition, a forward-looking, formative lens was used to provide recommendations on the role of the FCPF moving forward, at a pivotal moment of the FCPF's evolution, with the closing of the RF and the launch of the first RBPs.

The **primary users** of the evaluation are: i) the Facility Management Team (FMT), World Bank management, and Delivery Partners; ii) REDD+ Participant Countries; iii) FCPF Carbon Fund Participants, which include contributors from the public sector (country governments), the private sector and Non-Governmental Organizations; iv) FCPF Observers including representatives of REDD+ countries, Indigenous Peoples (IP) and Local Communities (LCs)[16], Civil Society Organizations (CSOs), and the private sector; v) other WB initiatives such as Scaling Climate Action by Lowering Emissions (SCALE), Enhancing Access to Benefits while Lowering Emissions (EnABLE), and the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL).

[15] The purpose of the baseline studies, conducted by Baastel in Cote d'Ivoire, El Salvador, Ghana, Indonesia, and Peru, was to inform the development of a baseline for future evaluations and learning activities, namely this third program evaluation. See: https://www.forestcarbonpartnership.org/system/files/documents/pa13_2a._baseline_case_studies_final.pdf

[16] The evaluation team will refrain from using the abbreviation IPLC given the recommendation from the FMT and various UN bodies (including the UN Permanent Forum on Indigenous Issues, the Special Rapporteur on the Rights of the Indigenous Peoples, and the Expert Mechanism on the Rights of Indigenous Peoples) who write "We, the U.N. mechanisms of Indigenous peoples, urge all U.N. entities in their methods of work to refrain from conflating, associating, combining, or equating Indigenous peoples with non-Indigenous entities, such as minorities, vulnerable groups, or 'local communities', unless the data used have not been disaggregated. https://grist.org/global-indigenous-affairs-desk/iplc-the-acronym-that-is-keeping-indigenous-advocates-up-at-night/

3. OVERVIEW OF THE METHODOLOGY

The evaluation took place between April 2023 and April 2024 and was an iterative and highly participatory process, integrating feedback from the FMT, the Evaluation Oversight Committee (EOC),[17] as well as Carbon Fund Participants and Observers at key stages in the process. The evaluation team drew on extensive consultations of over 600 program-level and country-level stakeholders to ensure that evaluation findings are unbiased and take into account a wide diversity of perspectives. The methodology used is summarized as follows and described in greater detail in the methodological annex (Vol. 2, Annexes, Section 1.1).

A theory-based evaluation approach was used to assess FCPF progress, outcomes, and impacts at country level (see Vol. 2, Annexes, Section 1.1). An evaluation matrix, structured around 15 Key Evaluation Questions, was also developed to serve as a guiding framework for data collection, analysis, and triangulation (Vol. 2, Annexes, Section 1.2). The Monitoring and Evaluation Framework Indicators were informed by the evaluation (Vol.2, Annexes, Section 1.3).

A mixed methods approach was used for data collection and analysis. Particular attention was paid to collect and triangulate evidence from different sources as a way to develop robust findings that reflect the different scales (global, national, subnational) at which the FCPF operates, as well as the diverse perspectives of program stakeholders at each of these scales and across the diverse REDD+ country contexts. The following methods were used:

- An in-depth desk review of over 300 documents. The full list of documents reviewed is included in Vol.2, Annexes, Section 1.6.
- A portfolio analysis to assess FCPF progress in its M&E framework, including country progress against readiness and CF milestones (see Vol.2, Annexes, Sections 1.3 and 1.9).
- Thirty-seven semi-structured interviews and group discussions with key informants at the global level, totaling 88 participants. The full list of interviewees is available in Vol.2, Annexes, Section 1.7.
- An e-survey directed to country stakeholders in 31 RF and 15 CF countries. Forty-four responses were obtained from stakeholders in 29 countries, achieving a 18% response rate (see Vol.2, Annexes, Section 1.10).
- Seven in-depth country case studies and five light-touch country case studies.[18] A purposive sampling approach was followed to select these countries, drawing on a rapid portfolio overview conducted at the inception phase (Vol.2, Annexes, Section 1.4). In-depth case studies focused on CF countries (Costa Rica, Ghana, Guatemala, Indonesia, Mozambique, Nepal, and Republic of Congo), while light-touch case studies complemented in-depth country case studies by focusing on four RF-supported countries (Argentina, Panama, Bhutan and Uganda) and one CF country (Democratic Republic of Congo (DRC)). About 500 country stakeholders were consulted through interviews and focus group discussions (see Vol.2, Annexes, Section 1.8).

[17] The EOC, which included representatives of participating countries, financial contributors, observers / stakeholders, and a delivery partner, provided oversight and advice throughout the evaluation process. Three meetings were held with the OEC during the inception phase of the evaluation to validate the evaluation design, two meetings were held at the data collection and analysis stage to report on progress and validate preliminary findings, and a sixth meeting was held to validate this final evaluation report.

[18] As per evaluation design, these fed into overall final evaluation report instead of being treated as standalone case studies.

- Four light-touch, thematic case studies on the following topics:
    1. FCPF influence on REDD+ and the forest sector at the country level.
    2. Indigenous Peoples' engagement in FCPF supported activities.
    3. FCPF contribution to non-carbon benefits.
    4. FCPF contribution to countries' access to carbon markets and climate finance.

The evidence thus collected was coded and triangulated with the aid of Dedoose, a data analysis software. Any identified data gaps were addressed through follow-up and pointed data collection. An "evidence trail" was then developed to integrate all the evidence relevant to answer each indicator in the evaluation matrix. Drawing on the evidence trail, data were then analyzed using a mix of content, descriptive, and statistical analysis. The theory of change was used as an analytical tool to develop a nuanced understanding of the different change processes that are taking place at country level, and how they are working for different groups of stakeholders.

Preliminary findings were presented to the FMT, the EOC and the January 2024 Carbon Fund meeting for feedback. Revised and validated findings were used as a basis to develop preliminary conclusions, lessons learned, and recommendations, which were discussed at multiple work sessions with the FMT. The draft evaluation report, which integrated the input received, presented evaluation findings by Key Evaluation Question, as well as draft conclusions, recommendations, and lessons learned. This final evaluation report integrates the feedback provided by the FMT, the EOC, and Carbon Fund Participants.

The main constraints faced in data collection were the following:

- **Limited access to contact data for e-survey and low response rate:** It was originally planned to send out the e-survey to a variety of country stakeholders engaged with the FCPF, including both governmental and non-governmental actors (e.g., CSOs, Indigenous Peoples', private sector organizations, and REDD+ specialists). However, it was not possible to gather contact data for non-governmental actors in most countries, despite the efforts of the FMT in this direction, because there is no centralized record of country stakeholders engaged with the FCPF. Thus, the e-survey sample was smaller than originally planned and strongly focused on government stakeholders. The e-survey response rate was 18%, which is below the average response rate of this type of e-surveys, which is around 25% in Baastel's experience. This was likely due to a combination of factors, including the smaller sample size, government staff rotation, and the fact that by 2023 the FCPF was only active in the 15 CF countries. Given these limitations, e-survey data were used exclusively to triangulate and complement more robust data gathered through other methods.

- **Change in light-touch country case study sample**: The original sample for light-touch case studies included Thailand instead of Bhutan. As it became clear that it was not feasible to conduct a case study in Thailand within the timeframe available, Bhutan was selected as replacement as it was similar to Thailand in terms of the sampling criteria used. While a shorter time was available to conduct the Bhutan light-touch case study, this was completed successfully.

- **Concerns over under-reporting of non-carbon benefits**: The evaluation findings presented in this report point to the somewhat inconsistent reporting of non-carbon benefits within the context of jurisdictional emission reduction programs. Furthermore, as non-carbon benefits were not rewarded in terms of payments from the Carbon Fund, there is a concern that some aspects (such as biodiversity or livelihood benefits) may be under-reported. In the evaluation findings presented below, reported benefits are derived from field observations through the in-depth case studies, or data produced in the Emission Reduction Monitoring Reports (ER-MRs).

4. EVALUATION FINDINGS

4.1. Relevance

4.1.1. How and to what extent has the FCPF maintained the relevance of its activities to participating countries?

Overall finding: The FCPF has demonstrated continuous adaptability in addressing countries' emerging needs on technical and implementation aspects and has adopted a "learning by doing" approach. Some of the FCPF requirements (for example, in relation to carbon accounting and safeguards) were perceived as inflexible, complex and not necessarily tailored or relevant to countries' needs**.** However, it is also recognized that robust, transparent and rigid standards are required if the credibility and integrity of emission reductions are to be assured.

4.1.1.1. How have the Readiness Fund (RF) and the Carbon Fund (CF) activities evolved to respond to current context and needs of REDD+ participants in view of FCPF objectives, stakeholder and programming in FCPF countries, including in response to exogenous changes?

Key findings: Overall, the FCPF has remained relevant to the high-level needs of participating countries on REDD+. The FCPF demonstrated flexibility in adapting to key global and country changes, by providing tailored responses to key stakeholders' needs and by making necessary adjustments to implementation timelines. Countries with high levels of forest cover and low deforestation rates indicated that the Carbon Fund is of more limited relevance to their national circumstances.

Overall, the FCPF has remained relevant to the high-level needs of participating countries on REDD+. Over the course of the evaluation period, international REDD+ mechanisms, architecture and rules have continued to evolve in line with UNFCCC resolutions and agreements. The FCPF has been able to keep abreast of these external changes and ensure ongoing and continuous relevance at both international as well as national levels. During the evaluation period, a number of changes were seen in country contexts and priorities. These changes included changes in political direction following elections, institutional and ministerial reforms, disasters and conflicts, the COVID-19 pandemic as well as changes in institutional capacities and knowledge on REDD+ and on the overall strategic and long-term vision for REDD+. The COVID-19 pandemic affected FCPF activities in 10 out of the 12 countries covered by the case studies. The effects of COVID-19 ranged from travel and meeting restrictions to the suspension of activities, changes in the implementation approach and budget cuts or adjustments. According to country case study reports, government reforms and shifts affected and delayed FCPF activities in at least 7 out of the 12 countries sampled and affected the level of capacities and resources allocated to REDD+ activities as well as their ability to lead and implement REDD+ programs.[19] In countries with a strong institutional and policy framework for REDD+ (such as Costa Rica and Indonesia), REDD+ has remained a priority, across successive governments.[20] Overall, according to findings from the e-survey conducted as part of this

[19] In-depth case study reports (Mozambique, Panama and Republic of Congo)
[20] In-depth case study report (Indonesia and Costa Rica)

evaluation, since 2018, the commitment and interest from the governments in REDD+ strengthened, and communities' awareness and engagement has improved[21]. Although this trend cannot be fully attributed to FCPF, it is clear that it made an important contribution in this regard. This trend is exemplified by both Argentina and DRC, where case study findings indicate that REDD+ has become a national policy priority over the past five years.[22]

The FCPF demonstrated flexibility and individual responsiveness when adapting to the changes that impacted upon the program at both global and country levels. Where there was need to adjust the country timeline, due to new or emerging challenges (or simply because activities took longer than anticipated), the FCPF was responsive. As the requirements for REDD+ have evolved and as technology has developed, the FCPF has been able to adjust technical support and advisory services to individual countries in areas such as MRV, forest monitoring, carbon baselines and carbon accounting. Guidelines produced for the Methodological Framework (MF) were made in light of lessons learned at country level and in line with new and emerging requirements[23].

Box 1: Adapting approaches to consultation in Panama

In Panama for example, following an official complaint made by IPs regarding their involvement in the development of the R-PP, consultations were re-established using an active listening approach and the 'Balú Wala methodology' – a self-managed consultation tool used by indigenous people based on the respect of their traditional authorities and ancestral means of participation and communication. Furthermore, the program involved the Indigenous Technical Committee, training indigenous technicians in community forest monitoring in indigenous territories, and training women leaders in forest conservation (Source: Light-touch Case Study Report, Panama).

Overall, FCPF requirements (particularly in relation to carbon accounting and safeguards) are perceived as being complex and inflexible by country stakeholders and not always tailored to country realities, although they are also essential to ensure the methodological robustness of ERs[24]. Country case studies point to the very real challenges faced by countries in terms of building sufficient internal capacity and understanding with regard to the application of the complex technical requirements demanded by FCPF, particularly in the field of MRV, carbon accounting and safeguarding. However, it is also recognized that robust, transparent and rigid standards are required if the credibility and integrity of ERs are to be assured, particularly in light of recent critical press coverage questioning REDD+ credits[25]. Furthermore, dissatisfaction was expressed by country-level stakeholders regarding the ERPA price of USD 5/ton[26] which is lower than other REDD+ programs such as Lowering Emissions by Accelerating Forest finance Coalition (LEAF). However, the price difference is justified by the very real differences that exist between FCPF to other comparable REDD+ initiatives, particularly given that, in addition to prior readiness support and finance provided by FCPF and by the WB (e.g. the Forest Investment Program (FIP)), technical assistance is provided by the CF at no cost to participating countries and that support is being provided to countries with the intention to auction excess credits through online auction mechanisms at higher prices[27].

[21] E-Survey
[22] Light-touch case study report (Democratic Republic of Congo and Argentina)
[23] In-depth case studies
[24] In-depth case study report (Guatemala, Nepal, Indonesia, Ghana, Republic of Congo)
[25] See for example: https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe
[26] In-depth case study report (Ghana, Indonesia, Republic of Congo); Program-level interview, WB representatives and consultants, Mexico
[27] Program-level interview, FMT.

The FCPF Carbon Fund was found to have more limited relevance for High Forest and Low Deforestation (HFLD) countries. Ten HFLD countries are part of FCPF, but only two of them have been selected as part of the CF (DRC and R. of Congo) although several are working on REDD+ through other mechanisms. Countries such as Bhutan, Panama and the Guyana have either low or negative deforestation rates due to low population densities, low demands for forest conversion or the presence of strong national policies to protect, conserve or restore forests. The Carbon Fund currently only rewards those countries that have been able to reduce rates of deforestation (with greatest rewards going to those countries that have previously had high prevailing rates of deforestation) and as such is of more limited value to HFLD countries[28].

4.1.1.2. How have FCPF activities incorporated lessons learned from ongoing implementation and new knowledge into program design and implementation? (4.1.c)

Key Findings: The FCPF has incorporated new knowledge and lessons learned from on-going implementation through a mix of informal and formal mechanisms: i) continuous engagement and exchanges with a diversity of stakeholders at national and international level; ii) formal training events; iii) linkages with FCPF-supported programs (such as South-South Knowledge Exchange (SSKE) Program for Sustainable Cocoa) and iv) knowledge and communication products. The exchange of lessons learned between and within countries has played an important role in supporting the REDD+ countries to carry out program activities effectively.

The FCPF has incorporated new knowledge and lessons learned from on-going implementation through a mix of informal and formal mechanisms. The FCPF has engaged a diversity of stakeholders, including academics, practitioners, projects and Non-Governmental Organizations (NGOs) in order to incorporate new knowledge into implementation, learn from previous experiences and create a network of national and local stakeholders for sharing knowledge. The FCPF was able to support learning through the long-term presence (and institutional memory) of key staff within leading government institutions responsible for implementation and co-ordination of REDD+[29], through the establishment of multi-stakeholder platforms[30] and through training programs and events such as the Program for Sustainable Cocoa. The program was established to promote the exchange of knowledge between cocoa- producing countries with the objective of promoting a sustainable, zero-deforestation and transparent value chain. It was able to develop a global community of practice around sustainable cocoa production, linking the following six participating countries of Colombia, Peru, Brazil, Dominican Republic, Ghana and Ivory Coast[3132].

The FCPF was able to collect and disseminate science-based or technological updates through various mechanisms. These included: i) Independent technical inputs provided through the Technical Advisory Panel (TAP) and review by Participants Committee (PC) members and the WB team[33]; ii) Exchanges with FCPF and/or WB colleagues for technological updates related to forest cover, carbon accounting and MRV[34]; iii) Website pages including comprehensive training materials and resources for

[28] In-depth case study, Republic of Congo; Light-touch case study (Bhutan and Panama)
[29] In-depth case study Guatemala
[30] In-depth case study (Ghana, Mozambique)
[31] In-depth case study Guatemala
[32] FCPF FCPF First Evaluation Report
[33] FCPF First Evaluation Report
[34] In-depth case study report, Nepal

countries.[35] The FCPF website is regularly updated with project documents, events, publications to give access to data on country progress, methodological guidance relating to MRV, safeguards, benefit sharing, transaction registry and other technical requirements as well as all key documents relating to lessons learned, documentation of experience and progress reporting. Reference material is available in well-communicated and easily accessible formats. The FCPF also funded a platform with training materials[36] as part of the participation and support of the Global Forest Observation Initiative (GFOI) office. Overall, the incorporation of new knowledge was through more informal channels, through training events and exchange of lessons learned, rather than through established formal mechanisms, and as a result harder to track and attribute.

4.2. Coherence

4.2.1. How coherent is the FCPF with other interventions at country and global level?

Overall finding: FCPF activities are highly coherent with forest and climate commitments and interventions at national and global level.

4.2.1.1. To what extent are FCPF activities consistent with forest-related climate change commitments, policies and actions, and in other related areas (such as biodiversity)?

Key Findings: There is a strong coherence between past and current FCPF activities and national, forest-related climate change commitments, policies, laws and actions. The FCPF Charter commits to ensuring overall consistency with UNFCCC guidance on REDD+. Furthermore, the evaluation found evidence of strong coherence between FCPF support and national biodiversity commitments.

There is a strong coherence between past and current FCPF activities and national, forest-related climate change commitments, policies, laws and actions. All case study countries reviewed are actively engaged with the implementation of commitments under UNFCCC, including those relating to forests and land-use change. The UNFCCC represents the primary global instrument for securing, implementing and monitoring progress against forest-related climate mitigation commitments at national level by participating countries. In addition to this, the New York Declaration on Forests, was agreed in 2014 with the objective of halving forest loss by 2020 and ending it by 2030[37]. A number of FCPF partner countries are also signatories to the Glasgow Leaders Declaration, which was agreed at COP26 in Glasgow to halt forest loss and land degradation by 2030[38].

[35] In-depth case study report Mozambique
[36] https://openmrv.org/
[37] https://forestdeclaration.org/about/new-york-declaration-on-forests/
[38] https://forestclimateleaders.org

The FCPF Charter commits to ensuring overall consistency with UNFCCC guidance on REDD+. The FCPF Charter states its objective as "to assist eligible REDD Countries in their efforts to achieve emission reductions from deforestation and/or forest degradation by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD". In doing so, it commits through its operating principles (p12) "*to ensure consistency with the UNFCCC guidance on REDD*"[39]. As such, FCPF can be seen as a mechanism to translate emerging methodological guidance developed through the UNFCCC into workable support for REDD+ readiness and results-based finance through a range of advisory and financial support services. Furthermore, the MF makes clear that the standards developed by FCPF are not intended to prejudice the outcome of the UNFCCC negotiation process with regard to REDD+, but instead may be modified, if necessary, in accordance with any relevant guidance existing or emerging under the UNFCCC negotiation process[40].

The development of the FCPF has taken place in parallel with the evolution of global negotiations through UNFCCC, which was impacted by the slow pace of negotiations and the failure of the cap-and-trade scheme to materialise (which was expected to provide the basis for a large-scale compliance market, including the United States). This has lessened the relevance of the FCPF's initial emphasis on demonstrating market-based solutions to REDD financing and led to difficulties in attracting private sector participation in the Carbon Fund[41]. Despite these challenges, FCPF was able to develop a common readiness framework that was provided to all participating countries throughout the portfolio. This framework was particularly important during the absence of any global agreement on REDD+ prior to the Warsaw Framework for REDD+ adopted in November 2013. As noted by the Second Global Evaluation of FCPF, FCPF's role as a key player in international REDD processes was strengthened following the formal acceptance of REDD+ in the UNFCCC (and indeed may have directly contributed towards it). This provided a conducive environment for the FCPF to offer lessons from readiness preparation and implementation to international climate negotiations[42].

Evidence of strong coherence between FCPF support and national biodiversity commitments was found. All of the case study countries sampled are also signatories to the Convention on Biological Diversity and have pledged to support conservation of ecosystems and species (many within forested areas) and FCPF has been instrumental in supporting this commitment. In Indonesia, for example, there is a high level of coherence and consistency between the Government of Indonesia's commitments on climate change, biodiversity conservation and sustainable development – and the FCPF. The FCPF has provided a practical, step-wise action plan and accompanying support for realizing reductions in emissions from land use change and forestry and has implemented a range of interventions to conserve biodiversity[43]. In the DRC, the government used biodiversity criteria when selecting the ER program area (Mai-Ndombe Province)[44]. In Bhutan, FCPF activities are strongly consistent with Bhutan's forest-related climate commitments through UNFCCC, as well as biodiversity commitments through the Convention on Biological Diversity (CBD) and CITES. FCPF has supported Bhutan meet its responsibilities under UNFCCC – including submitting its Forest Reference Emission Level (FREL) in 2020 and Nationally Determined Contributions (NDCs). Bhutan has also recently expanded the land area within protected areas, which has contributed to meeting its targets under the CBD[45].

[39] International Bank for Reconstruction and Development. 2020. Charter Establishing the Forest Carbon Partnership Facility.
[40] World Bank. (2020). Carbon Fund Methodological Framework
[41] IEG. 2012. Global Program Review, Forest Carbon Partnership Facility
[42] Indufor. 2016. Second evaluation of the Forest Carbon Partnership Facility. Final Report. World Bank
[43] In-depth case study, Indonesia
[44] In-depth case study, Democratic Republic of Congo
[45] Light-touch case study, Bhutan

4.2.1.2. What is the level and extent of compatibility or synergy of FCPF with other REDD+ interventions at country level?

Key findings: FCPF countries have received support for readiness activities from a diverse array of organisations, including bilateral and multilateral entities or programs, alongside various international NGOs. There is generally a high level of compatibility and synergy between the FCPF and other REDD+ activities at the country level, but country case studies point to a number of divergences in approach and methodology between the FCPF CF Methodological Framework and other initiatives. In a number of cases, countries have established a framework for co-ordination of external sources of support to avoid duplication and enhance synergy – in many cases with FCPF support.

FCPF countries have received support for readiness activities from a diverse array of organisations, including bilateral and multilateral entities or programs, alongside various international NGOs. 78% of countries participating in either or both Readiness and Carbon Funds are also participating in leading global initiatives for REDD+ readiness and implementation and/or Result Based Payment program. This includes a range of programs and initiatives such United Nations REDD Program (UN-REDD), ISFL, FIP, Joint Crediting Mechanism (JCM), REDD Early Movers (REM), Norway's International Climate and Forest Initiatives (NICFI), Green Climate Fund Results-Based Payment (GCF RBP) and the LEAF coalition. Of the 15 Carbon Fund countries, 11 are participating in other results-based financing for REDD+ through different mechanisms and programs (Table 1 in Portfolio Analysis)[46].

FCPF activities have largely been, and continue to be, complementary and generally well-coordinated with other interventions at the national level. In several case study countries, coordination efforts at the national levels and the flexible approach adopted in the implementation of FCPF appear to have encouraged complementarity across interventions and very few example of duplication of effort have been identified.[47] Coordination efforts by central government agencies and by implementing partners were generally successful. In a number of cases (such as Indonesia and Mozambique[48]), the Emission Reduction Program (ERPs) themselves provided a coordination mechanism through which several different initiatives were regrouped and coordinated. Multi-stakeholder cooperation has been particularly important in providing support to countries on technical issues related to MRV or FREL. Several cases of initiatives building on one another were also identified.

The FCPF's flexibility in terms of national level activities has been an important factor in harmonizing REDD+ activities at the national level. During the readiness and the implementation phases, the World Bank and the Government of Indonesia have made conscious efforts to align the interventions with those supported by several other Development Partners in the country. In Argentina, important adjustments were made to the originally planned activities of the Readiness Fund due to changes

[46] Other results-based financing for REDD+ in Carbon Fund countries: LEAF Coalition (Costa Rica, RoC, Ghana, Nepal, Vietnam), NICFI (DRC), GCF (Chile, Costa Rica, Indonesia), ISFL (Indonesia), JCM (Indonesia), FIP (RoC, DRC, Ghana, Guatemala, Indonesia, Lao PDR, Mozambique, Nepal).
[47] Case studies and program-level interviews (Delivery partners, FMT, other REDD+ actors)
[48] In-depth country case studies (Indonesia and Mozambique).

Box 2: Conflicting MRV methodologies in Costa Rica

In the context of its submission to ART, Costa Rica complied with the TREES methodological framework which gave rise to some differences with the data produced based on the FCPF methodological framework. This was primarily due to a difference in terms of the reference period used (Under the FCPF, Costa Rica chose to use a 13-year reference period, and TREES uses a 5-year reference period) which led to inconsistencies in the level of potential ERs available during a given period. UNFCCC modalities provide no guidance on the period to consider. Standards or programmes for RBPs, on the contrary, can provide specific requirements where there has been a change over time towards a preference for a shorter reference period. The FCPF MF (2016, 2020) and GCF RBP scorecard (2017) require or prefer a period of 10 to 15 years. Instead, more recent guidance from ART-TREES (2021) and VCS-JNR (also 2021) requires a much shorter period of five and four to six years, respectively. However, several examples from the case studies demonstrate that the divergences have not been irreconcilable and have mainly required time and effort to make necessary adjustments. (Source: In-Depth Case Study, Costa Rica)

in government priorities, as well as the fact that the country had already made progress in implementing various components with the support of the UN REDD program. Similarly, in Bhutan, the FCPF grant was flexible enough to allow for adjustments to the budget based on the availability of complementary support from other donors or actors. This type of flexibility embedded in the FCPF approach has been key to the optimal use of resources.

One strategy adopted by several countries was the coordination of all REDD+ activities by the government agency responsible for the implementation of the REDD+ agenda. For example, in Uganda, all REDD+ funds are integrated into one budget that enabled the National REDD+ Focal Point to coordinate planning and utilization of all financing support and deliverables. Moreover, joint monitoring missions were carried out by the FCPF with other readiness donors. In Mozambique, the REDD+ Decree, developed with FCPF support, defines a process for undertaking REDD+ in using a jurisdictional approach, under the coordination and supervision of the National Fund for Sustainable Development (FNDS) which attributes licences for REDD+ interventions and defines requirements. This mechanism now ensures coordination of ongoing and future REDD+ efforts in the country. It prevents duplication by allocating districts to specific project proponents.

In a small minority of case study countries (2 out of 12), some duplication in readiness activities were identified. In Ghana and Nepal, there was some evidence of duplication of project activities carried out by NGOs at the local level without government coordination. In Ghana this involved activities related to awareness raising, capacity building and institutional support, while in Nepal similar activities and techniques were piloted simultaneously in different locations. The FCPF Baseline Data Collection Exercise conducted in 2021 highlighted that duplication was identified in Ghana due to different government institutions being responsible for FCPF and for the FIP.[49] Concerns were also expressed about coordination efforts reaching local/activity level, which can also lead to duplication. This is reinforced, in some countries such as in Indonesia and Peru, by the high number of activities, which can generate confusion and make it difficult for stakeholders (especially non-government stakeholders such as the private sector) to keep track of progress on the REDD+ agenda on the ground. Stakeholders in Côte d'Ivoire expressed the view that insufficient coordination could be preventing effective learning and replication of successful ideas and models within the country[50].

Country case studies point to a number of divergences in approach and methodology between the FCPF and other initiatives. For example, countries must demonstrate compliance with different safeguarding requirements and any national SIS must be comprehensive enough to meet the requirements of different initiatives. Also, due to divergences in methodological requirements of different programs, further work is necessary when projects adopt the FCPF framework and there is an attempt to sell ER

[49] Baastel. (2021). FCPF Baseline Data Collection Exercise report
[50] Program-level interviews PA/PC members.

through another initiative such as the LEAF Coalition or similarly when projects developed through another standard are integrated into the FCPF ER-P[51],[52]. It is important to note here that lack of co-ordination around standards for different initiatives at an international level has resulted in this divergence and proliferation in different approaches and that any blame has to be apportioned equally.

Efforts have been made to facilitate cross learning and collaboration between different global REDD+ mechanisms. For example, GCF has actively participated in FCPF meetings to facilitate exchange of experiences and in March 2017**,** the FMT responded to the call of the GCF for public inputs on the design of REDD+ results-based payments. As follow-up to the submission of these inputs to the GCF, the FMT participated in a GCF expert workshop held in April 2017, in Bali. The workshop brought together about 60 attendees from developing and developed countries and international organizations to discuss results-based payments for REDD+ in the GCF and the role of the GCF in supporting REDD+ actions. The FMT shared lessons learned from the development and implementation of FCPF's Methodological Framework[53]. Furthermore, FCPF has participated in the Global Forest Observation Initiative (GFOI), supported a number of GFOI workshops and co-authored important guidance documents[54]. Finally, the case studies revealed that in several cases FCPF activities have not been synergistic with the project-based VCM, and that projects developed for this market have often been implemented independently of FCPF activities (details on this are provided in section 5.4.3.6 below).

4.2.1.3. To what extent are FCPF activities synergistic with global carbon markets for ER?

Key Findings: Although demand for forest project scale carbon credits has surged in the VCM in recent years, serious concerns raised about the reliability of project-based REDD+ VCM credits in early 2023 could critically compromise this trend. In this context, FCPF support for the generation of high-integrity jurisdictional REDD+ ER appears more relevant than ever. FCPF ERs have recently been approved as eligible emission units for the 2021-2023 Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) pilot period, and there is strong evidence that countries that have satisfied the requirement of the FCPF methodological framework are amongst the most attractive candidates for participation in the LEAF Coalition.

Although demand for forest project scale carbon credits has surged in the VCM in recent years, serious concerns raised about the reliability of REDD+ VCM credits in early 2023 could critically compromise this trend. In the past decade, in addition to the FCPF CF, several opportunities for REDD+ non-market result based payments have emerged, including the GCF RBP, the REM, NICFI, and the Biocarbon Fund. At the same time, the number of private companies and organizations pledging net-zero or carbon-neutral strategies has increased exponentially. This resulted in an increased interest in offsetting carbon footprints, elevating the demand for carbon credits in the VCM. Within the VCM, forest carbon credits are proving increasingly popular and REDD+ is the project type with the highest volume of credits

[51] Costa Rica and Ghana have demonstrated that they can use one system to report to multiple frameworks. Methods for activity data and emission factors do not differ between initiatives, only how these are computed (Pers Comm, Andres Espejo)
[52] In-depth and light-touch case studies
[53] FCPF (2018). Annual report 2017
[54] https://www.reddcompass.org/mgd/resources/GFOI-MGD-3.1-en.pdf

in this market[55]. However, there have been serious concerns raised in the international media about the reliability and credibility of REDD+ VCM credits earlier this year, affecting this recent trend[56]. As such, the emphasis on the development of robust standards for REDD+ through the FCPF methodological framework is increasingly important if participating countries are to be able to expand their engagement in carbon markets and REDD+ initiatives overall.

The more recent CORSIA and the LEAF Coalition are driving an important emerging market for jurisdictional scale REDD+ ER. Another anticipated vehicle for forest finance may be the market or non-market-based international cooperation under Article 6 of which the rules are currently being defined. However, as these different approaches, mechanisms and initiatives develop, the overall landscape within which REDD+ is operating is becoming increasingly complex.[57], [58]

The relatively limited support a country can presently receive from a given funding source compared to the volume of ER that can potentially be generated nationally implies that they generally explore several potential sources of financing at the same time. The different standards that countries need to comply with to access various financial opportunities often requires additional efforts on top on the already considerable work done to access just one specific source.

T**he FCPF ERs have recently been approved as eligible Emissions Units for the CORSIA 2021-2023 Pilot Phase (and conditionally approved for the first compliance phase 2024 – 2026) and there is strong evidence that countries that have satisfied the requirement of the FCPF methodological framework are amongst the most attractive candidates for participation in the LEAF Coalition**.[59],[60]. Case studies and interviews with other REDD+ actors indicated that countries experience with the FCPF methodological framework has facilitated compliance with standards required by the LEAF coalition (ART-TREES) and the GCF RBP Pilot, in large part due to the readiness structures, processes and mechanisms that are already in place and require only partial modification to meet the standards of these different programs[61]. In December 2023, two CF countries (Costa Rica and Ghana) became the first two countries to sign ERPAs to deliver ART-TREES verified ER credits to LEAF Coalition buyers.

The level of appetite for FCPF ERs in the voluntary market remains to be seen, as the program is currently engaged in efforts to assist the governments of Indonesia and Vietnam and others in identifying markets and buyers for additional ERs generated through the implementation of their respective ER-Ps. This has included assistance in exploring options for auctioning excess ERs. The WB has also entered into an agreement with two third-party transaction registry providers to assist with the transaction of excess FCPF ERs, whereby excess ERs can be cancelled from the WB-managed CATS registry and then reissued in the third-party transaction registry as FCPF credits. However, while the FCPF standard is seen as a market leader in jurisdictional REDD+, the relevance and applicability of the FCPF standard in the mid to long-term will be limited unless the FCPF standard is incorporated into forthcoming programs following the closure of the FCPF CF. The market demand and source of existing carbon investments will likely shape the methodology(ies) being followed by countries beyond FCPF's lifetime[62].

[55] https://www.forestcarbonpartnership.org/sites/fcp/files/2022/May/2022.05.24_carbon_markets_development.pdf
[56] https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe
[57] TNC and CI. (2022). International REDD+ Standards and Financing: Eligibility Requirements
[58] Program-level interviews, other REDD+ actors
[59] Program-level interviews, FMT
[60] https://www.icao.int/environmental-protection/CORSIA/Documents/TAB/CORSIA%20Eligible%20Emissions%20Units_March2023.pdf
[61] In-depth and light-touch case studies
[62] Program-level interviews, other REDD+ actors

4.3. Effectiveness

4.3.1. How effective were the RF and the CF in delivering FCPF outputs and what factors affected this performance?

Overall finding: The RF and the CF were effective in delivering FCPF outputs. Countries have made significant progress in completing readiness milestones and components and those that moved to the CF have received or are advancing towards their first payment for verified ERs.

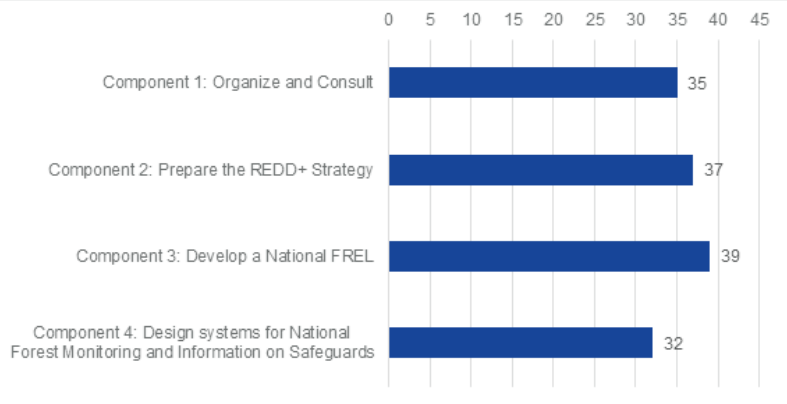
4.3.1.1. What outputs have been achieved by the RF and the CF to date, both globally and in specific country/stakeholder group contexts? (Indicators 1.1, 1.2.a to 1.2.d, 1.3.a to 1.3.f, 2.1.a, 2.1.b, 2.2.a to 2.2.g, 2.4.a, 2.4.b, 2.4.c, 3.1a, 3.2b, 3.3.a, 3.3.b, 4.2.a, 4.2.b, 4.2.c, 1.A)

Key findings: Countries have made significant progress in completing readiness milestones and components. Out of 19 countries that signed a letter of intent to access the CF, 14 countries had submitted their first Monitoring Report by the evaluation cut-off date of August 15, 2023, and 3 had received their first payment for verified Ers, with other following in late 2023 and early 2024. The main activities supported by the FCPF were stakeholder consultations, institutional strengthening, capacity building, and policy and legal framework support, mainly, but not exclusively, for the development of the REDD+ Strategy. Key context elements that have positively influenced RF and CF outputs include political commitment, stakeholder engagement, coordination of readiness support from different donors, and policies already in place. The main negative context elements mentioned are limited government staff and budget, low government capacity, COVID-19, and the complexity of REDD+ requirements and standards.

Countries have made significant progress in completing readiness milestones and components. By its closure in December 2022, the RF had disbursed USD 298 million dollars, 79% via the World Bank and 21% via Delivery Partners. The RF disbursement rate for RF countries both via the World Bank and the Delivery Partners is 96% (Indicator 1.3.f.), while the average disbursement rate for CF countries is 95%[63]. Furthermore, by December 2022, 98% of REDD+ participant countries had signed a Readiness Preparation Proposal (R-PP) grant agreement and 74% of them had their Readiness Package (R-Package) endorsed by the Participant Committee (Indicator 1.A.). Among the case study countries, only Argentina and Panama have not submitted their R-Package. Figure 2 presents the degree to which countries supported by the RF completed different elements of their R-Packages. Countries have made significant progress in completing R-Package components, reaching an average score of 4.3 out of 5. 26 countries completed all four readiness components[64] (Figure 2).

[63] Portfolio analysis
[64] Portfolio analysis. A rating of 4 or more ("Significant progress" and "Completed") is considered as completed.

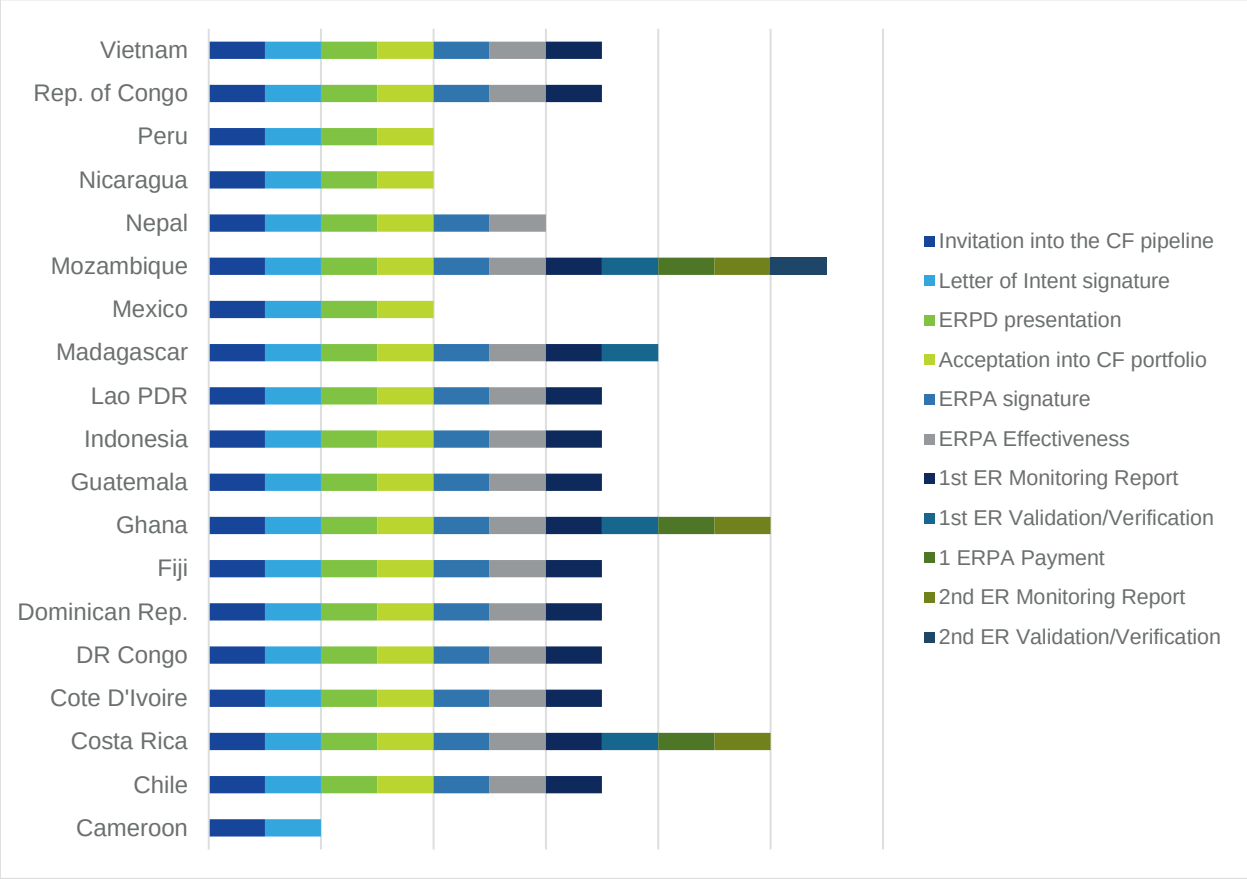
Figure 2: Number of REDD+ Participant countries that have completed R-PP components[65]



Progress in the delivery of results from the CF has also been effective, with 14 out of 15 CF countries having submitted their first Monitoring Report by this evaluation data collection cut-off date of August 15, 2023, and 3 having received their first payment for verified Ers. The FCPF Second Evaluation found that the Emission Reduction Programme Idea Note (ER-PINs) presented to the CF exceeded the target, thanks to the tailored technical assistance provided to countries[66]. According to the portfolio analysis, out of 19 countries that signed a letter of intent, 4 (Cameroon, Mexico, Nicaragua, and Peru) were unable to establish an ERPA with the WB and thus are no longer considered part of the CF. By the evaluation cut-off date of August 15, 2023, (with the exception of Nepal), all remaining countries have submitted their first Monitoring Report, and four had completed the validation and verification process. Three countries (Costa Rica, Ghana, and Mozambique) had received their first payment for verified Ers (with other countries following in late 2023 and early 2024) and had also submitted their second Monitoring Report. Mozambique has also completed the verification of the 2nd ERMR and received a partial advance payment for emission reductions reported under the second monitoring report.67 (Figure 3).

[65] FCPF Annual report indicator breakdown 2022.
[66] Indufor (2016). Second Evaluation of the Forest Carbon Partnership Facility: Executive Summary.
[67] Country case studies (in-depth and light touch), Portfolio analysis, FCPF Annual report indicator breakdown 2022, FCPF, CF Post-ERPA Dashboard, updated June 2023.

Figure 3: Milestones reached by countries in the Carbon Fund by Aug. 15, 2023[68]



The activities supported by FCPF in all case study countries included stakeholder consultations, institutional strengthening, capacity building, and policy and legal framework support.

The evaluation team found evidence that the FCPF has supported gender mainstreaming in all country case studies (mainly through funding for the development of gender roadmaps / action plans), while evidence was gathered that communication and knowledge exchange was supported in at least seven of them, in addition to global knowledge and communication activities.[69]

A range of factors influenced the effectiveness of RF and CF outputs. According to country case studies and program-level key informant interviews, a number of factors positively influenced the achievement of RF and CF outputs as presented below.

- political and government commitment (in 9 of the case study countries and one interview),
- broad-based stakeholder engagement (6 out of 12 case study countries and 2 interviews),
- coordination of readiness support from different donors (6 out of 12 case study countries),
- enabling policies already in place (3 out of 12 case study countries).[70]

[68] FCPF External Dashboard April 2023 and CF Post-ERPA Dashboard June 2023
[69] Country case studies (in-depth and light touch)
[70] Country case studies, program-level interviews with FCPF management, Delivery Partners, donors, members and observers of governance bodies, other multilateral agencies engaged with REDD+)

Country case studies and program-level key informant interviews indicate that the following context elements hindered the achievement of outputs[71]:

- limited government staff and budget (6 out of 12 case study countries and 4 interviews),
- the COVID-19 pandemic (4 out of 12 case study countries and 3 interviews),
- the inherent complexity and novelty of REDD+ requirements (4 out of 12 case study countries and one interview).

4.3.2. How effective was the RF in building country capacity to deliver REDD+ or to access REDD+ funding?

Overall finding: The RF was effective in building country capacity to deliver REDD+ readiness or access additional REDD+ funding by providing a roadmap and step-wise approach. However, the financing of REDD+ institutional frameworks remains a key issue for many countries as they transition to results-based financing and projects.

4.3.2.1. To what extent has the RF contributed to country capacity to deliver or access REDD+ funding? (Indicators OV.1.B, 1.B, 1.C)

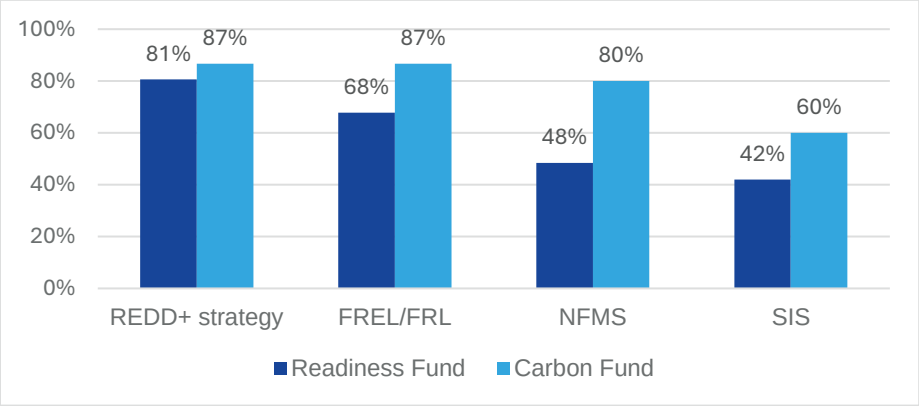
Key findings: The FCPF has contributed to country capacity to deliver or access REDD+ funding by providing a roadmap with clear steps and requirements. The REDD+ strategy and the FREL were the most advanced readiness milestones, while the least advanced were the National Forest Monitoring System (NFMS) and Safeguards Information System (SIS), due to the challenges faced by countries in the operationalization of these new systems. In the majority of countries, the RF has catalyzed readiness co-financing and has contributed to the establishment of an institutional setup for REDD+. However, there are challenges for the continuity and operationalization of these institutional frameworks after the closure of the RF, as financing remains a key issue for many countries as they move to RBPs. Remedial measures (such as advance payments and sequencing with other WB projects) have mitigated this challenge to some degree. While progress in the implementation of REDD+ instruments is moderate across the portfolio, there are several instances in which countries have used these instruments, either to access RBPs under the CF or to access other sources of REDD+ finance.

The FCPF has contributed to country capacity to deliver or access REDD+ funding by providing a roadmap with clear steps and requirements. In terms of delivery of readiness milestones, the portfolio analysis conducted indicates that, as of August 2023, 22 FCPF supported countries had in place a REDD+ Strategy, FREL, NFMS *and* SIS, thus exceeding the target of 16 countries for Fiscal Year 2023. The REDD+ strategy and the FREL were the most advanced readiness milestones reached, while the least advanced milestones were the NFMS and SIS[72]. This trend had already been identified in the baseline exercise conducted in 2020. Country case studies revealed challenges in the operationalization of these systems: the NMFS needs further work to be operationalized in five out of 12 case study countries, while the SIS has yet to be developed in two case study countries and needs further work in five additional

[71] Country case studies, program-level interviews with FCPF management, Delivery Partners, donors, members and observers of governance bodies, other multilateral agencies engaged with REDD+)
[72] Portfolio analysis

countries[73]. These findings are in line with previous FCPF evaluations, which highlight the role played by the FCPF in assisting countries to achieve REDD+ readiness by providing a roadmap with clear steps and requirements[74].

Figure 4: Proportion of RF and CF countries that have developed a National REDD+ Strategy, a FREL/FRL, a NFMS and a SIS (Indicator OV.1.B.)[75]



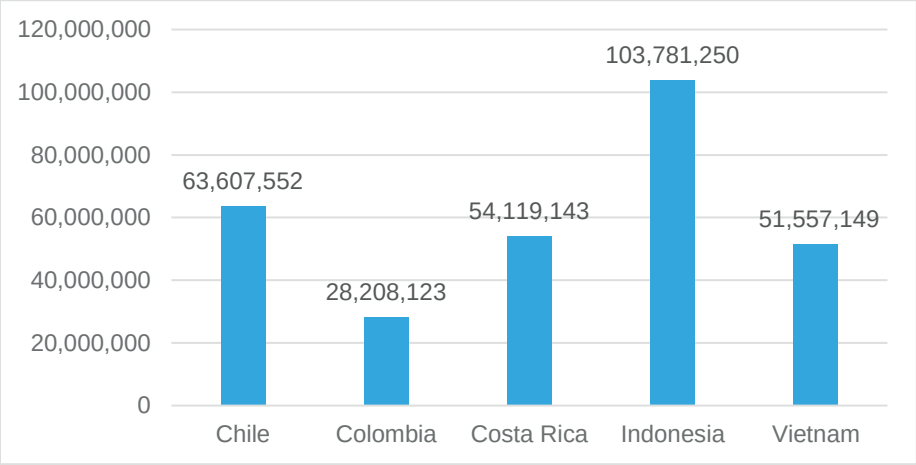
The e-survey suggests that implementation of REDD+ instruments is still at initial stages. The national REDD+ strategy was reported as fully implemented by 27.3% of e-survey respondents (plus 34% to a moderate extent), the FREL by 38.6% (plus 29.6% to a moderate extent), the NFMS by 29.6% (plus 27.3% to a moderate extent), and the SIS by 18.2% (plus 27.3% to a moderate extent). Interviews with FCPF management indicate that introducing strong environmental and social safeguards has been a key contribution of the FCPF and have helped build a global market for robust REDD+ carbon credits. This suggests that MRV and safeguards were novel for many countries and, as a consequence, are taking longer to be operationalized and implemented[76]. This process has also been affected by the funding gap experienced by some countries as they transition from the RF to RBPs[77].

In the majority of countries, the RF has contributed to the establishment of an institutional setup for REDD+. However, there are challenges for the continuity and operationalization of these institutional arrangements after the closure of the RF, as financing remains a key issue for many countries as they move to RBPs. In all case study countries, the RF helped establish or strengthen a REDD+ Unit or Secretariat as well as REDD+ coordination and consultations mechanisms. 55% percent of e-survey respondents affirmed that the RF contributed to a high extent to the establishment of an institutional setup for REDD+ in their country, and 30% to a moderate extent[78]. These findings are in line with the Baseline Data Collection Exercise conducted in 2020[79]. While some of these REDD+ units are still operating, country case studies and the e-survey point to challenges regarding the continuity and operationalization of these institutional setups after the closure of the RF in several countries, citing lack of funding as a key challenge faced by governments. For instance, in 5 out of 12 case study countries (2 of which are in the CF) the REDD+ institutional setup is currently operational only to some extent, and in Panama it is still in the process of being established[80].

[73] In-depth and light touch case studies
[74] Indufor (2016). Second Evaluation of the Forest Carbon Partnership Facility: Executive Summary
[75] Aggregated data from the FCPF M&E Results Framework, FY2023.
[76] In-depth country case studies, E-survey, Program-level interview with FCPF management
[77] In-depth and light-touch case studies
[78] E-survey
[79] Baastel (2021). Case Studies Baseline Data Collection Exercise
[80] Country case studies (In-depth and light touch) and E-survey

Participants of the RF and CF have been highly effective in mobilising external financing in support of REDD+. From the whole portfolio of the FCPF, 37 countries were able to mobilize additional funds to support their REDD+ Readiness process. In total, USD 2.28 billion were mobilized, including 93% of public finance and 7% of private finance, for an average of USD 61.85 million per country. Sixty-five percent of finance mobilized to support REDD+ Readiness processes were grants (Indicator 1.B.). All case study countries mobilized additional resources to support their readiness process; while the amounts mobilized widely vary, they mainly consist in public finance in the form of grants[81]. Ten out of 12 case study countries have used the instruments developed with FCPF support, either to access RBPs under the CF (6 countries) or to access other sources of financing (4 countries). Five countries with endorsed R-Packages were able to secure a total amount of USD 301 million in REDD+ ER payments through non-FCPF ER schemes (Chile, Colombia, Costa Rica, Indonesia and Vietnam)[82] (Figure 5). This is discussed in further detail in Section 5.6.2.2 of this report.

Figure 5: Amount of REDD+ ER payments secured by countries with endorsed R-Packages through non-FCPF ER schemes (in USD) (Indicator 1.C.) [83]



4.3.2.2. What were the main factors contributing to (or hindering) the advancement of REDD+/Carbon Fund readiness at the country level? What helped some countries join the Carbon Fund, and what were the bottlenecks for others?

Key findings: The main factors that contributed to the advancement of REDD+/CF readiness at country level were political leadership, institutional setup, and broad-based stakeholder engagement. The international context (mainly, complementary international funding and technical assistance), in-country technical capacity, and enabling national or local policy and strategy also were enabling factors in some countries. The main bottlenecks faced by countries were low technical capacity, international factors (such as COVID-19), limited private sector incentives, financing gaps prior to receipt of RBPs and legal gaps regarding the transfer of ER titles.

[81] In-depth and light touch case studies, Portfolio analysis
[82] Portfolio analysis
[83] Lima REDD+ Information Hub / GCF website and Vietnam ER-MR1.

Political leadership and country ownership was a key factor in contributing to advancement of CF outputs at national level. The main factors that facilitated advancement of readiness for delivering RBPs at country level are political leadership and national ownership; a strong institutionalized framework anchored within existing national institutions and structures; the contribution and support from projects and donors with expertise and financing for REDD+; the existence of relevant national policies and programs facilitating the implementation of sustainable forest management and climate mitigation[84].

Financing and capacity gaps were identified as a key factor constraining progress in CF outputs. The main constraining factors identified were a lack of technical capacity in areas such as safeguards, MRV and carbon accounting (and the broader conditions for ER payments); external factors such as the COVID-19 pandemic, the lack of viable investment models or incentives for the engagement of private sector entities involved in land–use change; the upfront financing required and lack of available funding from government; and legal gaps regarding the transfer of ER titles, as in some countries (such as Ghana, Guatemala and Indonesia) there was a lack of legal clarity regarding land, natural resource and carbon rights which are required to facilitate ER title transfers[85].

The overall perception by country stakeholders is that the process to deliver RBPs under the CF has been generally robust and enabling, but lengthy, complex and resource intensive[86].

4.3.3. How effective has the Carbon Fund been in supporting countries in achieving results-based payments?

Overall finding: Overall, the CF has been relatively effective in supporting countries in achieving RBPs, while the effectiveness of the distribution (and realisation) of carbon and non-carbon benefits has yet to be proven.

4.3.3.1. To what extent and in what ways has the CF influenced the capacity and interest of countries to implement REDD+ RBPs? (Indicators 2.A, 2.B, 2.C)

Key Findings: FCPF support has built readiness capacity, triggered an interest in jurisdictional RBPs and provided countries with an opportunity to pilot an RBP scheme. The CF has committed to purchasing up to 144 million tCO2e of ERs through the ERPAs signed with 15 countries (15% below the target of 170 million tCO2e) (Indicator 2.A). Excess ERs generated might increase this figure. ER country commitments range from 2.5 million tCO2e (Fiji) to 22 million tCO2e (Indonesia). Rough estimates of the amount of finance mobilized to support the delivery of CF ERPs range from USD 495 million to USD 570 million (Indicator 2.B), with large differences in the amounts of finance reported as mobilized by each country.

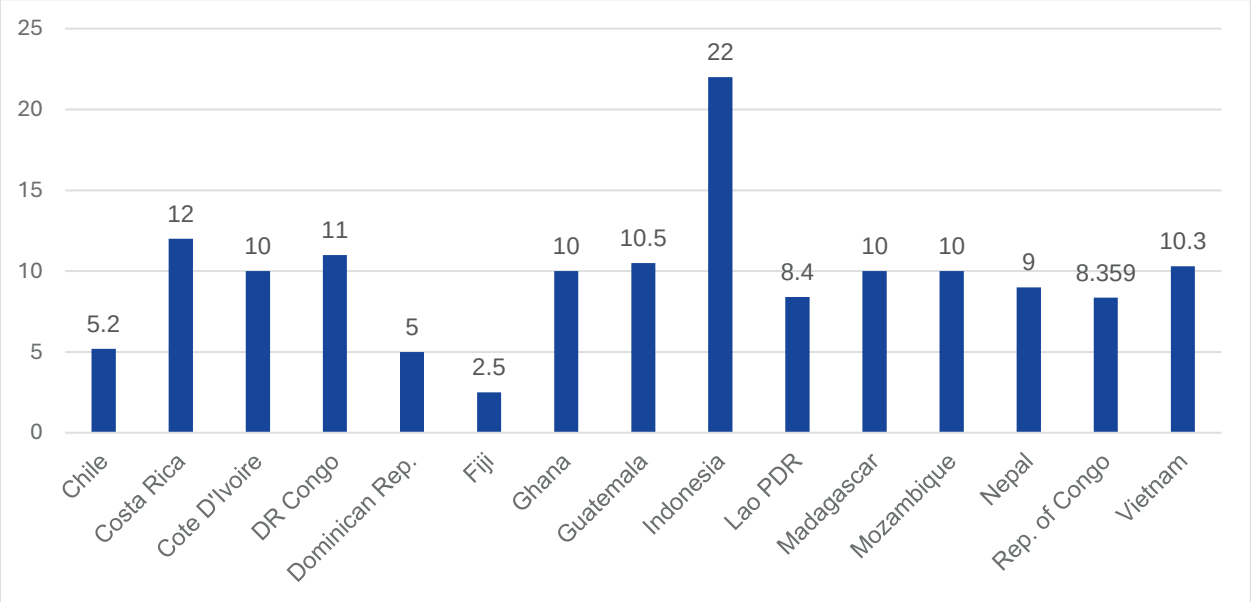
[84] In-depth and light touch case studies; E-Survey and program-level interviews with FMT staff
[85] In-depth and light touch case studies; E-Survey and program-level interviews with FMT staff
[86] Case studies in 8 CF countries, e-survey, interview with member of governance bodies

FCPF support has built readiness capacity, triggered an interest in jurisdictional RBPs and provided countries with an opportunity to pilot an RBP scheme. Case studies confirm that the FCPF contribution to establishing or strengthening the elements of four building blocks of REDD+ readiness (National REDD+ Strategy, FREL/FRL, NFMS and SIS) has been key in enabling countries to access and/or apply for REDD+ RBPs and to pursue carbon market opportunities for jurisdictional REDD+ credits.

Evidence shows that the standards and management tools supported by the FCPF were used to implement RBPs. The conditions to receive payments under the ERPAs, such as the development of a Benefit Sharing Plan (BSP) and the adoption of the Methodological Framework, were successfully met by countries who have received ER payments and have been instrumental in advancing towards the disbursement of RBPs. The ER Transaction Registry (CATS) is coherent with the ER payments made. As of September 2023, CATS tracks four transactions, totaling 38.7 million verified ER units, and 30.7 million ER units have been issued. A buffer of 8.4 million ER units has also been established. Some ERs are non-tradable meaning that countries may use them to justify their own NDCs[87]. Out of the 15 CF countries, 14 have submitted their first ER Monitoring Reports while 3 countries (Costa Rica, Ghana, Mozambique) have submitted a second ER Monitoring Report[88].

The CF has committed to purchasing up to 144 million tCO_2e of ERs through the ERPAs signed with 15 countries (15% below the target of 170 million tCO2e) (Indicator 2.A). (Figure 6). 41% percent of these commitments are in Africa, 26% in Asia and the Pacific, and 23% in Latin America and the Caribbean (LAC). The ERPAs in HFLD countries (Congo and DRC) represent 13% of commitments. The excess ERs generated by countries might increase these figures.

Figure 6: Number of tons of CO2e emission reductions and removals committed through signed ERPAs (tCO_2e) by country[89]



[87] Portfolio review
[88] Document review of 15 Carbon Fund Country ER-MRs; In-depth case study countries
[89] FCPF Annual Report Indicator Breakdown FY23

Significant volumes of finance have been leveraged by CF countries to support implementation of RBPs. A key indicator regarding the capacity and interest of CF countries to implement REDD+ RBPs is the amount of finance that has been mobilized to support the delivery of CF ERPs. This figure is not available for all CF countries and varies widely depending on the sources consulted. According to the portfolio analysis conducted by the evaluation team, USD 570 million have been mobilized to implement the ERPs in seven countries (Indicator 2.B.)[90] (Costa Rica, Ghana, Indonesia, Lao PDR, Madagascar, Mozambique, and Vietnam). However, based on data from country case studies, USD 495 million have been mobilized to implement the ER-Ps in seven CF countries (Costa Rica, DRC, Guatemala, Indonesia, Mozambique, Nepal, and Republic of Congo[91]). The amounts of finance reported as mobilized by each country also vary widely. This might depend on (a) how these amounts are calculated, (b) the additional investments made by the country government in the ER-P and (c) the efforts made to mobilize international finance. In all CF countries, the finance mobilized is predominantly public.

4.3.3.2. What have been the key barriers, facilitating factors, and overall effectiveness in developing and delivering RBPs under the CF?

Key findings: Based on the evidence collected, the main factors enabling the delivery of RBPs are (i) financial incentives, (ii) political support for REDD+ (iii) existing institutional capacity, (iv) the assistance of the Delivery Partner, (v) the involvement of local organizations, and (vi) the existence of relevant national policies and programs facilitating the implementation of sustainable forest management. The main barriers identified were (i) land tenure and legal arrangements around ER transfers, (ii) the approval of BSPs, (iii) the upfront financing and capacity required to develop RBPs, and (v) the process of receiving and distributing RBPs.

A number of factors are identified that support effectiveness in developing and delivering RBPs. Key enabling factors identified include the potential financial incentives provided by RBPs; strong national ownership and political leadership across government (at both national and sub-national levels); enabling national policies, legal frameworks, and government strategies that are coherent with the objectives of climate change mitigation through forests and land use; the guidance, financial assistance, and technical advice provided by the Delivery Partner in both readiness and implementation phases; national capacity in key technical areas such as MRV, safeguards, forest monitoring and carbon accounting; and strong engagement from local organizations whose activities are complementary and supportive to REDD+ objectives

The main barriers identified were the requirements to provide upfront financing and sufficient national capacity required to develop and deliver RBPs; lack of legal clarity regarding land, natural resource and carbon rights which are required to facilitate ER title transfers; and challenges relating to the approval and implementation of the BSPs[92]. For instance, Mozambique is facing delays in delivering monetary benefits to communities following reception of its first RBP, which is affecting the credibility of the process among government and non-government stakeholders (for more detail on this, see section 5.3.3.4 below).[93]

[90] Portfolio analysis based on the FCPF Annual Report Indicator Breakdown FY23 and the latest ER-MRs for Lao PDR, Madagascar, Mozambique and Vietnam.
[91] In-depth country case studies
[92] In-depth case studies (all); Program-level interviews, PA/PC members
[93] In-depth case study, Mozambique

4.3.3.3. How effective are the standards and management tools supported by the FCPF, including the FCPF Methodological Framework (MF), to implement RBPs?

Key findings: Evidence shows that the standards and management tools supported by the FCPF were successfully used to design and implement ERPs. The conditions to receive payments under the ERPAs, such as the development of a BSP, were met by countries who have benefited from RBPs and have been instrumental in their disbursement. The MF and the other standards and management tools supported by the FCPF, partly driven by REDD+ requirements, are found to be complex by country stakeholders. Despite the complexity, countries generally see the value of using the FCPF MF for its rigor, which gives credibility to the ERs generated. Stakeholders have highlighted the useful support of the WB in applying the MF.

The BSP, a condition of effectiveness for every country signing an ERPA, was produced and used by the three countries (Costa Rica, Ghana and Mozambique) who had received RBPs by the evaluation data collection cut-off date of August 15, 2023. For instance, Costa Rica was successful in developing and agreeing a mechanism for transferring rights and paying for ERs produced by forest owners[94]. The process required extensive discussions and consent from land and forest owners, before transfer of legal title could be agreed[95].

The MF is widely seen by participating countries as being thorough, rigorous, comprehensive and robust (and therefore of high integrity) but complex and technically challenging, requiring new skills, financing and competencies if this capacity is to be internalized within government institutions. Despite the complexity, countries generally see the value of using the FCPF MF for its rigor, which gives credibility to the ERs generated. Stakeholders have highlighted the useful support of the WB in applying the MF[96].

4.3.3.4. How effective are benefit sharing arrangements and the delivery of non-carbon benefits, particularly for local communities? (Indicator 2.D)

Key findings: The effectiveness of benefit sharing arrangements has yet to be proven. The main bottlenecks to the disbursement of the RBPs to the beneficiaries are existing legal arrangements and administrative capacities and systems. Many beneficiaries are not yet in a position to receive payments, due to an absence of legal agreements or an official bank account into which payments can be deposited. In other cases, the structures and systems for benefit sharing were still in the process of being established at the time of payment. Exploring how trade-offs between equity (reaching as many beneficiaries as possible) and effectiveness (providing adequate and timely incentives) can be negotiated and balanced will be important as BSPs move into full-scale implementation. The delivery of non-carbon benefits for local communities is discussed in Section 5.4.1.

[94] In-depth case studies (Ghana, Costa Rica and Mozambique)
[95] In-depth case study, Costa Rica
[96] Program-level interviews (FMT); In-depth case studies (Ghana, Indonesia, Costa Rica and Mozambique)

The effectiveness of benefit sharing arrangements has yet to be proven. The number of countries that have received RBPs and have disbursed these funds onwards to the local level is limited and as such, it is not possible to fully assess the effectiveness of benefit sharing arrangements yet, particularly to the community level. As of August 2023, only three CF countries have received ER payments, Mozambique, Costa Rica, and Ghana. In Ghana, close to 100% of funds have been disbursed to local communities and local government structures. In Mozambique, funds have only so far been distributed to local government bodies. In Costa Rica, only 15% of the total allocation to local communities has been disbursed so far. In Indonesia, of the advance payments received to date, funds have only been transferred to provincial government bodies but not onwards to lower-level stakeholders.[97]

Box 3: Benefit sharing plans in Indonesia

In Indonesia, the BSP is complex and ambitious, targeting a wide range of actors from government, private sector, and civil society. The BSP provides clear and logical guidance on how key agents of deforestation and forest protection will be rewarded or compensated for actions leading to emission reductions and forest conservation. The "reward" allocation (10% of the total) goes to communities who have managed areas of forest with low levels of deforestation. This potentially removes the perverse incentive that would otherwise channel funds only to those areas with historically high levels of deforestation (Source: In-depth case study report, Indonesia)

BSPs have been prepared in all CF countries and, overall, these documents are well prepared, ambitious in scope and aim to reward (or compensate) stakeholders engaged in delivering ERs through sustainable forest management[98].

The main bottlenecks to the disbursement of the RBPs to the beneficiaries are existing legal arrangements and administrative capacities and systems. Many beneficiaries are not yet in a position to receive payments, due to an absence of legal agreements or an official bank account into which payments can be deposited. In other cases, the structures and systems for benefit sharing were still in the process of being established at the time of payment. The FCPF has prepared and disseminated clear guidance on the development of BSPs including how to manage the expectations of potential beneficiaries to ensure that they are realistic.[99] Despite the high quality and ambitions of BSPs in CF countries, evidence from case studies suggests that operational and institutional arrangements for benefit sharing have not been fully established in many case-study countries, creating delays, inefficiencies and bottlenecks in disbursements (Table 3).

Table 3: Benefit sharing arrangements and current status in Costa Rica, Ghana, and Mozambique

CF Country	Institutional arrangements of benefit-sharing plans	Effectiveness / progress to date
Costa Rica	• Agreement between Costa Rica Environmental Bank Foundation (Fundación Banco Ambiental – FUNBAM in Spanish) • No data could be obtained on the disbursement of fund to the Green Business Fund and the Inclusive Fund for Sustainable Development and their respective beneficiaries.	• Around 15% of landowners have received payments • Difficulty formalizing agreements for payment distribution
Ghana	• The CF transfer was received at the Bank of Ghana and into the Ghana's REDD+ Dedicated Account, administered by the Ministry of Finance	• Disbursements to Indigenous Peoples' and local governments are close to 100% • Perceived as being efficient

[97] In-depth case studies (Mozambique, Costa Rica, Ghana and Indonesia)
[98] In-depth case studies (all)
[99] FCPF. 2019 Guidance Note on Benefit Sharing for ER Programs
[99] In-depth case study report, Indonesia, Annex Indicators

	• No arrangements in the BSP for further distribution over the different levels of government. • It was agreed that no cash would be handed out. The allocation for the HIA Communities will be spent in community development projects • Disbursement to HIA through special accounts	
Mozambique	• Benefits to communities are allocated through a call for proposals process for community initiatives designed and implemented by community-based organizations (CBOs) • BSP monitoring platform provides real time data on the implementation of the plan	• Community-based organizations not yet engaged / contracted to distribute BSP • Distribution of funds to private sector awaiting operationalization of matching grant scheme • Significant delays noted

Exploring how trade-offs between equity and effectiveness can be negotiated and balanced will be important as BSPs move into full-scale implementation. As BSPs are in the process of being operationalized or rolled out, countries are having to balance considerations of efficiency, effectiveness, equity and coverage. Clearly, there are trade-offs to be negotiated in this regard – implementing a highly inclusive and detailed BSP may score highly on ensuring all stakeholder groups responsible for ERs are compensated or rewarded, but at the same time, if the time taken to deliver these benefits is too long or the sums paid are too low, stakeholders may become disillusioned and pursue alternative land-use pathways.

4.3.4. How effective has FCPF been at engaging with the private sector, women, Indigenous Peoples and other marginalized groups?

Overall findings: At a global level, the FCPF has been effective in engaging representatives of the private sector, Indigenous Peoples, women, and civil society. Effectiveness and inclusiveness of stakeholder engagement in consultation and governance bodies varies at country level.

4.3.4.1. How, why, and to what extent have private sector entities engaged with REDD+ as a result of FCPF activities, and what have been the outcomes of these engagements? (Indicator 2.3.a, 2.3.b)

Key Findings: At the global level, the private sector is represented by observers in FCPF governance bodies. At the national level, some countries have been more successful than others in engaging with private sector actors, namely companies involved in agriculture, forestry, and livestock, in many cases through national trade associations to reach a wider range of stakeholders**.** Engagement with the private sector has generally declined during the transition from RF to CF. The main enabling factors to private sector engagement at the country level were identified as (i) financial incentives, (ii) capacity building and existing programs, and (vi) interest in community well-being through corporate social responsibility. The main barriers

identified are (i) the lack of viable financial investment models, (ii) requirements and costs for ER certification and (iii) lack of knowledge, awareness or communication on ERPs.

At a global level, the private sector is represented by observers in FCPF governance bodies. FCPF governance bodies have made a point of engaging with the private sector, providing observer status to at least one private sector representative who has been actively engaged in policy level discussions[100,101]. Between 2018 and 2022, one Private Sector Observer participated on average in each PC meeting, including Terra Global, the International Emissions Trading Association, CDP, and the Local Energy Alliance Program. During the same period, BP took part in CF meetings as a Carbon Fund Participant and two Private Sector Observers participated on average in each meeting, including (PriceWaterhouseCoopers, the Climate Markets and Investment Association, Terra Global, the International Emissions Trading Association, and CDP).[102]

At the national level, some countries have been more proactive than others in engaging with private sector actors, in many cases through national trade associations to reach a wider range of stakeholders. Although the FCPF has provided some guidance on engaging with the private sector at a global level[103], no evidence was found of any national level private sector engagement strategies within the context of case studies undertaken for this review. While there is evidence that some countries have established formal partnerships with the private sector (see below), the exact number of these partnerships is difficult to identify due to the absence of any agreed definition, nor was it possible to estimate accurately the level of investment leveraged through these partnerships[104]. It should be noted, however, that, in some countries, private sector actors were also engaged as beneficiaries in BSPs.

Engagement with the private sector has generally declined during the transition from RF to CF. During the period of RF support, many countries were pro-active and engaged with numerous private sector actors from value chains linked with deforestation and forest degradation, including companies involved in agriculture, forestry, and livestock (Box 4). In many cases, engagement was undertaken through national trade associations, which facilitated communications with a wide range of private sector actors from large multi-national corporations, through medium sized enterprises down to more informal, small-scale actors[105].

Box 4: Private sector engagement during REDD+ readiness in Bhutan

In Bhutan, private sector representatives were strongly engaged when preparing the National REDD+ Strategy, given the important role they plan in the management of Bhutan's forests. The national Association of Wood Based Industries was engaged in national consultations, while individual sawmillers, furniture manufacturers and chain saw millers were consulted in divisional consultations. Training, capacity building, market research and study tours were organized to strengthen the sector. (Source: Light-touch case study, Bhutan).

Private sector engagement is taking place in some ER-Ps, but progress overall is limited. Evidence from ER Monitoring Reports and case studies indicates that 68 partnerships with private sector have been created in the context of CF

[100] https://www.forestcarbonpartnership.org/fcpf-participants
[101] Program-level interview (development partner and PA/PC member)
[102] Analysis conducted on lists of participants to PA/PC and CF meetings (2018-2022) provided by FMT.
[103] See for example: FCPF 2021. Private sector engagement approach
[104] In-depth country case studies (all)
[105] FCPF. 2019 Annual Report; FCPF 2020. Annual Report; FCPF. Annual Report, 2022.

ERPs[106]. In Madagascar, for example, the FCPF is developing a guide for mainstreaming sustainable vanilla production through sectoral platforms. In turn, the IFC is providing a loan to exporters engaged in sustainable vanilla sourcing within the FCPF's jurisdiction in Madagascar and supporting opportunities to further develop a certified supply chain[107]. Likewise, the Ghana Cocoa-Forest Landscape Program (GCFLP) works with small-scale producers of cocoa beans, private sector buyers and Cocoa Board of Ghana (COCOBOD) to support sustainable production of cocoa. The engagement of coca companies is driven by a convergence in interests between the REDD+ program and company commitments to sourcing of deforestation-free products[108]. However, overall, country case studies showed limited real engagement with private sector bodies and that, overall, the level of engagement with private sector representatives declined following the transition from funding under the RF to support under the CF[109].

A number of factors enabling and limiting private sector engagement have been identified. The main enabling factors to private sector engagement at country level were identified as financial incentives, capacity building and leveraging of existing programs, as well as interest in community well-being through corporate social responsibility. Barriers included the lack of viable business models, FCPF requirements (and costs) for ER certification and limited communication or understanding on ERs among private sector actors[110].

4.3.4.2. How effective and inclusive was the participation of women, Indigenous Peoples, and marginalized groups in the beneficiaries' consultation and governance bodies at the country and global levels? To what extent has local traditional knowledge been incorporated into FCPF activities? (Indicator 3.1.a, 3.1.b)

Key findings: At a global level, FCPF has been effective in engaging representatives of IPs, LCs, women and civil society through its established governance structures although participation and decision-making authority in the CF has narrowed when compared to the PA/PC. The level of participation and representation has remained relatively stable over time for PA/PC meetings but has declined over time for CF meetings.

The Capacity Building Program has been an effective means to strengthen civil society engagement in national governance processes. At country level, consultations across different stakeholder groups (including women and IPs) were mandatory during in the readiness phase. These consultations and capacity building processes led to strong support from IPs and leveraging existing governance mechanisms in at least six countries. The FCPF has made significant progress towards the goal of integrating gender considerations into REDD processes, particularly since 2016. Overall, there is recognition that IP traditional knowledge related to sustainable forest management is valuable and relevant, but its actual incorporation into FCPF activities has been limited.

Participation and inclusiveness at the global level

[106] ER Monitoring Reports (all). FCPF. 2022. Annual Report, FCPF website, Portfolio review, In-depth case studies (all)
[107] FCPF. 2021. Private sector engagement approach.
[108] In-depth case study, Ghana.
[109] In-depth case studies (such as Indonesia, Guatemala, Panama, Nepal, Republic of Congo)
[110] In-depth case and light touch case studies (all)

At a global level, FCPF has been effective in engaging representatives of Indigenous Peoples, women and civil society through its established governance structures. The Readiness Fund has two governance fora, the Participants Assembly (PA), and the Participants Committee (PC). The PA/PC were discontinued with the closure of the RF in December 2022. The PA met annually and was constituted by eligible REDD Countries, eligible Donors and eligible prospective CF participants that had expressed interest in participating in the Facility. Representatives of relevant international organizations, relevant NGOs, forest-dependent Indigenous Peoples and local communities and private sector entities were invited by the Facility Management Team to attend annual meetings as observers. The PA was able to overturn decisions of the PC by a double two-thirds majority[111].

Participation and decision-making authority in the CF are narrower when compared to the PA/PC. The CF is organized by payment tranche, with each tranche operating as a separate trust fund. Decisions of the CF are made on a consensus basis, but if all efforts to reach consensus have been exhausted, decisions are made by a majority of the votes cast by the Carbon Fund Participants, which means one vote per Carbon Fund Participant and one vote per US$1,000,000 (US$ one million) of the Contribution to the CF. For the tranches, it is a two-thirds majority of the votes cast by the Carbon Fund Participants in the respective tranche. As with the PA/PC, CF Meetings "may be open to participation by observers" but these do not have the right to vote.[112] There is a broad perception among many consulted as part of this evaluation that the decision-making process and level of stakeholder engagement in the CF meetings is narrower when compared with the PA/PC.[113] This perception is confirmed from a number of sources. The CF has 3 country participant representatives, 1 international organisation representative, two NGO representatives (one from the North and one from the South), one Indigenous Peoples representative and 1 private sector representative, all of whom have observer status[114]. The PC, on the other hand, had provision for equal representation from country and donor participants (with 14 permitted from each group), all of whom had voting powers.[115]

The level of participation and representation have remained relatively stable over time for PA/PC meetings but has declined over time for CF meetings[116]. The number of participants at PA/PC meetings remained stable between 2018 and 2022, accounting for between 70 and 90 participants, with an average of 74 participants. The proportion of REDD Country participants in each PA/PC meeting remained close to or above 50%. The proportion of observers also remained stable, representing between 17% and 29% of the participants at each PA/PC meeting respectively. Overall, the number of participants to the CF meetings decreased between 2018 and 2022, with 43 participants in January 2018 and 23 participants as of September 2022 (representing a 46% decrease in participation)[117]. As several meetings were held online, some of the participants with limited internet access, including Indigenous Peoples, were unable to attend. A comparison of actual attendance levels from different stakeholder categories is presented in Table 4.

[111] IBRD FCPF Charter Establishing The Forest Carbon Partnership Facility, April 8, 2020
[112] IBRD FCPF Charter Establishing The Forest Carbon Partnership Facility, April 8, 2020
[113] Program-level interviews (Observers and PA/PC members)
[114]https://www.forestcarbonpartnership.org/system/files/documents/FCPF%20Carbon%20Fund%20Rules%20of%20Procedure%20Revised%2010-24-12_0.pdf
[115] IBRD FCPF Charter Establishing The Forest Carbon Partnership Facility, April 8, 2020
[116] Lists of participants to PA/PC and CF meetings, from 2018 to 2022. Note: the analysis excludes FMT Staff and translators.
[117] Analysis conducted on lists of participants to PA/PC and CF meetings (2018-2022) provided by FMT. Note: the analysis excludes FMT Staff and translators.

Table 4: Average number and representation of each category of stakeholders at PA/PC and CF meetings between 2018 and 2022[118]

CF meetings	Average number of participants between 2018 and 2022	Percentage
Carbon Fund Participants	19	51%
REDD Country Participants	7	19%
Observers	11	30%
Total	37	100%
PA/PC Meetings		
REDD Country Participants	40	55%
Observers	15	21%
Financial Contributors	12	17%
Delivery Partners	1	7%
Total	72	100%

Civil society observer representation on FCPF (and UN-REDD) governance bodies has been on a self-selection basis. These processes have been evolving over the years in both their formality and breadth of participation. The Bank Information Center has facilitated the self-selection process for both UN-REDD and the FCPF to help create synergy between observers to both initiatives and improve efficiency in terms of time and resources. It is also a response to the growing need for alignment of UN-REDD and FCPF.[119] The selection process and criteria was refined and updated over the years, and for example for the 2021-2022 term these included:

- Clarifying the conflict-of-interest disclosure guidance;
- Revising the approach to assessing regional balance;
- Clarifying term limits that apply to organizations and individual observers;
- Adding criteria related to gender balance among regional observers and youth representation;
- Including a shortlisting process[120].

Self-selection was also used to ensure legitimacy and representation at national levels. With the Readiness phase ending in 2022, the PA/PC has ceased to exist and so has the equal participation of donor and beneficiary countries and the rights of participation of Indigenous Peoples and CSO north and south observers.[121] At CF meetings, there is a weighted balance favoring the donor countries, which could limit the transparency, legitimacy, and inclusiveness of future development of the scope and governance of the fund.

The role of gender observers in governance bodies has been effective. Gender observers have successfully advocated for gender mainstreaming both at the program and country levels, including the first gender budget officially adopted and approved by the PC22 in 2017, which provided a foundation for future gender-related activities across the program.[122]

The FCPF has supported Indigenous Peoples representatives to attend and influence other global mechanisms that shape global climate policy and Indigenous Peoples rights. This includes forums

[118] Data provided by FMT
[119] Bank Information Center. 2014. Report on the 2014 Selection process for Civil society observers 2014
[120] RESOLVE Facilitation of Selection Process for Forest Carbon Partnership Facility - December 2021
121 According to the FMT FCPF is trying to continue the engagement and the platform for discussions with all relevant stakeholders on REDD+ and carbon markets (such knowledge day)
[122] Program-level interviews (FMT, gender observers)

such as UNREDD, the UN Permanent Forum for Indigenous Peoples and mechanisms within the UNFCCC. The continued pressure from Indigenous Peoples representatives during the life of the FCPF in these international negotiations has placed the recognition of Indigenous Peoples' key demands of tenure and consultation high on the global climate agenda – and more recently on the biodiversity agenda through the CBD[123].

Participation and inclusiveness at country level

The Capacity Building Program has been an effective means to strengthen civil society engagement in national governance processes. To increase the capacity of Indigenous Peoples and CSOs to engage with and influence national REDD+ processes FCPF initiated the Capacity-Building Program (CBP) in 2008 and began implementation in 2011. During phase 1, which ended in 2016, the FMT directly administered grants in response to proposals submitted by organizations registered as WB Group vendors. The CBP Phase 2 (2016-20) involved a shift to a Small-scale Recipient Executed Trust Fund (SRETF) model, which transferred grant management to four forest-dependent indigenous peoples´ organizations and three CSOs. The rationale for the shift to the SRETF model was to enhance Indigenous Peoples' ownership of the program, decentralize subgrant administration, and build the capacity of Intermediary Organizations (IOs) to help achieve CBP goals[124].

As of June 2023, the CBP had engaged a total of 132,982 stakeholders (cumulative total[125]), including 49% of women participants (Indicator 3.1.a)[126]. Sixty percent of the participants were representing CSOs. This is a doubling of the 70,000 reported by the CBP 2009-2019 learning review in 2020[127], and for 2023 alone, there were 20,688 participants. In 2023, 82% of participants in CBP-funded activities who responded to an FCPF survey indicated that they have more confidence to engage with REDD+ processes, including 51% of women, 41% of CSOs and 47% of IPs (Indicator 3.1.b.)[128].

The FCPF undertook a 10-year learning review – facilitated by Conservation International – covering the period between 2009-2019. The review found that *the CBP successfully and efficiently raised awareness on REDD+, establishing dialogues between different stakeholders in countries, and enhancing inclusion of marginalized and disadvantaged groups in the REDD+ discourse*[129]. Furthermore, the review validates the program's promotion of self-selection of indigenous and community leaders in national REDD+ decision-making platforms and underline the importance of implementation of the program by empowered institutions, and that experience has been acquired within the Bank in piloting and adjusting the governance tools and training techniques that enabled the CBP program to be executed through seven IOs, three CSOs and four Indigenous Peoples regional organizations.

Six out of seven in depth country case studies[130] indicate a strong perception of increased capacity of Indigenous Peoples to engage at national level REDD+ processes. This is confirmed through several of the interviews with PA/PC observers[131], as well as by the above mentioned 10-year learning review of the CBP (2020). Since 2021, the focus of FCPF Capacity Building Program in Latin America has been on capacity

[123] Program-level interviews (FMT, Delivery partners, PA/PC members and observers)
[124] Conservation International. 2020. FCPF Capacity Building Program for Indigenous Peoples and Civil Society Organizations on REDD+ Review of Lessons Learned (2009 - 2019) Summary
[125] This covers the entire duration of the program from 2009-2023
[126] FCPF Annual Report Indicator Breakdown FY23.
[127] Conservation International. 2020. FCPF Capacity Building Program for Indigenous Peoples and Civil Society Organizations on REDD+ Review of Lessons Learned (2009 - 2019) Summary.
[128] FCPF Annual Report Indicator Breakdown FY23.
[129] Conservation International. 2019. Capacity Building Program – Learning Review of 10 years CBP
[130] Costa Rica, Ghana, Indonesia, Mozambique, Nepal and RoC with strong perception. In Guatemala interviews indicate that some capacities were created
[131] Program-level interviews: 3 IPLC PC PA observers and a former gender observer

building, awareness raising, and dissemination activities for IPs and CSOs in CF countries such as Guatemala Chile, Costa Rica, Dominican Republic. The evaluation team has not been presented with systematized evidence documenting the extent to which these efforts have led to the incorporation of local traditional knowledge in FCPF activities.

Overall, there is limited practical incorporation of indigenous traditional knowledge into FCPF activities at country level. IP traditional knowledge related to sustainable natural resources management practices and climate action is recognized to be relevant and valuable across several country case studies. However, beyond IPs strong involvement in REDD+ participation and consultation processes, the incorporation of their unique experiences, ancestral practices, cosmovision and forest management know-how into concrete FCPF activities has yet to fully materialize into REDD+ formal documents and be sufficiently documented. DRC seems to have gone a step further with the commitment to incorporate IP needs and rights into the ER-P and BSP. [132] Evidence from global interviews with PA/PC members and observers, while generally recognizing the voice given to IPs in these global governance fora, are uneven regarding the degree to which IPs were able to successfully advocate their concerns and priorities regarding approaches to forest protection and sustainable forest management and their inclusion in FCPF tools and processes.

At country level, consultations across different stakeholder groups (including women and IPs) were mandatory during in the readiness phase. In these processes focus was on various issues, such as BSPs and the development of inclusive forest management plans. Sometimes the consultations were exclusively for women representing different networks, and/or with CSOs and IP representatives. From the material available it is not possible to distinguish clearly between awareness raising, stakeholder dialogue and consultations, nor the extent to which the quality of the consultations lives up to criteria of Free, Prior and Informed Consent (FPIC)[133].

Among the most important enablers to the participation of national stakeholders, the consultations and capacity building processes led to strong level of buy-in from IP and leveraging existing governance mechanisms in at least six countries[134]. The existence of representative bodies in Argentina, Ghana and Panama allowed or ensured that IP's viewpoints were considered and gender groups advanced gender equality mainstreaming into SIS (such as in Ghana and Mozambique) and fostered women's involvement. The barriers most highlighted for the participation of national stakeholders (Indigenous Peoples and women) have been the absence of recognized organizations representing their interests and voice, lack of funding to support their functioning and engagement capacities reinforcement, low levels of education and remoteness of rural areas resulting in Indigenous Peoples' needs not sufficiently reflected in policy decisions (Bhutan and Mozambique), the technical complexity of REDD+ and other factors related to social and gender roles and norms[135].

[132] In-depth case studies (Costa Rica, Indonesia, RoC, Ghana); Light touch case studies (Panama, DRC, Bhutan)

[133] In-Depth Case Study Reports for Costa Rica, Ghana, Guatemala, Indonesia, Mozambique, Nepal and RoC and Light Touch Case Study Reports for Argentina, Bhutan, DRC, Panama and Uganda, document review (RESOLVE Facilitation of Selection Process for Forest Carbon Partnership Facility - December 2021; FCPF Readiness Fund - Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners, 2012; FCPF. 2012. Global Program Review by IEG, FCPF. 2016. Second Evaluation - Executive summary; Conservation International. 2019. Capacity Building Program – Learning Review of 10 years CBP; Nepal : REDD IC / MoFE, 2022)

[134] In-depth case studies (Costa Rica, Guatemala, RoC); Light touch case studies (Panama, Nepal, DRC)

[135] In-Depth Case Study Reports for Costa Rica, Ghana, Guatemala, Indonesia, Mozambique, Nepal and RoC and Light Touch Case Study Reports for Argentina, Bhutan, DRC, Panama and Uganda. Document review (Conservation International. 2020. FCPF CBP Learning Review – Final; Norway NICFI programme. 2017. Real-time evaluation of the Government's of Norway's International climate and Forest Initiative; FCPF. 2011. FCPF First Evaluation – Executive summary; FCPF. 2021. FCPF Baseline Data Collection Exercise report; FCPF. 2019. Fostering

Efforts to integrate gender considerations

The FCPF has made significant progress towards the goal of integrating gender considerations into REDD processes, particularly since 2016. Today, gender equality is promoted by FCPF through three main lines of action: 1. Supporting countries in the development of national gender action plans, 2. Promoting knowledge production, sharing and collective learning through lessons learnt, and 3. Building capacity[136]. In addition, the FCPF contributes to enhance women's participation in the countries' ER-P, build capacity for women's organizations and government institutions working on gender and REDD+, and support women's participation in REDD+ decision-making platforms at subnational and national levels.[137]

Broader enabling conditions are slowly evolving to allow national REDD+ processes to become more gender sensitive, including complementary efforts and initiatives from FCPF, the International Union for Conservation of Nature (IUCN) (which has been particularly instrumental to develop Gender and Climate Change Action Plans, including a REDD+ dimension**) and UNREDD** (which has provided relevant methodological tools for a wide range of topics[138]). National REDD+ strategies are beginning to recognize the importance of addressing gender gaps and support women's participation and leadership in the forestry sector and REDD+ activities. With FCPF support, up to 12 countries have elaborated national gender analyses and gender action plans associated to their REDD+ strategies,[139] at least four participant countries have developed gender-sensitive ER-PD and three others have elaborated gender-responsive safeguards. However, the evaluation team found little evidence of financial resources made available to support the implementation of such action plans, nor of reporting on their implementation progress.[140] The few gender performance indicators contained in the FCPF M&E Evaluation Framework and variation in reporting across the countries makes portfolio-level tracking of gender-based achievements challenging. This is despite a commitment made in the FCPF 2017 annual report to FCPF "that countries would use gender-sensitive indicators and targets in the monitoring framework for national REDD+ strategies[141]".

At the FCPF program level, financial resources for gender-related actions were first approved in 2017 in the form of a gender budget. This followed the recommendation of the second independent evaluation to elaborate a FCPF Gender Strategy (and its Action Plan). Mentioned in several FCPF annual reports[142] and the 24th CF meeting in February 2022, this strategic document has finally not been elaborated as a standalone policy[143] but embedded in *the Framework Note for the Social Inclusion in REDD+ Strategy and Action Plan (SISAP)*, which is being currently finalized by the EnABLE Secretariat with support from the Center for International Forestry Research (CIFOR). This SISAP responds to the need to deal simultaneously with cross-cutting issues such as gender equality and social inclusion –which cannot be analyzed separately as they are deeply intertwined in the FCPF approach– and will guide gender mainstreaming actions in the EnABLE Trust Fund[144]. Despite the absence of a formal gender strategy from the program outset (which would have allowed more robust and systematized monitoring and evaluation

Gender-Transformative Change in Sustainable Forest Management). Program-level interviews with PA/PC member, FMT and observers.

[136] Program-level interview, FMT

[137] FCPF. 2018. Annual Report

[138] Gender-responsive analyses, Awareness raising and capacity building on gender, Gender-responsive participation, Gender-responsive planning and monitoring, Knowledge management on gender, etc. (Gender equality | UNREDD Programme (un-redd.org))

[139] Costa Rica, Uganda, Ghana, Cameroon, Nepal, Guatemala, Argentina, Dominican Republic, Lao PDR, Vietnam, Mozambique, and the Republic of Congo.

[140] Program-level interview, FMT

[141] FCPF. 2017. Annual Report

[142] 2020 and 2021 FCPF annual reports

[143] Program-level interview with FMT

[144] Program-level interview with FMT

against targets) and the allocation of limited financial resources[145], the FCPF has made significant efforts to build evidence and knowledge on gender awareness (data production, knowledge sharing) and to support capacity building across the FCPF portfolio and beyond, together with relevant partners and donors, which has significantly contributed to enhance FCPF processes' inclusiveness.

4.3.5. What has been the effectiveness of the governance structures of the RF and CF, and what strengths and weaknesses can be identified?

Overall finding: RF and CF governance bodies are seen as highly effective and innovative.

4.3.5.1. How effective were the Participants Committee and the Participants Assembly in delivering key decisions and guidance?

Key findings: FCPF governance bodies have in general been highly effective and played a crucial role in the approval of key guiding and strategic documents (including guidelines for development of ER-Ps, the BSPs, the ER MRs). They have been critical to further national REDD+ processes and to allow countries to benefit from CF RBPs. Furthermore, the PA/PC in particular were perceived as effective in providing a platform for peer-to-peer knowledge sharing, presenting emerging experiences from readiness processes at country level and for capacity building.

FCPF governance bodies are highly effective and played a crucial role in the approval of key guiding and strategic documents. All members and observers of governance bodies interviewed (including donors and multilaterals) indicated that PA/PC meetings have been highly effective, with a positive dynamic, a good balance between documentation from both donor and beneficiary countries to inform or guide decision-making was shared well in advance. This was reported to contrasts with other governance mechanisms for comparable REDD processes, such as the GCF[146].

Indigenous Peoples and major donors were in general satisfied with the overall level of inclusion in decision-making and guidance. The IP and LC and CSO PA/PC observers, as well as other country-level participants interviewed agree that the meetings have been highly effective. Material tabled was shared well in advance. Indigenous Peoples representatives interviewed were very content with being taken seriously and the fact that any issues raised by observers were discussed at length[147]. Some donors interviewed expressed concern that the process of ensuring consensus and broad-based stakeholder input does come at a cost, and this is manifested through relatively slow and cumbersome processes to reach decisions. However, it was widely accepted that despite this, the participatory nature of decision-making, in particular through the PA/PC governance formula, contributed greatly to increased ownership and

[145] PC22 approved a budget of US$ 411,000 to kick start the gender relevant activities in the context of REDD+ countries and FCPF. FMT requested the PC to approve a budget -as a part of the overall Readiness Fund budget- of USD 300,000 to continue support of additional gender activities at the country, regional and global level in FY18 and FY19

[146] Program-level interviews (Donors and PA/PC representatives)

[147] Program-level interviews with country-level PA/PC members

support in countries[148]. Some of the core strengths of the PA/PC included its democratic and innovative structure and the degree to which it facilitated the exchange of emerging country-level experience: space for reflection, learning and communication regarding country-level experience has been particularly valued by many stakeholders interviewed[149]. In general, interviews conducted with members and observers of the PA/PC found no particular weakness.

4.4. Impact

4.4.1. What are the most important broader impacts of FCPF activities in participating countries?

Overall finding: FCPF is progressing well towards achievement of emission reduction targets and non-carbon benefits relating to sustainable forest management and improved livelihoods are emerging.

4.4.1.1. To what extent is the FCPF achieving or likely to achieve its intended (positive) impacts? (Indicators I.1.A, I.1.B, I.1.C, I.2.A, I.2.B)

Key findings: FCPF has five impact indicators to monitor the delivery of carbon and non-carbon impacts at program level. FCPF is likely to mostly achieve its overall target of 170 million tCO_2e emission reductions and removals by December 2025, when the program ends (although excess ERs that have yet to be reported may mean the target is met or exceeded). The indicator relating to area of forest protected or conserved is showing good progress, while the indicator on area of forest restored is progressing more slowly. The slow pace regarding reporting, release and sharing of ER payments may impact on the number of people receiving monetary benefits by the end of the program.

FCPF has five impact indicators to monitor the delivery of carbon and non-carbon impacts at program level. FCPF is likely to mostly achieve its overall target of 170 million tCO2e emission reductions and removals by the end of 2025, when the program ends, if all contracted ERs are effectively generated. In addition, if countries continue generating and reporting excess/additional ERs, this target could potentially be met or exceeded.). At a program level, the FCPF (which includes both the CF and RF) has three indicators that relate to the first impact area, namely "reduced emissions from deforestation and forest degradation". These indicators are presented in Table 5 with overall program targets for the end of FY 26 and actual achievements as of June 2023.

[148] Program-level interviews (donors).
[149] Program-level interviews with country-level PA/PC members

Table 5: Targets and current status for indicators relating to Impact 1: Reduced emissions from deforestation and forest degradation[150]

Indicator	Target by end of FY2026	Current Status (Aug. 15, 2023)
I.1.A Number of tons of CO2e emission reductions and removals through CF ER programs (tCO2e)	170 million	91.3 million
I.1.B Number of tons of CO2e emission reductions and removals through REDD+ interventions in all FCPF supported countries (tCO2e) (not only through FCPF support)	No target (Indicator reported annually)	565.4 million[151]
I.1.C Total forest area re/afforested or restored through CF supported interventions (ha)	18.5 million	123,324

Indicator I.1.A reports that to date, emission reductions totalling 91.3 million tCO_2e (Indicator I.1.A) have been delivered from CF-supported emission reduction programs in 13 CF countries, out of which 23.5 million tCO_2e are excess/additional ERs. As of August 15, 2023, Nepal is the only country that has yet to submit its first ER Monitoring Report, while Chile submitted it but it did not report any ER. Five countries (DRC, Guatemala, Indonesia, Mozambique and Vietnam) have generated excess/additional ERs. These excess/additional ERs may help the Carbon Fund achieve or surpass its FY2026 target to deliver 170 million tCO_2e: were all ERs contracted through ERPAs to be achieved (144.3 million tCO_2e), currently achieved excess/additional ERs would take this total to 167.8 million tCO_2e. Should the trend of generating excess/additional ERs continue, it is quite likely that once second monitoring reports have been submitted, this figure will increase and surpass the FY2026 target. It should however be mentioned that deforestation in Mozambique is on an upward trend, both in the ER-P area and nationally, potentially limiting future ER results.[152]

Of the total ERs reported total, 9,842,468 tCO_2e (10.7%) have been validated and paid for by the Carbon Fund, either through the first three payments made to Costa Rica (USD 16.4 million), Ghana (USD 4.8 million) and Mozambique (USD 6.4 million) or through interim advance payments made based on submitted but not fully verified Monitoring Reports (Indonesia, Vietnam and 2nd payment to Mozambique). The total number of ERs corresponds to potential payments USD 327,728,060, of which USD 90,412,335 (28%) have been disbursed so far (Table 6).

[150] FCPF. 2023. FCPF Annual Report Indicator Breakdown FY23 and Monitoring Reports.
[151] FCPF. 2023. Annual Report. This data was generated through a specific study conducted in 2018 and has not been updated since, its level of accuracy is therefore limited. This indicator is currently in the process of being updated by FMT.
[152] In-depth case study, Mozambique

Table 6: Emissions Reductions and Payments by country through the Carbon Fund[153]

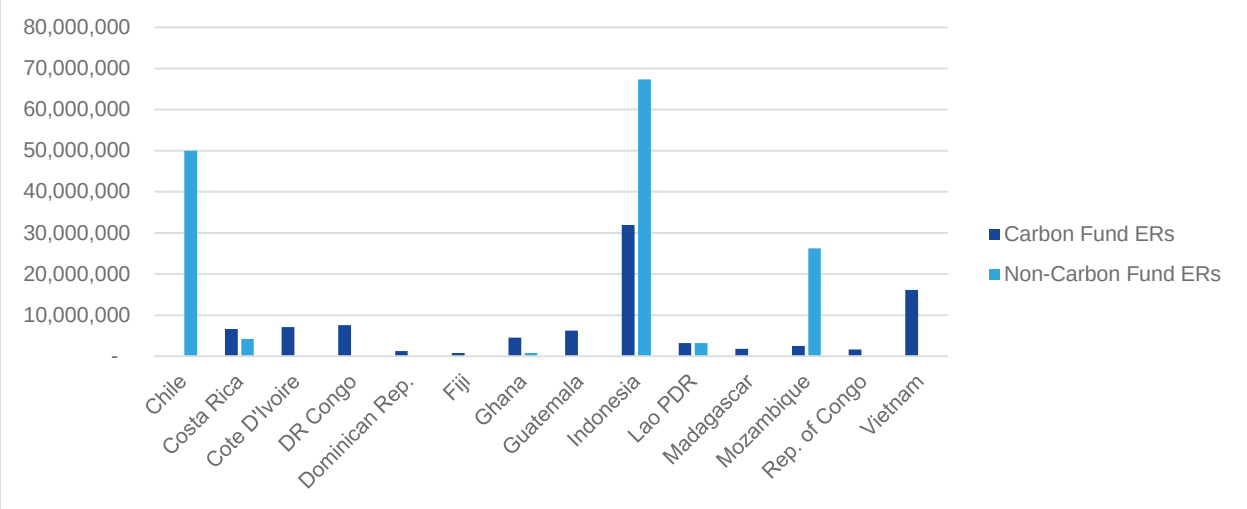
Country	ERs Reported (tCO_2e)	Excess / Additional ERs (tCO2e)	ERs Verified and paid (tCO_2e)[154]	Projected payment (USD)	Total paid (USD)[155]
Costa Rica	6,616,126		3,283,023	33,080,630	16,415,115
Cote D'Ivoire	7,096,067		-	35,480,335	
DR Congo	7,585,374	2,809,762	-	12,500,000[156]	-
Dominican Rep.	1,278,592		-	6,392,960	-
Fiji	810,666		-	4,053,330	-
Ghana	4,490,344		972,456	22,451,720	4,862,280
Guatemala	6,259,134	4,218,565	-	10,202,845	-
Indonesia	31,923,530	9,923,530	4,180,000	110,000,000	20,900,000
Lao PDR	3,204,731		-	16,023,655	-
Madagascar	1,764,499		-	8,822,495	-
Mozambique	2,524,663	754,855	1,406,989	8,849,030	7,034,940
Rep. of Congo	1,674,212		-	8,371,060	-
Vietnam	16,112,741	5,812,741	8,240,000	51,500,000	41,200,000
Total	**91,340,679**	**23,519,453**	**18,082,468**	**327,728,060**	**90,412,335**

Indicator I.1.B suggests that the emission reductions and removals generated through CF support represent around 15.4% of all emission reductions and removals being reported by FCPF supported countries. This proportion is likely to increase as the reported ERs generated through CF-supported actions increase in the coming reporting periods. Considering all ERs generated by FCPF countries (including those by Carbon Fund ER-Ps), 28 FCPF countries have delivered approximately 565.4 million tCO_2e of ERs (Table 5).

Carbon Fund ERs represent 15% of all ERs generated by FCPF countries. Among CF countries, five countries achieved both CF and non-CF ERs. Chile is the only CF country that achieved ERs through non-FCPF schemes, though not through the CF (Figure 7).

[153] FCPF. 2023. ERPA Payments (August 16, 2023). Chile submitted an ER Monitoring Report, but it had not been published as of the cut-off date due to methodological issues. It is therefore not included in this table. Data covers several reporting periods.
[154] This includes interim advance payments made to Indonesia (for 4,180,000 tCO2eq) Mozambique (for 120,940 tCO2eq) and to Vietnam. If considering only payments made for fully verified/validated ERs, a total of 5,541,528 tCO2eq have been purchased by the Carbon Fund.
[155] This includes interim advance payments but excludes upfront advances (which total USD 4 million to Cote d'Ivoire and Lao PDR).
[156] This is an estimate based on the ERPA's provision.

Figure 7: I.1.B. Number of tons of CO2e emission reductions and removals through REDD+ interventions in CF countries (tCO2e), by Carbon Fund and non-Carbon Fund ERs (tCO_2e)[157]



Indicator I.1.C suggests that only a small percentage (1.6%) of the total area targeted for reforestation, afforestation or restoration by FY 2026 has been achieved by September 2023, making the achievement of the overall target by the end of program very challenging. The indicator is based on seven ER Monitoring Reports which include data on reforestation and restoration (Table 7).

Table 7: I.1.C: Total forest area re/afforested or restored through CF-supported interventions (ha)[158]

Costa Rica	4,174
Ghana	24,687
Indonesia	47,839
Lao PDR	641
Madagascar	1,056
Mozambique	2,495
Vietnam	42,432
Total	**123,324**

The FCPF impact indicator relating to area of forest protected or conserved is showing progress beyond expectations, while the indicator on area of forest restored is progressing more slowly. This shows that the CF ERs to date are mostly generated through avoided deforestation with 15% generated through avoided degradation and 23% through removals. As of September 2023, 11.4 million hectares of protected or conserved forest was included within ER programs supported by FCPF (Indicator 1.2 B). This includes forest reserves, national parks and other protected areas recognised by law, reported in the seven ER monitoring reports for which this data has been made available (Costa Rica, Ghana, Indonesia, Lao PDR, Madagascar, Mozambique, and Vietnam). Indicator I.2.B has indeed significantly exceeded its target of 7.7 million ha of protected or conserved forest by 3.7 million ha as of FY23. As examples of this:

- In Ghana, GCFRP intervention area includes three protected areas, jointly covering 68,121 ha; although active conservation measures are not really part of the program activities[159].

[157] FCPF Annual Report Indicator Breakdown FY23. This data is part of efforts to update indicator I.1.B by FMT for FY23 and is likely incomplete as it only considers ERs reported in BURs.
[158] FCPF Annual Report Indicator Breakdown, FY2023.
[159] In-depth case study, Ghana

- In Guatemala, by 2016, 51.9% of the country's forest cover (about 1.9 million ha) was in protected areas. The area covered by the ERP accounts for 92% of forested lands[160].
- In Indonesia, 93,037 ha of high conservation value forest has been set aside from conversion to estate crops[161].

Progress on the protection and conservation of forest areas is above the planned target but lack of data means the indicator on livelihoods is unreported. The second impact area, defined as "sustained or enhanced biodiversity and livelihoods for forest dependent men and women" has two indicators and progress to date is presented in Table 8. On Indicator I.2.A, the current status is zero as no concrete data exists (even though it is known that financial benefits have been shared with community members in Ghana for example). It is expected that more information will be received from second ER monitoring reports of countries being supported by the Carbon Fund. Reporting on the total number of beneficiaries receiving non-monetary benefits is variable across different countries and the figure is uncertain.

Table 8: Targets and current status for indicators relating to biodiversity and livelihoods[162]

Indicator	Target by end of FY2026	Current Status (FY23)
I.2.A Number of people receiving monetary and/or non-monetary benefits through CF programs (disaggregated by gender)	No target (Indicator reported annually)	0
I.2.B Amount of protected or conserved areas included in CF programs, if relevant (ha)	7.7 million	11.41 million

4.4.1.2. What types of non-carbon benefits have resulted from FCPF programs and activities, and for whom? (3.A, 3.B)

Key findings: At least five countries have achieved biodiversity conservation benefits derived from changes in biophysical condition or from changes in the effectiveness in the management of high biodiversity areas. Seven ER-Ps currently include over 11 million ha of protected areas in their intervention areas. Biodiversity benefits are supported by improved sustainable forest management practices, strengthened formal protection and conservation of high biodiversity areas, and efforts to engage communities and the private sector in improved forest management in ER-Ps. In six countries, ER-Ps have supported livelihoods improvements. These have been achieved through enhanced revenues from agriculture, tree nurseries, non-timber forest products, timber products and tourism. Clarified land tenure and improved access to basic services have also been reported. At least three countries (Vietnam, Ghana and Mozambique) are likely to have generated climate change adaptation benefits. Generally, information provided by countries is insufficient to determine whether climate change adaptation benefits have been generated. There is a lack of clarity and differing interpretations across the program regarding the definition of non-carbon benefits and the distinction between non-carbon benefits and carbon non-monetary benefits. In the absence of a consistent approach across the program to monitoring non-carbon benefits, the quality of information available is variable and cannot be aggregated.

[160] In-depth case study, Guatemala
[161] In-depth case study, Indonesia
[162] FCPF. 2023. FCPF Annual Report Indicator Breakdown FY23 and Monitoring Reports.

Biodiversity conservation

Carbon Fund ER-Ps have placed significant emphasis on biodiversity conservation and at least five Carbon Fund countries have achieved benefits in that area, both from changes in biophysical conditions and from changes in the effectiveness in the management of high biodiversity areas. All the REDD+ strategies developed under FCPF test strategies to conserve biodiversity (Indicator 3.3.b) and seven ER-Ps have also included it in their activities (Indicator 3.3.a)[163]. Through FCPF, over 11 million ha of protected or conserved areas across seven countries are currently part of a Carbon Fund ER-P (Table 9). Biodiversity conservation benefits should be generated through improved sustainable forest management practices (see Section 4.4.2), such as improving fire management practices in Indonesia and enforcement (Costa Rica, Bhutan, Ghana, and Mozambique). The strengthening of formal forest protection and conservation is also likely to lead to biodiversity benefits. In Indonesia, 3.23 million hectares benefit from increased protection, among which 1 million are designated as "Essential Ecosystem Area". In Mozambique, the ER-P is working in and around the Gilé National Reserve on management, enforcement and sustainable alternative livelihoods. And in Ghana, the ER-P intervention area includes three protected areas, jointly covering 68,121 ha; but active conservation measures are not really part of the programme activities[164]. Efforts to strengthen forest management by the private sector or communities are also likely to generate biodiversity benefits in Indonesia, Ghana, Nepal, Costa Rica and Guatemala. In Indonesia, 93,037 ha of high conservation value forest have been set aside from conversion to estate crops, thereby protecting their biodiversity. In Costa Rica, Ghana, Indonesia and Mozambique, the promotion of conservation agriculture, agroforestry and the planting of shade trees are likely generating biodiversity benefits. While in Nepal, the improved management of the Sabaiya Forest and the surrounding private forests has already resulted in improvements in the conditions of the adjacent wetland areas and in an increased water yield and supply. [165] According to the e-survey undertaken for this evaluation, 25% of respondents consider that their country's participation in the Carbon Fund has generated or may generate biodiversity protection benefits. [166].

Table 9: Indicator I.2.B. Amount of protected or conserved areas included in CF programs, as of June 2023 (ha)[167]

Costa Rica	1,538,000
Ghana	68,121
Indonesia	3,229,446
Lao PDR	1,013,522
Madagascar	2,000,548
Mozambique	453,200
Vietnam	3,103,601
Total	**11,406,438.00**

Measuring the actual achievement of biodiversity benefits is complex, and in their ER-MRs, most countries tend to report on activities that may contribute to protect or improve management of biodiversity, rather than on actual changes in biophysical conditions or management capacity of protected areas.

Nonetheless, through their ER-MRs, five countries (Indonesia, Lao PDR, Madagascar, Mozambique, Vietnam) have demonstrated the achievement of biodiversity benefits. In Indonesia, the population of key species (Bekantan, Owa, Rhino) increased by 192.7% in Teluk Adang natural reserve in 2019 compared to 2013. However, this also came with a decrease of Orangutan population by 63.9% over the same period[168]. In Lao PDR, the conservation of natural habitat for wild

[163] FCPF Annual Report Indicator Breakdown FY22 and FCPF Annual Report Indicator Breakdown FY23
[164] In-depth country case studies (Indonesia, Ghana, Mozambique).
[165] Country case studies, ER-MRs.
[166] E-survey
[167] FCPF (2023) Annual Report Indicator Breakdown FY23.
[168] First ER-MR for Indonesia

species and biodiversity and forest restoration/ rehabilitation increased.[169] In Vietnam, by 2022, the Payment for Ecosystem Services payments had contributed to protecting biodiversity, ecosystems water sources and improving the efficiency of the forest management and protection of more than 1.1 million ha of forest.[170] This contributed to protect and maintain ecological services attached with natural forests, such as water regulation, contributing to the reduction of air pollution, flood control, and contributing to diseases control.[171]

Box 5: Reported biodiversity benefits in Madagascar

Madagascar reported improved provision of environmental services, through the reforestation/restoration of forest bridges in 5 sites covering 403.8 ha. Additionally, by 2020, 1,056 ha of habitat had been restored. Furthermore, Madagascar reported improved conservation and strengthening of protected areas through measures that include (i) Controls and regular patrols strengthened (by community and forest administration), with prosecution of offenses, (ii) strengthened ecological monitoring, (iii) Management of forest resources transferred to communities, (iv) Implementation of a Natural Resources' Governance Assessment in Makira, and (v) set up of fire vigilance committees (Source: First ER-MR for Madagascar).

Livelihoods

By implementing REDD+ ER-Ps, countries are also contributing to improving the livelihoods of communities involved. Six countries (out of ten reviewed) have provided data indicating livelihoods improvements and according to the e-survey undertaken for this evaluation (n=44), 30% of respondents consider that their country's participation in the Carbon Fund has generated or may generate improved local livelihoods[172].

In Ghana, Guatemala and Mozambique, these benefits translate in an increased capacity to generate income. Indeed, in Ghana 4,199 ha of degraded cocoa farms were rehabilitated, leading to an increase in average farm yield from 400kg/ha to 500kg/ha as well as enhanced demand for nursery trees generating increases in revenues for nurseries[173]. In Guatemala, 1,710 jobs have been created through by timber, non-timber or tourism management activities and have generated approximately USD 4 million in income from the marketing of timber and non-timber species or from tourism-related activities[174]. And in Indonesia, the production of non timber forest products (NTFPs) increased from 99.73 tonnes in 2018 to 864.9 tonnes in 2020 (corn, honey, bark, and rubber)[175]. In Guatemala and Mozambique, field visits identified some further achievements in terms of access to services and NTFPs, but these could not be measured or assessed accurately.

Improvements in land tenure security were achieved in Lao PDR and Mozambique, which can have a significant impact on livelihoods by improving among others their capacity and incentives to invest in the land they work on. In Lao PDR, 48 villages have been demarcated, with established regulations, agreed by villagers, more than 135 new or updated participatory land use plans, and 106 updated village land use plans. [176] In Mozambique, 270 communities delimited and 17,189 land titles issued. [177]

Furthermore, in Costa Rica and Vietnam, the payment for ecosystem services systems supported though the ER-P have generated additional revenues for communities. However, this could be considered a monetary benefit from the ER-P, rather than a non-carbon benefit. Finally, in Madagascar, the ER-P supported an increased access to health services, and environmental education.[178]

[169] First ER-MR for Lao PDR
[170] The extent to which these benefits can be attributed to the ER-P is unclear, as the PFES existed before the ER-P.
[171] First ER-MR Vietnam..
[172] E-survey
[173] First ER-MR Ghana
[174] First ER-MR Guatemala
[175] First ER-MR Indonesia
[176] First ER-MR Lao PDR
[177] First ER-MR Mozambique
[178] ER-MR for Costa Rica, Vietnam and Madagascar.

Climate change adaptation

Vietnam, Ghana and Mozambique have likely generated adaptation benefits, and additional benefits are expected from ER-P implementation. Among 11 ER-Ps reviewed, four consider adaptation to climate change as a priority non-carbon benefit. In Ghana and Mozambique, REDD+ is expected to contribute to resilience of the agricultural sector, while in Nepal wider benefits are expected, including reduced flooding and erosion and protection of water supply. In the R. of Congo, "improved resilience to climate change" is mentioned among a long list of non-carbon benefits, but with no further explanation. Twenty-three percent of e-survey respondents consider that their country's participation in the Carbon Fund has generated or may generate climate change adaptation benefits[179]

In Vietnam and in Ghana, climate-smart agriculture is likely to have generated adaptation benefits. The only country to have explicitly claimed adaptation benefits in its ER-MR is Vietnam. Indeed, the promotion of climate-smart agriculture through technical trainings and the provision of improved seedlings, "have resulted in enhancement of the climate resilience of local communities." In Ghana, the Climate Smart Cocoa Good-Practice Guidelines in Ghana is helping farmers climate-proof their production through the introduction of appropriate shade cover, with subsequent yield improvements. Furthermore, Mozambique has likely generated adaptation benefits through the implementation of agroforestry activities in Zambezia.

The above-mentioned achievements in terms of livelihoods or ecosystem services may also contribute to enhancing the resilience of beneficiaries. Indeed, increased revenues can help people and businesses be better prepared to face risks, including climate risks, while ecosystem services are essential to maintaining livelihoods. However, the contextual information available is insufficient to validate this, as adaptation is highly contextual. Current best practice requires adaptation results to be linked to "specific and identified climate-driven vulnerabilities,"[180] which is not the case in most ER-MRs.

There is a lack of clarity and differing interpretations across FCPF regarding the definition of non-carbon benefits and the distinction between non-carbon benefits and carbon non-monetary benefits. Key FCPF documents (including the Charter, MF) suggest these should cover primarily forest governance, livelihood improvements, biodiversity conservation, as well as other topics. The concept of non-carbon benefits is defined through several documents but is interpreted in different ways across FCPF documents and stakeholders, as any benefits that are part of the incentive mechanism to implement the ER-P would be considered *carbon non-monetary benefits*.[181] As an example, in its ER-MR, Ghana states that "The priority non-carbon benefits which are deemed to be critical to incentivizing the behavioral changes which will produce ERs within the GCFRP",[182] which is the definition of a carbon non-monetary benefit. Interviews also indicate confusion as to whether the benefits delivered though the BSP should be considered non-carbon benefits. Finally, in its ER-PD, Lao PDR states that "the distinction between non-monetary benefits and non-carbon benefits is not as clear as defined under the Methodological Framework, and is rather an academic exercise of sorting out what is under which."[183] .

There is no consistent approach across the CF to monitoring non-carbon benefits which means that obtaining an accurate, consolidated, program-wide estimate of achievements in this area is not possible. This is explained by a number of factors including the decision not to link reporting of non-carbon benefits to payments; the differences between ER programs; the absence of specific guidance on reporting; and the way support on this aspect is provided.

[179] E-survey
[180] World Bank (2020), Climate Indicators Guidance Note (internal only).
[181] FCPF (2022). Glossary of Terms, version 2.2.
[182] Ghana (2021). ER-MR
[183] Lao PDR (2018). ERPD

The MF, through the Programmatic Element 6: Non-carbon benefits (indicators 34 and 35), requires countries to identify non-carbon benefits and monitor them, but does not provide any guidance to do so, beyond ensuring this monitoring is "feasible". The MF also considers non-carbon benefits under Accounting Element 3: Consistency with monitoring system, but it established no specific criterion or indicators. It mentions non-carbon benefits as part of elements that could be covered under activities to involve communities in monitoring and reporting (indicator 16.1). According to the FMT, the decision was made early on not to establish a premium payment system on non-carbon benefits, as it might come with potentially expensive requirements. Nonetheless, all countries have been reporting on non-carbon benefits, with some countries like Costa Rica and Guatemala developing interesting methodologies, sometimes integrated with national systems.

Reporting on non-carbon benefits takes place through the Monitoring Reports where a specific annex is dedicated to this topic. Annexes are reviewed by the FMT, but do not undergo third party verification. This annex requires countries to list identified priority non-carbon benefits and related activities and to provide information relevant for Indicators 3.2.a, 3.3.a, and I.2.B, and on other non-carbon benefits. No guidance or direction are specified for countries to provide requested information in the MF or the template, but support is provided by TTLs and the Social and Safeguards specialists within FMT,[184] which leads to visibly different approaches to reporting non-carbon benefits.

These different approaches are also explained by the significant differences between programs, in terms of scope, priorities, and capacities. While all countries have identified non-carbon benefits, these vary in nature and number, from five in Mozambique to over 30 for the Republic of Congo. Some countries identify indicators, and some detail mechanisms to monitor them. Two countries (Nepal and the Republic of Congo) intend to integrate monitoring of non-carbon benefits into MRV and SIS systems, while Guatemala relies on existing national systems.

Under the Readiness Fund, support is available for activities pertaining to the monitoring of non-carbon benefits (referred to as "multiple benefits")[185], however, related achievements are unclear, and in the absence of guidance to help structure country's approaches, the quality, usability and effectiveness of reporting remains uncertain. The FCPF Annual Reports include 'highlights' from non-carbon benefits. While the MF seeks to avoid additional administrative burden for countries in reporting on non-carbon benefits, in the absence of guidance, information is currently too scarce and inaccurate to assess the extent to which these benefits are being delivered, their exact nature, and to what extent they contribute to REDD+ results. The quality of reporting varies significantly across programs. Most ER-MRs provide information on activities undertaken (and often planned) that are expected to generate benefits, but information on actual benefits achieved is scarce. Furthermore, given the lack of uniformity as to how such benefits are pre-defined and understood in different countries, assigning across the portfolio specific or uniform measures on countries in terms of performance with respect to non-carbon benefits achievements, let alone the aggregation of such achievements at the Fund level, would remain challenging[186].

[184] FCPF (2022). ER Monitoring Report Template
[185] FMT (2012). R-PP Template and FMT (2009). R-PP External Review Template Rev.5, January 2011
[186] Baastel. 2024. Thematic Study 3 on FCPF support to non-carbon benefits. Final Report.

4.4.1.3. How has the engagement of specific stakeholder groups impacted FCPF activities and influenced national and/or local REDD+ processes and approaches to sustainable forest management?

Key findings: The influence of specific stakeholder groups varies with regards to national and/or local REDD+ processes and approaches to Sustainable Forest Management (SFM). Four types of engagement activities were pursued by stakeholders regarding national REDD+ processes and approaches to SFM: i) advocacy, lobbying and negotiation; ii) interacting with relevant public sector institutions, iii) interacting with the private sector and iv) identifying, communicating about and addressing drivers of deforestation. There are several instances of the influence of IPs and CSOs on national REDD+ processes and approaches to SFM. The influence of local communities with regard to the CF is largely limited to their community and the specific activities they are involved in. Local communities are sometimes seen as driving deforestation. Women and women's groups have to a lesser extent influenced REDD+ processes and approaches to sustainable forest management – although gender mainstreaming is seen in many countries.

National and international NGOs have been successful in shaping and influencing national REDD+ processes and approaches to sustainable forest management, particularly within the context of readiness activities where mechanisms were established at country level for broad multi-stakeholder engagement. Their influence has been manifested through a number of channels in different countries. Advocacy, lobbying and negotiation between NGOs representing specific stakeholder groups and national governments has been one approach that has been demonstrated in Guatemala and Costa Rica, for example. In Guatemala, through lobbying by representatives of Indigenous Peoples, changes were made to the national Payment for Environmental Service (PES) scheme in Indigenous Territories as manifested through Executive Decree No. 39871, of 2016. Furthermore, the PINPEP network (a network of smallholders engaged in the national PES scheme) successfully advocated for the inclusion of forest incentive programs in the ERP and for the reduction of the minimum area required to apply for ERP support under the government's compensation mechanism[187]. Engagement with public sector institutions through established governance forums and processes provided opportunities for civil society voices to shape emerging REDD+ readiness outcomes such as National REDD+ strategies, safeguards, BSPs and ERPs and was identified in 8 of the case study countries[188]. Evidence of private sector influence was identified in a number of countries. For example, in Ghana, cocoa buying companies were strongly involved in the design and development of the ERP while in Bhutan, key concerns raised by the private sector regarding licensing of forest harvesting and use were picked up and used to develop a new online forestry system[189].

There are several instances of the influence of IPs and CSOs on national REDD+ processes and approaches to SFM. The influence of local communities with regard to the CF is largely limited to their community and the specific activities they are involved in. Under support from the CF (and as reported elsewhere in this report), in general, there are fewer opportunities for CSOs representing Indigenous Peoples to have an active role in overseeing and steering national or sub-national level actions. This has meant that their overall influence during ERP implementation has declined somewhat and evidence of influence by Indigenous Peoples is largely felt at the community (or Indigenous Territory) level.

[187] In-depth case study, Guatemala.
[188] In depth case study (Ghana, Guatemala, Mozambique, Nepal); Light-touch case study (Uganda Argentina, Bhutan, DRC)
[189] In-depth case study (Ghana) and Light-touch case study (Bhutan)

The problem is compounded in some countries where community-level actors are identified as key drivers of deforestation[190].

Women and women's groups have to a lesser extent influenced REDD+ processes and approaches to sustainable forest management – although gender mainstreaming is seen in many countries. Some enabling factors for allowing women's groups or associations influence through participation and leadership in forestry and REDD+ processes and approaches have been identified with the creation of National Steering Committees (NSC) in the framework of the Dedicated Grant Mechanism (DGM)[191]. The experience of NSC in DRC, Indonesia, Ghana, Mozambique, Congo, Guatemala and Nepal (among others) have shown that supporting women leadership (with an intersectional approach) and gender champions in communities together with the creation or consolidation of women's groups or networks are the basis for greater articulation of women's interests in decision-making spheres[192]. On the other hand, the gender assessments funded by the FCPF Capacity Building Program across multiple countries have been particularly useful to understand the differential responsibilities, access, use and control over resources between men and women in the forestry sector as well as distinguish strategic needs, allowing a more accurate definition of the problem (e.g. drivers of deforestation/contributors to sustainable management of forests), as well as potentially identify new opportunities for sustainable forest management, conservation and enhancement of forest carbon stocks. For instance, in Ghana, the gender assessment has strongly influenced the country's Cocoa Forest REDD+ Program and its ERP; in Nepal, the revised Emissions Reduction Program Document (ERPD) was heavily built upon the gender analysis. Nevertheless, barriers for women's participation and influence in forestry management decision-making are well documented and have been exemplified in most of the country case studies. Common challenges faced by women and women's groups are related to structural inequalities and gaps (land ownership and rights, lower levels of education, resources, and agency) and fragile collective action and participation (lack of established organizations and networks representing women' voices, time poverty leading to low participation and engagement). Additional difficulties for lower castes and/or indigenous women were also highlighted as constraining factors in countries such as Indonesia, Costa Rica and Panama.

4.4.1.4. What other factors have influenced the achievement or the likelihood of achievement of impacts?

Key findings: Factors enabling delivery of carbon and non-carbon benefits include political will, country-ownership and leadership; support to local livelihoods, advance payments made by the Carbon Fund and effective local co-ordination structures. Factors that limited delivery of carbon and non-carbon benefits include financing and capacity gaps; limited private sector engagement and uncertainties over carbon, forest and land tenure

[190] In-depth country case study (Guatemala, Ghana, Mozambique); Light touch study (DRC)
[191] FCPF. 2022. Fostering Gender-Transformative Change in Sustainable Forest Management A case study of the DGM National Steering Committee.
[192] In-depth case study (Ghana, Nepal); FCPF 2019 Fostering Gender-Transformative Change in Sustainable Forest Management. The case of the DSM; FCPF. 2022. Fostering Gender-Transformative Change in Sustainable Forest Management A case study of the DGM National Steering Committee.

Some key factors influencing results have emerged from selected ER monitoring reports and country case studies. In general, these are very similar to the factors identified under effectiveness as well as sustainability questions. These are summarised below:

- **Political will and leadership**. Political leadership was identified as a critical factor in five of the seven Carbon Fund countries sampled (Republic of Congo, Indonesia, Costa Rica, Ghana and Guatemala). In forest rich countries such as Republic of Congo, Indonesia and Costa Rica, there has been a growing national realisation regarding the importance of forests as natural assets that generate multiple benefits at multiple levels.
- **Support to livelihoods and wider non-carbon benefits**: Where community level deforestation or forest degradation drivers have been identified, ER-Ps generally include actions that support local livelihood security, while also reducing incentives for deforestation. Where actions correctly target the livelihood priorities of local people, this tends to generate local support and increases the likelihood of both carbon and non-carbon benefits being realised[193]. Evidence from such countries (Ghana, DRC, RoC, Mozambique) suggests that the strong and deliberate emphasis on supporting farmers in terms of livelihood development and diversification has proven an important factor for enabling local impact[194].
- **Advance payment**: Lack of financing is identified as a key factor that limits both effectiveness and impact, but there is a clear sign that in those countries that have received an advance payment (Ghana and Indonesia) this has provided an important political signal to local and national government bodies implementing the program[195].
- **Local co-ordination structures:** Given the complexity and number of different actors both within and outside government engaged in the implementation of ER-Ps, good local co-ordination has been an important factor in increasing both carbon and non-carbon benefits. In Indonesia, at provincial level, regular co-ordination meetings are held with heads of departments to ensure that actions of different parts of local government are co-ordinated effectively. In Ghana, a number of landscape co-ordination bodies have been established to ensure that governmental as well as NGO and private sector actors are effectively engaged[196].

Key factors that appear to be limiting the delivery of carbon and non-carbon benefits are presented below:

- **Institutional capacity and co-ordination**: Institutional capacity and co-ordination is impacting on the delivery of carbon and non-carbon benefits in a number of countries such as Republic of Congo and the DRC. In Uganda, there is evidence that many of the staff who have been trained in MRV within government have gone on to other positions outside government where more lucrative jobs can be obtained[197]. Related to these limitations is the aspect of limited co-ordination across different government departments at national level as seen in Indonesia, Guatemala and Panama, which has had the effect of generating policy and implementation conflicts in the field. For example, in Republic of Congo, concerns were raised by environmental NGOs when the ministry responsible for mining allocated mining concessions inside existing forest concessions that were responsible for delivering emission reductions[198]. One of the results of limited capacity, is delays to the production and approval or ER Monitoring Reports (which in turn delays release of benefit sharing funds). Both Guatemala and

[193] Program level interview Observer; Program interview Donor
[194] In-depth case studies Ghana, Republic of Congo, Mozambique Section VI; Light touch case study, DRC Section VI
[195] In-depth case study Ghana and Indonesia Section VI
[196] In-depth case study Ghana and Indonesia Section VI
[197] In-depth case study Guatemala, Nepal, Republic of Congo and Indonesia Section VI; Light touch study Uganda and Panama Section VI
[198] In-depth case study, Republic of Congo, Guatemala and Nepal; Light touch study, Democratic Republic of Congo and Uganda

Nepal have postponed the delivery of their ER monitoring reports, as they lack sufficient in-house capacity with which to complete them to a level that meets agreed standards and requirements.

- **Limited private sector engagement:** Private sector actors were identified as major agents of deforestation in three Carbon Fund countries sampled for review (Nepal, Indonesia and Republic of Congo). In Republic of Congo for example, timber companies that lack international certification, for example, have been identified as drivers of forest degradation due to harvesting levels above sustainable levels. With the exception of Ghana, where there has been strong support and engagement with private sector cocoa buyers and exporters, engagement in other countries has been limited. In Guatemala, commercial livestock and agricultural production were identified as key drivers of deforestation but to date, the Forestry Guild of Guatemala has been the only private sector organization engaged throughout the RF and CF process as a member of the Board of Directors of the National Institute of Forestry (INAB), the ERP Executing Entity. There has also been engagement of the network of beneficiaries of forest incentives programs, also operated by INAB (small-scale forest holders). But representatives of livestock and agricultural producers have had a low level of participation in both readiness and CF-funded phases, despite a number of attempts to reach out. Although the underlying reasons for this are unclear, it appears that the perceived incentives for participation are not sufficiently large to merit an investment of time within the planning and execution of emission reduction plans. In Indonesia, larger more established companies producing palm oil have shown interest in engaging with the ER-program, because of their exposure to markets increasingly demanding sustainability and deforestation-free supply chains. The ER-program is providing them with non-financial benefits in terms of training on management and protection of high conservation areas and improved environmental management. However, for smaller companies, trading domestically or regionally, the incorporation of sustainability principles are of much lower importance for their market. With limited capacity from government to enforce legality standards in production, incentives for changed behaviour are limited[199].
- **Land, forest and carbon rights**: In Ghana, Costa Rica and Mozambique, challenges regarding the rights (and title) of communities and households over forests, carbon or natural resources have impeded progress in the delivery of carbon and non-carbon benefits. Costa Rica is engaged in a complex legal process regarding the transfer of title to farmers who are protecting forests and watersheds as part of the government's wider payment for environmental services scheme. Currently, securing the transfer of title is a cumbersome, costly and time-consuming process which undermines participation of individual farmers. In Ghana, while administrative "fixes" are being introduced to work around constitutional tree tenure issues, the process of demonstrating ownership of naturally occurring trees (and associated tenure rights) is similarly complex and time-consuming. In Mozambique, the ER-program is supporting a process of land registration and tenure formalisation, which has proven to be a complex and delicate process, particularly in a matrilineal society. This process, supported by all projects composing the ER-P, generates conflict and takes time and significant communication efforts, which has delayed the process of delivering longer term livelihood and carbon benefits[200].

[199] In-depth case study, Republic of Congo, Ghana, Guatemala, Nepal Section VI
[200] In-depth case study Ghana, Costa Rica and Mozambique

4.4.2. To what extent has FCPF contributed to improve governance and transparency for sustainable forest management (incl. REDD+ interventions) within countries?

Overall finding: There are initial signs of improved governance and transparency for sustainable forest management as seen by revisions being made to legal frameworks, improved collaboration between governments and forest communities, expansion of community forestry agreements and strengthened forest law enforcement.

4.4.2.1. Extent to which the FCPF has influenced REDD+ country participants' national approaches to sustainable forest resource management

Key findings: (OV.1.A.) With 13 countries now reporting emission reductions, there is initial evidence of behaviour change with regard to the improved management of forests. This is being manifested in different ways in different countries but includes strengthened protection and conservation of high-biodiversity forests and sustainable forest management practices by businesses, communities and households.

There is growing evidence of changing behavior of forest communities and managers and local governments across many of the jurisdictions supported by FCPF ER-Ps. This can be seen both in the field as well as through the validation of many of the assumptions within the theory of change prepared for this evaluation[201]. The extent to which changing behavior (of individuals, communities, governments and companies) is taking place is reviewed below by assessing observed changes in the field and then by interrogating and validating behavior change assumptions within the theory of change prepared for this evaluation.

Observed changes in behavior.

Thirteen countries supported by the CF have reported emission reductions totaling 91.3 million tCO_2e through CF ER-Ps[202] indicating that behavior is changing within the jurisdictions targeted when compared to the situation prior to FCPF support. In Indonesia, for example, where 31.9 million CO_2e of emission reductions are reported, changing behavior across a number of fronts is also reported, including strengthened fire prevention and improved local capacity to fight fires which in turn reduces conversion of forested land to alternative land-uses such as palm oil production, improved management of forest areas by private sector concession holders and improved management of forests by communities through social forestry practices[203]. The underlying drivers for these changes in behavior are largely through a shift in provincial policies and investments supported by strong and consistent political support. In Mozambique[204], concerns have been raised over recent increases in deforestation within the jurisdiction

[201] Specific examples of behaviour change around sustainable forest management within the context of country case studies are presented in Section 5.4.2.1
[202] Portfolio analysis
[203] In-depth case study Indonesia
[204] In-depth case study, Mozambique

being supported by FCPF, but more time will be needed to assess whether this is just a temporary dip or a longer-term trend.

The following are changes in behavior that are expected within ER jurisdictions if reduced deforestation and forest degradation is to be seen. Each descriptor is followed by examples from case studies undertaken for this evaluation where these changes were found to be taking place, followed by an assessment of the degree to which change is happening.

- **Increased areas of forest under formal protection and conservation***:* Within two of the ER program areas sampled for this review, support is provided to the management or designation of forests that provide important ecological services (such as biodiversity or other ecosystem services). For example, in East Kalimantan, Indonesia, a total of 3.23 million hectares of forests have been afforded increased protection with the support of the ER program. This is as a result of zoning decisions taken in the provincial spatial plan (which allocated 1.8 million ha protection forests and 0.44 million ha of conservation forests) and the designation of "Essential Ecosystem Area" status to three new areas covering approximately 1 million ha of forest[205]. In Mozambique, support is provided to the management of the Gilé National Reserve, including strengthened management planning and enforcement practices as well as support to forest-dependent communities living in the periphery of the forest reserve[206].
- **Strengthened forest management systems and improved enforcement of regulations and laws***:* In Costa Rica, the national agency responsible for management of conservation protected areas (SINAC) strengthened its Illegal Logging Control Strategy with support from FCPF, through reinforcement of systems to grant logging permits in private lands and the promotion of compliance with the national legal framework. In Bhutan, support from FCPF was used to strengthen the "Forest Code", which is a set of guidelines for non-state actors, intended to guide actions in all categories of forest. With support from FCPF, these guidelines were strengthened to include all forest management regimes, including forest management units (FMUs), community forests and watershed management areas. The code clearly sets out legal requirements for management plans for all these different forest management regimes[207].
- **Improved collaboration between forest-edge communities and forest management agencies with regard to reporting of illegalities***:* Improvements in forest governance and law enforcement have been found in two of the case study countries implementing ER programs. For example, in Ghana, where cocoa farmers have been supported to produce climate-smart cocoa as well as other livelihood benefits, they are increasingly engaged in reporting illegal activities relating to small-scale mining, wildfires or logging inside forest reserve areas to the Forestry Commission, which is then able to take swift action to address the threat[208]. Likewise, in Mozambique, forest-edge communities living around the Gilé National Reserve are being supported with sustainable livelihood interventions and are being actively engaged in reporting forest illegalities (such as illegal logging and encroachment) to staff of the National Forest Directorate[209].
- **Increased adoption of sustainable management practices by timber and other commodity companies and increased compliance with mandatory legality standards***:* In Indonesia, the government is in the process of strengthening legality standards for forestry and palm oil production and trade and in Republic of Congo and Guatemala, reduced impact logging is now mandatory for the extraction and harvesting of indigenous timber species in natural forests. However, the adoption and

[205] In-depth case study, Indonesia
[206] In-depth case study, Mozambique, Section V.4
[207] In-depth case study, Costa Rica; Light touch case study, Bhutan
[208] In-depth case study, Ghana
[209] In-depth case study, Mozambique, Section V.4

enforcement of these legality standards is still sporadic in both countries and appears to be most widely implemented by companies who are trading with sensitive markets (such as Europe or North America) which favor sustainably produced or certified production. In Ghana, private sector engagement in the cocoa landscape program has been strong, because of a convergence between the objectives of the cocoa exporting companies (concerned about market perceptions on deforestation) and the overall aim of the ER-program to reduce deforestation Although it may be hard to draw general, program-wide conclusions, indications from these case studies suggest that enforcement and application of legality standards tends to be limited in Republic of Congo, Indonesia and Guatemala whereas in Ghana, where there are strong external market demands driving sustainability, adoption of climate-friendly practices among cocoa producers are increasing[210].

- **Improved protection and conservation of forests and trees in areas under direct control of private sector entities or on farmland***:* In East Kalimantan, Indonesia, where palm oil companies manage large areas of land for plantation production, they are now required by law to set aside High Conservation Value (HCV) areas for protection and conservation. According to the East Kalimantan Crop Agency data, 93,037 hectares of remaining forests in oil palm concession areas have been reported as HCV areas in 2020. The oil palm companies are committed to protecting these HCV areas through improved management and protection. In Ghana, the focus is on supporting small farmers to produce shade-grown cocoa more sustainably through the introduction of agroforestry practices. By 2019, a total of 18,443 ha had been reforested in the ER intervention area and 2,261,000 tree seedlings had been distributed to farmers for planting on-farm. In the online survey conducted for this evaluation, 15% of those consulted referenced restoration of forests through reforestation as an anticipated impact of the Carbon Fund[211].
- **Improved protection and sustainable use of forests by communities***:* In four countries sampled, the ER programs aims to transfer forest land to communities under various models of community forestry (Nepal and Indonesia), or support management of forest land under existing community ownership (Costa Rica and Guatemala). To date, progress is relatively slow. In Nepal, the ERP is focused on strengthening the management of community forest areas. No reports are yet finalized regarding progress to date, but the program plans to transfer around 200,000 ha of state forest to community or collaborative forest management and around 12,000 ha transferred to pro-poor leasehold forest management arrangements. Management plans for these areas will be strengthened to ensure that forest use is at sustainable levels. In Costa Rica, support is being provided to 24 Indigenous Territories to manage forests within their jurisdiction in more sustainable ways by reducing deforestation and forest degradation and in Indonesia, support is being provided to transferring management responsibilities from the state to local communities through different social forestry models. By July 2023, 307,000 hectares of state forest land in East Kalimantan had been formally allocated to community groups through social forestry licenses, impacting 170 communities, although this is a cumulative figure representing progress since 2005. Transfer of state-administered forest to indigenous peoples who have customary management practices (*adat*) is making slow progress due to the complex requirements imposed by central and local governments[212].

A generic, country-level theory of change was developed to inform this evaluation. The theory of change includes a description of key assumptions that will need to hold true if outcomes are to be delivered (defined primarily in terms of behaviour change of individuals, private sector actors and governments) and if the anticipated impacts (including reduced emissions, improved social and environmental conditions) are to be achieved. An analysis was made with regard to some of the key assumptions that link outcomes with

[210] In-depth case study, Indonesia, Guatemala, Ghana and Republic of Congo
[211] In-depth case study Indonesia and Ghana; Online survey
[212] In-depth case study Indonesia, Nepal, Costa Rica and Ghana

impacts (particularly relating to the achievement of reduced deforestation and emission reduction results) and this is presented in Annex 1.5, Table 1. A review of assumptions driving behaviour change is presented in Annex 1.5, Table 2. For each assumption, some general observations are made regarding the degree to which it is (or is likely to) hold true across the different Carbon Fund countries sampled in the country case studies. Although some of the assumptions were not possible to assess due to the relatively early stage of implementation in many countries, a number of assumptions were assessed and found to be largely true (or likely to hold true), with some notable exceptions.

4.4.3. Are FCPF activities delivering or likely to deliver unintended positive or negative impacts?

Overall finding: FCPF activities are delivering, or are likely to deliver wider impacts such as enhanced and broader decision-making at global and national levels, legal and regulatory reforms and access to new sources of carbon financing at national levels

4.4.3.1. Are FCPF activities delivering or likely to deliver unintended (positive or negative) carbon-related impacts?

Key findings: No unexpected carbon impacts have been identified.

No unexpected carbon impacts have been identified, although as alluded to earlier in this chapter, there has been an increase in scope of some of the intended ER impacts.

4.4.3.2. Are FCPF social inclusion efforts contributing to enhancing inclusion and empowerment of local stakeholder groups (beyond their participation in FCPF activities)?

Key findings: Local stakeholders (including representatives of Indigenous Peoples, women and civil society) have been able to access an increased number of decision-making spaces and mechanisms at global, national and local levels due to FCPF social inclusion and capacity building efforts. This is discussed more extensively in Section 5.4.1.3

4.4.3.3. Has the FCPF directly or indirectly influenced changes to the design, development and delivery of REDD+ /ER country strategies and programs (beyond the scope of FCPF activities in the country)?

Key findings: There is strong evidence that the capacity, tools, approaches, structures and methods that FCPF has introduced at national level within participating countries has been used as a foundation for securing support from other non-FCPF REDD+ programs and is

contributing directly to the development of new jurisdictional ER programs, such as LEAF Coalition and the Green Climate Fund

Capacity support, piloting of ER programs under CF and establishment of readiness structures and processes have resulted in FCPF-supported countries accessing new forms of carbon finance. For example, in most of the countries reviewed, FCPF support to the development of the National REDD+ Strategy during the readiness phase, influenced the design of other REDD+ interventions, including sub-national ERPs, VCM projects as well as national legislative reforms[213]. FCPF tools and methods have been used or built on in many of the countries sampled to develop new ER programs funded by other international REDD+ mechanisms, most notably the LEAF coalition and Green Climate Fund. Modalities and mechanisms being piloted for benefit sharing through FCPF support are also being rolled out through ERPs funded by non-FCPF donors[214]. This is discussed in more detail under section 5.6 below.

4.4.3.4. Has the FCPF directly or indirectly influenced the creation of additional legislations and policies related to reducing emissions from deforestation and forest degradation in countries?

Key findings: Legal reforms have been introduced in all case study countries reviewed for this evaluation. Reforms have been in support of the establishment of a legal and institutional framework for REDD+, strengthening forest management and combatting illegal deforestation and reforms to establish a regulatory framework for carbon finance. Evidence of the FCPF's contribution to many of these processes and policies is visible.

In all countries where FCPF has provided support, legal reforms have been introduced to enable and advance REDD+. In many cases, clear causal linkages can be established between the establishment of these reforms and the actions of FCPF, particularly during the readiness phase. In general, these reforms tend to be of three kinds:

Box 6: Legal reforms in DRC

In Democratic Republic of Congo, the Ministerial Decree 116 (which was supported through FCPF) provides the legal basis and procedures currently in effect for national approval of all REDD+ projects and programs. The draft decree formalizes rules and procedures regarding project and program baselines; their benefit sharing plans; the application of safeguards instruments – in compliance with REDD+ social and environmental standards, including the Grievance Redress Mechanism (GRM); and title transfer of emissions reductions. The draft degree is awaiting formal approval (the "Homologation Order") (Source: Light touch case study report, Democratic Republic of Congo).

- *Reforms that provide a legal basis and institutional framework for advancing REDD+ and results-based payments through forests and land-use change:* 6 of the case studies reviewed reported changes at national level designed to create a strong legal and policy framework for REDD+ and results-based payments with some evidence of FCPF influence. Indonesia has created a set of legally binding targets for climate change mitigation by 2030 (the so-called AFOLU NetSink2030) which defines pathways and results for climate mitigation from forests and land-use. FCPF has been instrumental in establishing models and approaches, tools and processes with which to make this national level transition[215].

[213] In-depth case study (Mozambique, Costa Rica); Light touch case study (Argentina, Uganda, Bhutan)
[214] Light touch case study (Argentina, DRC, Panama); In-depth cast study (Costa Rica, Ghana, Guatemala, Indonesia)
[215] In-depth case study report, Indonesia

Mozambique, Argentina, Guatemala, DRC (Box 6) and Ghana have reviewed forest laws or policies to take account of REDD+-related priorities[216].

- *Reforms to strengthen forest management and reduce illegal deforestation or forest degradation:* In Panama, Republic of Congo, Costa Rica (Box 7) and Indonesia have all passed legislation which strengthens the legal framework for sustainable forest management or creates new incentives for improved management[217].

Box 7: Reforms to the protected area network in Costa Rica

In Costa Rica, SINAC (the national protected area management authority) has drawn up guidelines for the creation, extension, modification and management of protected natural areas. These documents serve as a reference for the creation of general management plan and provide methodological advice for the development of sustainable tourism, waste management, research, natural resource management and ecological integrity. On the basis of these instruments, 12 local general management plans have been approved during the period (Source: In-depth case study report, Costa Rica).

- *Reforms to create new opportunities and define national rules for carbon finance, including the voluntary market*. Reforms were identified in Panama, Indonesia and Ghana. In Panama for example, FCPF was influential in raising awareness of the voluntary market as methodologies associated with these initiatives were explored with different suppliers. Through the project, capacity building was provided to understand the markets associated with the forestry sector. Furthermore, in Panama, Executive Decree No. 142 of 9 December 2021 progressively and gradually creates Panama's National Carbon Market, and in 2022 officially presented the Climate Transparency Platform (PNTC)[218].

4.4.3.5. To what extent and in what ways has the FCPF been influencing and incentivizing the advancement and delivery of MRV of GHG emissions reductions and removals from REDD+ emissions in host countries beyond the FCPF, including informing or assisting countries to engage with other non-FCPF standards?

Key findings: FCPF has supported technical missions, country needs assessments, and global knowledge and capacity building on MRV for REDD+, in collaboration with other global and local actors. It also supported several countries in seeking funding from other sources, such as the WB MRV Support Program. Case study countries received significant support from FCPF, but also from many other sources, with differing levels of coordination. While these countries developed their MRV systems using FCPF standards, four explored or are exploring compliance with other standards.

[216] Light-touch case study report, Argentina, Mozambique, Ghana and Guatemala
[217] Light touch case study report, Panama, RoC, Indonesia and Costa Rica
[218] Light-touch case study, Panama

FCPF has supported technical missions, country needs assessments, and global knowledge and capacity building on MRV for REDD+, in collaboration with multiple global and local actors. Although the exact figure is not known, most countries received technical support to the development of MRV under Component 4 of the Readiness Fund "Design a Monitoring System". Thirty-two countries have reported achieving significant progress on this component.[219]. In all in-depth case study countries supported by the CF, the FCPF contribution to the country's MRV system was substantial and involved the provision of key expertise and technical assistance[220].

Case study countries received significant support from FCPF, but also from many other sources, with differing levels of coordination. Twenty-five countries received assistance to seek support for MRV through a collaboration between FCPF, the FAO, SilvaCarbon, and the Global Forest Observations Initiative[221]. Two Carbon Fund countries were able to leverage their achievements to access additional funding for MRV[222]. In most case study countries, support for MRV came from multiple sources in addition to FCPF and co-ordination of this support was often found to be limited. For example, in the Republic of Congo, in the northern regions of Sangha and Likouala, there have been at least six different maps of forest cover produced with support from Food and Agriculture Organization (FAO), Norway, the University of Maryland, the EU, the WB (FCPF) and the French Aid agency. Government welcomed help from all quarters, and claimed to want to compare approaches, but the result has been duplication of effort in some places and a lack of resources in others[223].

Four of the 7 Carbon Fund countries reviewed in the in-depth case studies have explored or are exploring compliance with non-FCPF standards. Two countries (Costa Rica and Indonesia) are working with the Warsaw Framework without major challenges given that FCPF standards go above and beyond what is required by the Warsaw framework. The FREL developed in Indonesia, for example, has been accepted by UNFCCC as compliant with agreed requirements [224]. Three countries (Costa Rica, Ghana and Nepal) are exploring opportunities to comply with ART-TREES in order to sign an ERPA[225]. In two countries, a project level methodology from the Verified Carbon Standard has been used in parallel to the development of the FCPF MRV system (Republic of the Congo and Mozambique). In Mozambique, this has resulted in some level of duplication[226].

At a global level, FCPF has contributed to knowledge and capacity building on MRV. For example, FMT staff contributed to a peer-reviewed journal article on uncertainty measurement for REDD+[227] which has been downloaded 5,162 times[228]. In FY21, the FCPF also collaborated with the Global Forest Observations Initiative to launch OpenMRV, a new global knowledge platform on forest MRV. Working with 150 MRV experts, the FCPF also conducted an assessment in FY21 of innovative technologies, including space technologies, and their readiness for remote sensing–based estimation of forest carbon stocks[229].

[219] Portfolio analysis
[220] In-depth case study countries (all)
[221] FCPF. 2019. Annual Report
[222] In-depth case study Republic of Congo; Light touch case study, DRC
[223] FCPF and GFOI. 2021. Lessons learned from the implementation of MRV Systems for REDD+
[224] In-depth case study (Costa Rica and Indonesia)
[225] In depth case study (Costa Rica, Nepal, Ghana)
[226] In-depth case studies (R. of Congo and Mozambique)
[227] R D Yanai et al. 2020. Improving uncertainty in forest carbon accounting for REDD+ mitigation efforts *in* Environment Research Letters. 15 124002
[228] https://iopscience.iop.org/article/10.1088/1748-9326/abb96f
[229] FCPF. 2021. Annual Report

4.4.3.6. To what extent and in what ways has the FCPF contributed to enhancing the ability of countries to access VCMs and other private sector investments?

Key findings: FCPF was instrumental in creating an enabling environment for REDD+ result-based financing and raising awareness, interest, and capacities for countries to participate in the VCM for jurisdictional credits. On the other hand, however, very few direct or indirect links have been identified between projects developed for the project-scale voluntary market and FCPF ERPs to date, with some countries explicitly expressing reservations about supporting VCM at the project scale.

FCPF was instrumental in creating an enabling environment for REDD+ result-based financing and raising awareness, interest, and capacities for countries to participate in the VCM for jurisdictional credits. As discussed in section 5.2.1.3 above, CF countries are among the most promising participants in the LEAF programme and support to access VCM is being provided by FCPF to countries that have generated excess ER through the implementation of their ERP. On the other hand, there are very few direct or indirect links between VCM project-scale initiatives and jurisdictional REDD+ ER programs supported by the CF. In the Republic of the Congo, for example, even though there was a VCM project operating within the geographical area under the ER program supported through FCPF, there is little or no co-ordination between these two separate initiatives, nor has the VCM project been able to leverage the tools or structures created during the FCPF readiness phase[230]. In Mozambique the relationship between jurisdictional REDD+ and VCM projects is contradictory. A VCM project ongoing in the Gilé National Reserve had to be cancelled to give way to the ER-P (after generating a few hundred thousand certified ERs). However, the framework established by the government for REDD+ enables any type of entity to undertake VCM projects, as long as it is jurisdictional in scale.[231] In Guatemala, there are a number of VCM projects working in the forest sector, but collaboration (or nesting arrangements) have been challenging due to the apparent incompatibility between the FREL methodology adopted under FCPF and that under the VERRA Voluntary Carbon Standard[232]. Bhutan currently has no policy on its approach to VCMs. Bhutan currently lacks any developed carbon registry or systems for carbon accounting, having not progressed beyond RF support. Furthermore, there are some widespread concerns within Bhutanese society that engaging in VCMs effectively commoditises nature – reducing the natural world to financial transactions, which goes against traditional, cultural and religious beliefs[233]. Indonesia has an uneasy relationship with VCMs from the FOLU sector. The Government is currently not supporting (or licensing) carbon trading for ERs for forestry. Concerns persist regarding how voluntary market approaches fit with sub-national jurisdictional mitigation programmes as currently, nesting arrangements are not recognized. Furthermore, government has expressed an understandable concern over conflicting methodologies between government of Indonesia MRV arrangements and those being used by voluntary markets (which tends to follow standards such as VERRA, Climate, Community and Biodiversity Alliance (CCBA) or Plan Vivo). Without common MRV approaches, monitoring and registering offsets becomes immensely challenging and benefit sharing processes can be complex[234]. Costa Rica, while currently exploring opportunities for VCM credits, has been

[230] In-depth case study, Republic of Congo
[231] In-depth case study, Mozambique
[232] In depth case study, Guatemala
[233] Light-touch case study Bhutan
[234] In-depth case study, Indonesia

very cautious about the potential risk to its reputation if it participates in the VCM involving private sector companies seeking to engage in greenwashing and recent scandals regarding "phantom credits"[235].

In retrospect and in summary, integrating jurisdictional REDD+ supported by FCPF and VCM projects has proven much more complex than originally anticipated. While FCPF has produced some general guidelines (for example on nesting), in practice there has been limited progress due to a range of external factors beyond FCPF's control or influence.

4.4.4. How have FCPF knowledge, communications, and learning on REDD+ and ERPA development informed strategy and practice in FCPF countries and the global community?

Overall finding: FCPF knowledge, communication and learning products have significantly informed strategy and practice in FCPF countries and their influence at the global level is increasing.

4.4.4.1. To what extent do country stakeholders use FCPF knowledge, communications and learning products on REDD+ and ERPA to inform their FCPF strategies and practice? (4.1.a, 4.1.b, 4.2.a, 4.2.b, 4.2.c)

Key findings: Country stakeholders have made extensive use of FCPF knowledge, communications and learning products on REDD+ and ERPA and find their applicability in line with their information requirements. The FCPF has been very effective in opening up a space for dialogue on REDD+ as well as producing and disseminating knowledge and learning products that are extensively used by country stakeholders.

FCPF has supported a wide range of knowledge, communication and learning products including 61 South-South learning activities and/or events connecting FCPF countries between 2018 and 2023. Regarding knowledge products 121 stories/blogs and 114 knowledge seminars have been delivered, together with 79 other products. Some of the topics covered in South-South knowledge exchanges include subjects such as social inclusion, women's participation in REDD+, Indigenous Peoples and civil society capacity building, NFMS, MRV, Topics covered by other knowledge products are: carbon stock assessments, MRV, forest monitoring, SESA and the M&E Framework[236]. As a result of these different interventions, FCPF has been very effective in opening up a space for dialogue and learning on REDD+ among practitioners and participating countries and creating a number of a very diverse knowledge and communication products, covering different relevant REDD+ related topics.

To date, FCPF communication efforts have been undertaken at three levels (country level, within the WB and among the global community of practice) and reinforced over the past 5 years as results and knowledge were ready to be shared. The new FCPF communication strategies are highly relevant in view of FCPF current needs since they aim to raise the profile of the FCPF standards (less well known than

[235] In-depth case study, Costa Rica
[236] FGMC Annual Reports (Various), FCPF Annual Report Indicator Breakdown 2023

others), to support countries in their engagement with potential third-party buyers and through the development of auction agreements to maximize access carbon finance, and finally manage reputational risks in view of the global increasing scrutiny of REDD+/carbon credits. Identified key challenges for its applicability are REDD+ technical complexity which requires important efforts to attract interest, and shifting from national-based approaches towards a project-based focus where the private sector is much more present[237].

Dissemination and communication channels and activities vary across FPCF countries, ranging from traditional media (TV and radio), digital media (FCPF website, video documentaries, etc.), events and public gathering (thematic workshops, seminars, walk-in-schools events), and others (brochures, etc.). PC and PA meetings and south-south exchanges are also perceived as essential communication channels for knowledge sharing and dissemination of results. In addition to the analytics statistics compiled by FMT on its website use, from the country case studies, it is apparent that the FPCF website continues to be a major source of information for country stakeholders[238].

The majority of participating countries indicated that they regularly access FCPF knowledge products and that such knowledge products are relevant to their needs[239]. The number of unique and returning visitors to FCPF website has increased over 100% since FY18 every year, starting at 1,620 unique visitors and 4,689 visits and ending with 75,000+ unique visitors and 120,000+ visits in FY23[240]. Among the countries analyzed in the case studies, significant access to FCPF knowledge communication and learning products in Ghana, Mozambique, Nepal and RoC has been reported, particularly by government stakeholders. According to FMT, there is high attendance to knowledge exchange events organized by FCPF[241].

4.4.4.2. How do non-FCPF countries and other global REDD+ stakeholders use FCPF knowledge, communication and learning products on REDD+ and ERPA to inform their REDD+ strategies and practices? (Indicators 4.A, 4.1.b, 4.3b)

Key findings: FCPF knowledge, communication and learning products on REDD+ and ERPA are widely recognized as adding value to the global REDD+ community of practice. There is growing evidence that it has influenced the implementation of other non-FCPF supported REDD+ initiatives.

Knowledge and communication products generated by FCPF developed to communicate lessons, experiences, tools and methods to a wide global audience represents a public good of clear added value. Communication and knowledge products (stories, blogs, newsletters) together with social network pages, podcasts and FCPF website target a wide and rapidly increasing worldwide audience. The use of FCPF guidance documents and learning materials by other REDD+ projects have been reported to be significant. Some countries reported that FCPF learning, evidence and knowledge products have influenced other REDD+ programs and practice (without further clarification on which products have

[237] FCPF first and second evaluations; Program-level interviews Country PA/PC member (3), FMT (1), PA/PC Observers (4); FCPF Communications Strategy & Plan. Powerpoint presentation. 31 May 2023
[238] In-depth case study (Nepal, Ghana and Mozambique)
[239] FPCF Annual Reports (Indicator 4.1.b: Number of unique and returning visitors to FCPF website)
[240] FCPF 2023 Annual Report
[241] Country case studies (Ghana, Mozambique, Nepal and RoC; Program-level Interview FMT

been used) and many others should become more visible in the upcoming years. Donors have pointed out the influence of FCPF into REDD+ mechanisms such as ART, LEAF and the GCF[242].

Obtaining strong evidence on the use and application of FCPF-developed tools and methods by non-FCPF stakeholders has not been possible during this evaluation. However, there is strong evidence of a growing number of users of FCPF knowledge products as evidenced by the already mentioned increase in the unique and returning visitors to the FCPF website since 2018[243]. Furthermore, interviews with actors engaged in REDD+ at international level point to FCPF having influenced other REDD+ mechanisms such as the LEAF Coalition and GCF, which is a major achievement. It is possible that a few years from now, clear evidence of knowledge transfer from the CF to UNFCCC and linking FCPF tools, experiences and methods will become more visible, as already some countries have FREL estimates to UNFCCC where improvements due to the country's experience in the FCPF process can be identified[244].

4.5. Efficiency

4.5.1. To what extent has the FCPF delivered results in an efficient manner?

Overall finding: The implementation of activities under the RF and the CF took longer than planned. RF contributions in CF countries were cost-effective, and the majority of expenses from the RF and the CF were allocated to country support while administrative costs have remained stable. Many CF countries have been faced with a capacity and financing gap to implement RBP that the CF has worked to address.

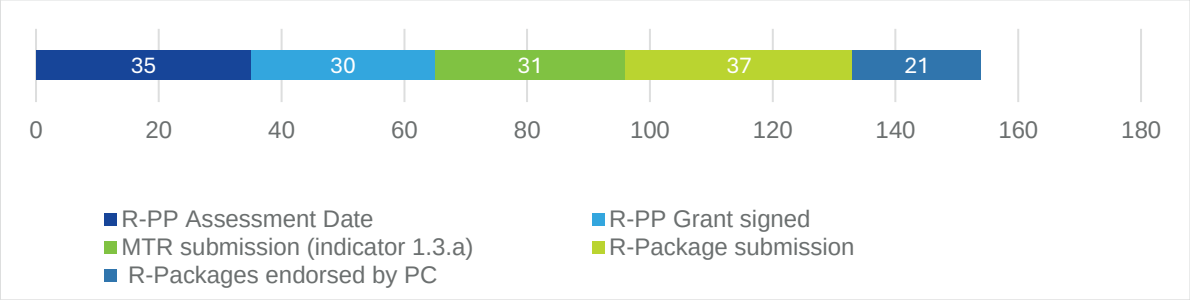
4.5.1.1. To what extent were country activities delivered in line with the expected project timeline?

Key findings: Overall, the time taken to complete RF and CF milestones took longer than originally anticipated. The delays in achieving milestones during project implementation were due to several factors both internal (administrative bottlenecks, meeting the FCPF's technical and methodological requirements) as well as external to the FCPF (COVID-19 restrictions, government shifts, building understanding and capacities about REDD+ country stakeholders).

[242] In-depth and light touch case studies
[243] FCPF. 2021. Annual Report.
[244] FCPF Annual Reports (indicator 4.1.b and indicator 4.3.b - Number of non-FCPF programs and countries that have adopted elements of the FCPF Methodological Framework within their own REDD+ processes); Program-level interviews (FMT, PA/PC members and other REDD+ actors); FCPF. 2020. Choices in Quantifying Carbon for Jurisdictional REDD+ Overview from the FCPF

The time taken to complete RF and CF milestones took longer than originally anticipated. The original timeline for the implementation of RF country activities were indicated in R-PP documents prepared by participating countries. In most cases, the planned timeline was between 3 to 5 years[245]. The actual period between first milestone (R-PIN submission) and the last milestone reached (R-Package submission or endorsement) is about 10 years (Figure 8).[246] The time spent passing through all the Readiness phases is highly variable from one country to another. The process took the longest in Colombia, with 14 years between the submission of the R-PIN submission and the R-Package. The process was the fastest in Chile, with only 4.5 years between the R-PIN submission and the endorsement of the R-Package[247].

Figure 8: Average number of months between each milestone of the Readiness phase[248]

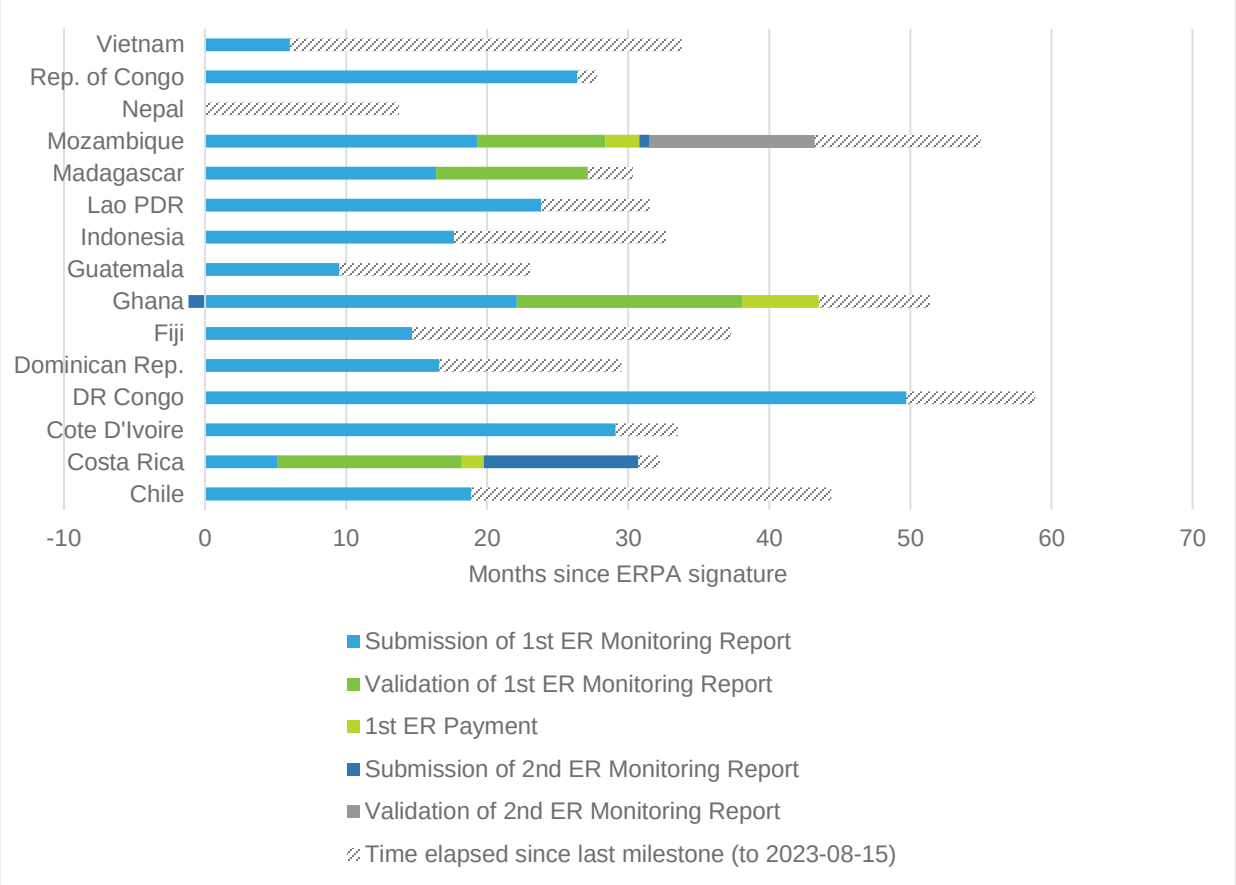


The duration of each stage of the process is highly variable between Carbon Fund countries. On average, the submission of the first ER Monitoring Report takes place 19.7 months after ERPA signature. However, this has ranged from 5.2 months for Costa Rica to 49.7 months for DRC (Figure 9).

It took on average 12.1 months between the first submission of the ER-Monitoring Report to FMT for internal completeness check and the approval to start the validation and verification process. The eight countries that are currently at that stage (at evaluation cut-off date of August 15, 2023) have been at that stage for 12.1 months, with Chile (25.5 months) and Fiji (22.6 months) being there the longest, while the Republic of the Congo submitted its report in July 2023.

[245] Review of R-PPs for in-depth and light-touch case studies
[246] Portfolio analysis
[247] Portfolio analysis.
[248] Source: FCPF External Dashboard, April 2023.

Figure 9: Overview of time elapsed between key steps of the Carbon Fund process by country (months) [249]



A number of internal as well as external factors contributed to the delays reported above. The complex nature of the FCPF requirements, the lengthy processes for revision and approval, and frequent Task Team Leader turnover[250] have been identified as internal barriers to the FCPF process. The FCPF process was reported to be time-consuming due to the requirements for extensive stakeholder engagement, the need to build internal understanding and capacity on REDD+ and the high benchmarks required to meet the technical and methodological expectations of the FCPF that are required to demonstrate the rigor of the REDD+ process. Challenges of an administrative nature pertaining to the procurement[251], processing of funds and contracting of staff, service providers and short-term expenses[252] were also internal challenges that impeded the timeliness of the program. Several external factors affected the time efficiency of the project: government shifts and coordination between ministries[253], limited institutional capacities for REDD+[254], government budget and staff shortages[255], lengthy decision-making processes with many stakeholders involved, project management changes, and restrictions related to the COVID-19 pandemic[256].

[249] FCPF, RF CF Dashboard June 2023. Negative time for Ghana in the figure is due to its 2nd Monitoring Report being submitted before receiving the 1st ER Payment.
[250] In depth case study, RoC
[251] Light-touch case study, Uganda
[252] In-depth case study, Mozambique
[253] Light touch case study, Panama,
[254] In depth case study, RoC
[255] Light-touch case study, Uganda.
[256] Light-touch case study (Uganda, Bhutan, Argentina)

4.5.1.2. To what extent were RF activities in countries cost-effective in helping pave the way for ERPA delivery under the CF (from a value for money and additionality perspective)?

Key findings: In CF countries, RF contributions as part of wider REDD+ Readiness efforts were cost effective in enabling countries to engage in RBPs. Although the readiness process is itself relatively costly, FCPF readiness funding has leveraged RBP financing in participating countries around eight times the value invested by FCPF in readiness.

In CF countries, RF contributions as part of wider REDD+ Readiness efforts were cost effective in enabling countries to engage in RBPs. A total of USD 123.1 million in Readiness grants was allocated to the 15 CF countries by FCPF, out of which 95% was spent. RF grants to all PC total USD 313.4 million[257]. A total of USD 2.28 billion has been mobilized by FCPF countries from non-FCPF sources to support their REDD+ Readiness processes, in addition to support provided by FCPF. When combined (FCPF and non-FCPF funding) FCPF countries have been able to mobilise USD 2.6 billion (with an average of USD 57.8 million per country) in support of readiness activities[258].

CF countries have been the most effective at mobilizing additional Readiness funding (representing USD 974.8 million or 43% of the total). Total expenditure on Readiness for CF countries (FCPF and non-FCPF sources) is USD 1.1 billion, an average of USD 72.8 million per country. On average, FCPF contributed to 38% of readiness costs in Carbon Fund countries, with half the countries requiring less than 22% contribution from FCPF to their REDD+ readiness efforts. On the other hand, the Readiness Fund contributed to 100% of Madagascar's readiness costs, and over 75% of readiness costs in Nepal, Costa Rica, Dominican Republic and Fiji.[259]

FCPF readiness investments have leveraged significant amounts of RBP financing. Signed ERPAs have the potential (if fully realised) to deliver USD 721,295,000 in results-based payments for REDD+ from the CF. Through ongoing and completed validation and verification processes, 13 Carbon Fund countries expect to receive USD 327.7 million in results-based payments (Table 6)[260]. Contracted RBPs from the CF and other sources (USD 952.8 million) are less than the total cost of Readiness (USD 1,092 million) in CF countries; contracted RBPs represent a proportion of 0.87 of the cost of Readiness. For each CF country, the total contracted RBPs (from the CF and other sources) represent on average of 2.58 times the total readiness investment from the RF and other sources. For five countries, total investments in readiness are higher than total contracted RBPs.

In Carbon Fund countries, contracted RBPs may generate on average 7.95 times the amounts invested through the Readiness Fund. While three countries (Chile, Costa Rica and Indonesia) are

[257] FCPF (2022). Annual Report 2022 and FCPF (2023). Annual Report 2023
[258] Portfolio review
[259] This analysis is based on data provided by FMT to the evaluation team. Notes in their documents indicate that their source is "Progress Reports SECTION D Finance 7" and that data excludes FCPF grants. However, it is unclear whether this excludes also funds for ER-P implementation and RBP payments from other programs. The independent review of country progress reports, GRM reports and individual data provided by Mozambique PIU facilitated the confirmation of approx. USD 323 million in funds, excluding FCPF grants, ERP implementation budget and RBP payments. However, some of this data seems unreliable as information is provided in an inconsistent manner.
[260] FCPF (2023). External Dashboard April 2023 and FCPF (2023). ERPA Payments August 16.

expecting significantly higher returns, most countries expect to receive payments that represent multiple times the amounts invested by FCPF.[261]

FCPF as a whole, and especially the RF, acts both as a contributor and facilitator for readiness in countries and as a catalyzer for REDD+ ER-P investments. In the Republic of Congo, for example, FCPF support is considered instrumental in generating capacity, political will, and engagement from the government.[262] In Indonesia, a small FCPF investment also generated a significant increase in capacity, political will, and engagement, and facilitated the leveraging of additional funding. The ER-P is generating excess ERs that represent potential additional income for the country.[263] In Costa Rica, where FCPF provided 79% of readiness funds, the investment is considered cost-effective, as it will enable REDD+ RBP payments between 11.6 and 14.75 times the FCPF investment that would not have been accessible without FCPF support.[264] In Guatemala, FCPF made it possible to generate the institutional and policy framework for REDD+, but the closure of the Readiness Fund has left the country with a financial gap for the operationalization of the REDD+ framework[265].

For four out of seven countries for which information is available, the cost of implementing the ER-P is higher than the contracted ERs. For these seven countries, funding comes primarily from public (68%) and private (19%) sources, with public sources including both national funds and official development assistance.

Table 10). For Mozambique it is equivalent. On the other hand, in Madagascar and Indonesia, this cost represents respectively 4% and 1% of the contracted ERs. In the case of Mozambique, the funds for ER-P implementation were not additional, but utilized existing and upcoming WB initiatives that were mobilized towards the ER-P. For these seven countries, funding comes primarily from public (68%) and private (19%) sources, with public sources including both national funds and official development assistance.

Table 10: Funding for ER-P implementation and contracted RBPs.[266]

Country	Funding for ER-P implementation (2.B)	Contract Value (ERPA)	Ratio of funding for ER-P implementation to contract value
Costa Rica	172,785,821	60,000,000	2.88
Ghana	186,746,850	50,000,000	3.73
Indonesia	1,476,711	110,000,000	0.01
Lao PDR	73,800,000	42,000,000	1.76
Madagascar	2,159,298	50,000,000	0.04
Mozambique	49,989,078	50,000,000	1.00
Vietnam	83,067,495	51,500,000	1.61
Total	**570,025,253**	**413,500,000**	**1.38**
Average	**81,432,179**	**59,071,429**	**1.55**

[261] Portfolio analysis (FCPF Annual Report Indicator Breakdown FY23, ERPA Payments August 16, FCPF Annual Report 2022)
[262] In Depth Case Study Report Republic of Congo
[263] In Depth Case Study Report Indonesia
[264] In Depth Case Study Report Costa Rica
[265] In-depth case study report, Guatemala
[266] FCPF (2023). External Dashboard April 2023, tab. 8. Contract vol vs. delivery; FCPF (2023). Annual Report Indicator Breakdown FY23

Three countries with endorsed R-Packages (Chile, Costa Rica and Indonesia) were able to secure REDD+ ER payments through non-FCPF ER schemes totalling USD 221 million (Table 11). Payments in Vietnam come from several national payment for ecosystem services and carbon offsets programs.[267] FCPF databases consider this funding as "REDD+ ER payments secured by CF countries through non-FCPF ER schemes", but whether these are results-based payments for REDD+ or for other types of activities is unclear.[268] Since no record of these ERs were identified in ER monitoring platforms (such as Lima Hub, VERRA, ART-TREES), these were not considered in the analysis. For Costa Rica, Chile and Indonesia, payments come from the GCF REDD+ RBP pilot. These total USD 221.5 million. In addition to GCF funds, Costa Rica also expects USD 10 million from Norway[269].

Table 11: Amount of REDD+ ER RBPs secured by FCPF countries through non-FCPF schemes[270]

Country	USD
Chile	63,607,552
Costa Rica	54,119,143
Indonesia	103,781,250
Total	**221,507,945**

Three countries (Ghana, Lao PDR, and Mozambique) have generated certified ERs through non-FCPF schemes but have not yet obtained payments.[271] Chile is the only CF country that has not generated ERs under the CF but has obtained RBPs from another source.[272] 45% of FCPF countries not part of the CF have successfully generated certified ERs, a slightly higher proportion than CF ERs. However, there is no information to the effect that they have received payments for these ER[273].

Non-carbon benefits contribute to enhance the efficiency of FCPF interventions by providing "additional benefits" while supporting the achievement of carbon benefits. In most countries analyzed, the role of non-carbon benefits seems to go beyond that of an "additional benefit", and play a role in the incentive mechanism that FCPF is setting up through the ER-Ps. In Mozambique and Ghana for example, non-carbon benefits directly target the drivers of deforestation, and are thus part of the mechanism to generate ERs. Their value for money is therefore commensurate with their effectiveness at generating ERs[274].

4.5.1.3. How have financial contributions from Contributors been distributed and used within the RF and the CF to support their activities?

Key findings: A total of 15 donors (14 countries and the European Union) contributed a total of USD 399 million to the RF from FY09 to FY23 and 12 donors contributed to the CF. Between 2009 and 2023, FCPF signed USD 313.4 million in Readiness grants to participating countries, with a disbursement rate of 95%. This was by far the most significant expenditure made from

[267] GCF website and Vietnam First ER Monitoring Report (2021).
[268] GCF website; FCPF (2023) Annual Report Indicator Breakdown 2023; and Vietnam First ER Monitoring Report (2021), p.127.
[269] In-depth case study, Costa Rica.
[270] Lima REDD+ Information Hub / GCF website and Costa Rica case study.
[271] FCPF Annual Report Indicator Breakdown FY23 (tab FY22)
[272] FCPF Annual Report Indicator Breakdown FY23 (tab FY22)
[273] Portfolio analysis, based on a review of multiple sources of information.
[274] In-depth case study, Mozambique and Ghana

the RF, representing 71% of the total RF disbursements. ER Payments made to countries currently represent 46% of CF expenditures, but this proportion is increasing. Administrative costs associated with the CF are significantly higher than those associated with the RF.

A total of 15 donors (14 countries and the European Union) contributed a total of USD 399 million to the RF from FY09 to FY23. Among donor contributions, the highest amount received by the RF was from Norway (USD 113.7 million) with 28.5% of the contributions. Adding the investment income[275] (including the income transferred from the CF), the total funding for the RF amounted USD 472.5 million[276].

Twelve donors contributed to the CF, namely 9 countries, the European Union, 1 NGO and 1 private sector company. Their total contribution was of USD 874 million between FY09 to FY23[277]. Adding the investment income[278] totaling USD 29.3 million 281 (including the income transferred from the RF), the total receipts for the CF amounted USD 903.8 million.

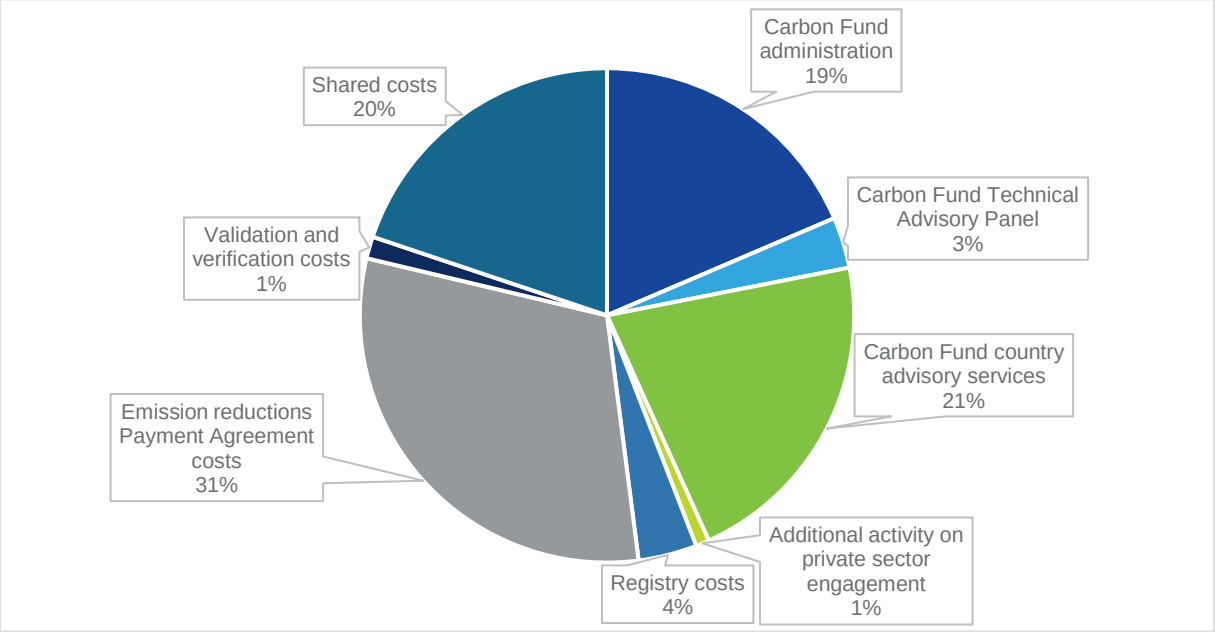
Between 2009 and 2023, FCPF signed USD 313.4 million in Readiness grants to participating countries, with a disbursement rate of 95%. This was by far the most significant expenditure made from the RF, representing 71% of the total RF disbursements. Total disbursements from the RF from FY09 through the end of FY23 were USD 422.5 million (89% of the USD 472.5 million of receipts) and included USD112.2 million in Cash disbursements[279] and almost USD 12 million in grants to Indigenous peoples/civil society organization (IP/CSO) groups. As of the end of FY23, the RF had disbursed USD 298 million in Readiness grants, including 235.8 million through the WB and 62.6 million through DPs. Grants disbursed by DPs represent 19.9% of Readiness grants.

Since its inception, RF support to REDD country participants represented USD 76.4 million. The costs of country implementation support cover the direct assistance of DP country teams to country participants, including technical assistance, grant supervision, and assessments provided to the PC. Administrative support (Trust fund administration)[280] of USD 4.7 million represented approximately 1 percent of total cash disbursements. In the lifetime of the RF (FY09-23), administrative costs amounted to about USD 22.7 million (net of shared secretariat costs) and represent just 5 percent of total disbursements of USD 422.5 million[281].

ER Payments made to countries currently represent 46% of CF expenditures, but this proportion is increasing. Figure 10 presents an overview of CF expenditures. Of the USD 903.8 million received by the CF, disbursements have been made of USD 116.3 million up to the end of FY23, representing only 12.9% of the total funds available. ER Payments currently represent 46% of CF disbursements, while 52% consist of various cash disbursements[282].

[275] Amounts paid into the trust fund but not yet disbursed were managed by the International Bank for Reconstruction and Development (IBRD) which maintains a pooled investment portfolio for all the trust funds administered by the WBG. (Source: Annual Report 2023).
[276] Annual report 2023.
[277] Annual report 2023.
[278] Amounts paid into the trust fund but not yet disbursed were managed by the International Bank for Reconstruction and Development (IBRD) which maintains a pooled investment portfolio for all the trust funds administered by the WBG. (Source: Annual Report 2023).
[279] Non-grant disbursements. RF Cash disbursements include: i) Support to REDD countries (Country implementation support, Country advisory services, REDD+ methodology support); ii) Readiness Fund (IP/CSO Capacity Building Program), Readiness Trust Fund administration (including Carbon Fund shared costs).
[280] Cost of all PC and PA meetings, travel costs for country participants and some observers.
[281] Annual report 2023.
[282] Annual report 2023.

Figure 10: Overview of CF expenditures to end of FY 23 (USD, thousands)[283]



Between 2019 and 2023, the expenditures of the RF progressively decreased as the RF was coming to an end (FY21 and FY22). As ER Payments only started in 2021, the rate of expense of the CF was understandably higher in the last three years of implementation. Out of the USD 53.2 million that have been disbursed to date in ER payments[284], 78.7% of payments were made in 2023. As of August 15, 2023, USD 278 million in ER payments are planned to 13 countries, 85% of which will be for certified ERs[285].

4.5.2. What has been the level of efficiency of various FCPF management and governance systems or functions?

Overall finding: FCPF administrative, financial, monitoring and reporting processes are considered efficient. Some challenges were experienced with regards to the efficiency of the ER Monitoring Reports. Work through the different delivery partners was generally considered effective.

4.5.2.1. How efficient were the Participants Committee and the Participants Assembly in delivering key decisions and guidance?

Key findings: Key findings to this question can be found by referring to section 5.3.5.1.

[283] FCPF (2023) Annual report 2023.
[284] This amount includes ER payments for fully validated/verified ERs, interim advance payments and upfront advance payments.
[285] FCPF (2023) ERPA Payments August 16.

4.5.2.2. How efficient is the results monitoring and reporting process?

Key findings: Country-level reporting on the Readiness Fund was satisfactory. Preparation of ER Monitoring Reports under the Carbon Fund has proven much more challenging and have required significantly more support from FMT.

Reporting on the Readiness Fund is generally satisfactory, and no particular challenges have been identified. The quality of reporting on Readiness is generally satisfactory, but users of RF reports (principally FMT and donors) indicate that accuracy could be improved[286].

Reports under the Carbon Fund have proven much more challenging and have required significantly more support from FMT. The preparation of ER Monitoring Reports has proven challenging for most countries, in terms of technical requirements, level of effort, budget and time required to deliver quality reports, and has also required extensive support from FMT. The validation process is also lengthy. However, this enables countries to access REDD+ RBPs from the CF and potentially from other sources and serves as an antidote to the current controversies surrounding the lack of credibility of forest-based carbon credits more generally. Specific challenges mentioned include the level of effort required (mentioned in 6 in-depth case studies), the budget required to complete the reports (mentioned by 3 in-depth case study countries) and time (mentioned by 2 in-depth case study countries)

Reporting on ER is done using established FCPF templates, which are acknowledged as technically complex[287]. Delivering ER Monitoring Reports requires a lot of effort, both from the countries and the FMT.[288] The average time between the submission of the ER Monitoring Report and its final validation is 12.1 months, although the average duration of the validation and verification process itself is of 9 months.[289] According to the FMT, and as supported by a country level interview, the limited availability of service providers for third party verification is contributing to delays, as there are only three providers (despite efforts to recruit and train more) and they are not always available on the desired timeline.[290] As of August 15, 2023, nine countries have submitted ER Monitoring Reports that have not yet been validated. While some were submitted recently (Cote d'Ivoire submitted its report in April 2023), Fiji's and Chile's were submitted respectively 22.6 and 25.5 months ago.[291]

Country progress reports for both RF and CR as well as FMT/Delivery Partner reports are publicly available on the FCPF website. This is aligned with the FCPF Guidelines on Disclosure of information which identify 20 types of documents to be disclosed (incl. ERPD, ERPAs, BSPs, and monitoring reports, among others), the party responsible for disclosure (FMT / Government), the disclosure medium (FCPF website in the case of the FMT) and the time of disclosure. [292] The timeliness of this process was not analyzed, but delays in publishing reports online were noted.[293]

ER Monitoring Reports have been used by countries to seek certification for their ERs and obtain payments from the Carbon Fund. These reports have also certified excess emissions, not covered by the ERPA, that can be traded on the voluntary or compliance markets (see data on effectiveness and impacts). These reports are thus instrumental in the process to obtain REDD+ RBPs. The FCPF Monitoring

[286] Program-level interviews (FMT members, Donors)
[287] FMT interview
[288] FMT interview and all country case studies
[289] Data provided by FMT.
[290] FMT comments and PIU interview in Mozambique.
[291] Considering a cut-off date of August 15, 2023.
[292] FCPF (2016). Guidelines on Disclosure of Information.
[293] Delivery Partner interview

and Evaluation Framework (MEF) states that annual progress for CF countries is to be reported through the ER Monitoring Reports. The ER Monitoring Reports (in its Annex 3) includes data dedicated to non-carbon benefits and elements to inform indicators from the MEF. It also includes an annex on the implementation of the Safeguards Plan and one on the implementation of the Benefit Sharing Plan [294]. However, ER Monitoring Reports are not submitted on a yearly basis. Carbon Fund countries have submitted to date up to two such reports. This limits the ability of FCPF to provide accurate, annual reports on many key indicators.

4.5.2.3. How timely and efficient are administrative and financial approval processes?

Key findings: The administrative and financial processes are generally perceived as efficient under the Readiness Fund. However, challenges associated with country-level reporting under the Carbon Fund are perceived as delaying payments

The administrative and financial processes are generally perceived as efficient under the Readiness Fund. Overall, stakeholders interviewed did not identify major bottlenecks with regards to administrative and financial processes under the Readiness Fund. The First[295] and the Second[296] evaluation of the FCPF both noted important challenges with regards to disbursements, but no comments were received to that effect from interviewees, which may indicate that such issues have now been addressed. Overall positive comments were given regarding the quality and timeliness of feedback received and collaboration with FMT teams during revision and approval of documents[297]. A few negative comments received during interviews arise with regard to the refusal of some extensions late in the process (2 countries[298]).

Challenges associated with country-level reporting under the Carbon Fund are perceived as delaying payments. Challenges identified with regards to the Carbon Fund pertain primarily to the heavy reporting and high standards for approval of ER Monitoring Reports, which have to be balanced with the need to ensure credibility for ERs generated, as discussed in section 5.5.2.2. In some countries, internal challenges also contribute to administrative and financial challenges, for example when they lack the capacity to maintain staff to support the process.

4.5.2.4. How efficient is the structure of implementation through a delivery partner?

Key findings: The quality of support provided by delivery partners is described as good to excellent. Communications are also perceived as effective, despite a few challenges.

[294] FCPF (2022). ER Monitoring Report template v.02.4, p.32.
[295] Baastel (2011). First Evaluation of the Forest Carbon Partnership Facility
[296] Indufor (2016). Second Evaluation of the Forest Carbon Partnership Facility.
[297] Program-level interviews (PA/PC member, 1 delivery partner, 3 countries).
[298] Country names not disclosed to protect anonymity

The quality of support provided by the different delivery partners is described as good to excellent. The WB (through its Task Teams), IDB and UNDP act as Delivery Partners for the Readiness Fund. Twelve country case studies describe the support as being of good quality, with emphasis on good collaboration and helpfulness to address complex situations. 86% of E-Survey respondents (n=44) consider that support provided by their delivery partner was "good" or "excellent"[299] In two of the case study countries (Indonesia and Panama), shortcomings were reported with the review and validation processes. In Panama, it was the delivery partner that did not provide effective follow up on the quality of deliverables, while in Indonesia, the feedback from FMT was considered slow and at times contradictory.[300]

While communications are generally perceived as effective, some challenges were identified within countries related to coordination. A few countries, both supported by the WB and by Delivery Partners, noted a distance in their communication with the WB. Feedback from two countries supported by a Delivery Partner described it as "sporadic" (only in committees) or "minimal", while a country supported by the WB mentioned challenges in reaching WB's technical counterparts on specific issues.[301] 79.9% of E-survey respondents (n=44) consider that communication flows between countries, the Delivery Partner and the WB are either good (45.5%) or excellent (34%). However, 9% consider them to be poor[302]. In five countries covered by case studies and interviews with PA/PC members, communication flows are perceived as effective. However, a few countries[303] noted difficulties:

- Two countries reported challenges when it came to coordination of comments and technical review of outputs.
- One country noted that delivering support is more challenging when it comes from another country. This country was supported by a Delivery Partner.
- A PA/PC member mentioned feeling like an outsider as they were not part of WB countries.
- One country also noted that TTL turnover and their workload complicated communications.

4.6. Sustainability

4.6.1. What is the likelihood of FCPF results being sustained?

Overall findings: In general, sustainability prospects for FCPF results are relatively good, but finance, capacity and effective benefit sharing are key areas that require additional support if this is to be assured.

4.6.1.1. What is the likelihood of RF results being sustained?

Key findings: In general, those countries that have progressed from readiness to results-based finance have been able to sustain REDD+ technical capacity, structures and processes. This is particularly the case for middle-income countries where internal resources have been mobilized, and less so for resource-poor countries. National ownership, expressed through high-level political support and institutionalization of REDD+ structures, capacity and processes

[299] E-survey
[300] Light touch case study, Panama; In-depth case study, Indonesia
[301] Country case studies and interviews.
[302] E-survey
[303] Country names not disclosed to retain anonymity

has been a key enabler of sustainability, while the financing gap between readiness and results-based action is identified as a key constraint.

Countries that have advanced from readiness phase to results based payments have, in general, demonstrated the ability to sustain the results achieved during the readiness phase, as these are required to secure verified emission reduction payments. Countries such as Indonesia and Ghana have been able to successfully apply for external financing for results-based actions from external sources following the establishment of REDD+ capacity and structures at national level. Indonesia has successfully received funding from GCF but did not participate in LEAF. Ghana has recently signed an ERPA with LEAF[304]. Mexico has been able to institutionalize capacity built during readiness support from FCPF, which continues to today (Box 8).

Box 8: Institutional sustainability in Mexico

In Mexico, during the readiness phase support from FCPF, the government allocated a specific budget for the establishment of a REDD+ co-ordination unit within the national forestry agency (CONAFOR). Although much of the initial staffing of this unit was consultants who reported to government staff, it has increasingly become institutionalized and skills transfer around new areas such as MRV has taken place progressively, even though Mexico has not gone on to access CF funding. The MRV staff within government were able to go on to produce an ER Program Document for the World Bank ISFL program demonstrating considerable internal capacity (Source: Thematic Study 1: Review Report)

Countries that decided not to pursue CF funding have benefitted from RF support in a variety of ways. In all four countries sampled for the light-touch studies that have not advanced from FCPF support for readiness to results-based payments under the Carbon Fund, relevant REDD+ government agencies have been able to build on readiness results delivered under FCPF to seek alternative sources of external financing of results-based actions. To date, finances have been secured from GCF (Argentina and Uganda), LEAF-Coalition (Uganda) and Forest Investment Fund (Uganda). Panama is in the process of preparing emission reduction proposals for a number of international REDD+ mechanisms, but to date, none have yet come to fruition, and Bhutan has submitted a proposal to GCF that builds on the REDD+ strategy in support of sustainable forest management[305]. One country sampled (Bhutan) has not progressed to Carbon Fund support, nor has it sought results-based financing from other sources, but nonetheless was able to benefit from RF support (Box 9). Even though FCPF is no-longer supporting Bhutan, the government retains this capacity in-house and continues to sustain an improved level of national forest monitoring with internally generated resources[306].

[304] In-depth case study Indonesia and Ghana
[305] Light-touch case study Argentina Section VII, Light touch case study Uganda Section VII, Light touch study Panama Section VII; Bhutan light touch case study Section VII
[306] Light-touch case study, Bhutan

Box 9: RF support to Bhutan

Although the country chose not to progress from RF to CF support, due to its low deforestation rate and high forest cover, Bhutan was able to build and maintain capacity across key areas such as national forest monitoring, geographic information systems, biomass assessment and forest cover and land-use change detection. This was through a deliberate choice of using established structures within government for delivery of key milestones under the readiness support, rather than outsourcing these functions to external service providers or consultants (Source: Light-touch case study, Bhutan)

Political support and country ownership was identified in four case study countries as a key factor that influenced the sustainability of Readiness Fund results. Many of the countries assessed (including Indonesia, Panama, Bhutan, Guatemala, Nepal and Republic of Congo) have in addition introduced a number of national and sub-national reforms and policies that place forests and their protection at the center of the political agenda. Other countries, including Costa Rica and Bhutan, have a long-standing track record of forest stewardship and protection and FCPF was seen as a means to support this pre-existing goal, by leveraging new finances for establishing national forest monitoring and protection systems as well as implementation of actions that deliver climate mitigation goals. An established national legal framework that integrates climate change mitigation measures into sectoral legislation, strategies and plans was also identified as a critical and associated factor in four of the countries assessed (Table 12).

Table 12: Factors enabling or hindering sustainability of Readiness Fund results from the 12 in-depth and light-touch case studies (Source: Analysis of case studies)

Factors supporting	Frequency	Factors hindering	Frequency
Political support	4	Lack of adequate financing for sustaining readiness structures	7
National culture and support	2	Insufficient national capacity	5
Strong interest in RBP	2	Limited opportunities for oversight and engagement by non-state actors	3
Global recognition and kudos	1	Lack of integration or co-ordination with other government departments	2
Institutionalization of capacity	1	Lack of sufficient political support	1
Strong legal framework	4		
Engagement of Indigenous People	2		

There is evidence that middle-income countries such as Indonesia or Costa Rica, which have internal resources and capacity to sustain and institutionalize REDD+ structures, systems and processes are more likely to do so than those countries with more limited finances, resources or capacity (such as Republic of Congo and DRC)[307]. A key factor driving this finding is the question of external finance being available to meet the gap between readiness and results-based payments. In 7 of the country case studies, the availability (or lack) of financing emerged as a key factor in sustaining readiness structures and capacity. Furthermore, where REDD+ co-ordination under FCPF was considered as an externally-financed "project" rather than a nationally-owned initiative, this also was found to influence the degree to which these aspects have been sustained beyond the readiness phase, as seen with the example of Uganda. In Republic of Congo, where government has made clear that it has no resources to support co-ordination of REDD+ activities, a project management unit (PMU) has been established with funding from two other WB funded projects. Structures for co-ordination of REDD+ actions across government and with non-state actors have been dormant since 2018 as no budget allocation from

[307] In-depth case study Costa Rica, Indonesia, Republic of Congo; Light touch case study Democratic Republic of Congo; Program-level interview FMT.

government has been made for their operationalization, when readiness support ended. Efforts have been made by FCPF to respond to financing gaps, including the offer to readiness countries of an additional USD 5 million at mid-term of their readiness phases as well as advance payments within ERPAs for CF countries, and while these have helped, they have not been able to overcome financing gaps in either Republic of Congo, or the DRC[308].

The degree to which key REDD+ governance structures have been maintained following RF support varies significantly between countries sampled. Co-ordination bodies developed with which to foster dialogue, communication and feedback between government and non-state actors and across different parts of government on REDD+ were discontinued after REDD readiness support ended in 5 of the 12 countries sampled, again calling into question the sustainability of REDD+ co-ordination at national level after readiness support ends, as seen in Mozambique, Uganda, Guatemala, Panama (Box 10) and Republic of Congo. While Republic of Congo has committed to finance the re-establishment of governance structures at sub-national and national levels through finances received from the sale of emission reductions, it remains to be seen if this will happen in practice. While structures have been established in Guatemala, financing from government is limited, threatening long-term sustainability and overall viability. In Mozambique, some external consultative structures exist, and although these are funded through other donor-funded programs at the moment, some of those programs will soon come to an end and as such, sustainability of these structures (and the ER activities themselves) remains challenged in the medium term without further mainstreaming in government operational budget and structures.[309]

Box 10: Institutional sustainability challenges in Panama

In Panama, technical capacities were established for the elaboration of Forest Reference Levels (FRL), MRV and GHG inventories aligned with IPCC methodology, interpretation of satellite images, among others. However, frequent turn-over of staff within government, coupled with changing institutional architecture within government following changes of government place challenges with regard to sustaining this capacity over the long-term. (Source: Light-touch case study, Panama)

4.6.1.2. What is the likelihood of CF results being sustained?

Key findings: Overall, CF results are likely to be sustained in the medium term due to the high level of political support and interest in ER programs seen in many countries. The degree to which social and environmental sustainability can be maintained following the completion of CF support is unknown at present but will largely depend on the degree to which key actions have been internalized and institutionalized within government agencies and/or whether other sources of results-based finance have been secured.

Financial, political and institutional sustainability

All countries sampled have taken concrete measures to establish a robust legal framework for REDD+ at national level. As presented above (Section 5.4.3.4), almost all countries who have received support from RF and CF have taken steps to build a legal framework at national level that supports REDD+ and five of the countries sampled in this review have taken specific measures to provide a legal basis for strengthened forest management and protection as well as improved forest management practice

[308] Light-touch case study, Uganda; In-depth case study Republic of Congo; IEG. 2012. Global Program Review, Forest Carbon Partnership Facility.
[309] In-depth case study, Mozambique, Guatemala, Republic of Congo; Light touch case study, Bhutan and Panama

(Panama, Ghana, Costa Rica, Indonesia, Mozambique). As such, the legal framework is likely to be sustained in the near-term as they would require a reversal of these reforms by government if they were to be halted. In Indonesia, legal reforms have supported new governmental structures, improved collaboration across government at sub-national level and are a result of strong political support at central and sub-national levels. In Costa Rica and Bhutan there is strong public and political support for the protection of forests and nature, and as such, REDD+ legal reforms are further supporting and reflecting the popular will and are unlikely to be reversed in the short term[310]. Furthermore, the online survey conducted as part of this evaluation found that 33% of respondents stated that the alignment of the FCPF Carbon Fund with national priorities was a key factor for their country to engage with the program.[311]

The likelihood of CF results being maintained is also increased when there is interest and engagement in non-CF results-based programs, either through inter-governmental jurisdictional programs such as Green Climate Fund (in Indonesia or Ghana), regulated private sector schemes such as LEAF (Uganda and Ghana) or voluntary market, private sector projects (as seen in Mozambique, where 32 forest carbon projects are currently under development). FCPF has provided support to countries such as Vietnam and Indonesia with auction arrangements for excess ER credits, while also investigating options for including excess FCPF credits within the VERRA registry. These other sources of financing create momentum for continued engagement and increase opportunities for sustainability[312].

Social sustainability

Social sustainability appears to be likely (in the short to medium term) in most of the countries sampled for the in-depth case studies. Many of the interventions being supported within ER-programs are designed to both reduce emissions, but also (and crucially), meet individual objectives relating to well-being and livelihood. Evidence from countries sampled in the in-depth case studies indicate that livelihoods are being directly supported to the benefit of local people, with examples such as increasing productivity, opportunities for income from NTFPs, and strengthened land tenure. Strengthening community forestry processes in Indonesia and Nepal and strengthening the management and protection of Indigenous Territories in Costa Rica and Guatemala by Indigenous Peoples[313] also contributes to improved livelihoods. As such, social sustainability is likely to be assured until the end of funding support from the Carbon Fund, but the degree to which it can be sustained into the future will depend on whether implementing entities are able to continue to provide similar support into the future.

Environmental sustainability

Prospects for environmental sustainability are strong given the emphasis across the program on biodiversity protection and sustainable land management practices. As reported elsewhere in this report steps have been taken in a number of ER programs (Indonesia, Lao PDR, Madagascar, Costa Rica, Mozambique and Vietnam) to strengthen the protection of high biodiversity areas, either through improved legal status, improving management effectiveness, engaging forest-edge communities in monitoring and reporting of illegal activities and reducing the incidence of fire. Where these practices have become mainstreamed within routine government budgets and workplans, as in Indonesia, the environmental benefits are likely to outlive the period of support from the Carbon Fund. However, where payments from the carbon fund are being used in supporting these improved management practices (as in Costa Rica

[310] In-depth case study Costa Rica, Ghana, Indonesia, Mozambique; Light touch case study, Bhutan
[311] E-survey
[312] In-depth case study Ghana, Indonesia; Light touch study, Uganda; Program-level Interview FMT; Program level interview Country PA/PC Member
[313] In-depth case study Costa Rica, Guatemala, Nepal and Ghana

where CF funding is being used to support a farmer-level PES scheme), the degree to which environmental benefits will continue following the completion of CF support is unknown[314].

Where the introduction of sustainability practices into land or forest management activities is shown to deliver significant non-carbon benefits (such as the increased production of cocoa in Ghana, diversified income sources and increased resilience to climate change impacts seen for instance in the Vietnam ER Program and sustainable timber production within Indigenous Territories in Costa Rica), this creates momentum for sustainability and reduces risk of reversals. In Nepal, community forestry is a tried and tested approach that has been shown to generate social, livelihood and environmental benefits. Private sector actors have seen the relative benefits of agroforestry and commercial tree production when compared to competing land-uses such as maize production. As such, it is very likely that such environmentally beneficial practices could be sustained after completion of ER Program[315].

Key elements affecting sustainability prospects

Box 11: Small-scale illegal mining emerges as a new deforestation driver in Ghana

In Ghana, for example, the last few years has seen a rapid and unanticipated growth in small-scale illegal, gold mining (known locally as "galamsey") in forest reserves, which has resulted in an increase in deforestation levels and impacted on cocoa production. The ERP identified cocoa as the main driver of deforestation and as such is supporting more sustainable systems of cocoa production. As yet this new driver has yet to be fully addressed and may reduce progress being made on addressing deforestation rates overall. (Source: In-depth case study, Ghana, WRI Global Forest Watch, Mongabay)

New deforestation drivers threaten sustainability prospects in some countries implementing ER programs. One risk that may impact on ER programs' ability to sustain reductions in deforestation is the emergence of new drivers of deforestation that are currently not being addressed and have the potential to undermine progress made elsewhere with addressing other drivers (Box 11). ER programs need to be responsive and adaptive in ways that allow new and emerging threats to be pro-actively identified and addressed. There is little evidence that this is happening in a systematic manner across different countries.

As reported with the readiness phase, a key factor supporting sustainability of CF results at national level has been the strong political will and leadership demonstrated which has strongly enabled the transition to a robust national legal and institutional framework for REDD+ and results-based actions. 34% of respondents to the online survey conducted as part of this evaluation identified political leadership as a key factor in advancing REDD+ 'to a high extent" and 29% to a 'moderate extent".[316] Linked to this is the progress made in all countries sampled for this evaluation on many of the legal and regulatory issues around REDD+ and sustainable forest management. Together, these two factors have resulted in a high level of national ownership and constitute the most important enablers of progress seen as well as factors likely to lead to sustainability of results.

[314] In-depth case study Indonesia, Costa Rica and Thematic Study on non-carbon benefits
[315] In-depth case study Costa Rica, Nepal, Ghana
[316] E-Survey

Table 13: Factors hindering or enabling sustainability of Carbon Fund results from the 12 in-depth and light-touch case studies (Source: Analysis of case studies)

Factors supporting	Frequency	Factors hindering	Frequency
Political support	4	Uncertainty over receipt of benefits at local level	5
Strong legal framework for REDD+	3	Financial gaps, capacity gaps and weak institutional framework	3
National culture and support	1	Lack of or limited relevance for HFLD countries	2
Strong governmental co-ordination	1	Limited engagement of private sector	2
Institutionalization of capacity	1		

A further factor that may impact negatively on the overall sustainability of results in both the short and medium term relates to uncertainties relating to the receipt of benefits at community and household levels. Identified in five of the seven countries, a primary concern is emerging regarding delays in either securing or transferring results-based payments to local level actors (Table 13). In Nepal, capacity gaps within government for MRV have resulted in associated delays in getting the first ER report approved, resulting in corresponding delays in the receipt of results-based payments.

A related factor is how the behavior of forest managers will be affected once results-based payments end, as reported in other similar environmental service schemes[317]. Furthermore, in Republic of Congo, Mozambique, Guatemala, Costa Rica and DRC, in-country respondents have expressed concerns that the scale of rewards that will be paid to community-level actors may not be sufficient to incentivize the behavior changes targeted. This is a result of multiple factors, including the poverty level of rural inhabitants, high prevailing levels of forest dependence, the total number of actors targeted, the overall level of ER finance generated and the price paid per ton[318]. As reported in Section 5.3.3.4, no substantial payment transfers have yet been made down to the community level in any of the CF countries, these findings are still conjecture and an ex-post assessment will be necessary to verify this conclusively.

Capacity gaps remain in areas such as MRV, which may impact on overall levels of sustainability. Both Guatemala and Nepal faced significant delays in the delivery of their ER monitoring reports, as they lack sufficient in-house capacity with which to complete them to a level that meets WB's requirements. In Uganda, there is evidence that many of the staff who have been trained in MRV within government have gone on to other positions outside government where more lucrative jobs can be obtained. Overall capacity (in terms of financing as well as human resources and skills in MRV and carbon accounting) are lacking in both Republic of Congo and the DRC and are having a significant influence on the ability of these two countries to sustain ER activities (and the required support needed).

Countries with historically low rates of deforestation may not receive sufficient financial payments to create sufficient incentives for governments and local stakeholders alike. In Costa Rica, for example, indigenous territories which are being supported through the BSP have some of the lowest levels of deforestation in the country and as such will receive limited financial benefits from results-based finance. Similarly, Republic of Congo, which has an annual deforestation rate of around 0.05%, has signed an ERPA

[317] Jayachandran, S et al. (2018). Evaluating the permanence of forest conservation following the end of payments for environmental services in Uganda. Report No: AUS0000379. Washington D.C. World Bank Group

[318] In-depth case studies Republic of Congo, Mozambique, Guatemala, Costa Rica and Indonesia, Light-touch case study Uganda and Democratic Republic of Congo, Interviews with Observer and 2 donors;

with the Carbon Fund, but it remains to be seen what level of emission reductions it can realistically generate[319].

4.6.1.3. What other incentives, capacities, or other additional support are necessary for countries to effectively sustain REDD+ engagement and payments?

Key findings: Financing and capacity (at national and sub-national levels) are identified as important areas that need to be strengthened in a number of countries if REDD+ is to be effectively sustained moving forward. Creating a regulatory framework for different forms of results-based financing (including private VCM projects), developing appropriate nesting arrangements and diversifying and unlocking new forms of finance will be key. The harmonization of public policies, strengthening enforcement and governance of forests and land-use and engaging with private sector actors in the extractive and land-use sectors are also ongoing challenges being faced by many countries.

Financing and capacity are identified as important areas that need to be strengthened in a number of countries if REDD+ is to be effectively sustained moving forward. This particularly relates to financing of REDD+ co-ordination and engagement structures following the completion of readiness activities. With regard to the case studies undertaken as part of this review, this problem was found to be particularly acute in Republic of Congo and DRC, where externally funded projects were providing the necessary support and staff to maintain a program management unit within government and in the case of Uganda where the REDD+ co-ordination structure had been disbanded following the conclusion of support from the Readiness Fund and tasks allocated to existing ministerial bodies[320]. Maintaining wider structures that facilitate co-ordination across government departments and levels (national to local government) as well as between government and non-state actors (such as private sector and NGO representatives) is also a crucial element of REDD+ and is an area that has also been impacted by limited financial resources in a number of countries such as Republic of Congo, DRC, Uganda and Mozambique. In Ghana, within the context of the ER program, landscape level co-ordination bodies have been established with which to engage all relevant stakeholders involved in implementation, but again, securing funds to facilitate such meetings has proven challenging[321].

Related to this problem is the challenge of maintaining or building sufficient capacity within government bodies to undertake MRV to a standard necessary to ensure accuracy and integrity of reported ER credits, both during and after the period of support from the Carbon Fund. This has been reported to be an ongoing obstacle in Nepal and Guatemala[322]. In particular, countries reported challenges related to keeping abreast of new and emerging technological developments in remote sensing and forest change detection as well as the very real costs of field verification across a large number of field sample sites when undertaking resource assessments. In Indonesia, while significant capacity has now been built at national level within the Ministry of Environment and Forestry, the government recognizes that ongoing gaps at provincial level is now a growing challenge, particularly in light of the increasing demand from many provinces to engage in ER programs similar to that supported by the Carbon Fund[323].

[319] Light touch case study, Panama
[320] In-depth case study Republic of Congo, Light touch case study, Uganda and Democratic Republic of Congo
[321] In-depth case study Ghana
[322] In-depth case study Nepal and Guatemala; Program-level interview PA/PC member
[323] In-depth case study Indonesia

Many CF countries are currently working on the development of a regulatory framework for different forms of results-based financing (including VCM projects), developing appropriate nesting arrangements and diversifying and unlocking new forms of finance. Ultimately, if support provided by FCPF is to be sustainable in the long-term, it has to be able to leverage or unlock new and diversified forms of results-based financing, building on the readiness structures established under FCPF and learning from the ER programs implemented under the Carbon Fund. This can be used to maintain and expand REDD+ results-based actions within and beyond the ER program areas and can potentially take the form of intergovernmental (public) funding sources (such as bilateral support under the Norwegian government and the REDD Early Movers Program or Green Climate Fund), regulated domestic compliance markets that are beginning to emerge in countries such as Indonesia or VCM jurisdictional programs such as LEAF Coalition[324]. Navigating the regulatory hurdles while ensuring incentives are created for attracting high integrity REDD+ financing is a challenge that is being faced by many countries sampled for this review (including Ghana, Panama, Argentina, Indonesia and Guatemala)[325]. Coupled with this is the complex task of "nesting" sub-national approaches or projects into national frameworks, the development of robust and harmonized carbon accounting systems and registries and ensuring the integrity of credits issued. This is a challenge that has been recognized by FCPF and guidelines have been produced and circulated in response.[326] Finally, a related challenge emerging in countries such as Vietnam and Indonesia which have generated ER credits above the amount agreed in the ERPAs, is identifying new and emerging opportunities for their sale[327]. This too is an area that has been identified by FMT and support has already been extended to these two countries to develop online auctions of credits. In addition, efforts are ongoing to include FCPF credits within different third-party registries such as ART and Verra registry which would make them eligible for sale in this wider market[328]. Many countries have correctly identified private sector actors as key drivers of deforestation given their engagement in the production of forest-risk commodities such as palm oil, rubber, beef, soya and other agricultural products. Case studies from Guatemala, Costa Rica Mozambique, Argentina and Indonesia have indicated that while there is a high level of awareness regarding the need to engage with large-scale, private sector actors, there has been limited progress in creating an effective regulatory framework or incentive structure that is sufficient to drive behaviour change at scale[329].

Although some progress has been made with regard to improvements in forest governance, more work is needed if REDD+ results are to be maintained. Without effective law enforcement, forest illegalities go unaddressed, creating disincentives for those actors who do conform with legality requirements. Although good progress has been made in a number of countries such as Indonesia, Costa Rica and Mozambique to strengthen law enforcement, it continues to impact on actions and poses a substantial future risk as reported in Republic of Congo, DRC and Indonesia. In Indonesia and Republic of Congo, licensed concession holders harvesting natural forests are now required to operate using reduced impact logging. Despite this, enforcement and compliance are still sporadic. In Indonesia, despite the high-level political support expressed at provincial level in East Kalimantan through the current and former governor, there is ongoing discussion of a proposal by some of the district authorities to make exemptions to the current moratorium on palm oil expansion in forested areas, and to grant concessions totalling around 700,000 hectares, much of which is on forested land. No final decision has yet been made at the time of

[324] Program-level interview (2) - Donor
[325] In-depth case study Ghana, Indonesia, Guatemala; Light-touch case study Panama, Argentina
[326] FCPF. 2018. Approaches to REDD+ Nesting. Lessons Learned from Country Experiences.
[327] In-depth case study Indonesia; Program-level interview FMT; Program-level interview Donor.
[328] Program-level interview FMT.
[329] Program-level interview Donor; Program-level interview Observer; In-depth case study Mozambique, Costa Rica and Indonesia; Light touch review Argentina

this review, but it does indicate the degree to which push-back from some quarters may risk weakening sustainability commitments made at higher levels[330].

The process for distributing results-based payments is taking longer than anticipated and risks the viability and sustainability of incentives for long term forest management. As reported in 4.3.3.4, in at least three countries sampled (Costa Rica, Mozambique and Indonesia) a key challenge relates to the delays in operationalization of processes and systems for delivering benefit sharing funds to lower levels. In all three countries, new instruments or structures have been established with which to handle, disburse and account for benefit sharing funds and, in all cases, the experience and capacity to undertake these tasks are relatively limited (including in Costa Rica, where new instruments were created to expand the reach of the already existing Payment for Ecosystem Services scheme).

A number of gaps exist in addressing drivers of deforestation at country level, as follows:

Land and natural resource tenure: As reported in Section 5.4.1.4, a number of countries are facing challenges with regard to land and natural resource tenure and transfer of title – which is an essential pre-requisite for payment of emission reductions (See Box 12 as an example).

Box 12: Unresolved land and natural resource tenure issues in Argentina

Although Argentina has yet to embark on REDD+ implementation, it is widely recognized that there are significant unresolved legal issues regarding the rights of Indigenous Peoples with regard to forests, natural resources and carbon, and this would need to be addressed in advance of any large-scale program that implicated this stakeholder group. Recent research conducted in the Chaco Region of the country has shown almost half of remaining forests in this area are located in indigenous lands where there is land tenure insecurity. (Source: Light-touch case study, Argentina)

Harmonization of public policies impacting land-use. In two cases reviewed (Uganda and Panama), there were evident signs of inconsistent public policies on land-use primarily between the forest and agricultural sectors. For example, in Panama, in the province of Darien, where the Ministry of Environment (MiAMBIENTE) has invested strongly in forest protection given the high levels of forest cover and associated biodiversity importance, the Ministry of Agriculture (MIDA) is simultaneously investing in the promotion and expansion of grain production. In Uganda, government plans to modernize agriculture, particularly in the north of the country (a region that uhas historically been negatively impacted by internal conflict), while delivering important poverty reduction objectives may also (depending on the delivery approach used) negatively impact on existing forest and woodland cover, which until recently has been highest in this part of the country.

Spatial planning: Associated with harmonization of public policy is the need identified in two of the case study countries to strengthen the mechanisms for undertaking and enforcing spatial planning, which can be used as an instrument with which to protect important forest areas. In Republic of Congo, land-use planning is highly sporadic and dependent on the availability of external funding, while in Indonesia, although land-use planning is undertaken at provincial level under a clear legal framework, enforcement and oversight of the plans implementation has historically been less strong.[331]

[330] In-depth case study Indonesia Section VIII, Costa Rica, Mozambique, Republic of Congo and Democratic Republic of Congo

[331] In-depth case study Indonesia, Republic of Congo; Light touch case study Panama and Uganda.

4.6.2. To what extent are FCPF countries ready to access additional sources of RBPs for REDD+?

Overall findings: The majority of FCPF countries have reached a sufficient level of readiness to access additional sources of RBPs for REDD+.

4.6.2.1. What is the overall level of readiness of CF countries?

Key findings: The great majority of CF countries have reached an advanced state of readiness. Despite this strong progress, a number of CF countries still have readiness gaps, particularly with regard to the completion and operationalization of the NFMS and the SIS.

The great majority of CF countries have reached an advanced state of readiness. This is confirmed through multiple sources of evidence. 80% (12 out of 15 CF countries have completed at least 3 of the 4 building blocks of REDD+ readiness. All CF countries have submitted at least their first ER-MR, except for Nepal[332]. Six countries have verified ERs[333] and 3 have already received payment from the CF (excluding advance payments)[334]. Four countries have accessed or have signed an agreement to access non-FCPF REDD+ RBPs and three countries have received non-FCPF RBP payments (all three from GCF RBP program)[335].

Despite this strong progress, a number of CF countries still have readiness gaps, particularly with regard to the completion and operationalization of the NFMS and the SIS. Overall 40% of CF countries have readiness gaps related to the completeness of their SIS and 20% related to the completeness of their NFMS[336]. Case studies in Indonesia, Ghana, Guatemala, Costa Rica, and Nepal, confirm a certain level of readiness gap in the development of MRV systems and the operationalization of SIS and some of the most advanced CF countries, such as Costa Rica, Ghana and Mozambique are also currently experiencing challenge with regards to the implementation of their respective BSP[337].

5.6.2.2. What are the next steps envisioned by countries in terms of continued and scaled up access to REDD+ RBPs?

Key findings: FCPF-supported countries are actively and successfully pursuing opportunities for jurisdictional REDD+ RBP through a variety of mechanisms. To date, 10 FCPF countries have accessed or signed agreements to access REDD+ RBPs and 19 FCPF countries are in the process of mobilizing additional REDD+ RBPs either through multilateral/bilateral initiatives or through registries and the voluntary market.

[332] FCPF ERPA contract volume and call option volume table dashboard. (as of January 2024)
[333] FCPF ERPA contract volume and call option volume table dashboard. (as of January 2024)
[334] CATS registry. (as of August 2023)
[335] Portfolio analysis
[336] Portfolio analysis
[337] Case studies

FCPF-supported countries are actively and successfully pursuing opportunities for jurisdictional REDD+ RBP through a variety of mechanisms. To date, ten FCPF countries have accessed or have signed an agreement to access REDD+ RBPs, most of them through multilateral and bilateral programs, especially the GCF REDD+ RBP program (Table 14). As previously noted, one Readiness Fund country (Guyana) has succeeded at registering its ERs under the ART-TREES platform.

Table 14: Number of Carbon Fund and non-Carbon Fund FCPF countries that have accessed or signed an agreement to access funds from new sources[338]

	Carbon Fund countries (n=15)	Readiness Fund only countries (n=31)	Total
Multilateral and bilateral funding	**4**	**5**	**9**
GCF RBPs	3	3	6
LEAF Coalition	2		2
REDD Early Movers		1	1
Central African Forest Initiative		1	1
Initiative for Sustainable Forest Landscapes		1	1
Registries/voluntary market		**1**	**1**
ART-TREES (Registered)		1	1
Total	**4**	**6**	**10**

All FCPF-supported countries are eligible for GCF funding. Through the GCF RBP program, eight countries received payments for a total of 101.2 million tCO2e of ERs, among which six are FCPF-supported countries[339]. A total of 19 FCPF countries are also in the process of mobilizing additional REDD+ RBPs either through multilateral/bilateral initiatives or through registries and the voluntary market. This includes 8 out of 15 Carbon Fund countries. This includes 53% (8 /15) of CF countries and 35% (11/31) of RF only countries. Among multilateral/bilateral initiatives, the LEAF coalition is the preferred mechanism with a total of 12 countries having signed LOIs (4) or accepted proposals (8) with this program, including 6 Carbon Fund countries. A total of 12 FCPF countries are in the process of registering or processing ERs through the ART-TREES standard, which is compatible with multilateral and bilateral funding programs and the VCM.

[338] Multiple sources and up to date as of December 2023 (e.g., Lima REDD+ Information Hubb, websites for GCF, LEAF Coalition, ART-TREES, ISFL, CAFI, REM. etc
[339] World Bank. 2023. Readiness Fund Final Deliverables - 6 June 2023

5. CONCLUSIONS

Relevance and Coherence

FCPF was established to design, test, pilot and scale a global program to deliver emission reductions from avoided deforestation and forest degradation. Although emission reduction programs are still in the process of being fully established, evidence to date indicates that this has largely been achieved. One key factor in the success of the program has been its ability to keep pace with, and respond to, the emerging and evolving needs at both national and global levels. It has done this through an adaptive and responsive approach, learning-by-doing and adjusting support as experiences emerge. There is a strong coherence between past and current FCPF activities and national-level forest-related climate change commitments, policies, laws and actions. The FCPF Charter commits to ensuring overall consistency with UNFCCC guidance on REDD+ and this has been reflected in the evolution of the program over time. There is also a strong coherence between FCPF support and national as well as international biodiversity commitments. FCPF activities have largely been, and continue to be, complementary and generally well co-ordinated with other interventions at the national level. Co-ordination efforts at the national levels and the flexible approach adopted in the implementation of FCPF appears to have encouraged complementarity across interventions and very few examples of duplication of effort have been identified. Despite this, the evaluation points to a number of divergences in approach and methodology between FCPF and other complementary, parallel REDD+ initiatives. The Carbon Fund has more limited relevance to those countries with low rates of deforestation (either as a result of historically low rates of forest loss or due to recent progress in bringing down prevailing deforestation rates) given its emphasis on supporting countries with historically high rates of deforestation.

Effectiveness

FCPF has been effective in supporting countries to complete readiness milestones on the pathway to delivering emission reductions through results-based programs. It has done this through supporting the development of in-country capacity, facilitating the establishment of institutional structures for consultation and engagement of different stakeholder groups and supporting the design and development of jurisdictional emission reduction programs in areas of high forest cover and biodiversity importance. Participants of the RF and CF have been highly effective in mobilising external financing in support of REDD+. Although good progress has been made in building capacity across a range of complex technical areas (including safeguards, MRV, carbon accounting and baselines), much work still needs to be done to ensure that this capacity is fully institutionalized and developed in many countries at both national as well as sub-national (jurisdictional) levels. Furthermore, a number of countries have faced constraints regarding the continuity and operationalization of REDD+ institutional structures after the closure of the RF and during the transition to CF support, as financing remains a key issue for many countries as they move to RBPs. Financing has also been a significant constraint for many less developed countries with regard to the cost of results-based actions in advance of receiving payments from the CF. Questions relating to land tenure and ER title transfer have proven to be a bottleneck in many countries but particularly in Latin America where indigenous communities have legal title to large areas of forest under their control and management. Benefit sharing schemes are currently being established and rolled out in most CF-supported countries and as such any conclusive statements regarding performance is not possible. However, while evidence from many countries points to a comprehensive and inclusive design process, challenges are being faced in the operationalization of the disbursement of RBPs to community and local-level stakeholders as legal arrangements, institutional structures and capacities are still being developed. Trade-offs between equity and effectiveness will need to be negotiated and weighed carefully as BSPs move into full-scale implementation.

FCPF has contributed to the delivery of non-carbon benefits for both biodiversity and livelihoods. This has been manifested in a wide range of ways, including improved protection of 11.4 million hectares of high biodiversity forest, restoration and reforestation of around 123,000 ha of forested land, livelihood benefits from community forestry, introduction of sustainable agriculture, strengthened land and natural resource tenure and job creation. However, there is a lack of clarity and differing interpretations across the program regarding the definition of non-carbon benefits and the distinction between non-carbon benefits and carbon non-monetary benefits. Furthermore, there is no consistent approach across the program to monitoring non-carbon benefits.

At the national level, a number of case study countries have made good progress in engaging with private sector actors, including those engaged in production of forest-risk commodities (such as palm oil, beef, cocoa, fibres, wood products), in many cases through national associations, to reach a wider range of stakeholders. This was generally strongest during the readiness phase, when levels of engagement across different stakeholder groups was highest. Private sector engagement is taking place in some ER-Ps with promising results (such as Ghana), but progress overall is limited.

At a global level, FCPF has been effective in engaging representatives of Indigenous Peoples, women and civil society through its established governance structures such as the PA and PC of the RF. Participation and decision-making authority in the CF has narrowed when compared to the PA/PC. Civil society observer representation on FCPF governance bodies has been on a self-selection basis. Self-selection was also used as principle to ensure legitimacy and representation at national levels. The Capacity Building Program has been an effective means to strengthen civil society engagement in national governance processes. FCPF has made significant progress towards the goal of integrating gender considerations into REDD processes, particularly since 2016, although reporting on gender has been variable across the program and as such, it is difficult to assess progress in implementation of gender mainstreaming outcomes and impacts at both the country and program-level.

Impact

FCPF is making good progress on meeting indicators at impact level, particularly those relating to emission reduction at program-level. Further, there is growing evidence of changing behavior of forest communities and managers and local governments across many of the jurisdictions supported by FCPF ER-Ps. This can be seen both in the field as well as through the validation of many of the assumptions within the theory of change prepared for this evaluation.

National and international NGOs have been successful in shaping and influencing national REDD+ processes and approaches to sustainable forest management, particularly within the context of readiness activities where mechanisms were established at country level for broad multi-stakeholder engagement. There are several instances of the influence of IPs and CSOs on national REDD+ processes and approaches to SFM. On the other hand, the influence of local communities (and their representatives) with regard to the CF is largely limited to their community and the specific activities they are involved in. Women and women's groups have to a lesser extent influenced REDD+ processes and approaches to sustainable forest management – although efforts at gender mainstreaming are seen in many countries.

There is strong evidence that the capacity, tools, approaches, structures and methods that FCPF has introduced at national level within participating countries have been used as a foundation for securing support from other non-FCPF REDD+ programs and is contributing directly to the development of new jurisdictional ER programs, such as ART-TREES and the Green Climate Fund. Finding effective entry points for linking jurisdictional REDD+ emission reduction programs with private sector VCM projects has proven much more complicated than originally envisaged. The rapid growth in interest for carbon credits is placing increased demands on national governments to regulate the sector, where the goals of project developers may not necessarily align with those of government or local populations.

Efficiency

Overall, the efficiency of FCPF is good, although the implementation of activities under the RF and the CF took longer than planned. There is strong evidence that FCPF support was instrumental in leveraging additional financial support to countries for both readiness as well as results-based activities. RF contributions in CF countries were cost-effective, and the majority of expenses from the RF and the CF were allocated to country support while administrative costs have remained stable. Many CF countries have been faced with a capacity and financing gap to implement RBP that the CF has worked to address. Reporting on the Readiness Fund is generally satisfactory, and no particular challenges have been identified. Reporting by countries under the Carbon Fund has proven much more challenging and has required significantly more support from FMT. Furthermore, challenges associated with country-level reporting under the Carbon Fund are perceived as delaying payments. The administrative and financial processes are generally perceived as efficient under the Readiness Fund. The quality of support provided by the different delivery partners is described as good to excellent.

Sustainability

Countries that have advanced from readiness phase to results based payments have in general, demonstrated the ability to sustain the results achieved during the readiness phase, as these are required to secure validated emission reduction payments. Political support and country ownership was identified as a key factor that influenced the sustainability of Readiness Fund and Carbon Fund results, while the availability of financing and capacity gaps were identified as key constraints to the sustainability of both RF and CF results. Middle-income countries such as Indonesia or Costa Rica, which have internal resources and capacity to sustain and institutionalize REDD+ structures, systems and processes are more likely to do so than those countries with very limited finances, resources or capacity (such as Republic of Congo and DRC). The process for distributing results-based payments is taking longer than anticipated and risks affecting the viability and sustainability of incentives for long term forest management.

FCPF-supported countries are actively and successfully pursuing opportunities for jurisdictional REDD+ RBP through a variety of mechanisms. To date, 10 FCPF countries have accessed or signed agreements to access REDD+ RBPs and 19 FCPF countries are in the process of mobilizing additional REDD+ RBPs either through multilateral/bilateral initiatives or through registries and the voluntary market. Despite this, many countries are expressing uncertainty regarding how to engage with and benefit from VCMs.

6.LESSONS LEARNED

FCPF was established with the goal of testing and establishing a global mechanism for REDD+ results-based payments in line with agreements made at various UNFCCC COP meetings. The following section presents some of the key lessons emerging from this evaluation that have been learned in the process of implementing this pilot global program, with an emphasis on those lessons that have wider applicability for REDD+ practitioners working with and beyond FCPF.

High integrity credits: There is a need to balance demands, on one hand, for "high integrity" emission reduction credits (against a backdrop of growing concerns around the low social and environmental integrity of forest carbon markets) and, on the other, the complexity of MRV and carbon accounting in the context of existing country capacity in forest-rich nations and the burden these requirements place on participating countries. Lowering the bar in terms of standards risks undermining credibility of ER credits, while raising the bar too high risks including only the highest capacity countries with the resources and capacity to meet the standards required.

Finance and capacity: Evidence from a number of lower-income countries point to the very real need to maintain financial support following the closure of readiness phase funding as countries prepare plans for and begin implementation of results-based financing activities. This is because there is insufficient finance from domestic sources to maintain co-ordination and management structures and further invest in readiness and implementation activities. Related to this point is the issue of developing and maintaining sufficient in-house capacity in the more technical related aspects of REDD+ (including safeguards, MRV, carbon accounting and forest monitoring) which is particularly challenging for lower income countries. In many cases additional investments are needed to build and maintain sufficient capacity to provide the necessary support needed to support REDD+ processes adequately

Building a foundation for results-based finance: Experience from across different case study countries has shown how strong, foundational support to capacity building and readiness support, while taking much longer than originally anticipated, has built a solid base on which additional financing for RBPs can be leveraged. In a number of cases, the amount of results-based finance leveraged exceeds the initial outlays made by FCPF indicating good value for money.

Balancing equity and effectiveness in jurisdictional-level benefit sharing: The need to reward or compensate actors responsible for driving down deforestation levels and managing forests (often being community-level stakeholders dispersed over sparsely populated and remote, poorly served areas) has to be balanced with the need to have benefit sharing systems that are both effective and efficient. Given the high expectations from forest owners and managers, it is critical to ensure that payments (or receipt of non-monetary benefits) are both targeted and effective in reaching the right people at the right time. Where cash benefits may not be sufficient to create long-term incentives for change, this needs to be firmly reinforced with non-financial benefits and communicated as such. Furthermore, there is a need to ensure that while forest communities and managers receive an equitable share of benefit sharing funds proportionate to their role in reducing deforestation, national or sub-national government agencies also need to receive sufficient funds from benefit sharing to maintain implementation actions in the medium term.

Non-carbon benefits: Non-carbon benefits have been shown to be critical to the effectiveness and sustainability of ER-P results. However, experience from many countries has shown that clear guidance is needed in terms of the identification and monitoring of NCB outcomes, as well as for the implementation of targeted activities to influence these outcomes. Furthermore, if the engagement of Indigenous Peoples is to be secured, it is necessary to address some of the more fundamental priorities of these groups – including the need for secure and lasting tenure rights over forest, land, and natural resources. Not only are these

often core priorities for such groups, but secured tenure if often a precondition for securing sustainable livelihood investments and enterprises. Experience from a number of countries (Panama and Costa Rica, for example) have highlighted the benefits of working through established Indigenous Peoples' institutional structures, rather than creating new, parallel structures which can disempower local organisations. In countries with constrained public budgets, ER-Ps often support the continuity of established sustainable forest management initiatives rather than the creation of new processes.

Global governance structures: Ensuring broad-based participation within global governance structures is critical if transparency and effective representation is to be achieved. While voting rights may be an important factor supporting representation, having self-selected observers who are provided with a voice and a seat at global decision-making forums has been shown to be effective, particularly when decisions are made on a consensus basis. The inclusion of national government, civil society as well as private sector representatives in global governance structures ensures a healthy exchange of views and perspectives while facilitating a useful sharing of lessons and experiences from very different national contexts.

Effective capacity development: Effective capacity development takes time, if new knowledge and skills are to be fully internalised within government agencies. This means that initial timetables and workplans are often unrealistic, given the time taken to institutionalise new skills, tools, and methods. Outsourcing of tasks (like MRV and SIS) to specialist service providers may deliver quicker results but leaves government departments with lower levels of control and agency. Hybrid models may offer solutions, such as having national resource persons on a retainer basis who can be engaged to work alongside government to fill gaps while ensuring that new knowledge in this fast-evolving field is captured and used. Finally, the implementation of jurisdictional REDD+ emission reduction programs has highlighted the importance of building capacity not only at national level, but also at sub-national levels.

Private sector engagement: Where the interests of private sector engaged in value chains that drive deforestation can be aligned with the objectives of jurisdictional REDD+ programs, significant opportunities exist for mutual collaboration. This could be where value chains are driven by market demands for deforestation-free production resulting from legislation or consumer preferences (such as West African cocoa, which is largely exported to highly sensitive European or North American markets). However, when companies are producing forest-risk commodities for domestic or regional markets with few if any sustainability requirements, incentives provided by ER programs may not be sufficient to drive behaviour change, and effective regulation may be the most appropriate action, in conjunction with financial incentives. Given the WB's comparative advantage of supporting governments with investment finance with technical assistance, it may be most appropriate to leave other, better placed actors to engage with private sector, and instead focus mostly on supporting governments in the creation of an effective regulatory and enabling policy environment through which sustainable private sector activity can operate, while coordinating with those other actors in the process.

7. RECOMMENDATIONS

Based on its findings and conclusions presented above, the evaluation team identified the following key recommendations. It should be noted that these recommendations have potential application to the broader REDD+ community (outside of FCPF/World Bank), even though the analysis of this application is beyond the scope of the present evaluation. Recommendations are presented with reference to current or future programming (beyond FCPF) or both.

Current and future programming: Addressing the financing gap

In light of the financing gap identified during this evaluation and taking into account the learnings from the early piloting under FCPF, there is a need to:

a) Reflect on creative ways to help countries with limited financing to support transition to RBP from readiness (FCPF and future programs) for example by aligning the FCPF process with other World Bank support. Indeed, key challenges have been found in many countries in addressing the steps required to ensure the proper operationalization of RPB schemes leading to delays in accessing RBP finance after the conclusion of the readiness phase, therefore creating a financing gap in time. These challenges have been even more significant in lower capacity countries, with no or limited resources to sustain national REDD+ structures in the interim period.
b) Strengthen capacity building support to countries with the roll out of BSP schemes and ERP monitoring reports, in particular to help speed up ERPA early tranche payments (FCPF and eventually other future programs).
c) Integrate a gap-filling readiness support early in the ER-P implementation phase, to address capacity building support for implementation/ operationalization of ER-P in future REDD+ related program designs, not just at the national level but also at the sub-national level. This will likely constitute a substantial focus of future REDD+ related programs if successful ER-P schemes are to be scaled up building on current CF country pilots, as well as for other candidate countries (future programs).
d) Continue to provide support and assistance to facilitate the access of countries to forest carbon markets, including for the sale of their expected excess credits (FCPF and future programs).
e) Support flexible carbon pricing schemes, as promoted under SCALE, and ISFL (for example in terms of floor price) to take into account the dynamic and evolving nature of forest carbon markets, to optimize benefits for the countries while guaranteeing access to a fair price for high integrity ER credits (future programs).

Current and future programming: Strengthening engagement of participating countries and non-state actors

Building on the efforts undertaken under EnABLE, strengthen the requirements for involvement and engagement of non-state actors and participating countries in CF and/or other similar World Bank managed Trust funds, beyond the readiness phase in the roll out of ERPs, with the clear intent of providing both non state actors and participating countries a meaningful seat at the table to further reinforce their ownership of REDD+ interventions. This should take place through different entry points.

At global level:

a) Strengthen representation of participating countries, but also of women, Indigenous Peoples, the private sector and CSOs as observers in the CF meetings, building on positive lessons from the FCPF PA/PC governance.
b) Continue to actively pursue the use of consensus-based decision making in CF meetings.

c) Consider introducing a principle of rotation (for a maximum of three one-year cycles per observer) to increase the representativeness of non-state actors and their visions.

At national and sub-national levels:

d) Seek opportunities to strengthen Indigenous Peoples' land and forest rights, including IP territorial rights.
e) Document ongoing, and in particular best practices, piloted through FCPF and other REDD+ interventions at the country and local levels in using traditional knowledge and rights to foster sustainable and land forest management, so as to scale up the implementation of such good practices in future REDD+ related programs.
f) Strengthen co-ordination and oversight mechanisms and processes through the direct involvement of civil society actors in the management of ER-Ps, also with a view to improve coordination of activities implemented at the sub-national and local level by a wide array of local and non-state actors, to limit duplication of efforts and improve overall program implementation efficiency.
g) Provide support to countries in meeting these requirements through the relevant trust funds, making use of targeted TA.

The two recommendations above are especially crucial in light of the recognized complex nature of REDD+ standards and requirements, which need full operationalization to ensure high integrity ER and to sustain the emerging market for REDD+ in the long term, while avoiding the crowding out of the private sector in the process, as well as any potential loss of momentum by countries.

Future programming: Strengthening private sector engagement

With respect to the crucial need for private sector engagement in support of REDD+ for long term coherence and sustainability of REDD+ efforts, the FMT and the World Bank should coordinate in future programs with other relevant international programs and organizations working on private sector engagement in REDD+ to ensure that both technical and financial enabling environments for such engagement are aligned. This will include the following actions:

a) Adequate technical assistance and dialogue is provided to REDD+ countries so that they take a leading role in better aligning and bringing coherence to their legal and regulatory environment for the engagement of the relevant private sector actors in value chains that drive deforestation and forest degradation (e.g. palm oil, cocoa buyers, beef producers, etc.),
b) Avenues are explored both in-country, but also at the global level (including on value chain standards and markets) to create the momentum for additional business-related (financial or non-financial) incentives for the engagement of such actors in ERPs, including the alignment of co-financing schemes.
c) Coordination is strengthened with voluntary standards (e.g., VERRA) and other forest carbon market initiatives (e.g., ART-TREES).
d) Ensure that such efforts are made within the spirit of strengthening high integrity forest carbon markets and using the best positioned support channels and vehicles to engage with the private sector (Future programs).

Future programming: Meeting the needs of high forest, low deforestation countries

Acknowledging the ongoing discussions to this effect under SCALE, there is a need for the WB and FMT to further reflect on the development of some kind of financial mechanism that rewards countries with high levels of forest cover and historically low levels of deforestation. This could for instance be based on ensuring that overall rates of deforestation do not go beyond a particular national threshold (such as 0.22

per annum) and could be used to strengthen sustainable forest management practices and forest protection measures more generally. Not only is this a recommendation oriented towards HFLD countries like Bhutan, Guyana and Gabon, but also for countries that are beginning to approach their emission reduction potential (as identified in the Costa Rica case study, for example).

Future Programming: The application of theory of change tools

To ensure sustained coherence and relevance of REDD+ efforts at the country level in developing high quality ERs, future programs should work closely with countries in supporting their efforts in developing and /or revising country-level TOCs for their ER-Ps. Such TOCs, also required for new World Bank operations as part of project preparation, can then be used to:

a) Inform more tailored programming at the country level.
b) Strengthen and validate program design.
c) Develop monitoring and evaluation tools (including baselines at the program design stage) to assess changes in behavior, impact pathways for transformative change, as well as carbon and non-carbon benefits.
d) Adapt country programming efforts and support to better align to the desired impact pathways in rapidly changing national and global contexts.

Future programming: Effective capacity development

Building on the lessons from the use of the Readiness Assessment Framework and the readiness support under FCPF provided to countries at different starting points in terms of readiness, and taking into account other capacity challenges elaborated upon in another recommendation above on financing gaps, future REDD+ related global initiatives should offer more tailored entry points for support (in terms of scope, focus, timeline and the consequent budget envelope) to address specific capacity stages and needs of participating countries, taking into account in particular:

a) Existing financial, human and technological capacity of the government at both national and sub-national (jurisdictional) levels,
b) Existing national budgeting capacity, track record in managing recurrent management costs and functions,
c) The trade-offs in terms of timeline required between ensuring internalization of capacities and the delivery of REDD+ readiness milestones
d) Current political commitment to REDD+,
e) Coherence of existing policies around SFM and REDD+,
f) Coordination of support from different donors on REDD+,
g) Track record in accessing and managing RBPs.

Furthermore, capacity building support should be accompanied by a clear strategy and action plan by each country government not only on how it will develop and acquire its internal capacity in the public sector for REDD+ and RBP management and operationalization, but also on the concrete steps it will take to sustain such capacity in the long run.

Future programming: Gender mainstreaming

In future global programs, reinforce and consolidate the reporting and monitoring efforts on gender, with the aim to report on gender-related impacts and better capture gender changes. Operationally, this will involve the following for future programs:

a) Support capabilities to track and monitor implementation of gender action plans and commitments at the country level to track key gender outcomes and impacts.

b) Collect and communicate about best practices and experiences from countries with gender-sensitive ERPD and BSP.
c) Reinforce the monitoring of impacts generated through knowledge-sharing and capacity building activities.

Current and future programming: Benefit sharing arrangements

Complete the review of the lessons around BS approaches and mechanisms in the FCPF portfolio and beyond and communicate them through relevant channels (for future programs and countries). In doing so:

a) Assess trade-offs between effectiveness and equity in BSPs, and the related options for roll out of BS schemes (for instance: using existing systems for transferring resources to community level (as suggested by FCPF BSP guidance and already done in some FCPF countries), or creating new, parallel ones).
b) Assess the effectiveness of BSP schemes in enabling the continuation and expansion ERPs in countries, clarifying for instance the extent to which BSP schemes are used to promote larger participation in ERPs and adequately support the objective of the permanence of ERs.
c) Develop more detailed guidance for countries on how to develop and roll-out sound, effective, impactful and sustained BSPs.
d) Develop and use clear messaging at the global, national and local levels to avoid raising expectations and to clarify further the vision of “additional investments at the community level” balanced with “benefits” for local stakeholders, as relevant.

Future programming: Supporting non-carbon benefits

If co-benefits and their aggregate reporting are a priority concern moving forward in the evolving carbon finance landscape for future programs, adequate methodological support to properly define, design and roll out non-carbon benefits-related strategies and actions at the country level will be useful. This could include the strengthening of future ERP designs (including their TOC), methodological framework and/or MRV functions to accommodate the following:

a) Standard approaches and tools for the gender sensitive and socially inclusive assessment of biodiversity conservation options, climate change vulnerability and resilience potential, and livelihood options right from the design stage of programs.
b) Promote the systematic use of non-carbon benefits in dialogue and consultation with Indigenous Peoples to increase sustainability of investments through higher levels of buy-in and ownership of forest conservation/restoration efforts. These non-carbon benefits should include bottom-up governance, bio-cultural and ecosystem benefits.
c) Strengthen and standardize approaches and requirements for defining, measuring and reporting non-carbon benefits, including for the setting of baselines and outcome targets, right from the design stage of ERPAs.
d) Ensure that non-carbon benefits are clearly embedded in the result frameworks of future ERP programs (including in relation to setting proper baselines and targets to enable the sound assessment of progress).

8.ANNEXES

Please consult the annexes in this separate document:

FCPF%20Final%20Evaluation%20Report_Vol

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