

DRAFT

**COUNTRY-LED GOVERNANCE
ASSESSMENTS
2010–2015**

UN-REDD PROGRAMME

Draft for Discussion December 2009

TABLE OF CONTENTS

1. INTRODUCTION AND PROBLEM STATEMENT	1
2. PROGRAMME JUSTIFICATION	3
2.1 Importance of country-led governance assessments	3
2.2 Comparative advantage of the UN-REDD Programme	5
3. SUPPORT SERVICES AND TASKS REQUIRED TO ACCOMPLISH THEM.....	5
3.1 Promoting inclusive country-led REDD+ governance assessments	5
3.2 Aligning REDD+ governance assessments with national plans	10
3.3 Strengthening evidence-based governance policy making, aligned with REDD+ strategies.....	11
3.4 Capacity development as an overarching component and objective	11
4. RISKS AND THEIR MITIGATION.....	12
5. FOLLOW-UP ACTIONS FOR SUSTAINABILITY.....	13
6. REFERENCES	15
ANNEX 1: REDD Phases	16

1. INTRODUCTION AND PROBLEM STATEMENT

In the last three decades high rates of deforestation and climate change have been central tenets of many environmental management discussions (Adger et al. 2000). It is estimated that worldwide about 3 billion ha, representing half of the original forest cover, is gone. Every year approximately 13 million ha of forest area are destroyed (FAO 2005).

Reducing emissions from deforestation and forest degradation (REDD+¹), which currently accounts for up to 17 percent of greenhouse gas emissions worldwide, can make an important contribution to the global emissions reductions that are necessary to avoid dangerous climate change. The importance and urgency of extensive action on REDD+ cannot be overemphasized. Without REDD+, the goal of limiting the rise in global temperatures to 2°C above preindustrial levels will be very difficult to achieve and much more expensive (IWG-IFR 2009). It is now becoming widely accepted that deforestation and inadequate forest governance systems reduce the adaptive capacity of the poor and rural communities that are highly vulnerable to the negative effects of climate change (de Koning 2009; Sunderlin 2008). The world is therefore not only faced with an environmental problem but also a developmental problem.

Good governance is becoming widely accepted as critical for the success of REDD+². Governance issues such as lack of legal enforcement, uncertain tenure and use rights, corruption, lack of legitimacy in land-use planning and benefit sharing present fundamental challenges to those planning to design and implement a REDD+ mechanism (Saunders and Nussbaum 2008).

Parties to the UN Framework Convention on Climate Change (UNFCCC) as well as the international community at large often refer to the linking REDD+ financing to different phases of REDD readiness.³ The first phase focuses on “initial readiness” and thus relates to the development of national strategies, policies and measures, and capacity-building. In this phase of initial readiness, REDD countries, supported by the UN-REDD Programme, Forest Carbon Partnership Facility (FCPF), or bilateral donors, have begun to carry out a real assessment of the national drivers of deforestation and forest degradation and incorporate them in any pre-existing national forest and wider land-use strategy. One key element during this phase is the need to assess shortcomings in forest governance and rights systems for implementing REDD+. It has been proposed (IWG-IFR 2009) that Phase 2a would include “participation enablers,” such as building the systems required to monitor performance, building the financial systems to receive and transfer REDD+

¹ As set out in the Bali Action Plan: Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

² Forest-sector governance refers to the *modus operandi* by which officials and institutions (both formal and informal) acquire and exercise authority in the management of the resources of the sector to sustain and improve the welfare and quality of life for people whose livelihoods depend on the sector. Governance is said to be “good” when it allocates and manages resources efficiently, effectively, and equitably. Good governance is characterized by respect for the rule of law, transparency and free flow of information, significant citizen participation and equity, high levels of accountability, effective management of public resources, and control of corruption (Mayers et al. 2006).

³ See Annex 1

payments, and establishing REDD+ oversight committees, as well as “policy enablers” that include governance elements bearing on reforms on land tenure, land-use planning, judiciary, reforms and enforcement of forest laws, independent monitoring, to mention a few. In Phase 2b, payments would be made for emission reductions measured by proxies. Finally, Phase 3 would involve making payments for verified emission reductions and removals, through carbon markets or a fund structure.

Strengthening governance structures including, inter alia, systemic and institutional capacity, development of legal frameworks and law enforcement capacity, and land tenure and forest governance reforms are therefore increasingly recognized as being inextricably part of the national policies and measures a country must implement to be “REDD ready.” The need for good governance is reflected in the current negotiation text of the United Nations (UN) Framework Convention on Climate Change and in the harmonized approach to REDD+ readiness of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) and the FCPF, which recognizes credible and transparent institutional, economic, legal, and governance arrangements as key components of readiness.

An increasing number of organizations are giving greater priority to the need to assess the quality of forest governance in preparation for the implementation of REDD+. External assessment tools, frameworks and global datasets provide an opportunity to compare forest governance over time and across countries and regions.⁴ The UN-REDD Programme recognizes the necessity of external assessments and the role they may play in monitoring countries’ progression through the phases of REDD+. However, while legitimate in their own right, external assessments place clear limitations on ownership and may thwart national capacity development efforts. Another problem with external assessment is that they rarely include the necessary elements of disaggregation to capture the impact, experiences, and perceptions of marginalized, vulnerable, and discriminated people in forest communities, especially the poor and women. External assessments also often fail to identify the capacity deficits that exist and how to address them if improvements are to be made and effectively monitored. Moreover, they hold the potential risk of duplicating work that has already been carried out, setting competing and multiple demands and emphasising short time frames. This problem is often exacerbated by the fact that poor countries tend to be exposed to more assessment than richer countries with better governance (Rakner and Wang 2007).

To complement external assessments, the UN-REDD Programme proposes to offer support to governments to implement **country-led** governance assessments, followed by support to governance reforms for REDD+. Although challenging for many countries, these tasks can be made easier by identifying the most important elements for successful implementation of REDD+ and prioritizing them. This proposal addresses details of the country-led governance for REDD assessment and begins to sketch the support services it will provide for REDD+ governance reforms, which will be drafted in more detail in a companion proposal.⁵ A country-led assessment, as detailed in section 3, will span different phases of readiness. Building on the “governance situation analysis” and mapping of stakeholders that many REDD+ countries have already

⁴ By “external” this proposal refers to processes that may be undertaken in country but by one subset of actors, be they civil society, government or international partners, as opposed to country-led assessments that are driven through a partnership of national stakeholders.

⁵ Upcoming publication, January 2010

undertaken as part of their initial readiness plans (Phase 1). Country-led REDD+ governance assessments will identify the governance weaknesses and priorities that will inform the policy reforms (“enablers”) to be undertaken. Assessment of the uptake of these reforms would be undertaken while countries transition from grant to performance funding (Phase 2b), so that solid governance systems are in place for Phase 3.

These assessments, it should be noted, will be informed by the emerging normative guidance provided by a number of forest governance initiatives. Such initiatives are described in detail in the UN-REDD Programme “**Draft Report on Governance Indicators for REDD+**” and include the Governance of Forest Initiative draft indicators framework, the International Institute for Environment and Development’s “Pyramid” for good forest governance, the World Bank’s ongoing project to develop in-depth diagnostics of forest governance through a comprehensive framework, the reports of the Chatham House, and the FLEG and FLEGT initiatives.

Country-led assessments, finally, will be one component of a larger “MRV for governance” system (UN-REDD Programme 2009). In the REDD+ context, the terms *measurement, reporting, and verification* (MRV) have often been understood as referring to monitoring of carbon stocks and flows. Yet a broader and more complete understanding sees that REDD+ MRV systems also relate to multiple benefits for ecosystems and livelihoods, policy and institutional aspects, and, of relevance here, governance issues including for example payment distribution, rights, and tenure. These MRV systems will indeed ensure that emission reduction units are valuable, do no harm and are not generated at the expense of other social or environmental goods. Country-led assessments can contribute to the establishment of governance measures against which progress, according to nationally identified needs that conform to global standards, will be measured. Country-led governance assessments—as a component of an overall, broad-based MRV system—will therefore provide accurate, complete, comparable, and transparent information that reflects the governance reality on the ground.

2. PROGRAMME JUSTIFICATION

The goal of the UN-REDD Programme is to promote and support country-led governance assessment processes that conform to global standards, are rooted in local ownership, and develop the capacities of local stakeholders to understand, participate in, and use governance assessments that will directly inform decisions on the use of forest resources.

2.1 Importance of country-led governance assessments

A country-led governance assessment is undertaken by a country on its own initiative. It is implemented and sustained by national actors who lead the work, believe in the assessment’s legitimacy, and hold it to be relevant. One of the advantages of country-led assessments is their potential for developing local capacity. The process involved in assessing REDD+ governance is as important as the outcome. If governance assessment results are not locally owned and embedded in ongoing national development processes, they risk the inability to influence the policy-making process. Therefore, a central feature of a country-led process is that local and national stakeholders actively participate in key steps of the assessment process. The process must have the active participation of state and non-state actors, including

non-government organizations and civil society organizations (CSOs), including Indigenous Peoples' representatives).

These kinds of assessments will enable countries to demonstrate progress on the governance elements of REDD+, which may be a necessary requirement for REDD+ countries to participate in future REDD+ mechanisms. If transition from one phase of "readiness" to the next is to be informed by the demonstration of national commitment to transparency, rules-based forest governance, and participation and inclusion of Indigenous Peoples and local communities in strategy development and implementation, the UN-REDD Programme, through its existing activities in REDD+ countries and United Nations Development Programme (UNDP) governance activities in the developing world, is well placed to develop tools with which to assess the commitment and capacity of countries to address these issues.

The UN-REDD Programme will also offer technical advice and capacity support to assist participating countries to strengthen their approaches to these issues in areas where gaps are identified.

Country-led REDD+ governance assessments also serve as critical accountability mechanisms for local stakeholders and non-state actors. Moreover, nationally owned REDD+ governance assessments provide upward internal rather than external pressure for reform. The transparency of information stemming from them would act as a catalyst for greater citizen engagement in not only democracy but also REDD+ processes, and for demanding greater effectiveness of governance actors.

The UN-REDD Programme will offer a package of services to assist countries to undertake country-led REDD+ governance assessments and targeted "readiness support" to boost national capacity in any one of the governance assessment areas, building on the expertise of the UN-REDD partner agencies. Support to carry on country-led assessments, in this context, could be offered to REDD+ participating countries expressing such need. Follow-up assistance to implement the governance reforms identified as necessary through these assessments would be offered to those countries that would have demonstrated a need for reform but also ability to successfully implement the necessary reforms.

Other important goals that country-led governance assessments may serve include:

- Identifying deficits of governance and how they can be addressed before implementing REDD+
- Understanding the factors and drivers of policy reform
- Providing governments with a basic tool for further engagement of local governments, Indigenous Peoples, and other forest-dependent communities in REDD+ governance processes
- Providing a tool for advocacy and civic engagement in a REDD+ mechanism
- Assessing the effectiveness of an existing REDD+ project
- Informing the transition from one phase to another of REDD+ readiness

For governance assessments to provide insight into forest resource-use policy issues they should engage all REDD+ stakeholders, including civil society, Indigenous Peoples and private sector in the design, implementation, dissemination, and monitoring of the assessment process. The UN-REDD Programme emphasizes that assessment must integrate an explicit focus on marginalized and vulnerable groups.

2.2 Comparative advantage of the UN-REDD Programme

For country-led assessments to generate sound and objective governance evidence that is trusted by external partners and donors, the processes and results need to be supported by an honest broker or neutral institution. The UN-REDD Programme proposes to play this role.

The UN-REDD Programme's comparative advantage to support country-led governance assessments derives from the roles of the UN agencies. UNDP, as the lead UN-REDD agency on democratic governance and in-country presence, will support national partners in developing and instituting governance assessments for REDD+ that are anchored in the national development plan and conform to global standards. UNDP's comparative advantage in the provision of support for democratic governance cooperation derives from its being viewed as a neutral but principled and committed partner working to apply internationally agreed-upon norms and standards to nationally determined policies and programs. The UN-REDD Programme will build on UNDP's proven strengths to

1. provide support to capacity development efforts for both state and non-state actors, including Indigenous Peoples and other forest-dependent communities and with particular attention to pro-poor and gender sensitive perspectives, to assess the needs in governance for REDD+;
2. facilitate and convene national dialogues between the same;
3. help ensure that governance assessments are linked and integrated with national REDD+ and broader development plans; and
4. broker knowledge through electronic networks, facilitating country-transfer of knowledge, identifying lessons learned and best practices, and building communities of practice.

3. SUPPORT SERVICES AND TASKS REQUIRED TO ACCOMPLISH THEM

The UN-REDD Programme will offer a package of services to assist countries to undertake country-led governance assessments and targeted "Readiness Support" to boost national capacity in any one of the governance assessment areas. The services will have an impact at both national and global levels.

Section 3.1 sets out the main services to carry out country-led assessments and support to implement policy reforms identified as necessary through this process. Section 3.2 highlights how particular attention will be given to aligning REDD+ governance assessment with the ongoing governance assessments and national development plans. Section 3.3 explains one of the key benefits of country-led assessment, i.e. strengthening evidence-based REDD+ policy making, and section 3.4 underlines the overarching requirement and objective of capacity development.

3.1 Promoting inclusive country-led REDD+ governance assessments

The UN-REDD Programme will support national partners in developing and instituting governance assessments for REDD+. Assessments will be anchored in the national development plan, conform to global

standards, and engages all REDD+ stakeholders, including civil society and Indigenous Peoples, in the design, implementation, dissemination, and monitoring of the assessment process and results.

a. National level

The process for country-led democratic governance assessment has been described in the *UNDP's (2009) Practice Note: Supporting Country-Led Democratic Governance Assessments*. Figure 1 shows key steps in conducting such a process.

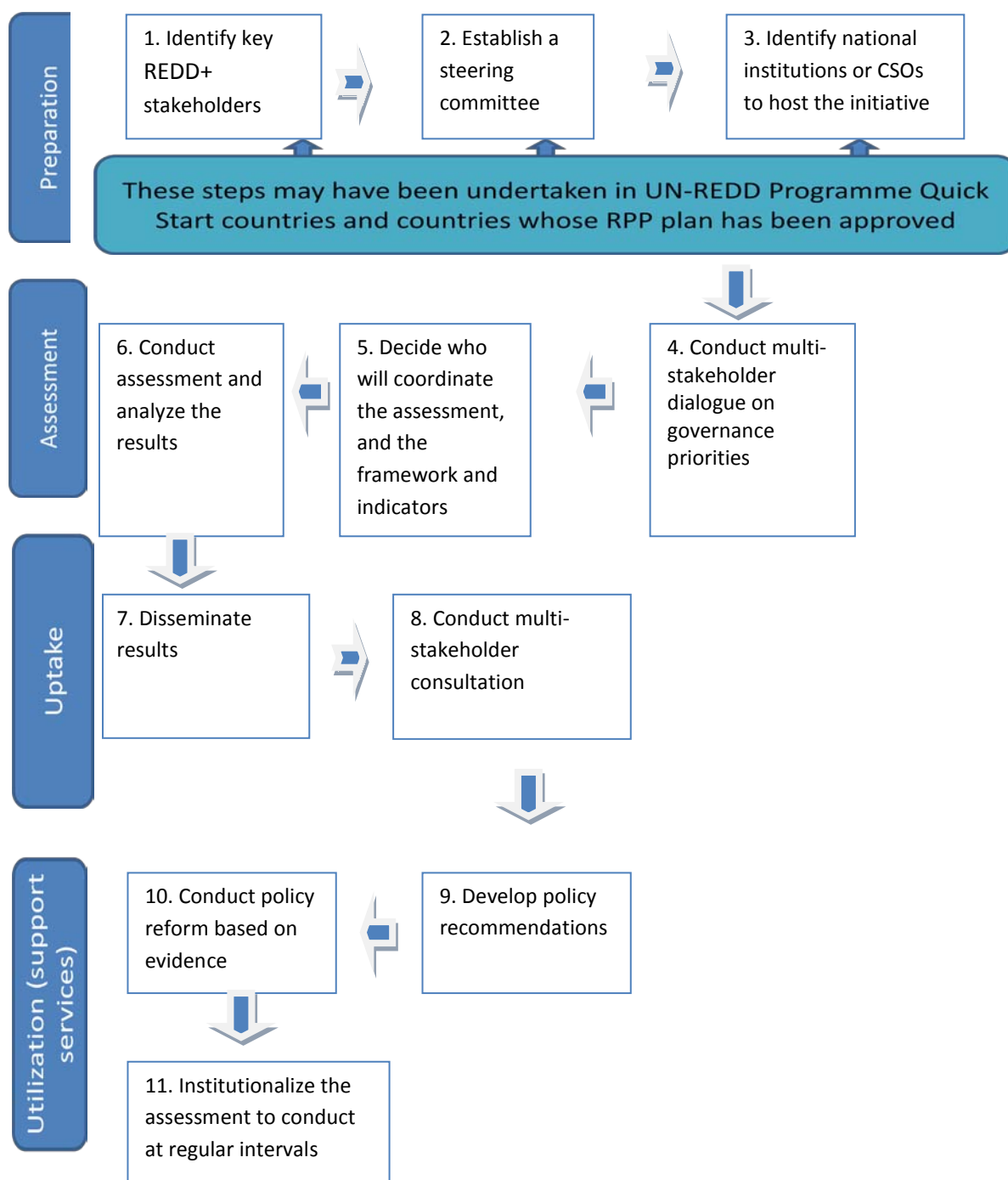


Figure 1: Assessment process (adapted from UNDP 2009)

In agreement with national partners, the UN-REDD Programme will offer both normative and specific support to this process.

Steps 1 to 3 are likely to have been undertaken as part of a UN-REDD programme Quick Start National programme, or as part of the preparation of an RPP. If so, the process may only require verification of the steps and potentially modification of existing mechanisms.

Step 1: Identify key REDD+ stakeholders. Mapping of key stakeholders may have already been undertaken in countries preparing for REDD+. Indeed, the support to initial readiness currently provided by platforms such as the UN-REDD Programme or the FCPF begins with coordination with stakeholders, and promotes regular consultations to advance the process. Stakeholders should include Indigenous Peoples and other forest-dependent communities, local governments, ministries of REDD+-related sectors, in particular forestry, agriculture, and finance, and others depending on context, such as mining, trade, and tourism, as well as multilateral and regional organizations. The UN-REDD Programme will build on existing work in REDD+ countries to support the facilitation of this process and an initial assessment of the related capacity development needs.

As the inclusion of stakeholders is a cornerstone of the support that the UN-REDD Programme provides to countries preparing for REDD+, support to carrying on country-led assessments will be **conditioned** on inclusive participation.

Step 2: Establish a steering committee. Here again some activities toward this step may have already been undertaken in countries engaged in Phase 1 of REDD+ readiness. In countries where a national REDD+ committee is already in place, it will be important to retain some overlap between the REDD+ governance steering committee and the national REDD+ committee. However, to avoid conflict of interest, and depending on existing capacity, the REDD+ governance steering committee may include external partners.

Step 3: Identify national institutions to host the initiative. This selection will be based on competence and capacity. The UN-REDD Programme may be called upon to support strengthening the capacity of the institution or CSO selected to host the initiative.

Step 4: Conduct multi-stakeholder dialogue on governance priorities. In order to strengthen the process, the UN-REDD Programme has elaborated an *Operational Guidance on Engagement of Indigenous Peoples and Other Forest-Dependent Communities* that will inform the conduct of multi-stakeholder dialogue. The Programme has developed experience in convening these dialogues at national and regional levels and can provide such support. In countries where the UN-REDD Programme is already active, it will build on existing channels and processes that have been built during the elaboration of national UN-REDD Programmes.

Step 5: Decide who will coordinate the research and the assessment frameworks and indicators. A team that is as broad-based as possible in terms of gender, ethnicity, age, and social background will be selected to carry out this role. This team would in turn be guided by the steering committee established in step 2. The team's primary role would be to promote and facilitate the coordination of different local stakeholders

involved in the assessment process. The UN-REDD Programme will contribute its support and normative guidance to the process by ensuring that universally acceptable governance indicators are selected and generated through a transparent, participatory, and inclusive process. The overall governance for REDD+ indicators will be selected with consideration of the governance “thresholds” indicated in the phased approach to REDD+ readiness. The governance for REDD+ indicators will be matched with UNDP’s approach to governance self-assessments so countries participating in the UN-REDD Programme can benefit from technical assistance and self-assessment tools tailored to assist them to measure their progress against the phases of REDD+ as articulated through the negotiations.

Steps 6: Conduct the assessment and analyze the results. This step will involve the collection of data and assessment of the results. This is an important step that will need to be carried out in a transparent manner. Some countries might lack the necessary statistical capabilities to carry out the assessments. In this case, support may be offered by the UN-REDD Programme to equip the countries with required statistical and assessment capabilities. When institutionalized procedures to collect data from a variety of sources and a public national database to store this information are weak or nonexistent, a strong capacity-building component will be required.

Step 7: Disseminate results. Dissemination of results to local stakeholders will be accomplished through existing channels and processes. This includes respecting the times that it may take to reach local stakeholders, and using the appropriate information, education, and communication materials so results are effectively delivered to reach local indigenous and forest-dependent communities. An example of an indicator of progress will be a set number of public events spanning all forested regions of a country to disseminate the results, and/or the establishment of a website.

Step 8: Conduct multi-stakeholder consultation. This step will involve receiving feedback on the results of the assessment from various stakeholders, and will be conducted as detailed in step 5.

Steps 9 and 10 Develop and implement recommended governance policies for REDD+. Transforming the political will and commitment mobilized during the assessment into outcomes will be supported by the UN-REDD Programme. The UN-REDD Programme will promote the formulation of policy recommendations that align with national REDD+ strategies and broader development plans, and satisfy the governance requirements or criteria identified in-country and informed by the standards developed by the international community. Step 10, conducting policy reform based on the evidence gathered during the assessment⁶ and will condition the success of achieving emission reductions. The substance of the support to these policy reforms will be defined by the information gathered during the country-led assessment as well as the normative work emerging on what constitutes essential elements of governance for REDD+. Elements guiding this work are the subject of an upcoming policy note,⁷ and will be guided by ensuring that good governance addresses the decisions to be made, for example (1) locally on land tenure, land-use planning, forest management and benefit distribution at the local level; (2) nationally on legislative frameworks; and (3) globally on resource transfers. The overarching goals of such reforms will be to ensure

⁶ Which in effect in effect corresponds to the proposed “policy enablers” of Phase 2a (IWG-IFR 2009)

⁷ UN-REDD Programme 2010

successful REDD+ processes that engage local stakeholders as well as improvements of the livelihoods of poor, vulnerable, and marginalized people.

Step 11: Institutionalize the assessment to conduct at regular intervals. Once policies are implemented, the mechanism of country-led governance assessment can be repeated at agreed-upon intervals to identify progresses and weaknesses. In many of these steps, a strong component of capacity building may be required to ensure that the assessment is not a “one-off event” and evaluate progress; both the demand and supply sides of accountability will have to be strengthened, as is detailed in section 5.

It is important to reiterate that the country-led REDD+ governance assessment does not start from scratch but rather build on some of the activities undertaken during the Quick Start (Phase 1) initial readiness preparation provided by the UN-REDD Programme or other readiness support platforms. Stakeholder engagement, for example, is part of the coordination and consultation processes undertaken in many REDD countries, and shall be used to inform the preparatory steps of the country-led assessment. Similarly, the UN-REDD Programme national documents and the FCPF Readiness Preparation Proposals include a governance situation analysis that can inform step 5.

b. *Global level*

Country-led assessments will be supported by the activities of the UN-REDD Programme at the global level, which will in turn be informed by developing experience and actions on the ground. The two will therefore be mutually reinforcing, although at the global level the Programme will provide normative work and promote knowledge sharing. Specifically, at global level, the UN-REDD Programme will:

1. Analyse governance implications of ongoing “Quick Start” activities in UN-REDD Programme pilot countries to identify issues that will need to be addressed in preparation for the phased approach to readiness, such as to support and guide the identification of governance priorities of step 5.
2. Work with global actors and contribute to ongoing work on the development of Governance Indicators for REDD+ Framework. The indicators will be used in country-led governance assessments (See Step 7 above).
3. Analyse the results of country-led REDD+ governance assessments in an effort to identify best practices and extract lessons learned.
4. Monitor and evaluate (see section 5)

3.2 Aligning REDD+ governance assessments with national plans

Governance assessments cannot be undertaken in a vacuum. For them to be effective and to limit the burden on developing countries, they need to be aligned with national plans. During the country-led assessments, efforts will be made in particular to establish linkages between REDD+ governance assessments with:

- Existing broader national governance assessments. For example, the Government of Zambia has committed to a yearly report on the “state of governance of Zambia.” In line with the Paris Declaration, bilateral and multilateral donors have committed to rationalize and harmonize their interventions in the countries. At the same time, these donors have conducted or plan to conduct governance assessments in various forms.⁸ The UN-REDD Programme can support integration of REDD+ governance assessments into these broader governance assessments.
- Broader low-carbon, climate resilient strategies, as applicable.

In order to align REDD+ governance assessments with one or several national plans above, the UN-REDD Programme can provide support, in selected countries, to harmonize the content of the assessments, data-collection activities, and dissemination of results. The activities of the UN-REDD Programme in this area would be country-specific and closely linked with other UN-REDD support services targeting the integration of REDD+ strategies into national low-carbon, climate-resilient growth strategies. More specifically, the activities may include:

- Mapping of existing governance assessments and national governance reform plans and identifying REDD+ governance entry points;
- Supporting the integration of some of the most important REDD+-specific governance components, as identified in the country-led governance assessments;
- Supporting government counterparts in organizing multi-stakeholder workshops on REDD+ governance indicators during the preparation of their national development plans;
- Supporting capacity building in data standardization;
- Supporting the coordination between ministries engaged in REDD+-related sectors/areas (such as agriculture, forestry, tourism, trade, and finance) and harmonization of REDD+ governance entry points; and/or
- Promoting coordination with external actors so REDD+ governance becomes a component of their planned governance assessments, in line with the commitments under the Paris Declaration, by convening and facilitating dialogues between government counterparts and donors to explore strategies and options for alignment

⁸ These include the European Commission Governance profile, Department for International Development country governance analysis, Denmark’s governance program review, U4 comparative study on anti-corruption policy, World Bank’s Country Policy and Institutional Assessment, Norway’s country evaluation of its development assistance, and the Netherlands’ governance analysis.

3.3 Strengthening evidence-based governance policy making, aligned with REDD+ strategies

One of the key benefits of a country-led governance assessment for REDD+ is to inform policy reforms (the “policy enablers” of the IWG-IFR’s proposed Phase 2a) that will condition the success of reducing emissions from deforestation and forest degradation. Country-led governance assessments can indeed help strengthen evidence-based policy making. Through the UNDP country offices, the UN-REDD Programme can support the use of REDD+ governance assessments into policy making, as a discrete service, by promoting their integration into developing REDD+ policies and programs in countries receiving technical and capacity building through the FCPF, the UN-REDD Programme, or bilateral donors. The UN-REDD Programme will support and help strengthen evidence-based governance policy making by:

1. supporting the development of a strategy that engages policy makers in the country-led governance assessments, including training events on the REDD+ mechanism and governance assessments through workshops and seminars;
2. supporting the establishment of integrated teams of policy officials and researchers; and
3. supporting policy makers in the use of governance data in policy-making processes as the main source of information.

3.4 Capacity development as an overarching component and objective

The development of capacity is both a requirement and benefit of country-led governance assessments. For example, considerable financial, technical, and institutional capacity building may be needed to ensure robust, credible country-led governance assessments. Similarly, aligning assessments with national REDD+ Programmes and developing evidence-based policy reforms—whether they bear on strengthening institutions, harmonizing, simplifying, or establishing legal and enforcement systems (on carbon rights or land tenure), addressing corruption, lack of transparency, or setting up fair and efficient distribution systems—may require additional capacities.

Capacity development will have two components: (1) providing training and guidance to national stakeholders, including statistical offices, government, and civil societies, on the production and application of governance-related data and (2) ensuring that the processes themselves further develop the capacities of local stakeholders to understand, participate in, and use governance assessments. In particular, this would include:

- Support capacity assessment as part of a governance assessment for REDD+ initiatives. A capacity assessment, or an analysis of desired capacities against existing capacities, can generate an understanding of capacity assets and needs that in turn informs the formulation of a capacity development response. This assessment can be provided for national and local government partners, civil society, and institutions that are candidates in the selected countries.
- Promote capacity development in REDD+ governance assessments as a priority concern to national governments and external partners.

- Provide training opportunities. National counterparts have access to training. These opportunities will also be extended to local governments and representatives of civil society and marginalized groups. As defined by the capacity assessments, trainings may, for example, include:
 - For civil society and forest-dependent communities:
 - Conducting and reporting REDD+ governance assessments
 - For local government
 - Conducting and hosting multi-stakeholder consultation with a focus on vulnerable groups
 - For national counterparts
 - Aligning governance assessments with national REDD+ Programmes
 - Formulation of evidence-based policy making
- Use and encourage the use of well-informed stakeholders, local consultants, and research institutions. The UN-REDD Programme will encourage the engagement of Indigenous Peoples and other civil society actors as a way to build their capacities in governance areas such as secure tenure, payment distribution systems, and carbon rights, as well as on being proactive actors of country-led assessments.
- Support information, education, and communication initiatives that enhance the capacities of CSOs and local governments to effectively engage and participate in governance assessment and implementation.

4. RISKS AND THEIR MITIGATION

A number of risks must be taken into account and addressed:

- Participation and Inclusiveness

It is possible that governance assessments based on a partnership of government and CSOs may not work in some countries. Governments in such countries may be sensitive or unwilling to engage on a partnership basis with CSOs whom they see as adversaries. In some cases, these governments would prefer an assessment in which government leads the entire process or partners only with selected CSOs. Conversely, some CSOs may not partner with governments nor allow them to lead the process. In these cases, a purported or intended country-led assessment may not result in the generation of sound and objective governance evidence that can be used by policy makers, and assessments that do not involve non-government actors will be perceived as biased or based on highly contestable data and information.

The UN-REDD Programme will **only** support governance assessments that further the principles of accountability to local stakeholders, broad and representative participation, transparency through access to information, and legitimacy of the process. In cases in which some of these principles are weak, the UN-REDD Programme can help to identify “neutral” institutions acceptable to both

governments and CSOs, which can steer the process and build the trust and confidence of key stakeholders. As support to country-led REDD governance assessments expands to several countries, sharing information with governments considering the service on what the inclusive process has meant in practice and how the UN-REDD programme has facilitated it will represent one risk mitigation measure.

- Scale and Timeframe

It is essential that the country-led assessments are conducted and coordinated in line with the timeframe for REDD+ readiness currently in development, and in consideration of the urgency of forest-based climate change mitigation measures. At the same time, country-led assessment processes must lead to sustainable outputs, strengthening of institutions (to assess governance as well as to manage forest resources), and the capacity to reiterate the process on a regular basis.

- Sustainability

The sustainability of the assessments could first be at risk if individuals in national partners organizations are trained and then leave the organization. Although this risk is difficult to avoid, it can be mitigated by institutionalizing the process as much as possible and paying particular attention to the systematic management of data. Also, potential political and personal developments (such as a change in the political leadership within the administration or staff) could lead to the country-led assessment being lowered on the priorities list. The risk mitigation measure will be to ensure that governance for REDD is anchored in national priorities, and the outputs monitored with indicators of progress (UNDP 2009).

- Managing expectations

Broad-based consultations undertaken through the country-led assessments will raise expectations and hopes for change. To avoid a reverse effect in terms of negative public opinion, lack of trust and support, which would in turn limit the effectiveness of the policy reforms—and the delivery of efficient, equitable, and effective emission reductions—all measures should be taken to communicate the intended output in the initial consultations, and clearly communicate the results through further consultations (steps 9 and 10). Indicators of progress of the country-led assessment and policy reforms should be clearly defined and understood. For example, all land tenure rights may not be resolved by the time progress to better governance is evaluated, but clear improvement should be achieved, shared and felt by local populations.

5. FOLLOW-UP ACTIONS FOR SUSTAINABILITY

To ensure the sustainability of governance outcomes, several follow-up actions will be carried out. Strengthening the supply side of accountability may include institutionalisation of the assessment within the national statistics office or other, repeating assessment, strengthen government monitoring and evaluation units, and strengthen policy development capacity to turn data into policy recommendations.

Strengthening the demand side of accountability may include support to civil society/think tanks to follow up on the progress made, empowering local groups and communities that benefit from preservation of forest, training of parliamentarians to follow up, strengthening of the public accounts committee, participatory budgeting and or other checks and balances that should be strengthened with regard to this policy area and establishing or strengthening mechanisms and informal channels to provide different stakeholder groups with access to adequate information to support their participation throughout the forest governance reform process.

The benefits of this include strengthening incentives for government performance, strengthening efficiency and effectiveness through better capacity to monitor and conduct continued evaluations of programs, and developing institutions that will last longer than the first assessment period, hence making the project more sustainable. Finally, monitoring and evaluation are important management tasks in any project. The UN-REDD Programme will facilitate the undertaking of appropriate measurement and assessment of performance in order to more effectively manage the achievement of results. Results-oriented monitoring and evaluation can enhance learning and promote informed decision making and support transparency and accountability.

An independent external consultative group comprised of both national and external experts. This group will be consulted on experience and expertise during the implementation of the projects. In addition, an independent evaluation officer based in the UNDP Evaluation Office will support monitoring and evaluation activities.

UNDP will act as the managing agent, accountable for supporting the national implementation partner in line with a common work plan agreed upon with all parties (including the Food and Agriculture Organization [FAO] of the UN and the UN Environmental Programme [UNEP]). As managing agent, UNDP is also responsible for coordinating technical inputs by FAO and UNEP.

6. REFERENCES

- Ad Hoc Working Group on Long term Cooperative Action under the Convention - Barcelona, 2.6 November 2009. Non-paper No. 39.
- Adger, W.N., Benjaminsen, T.A., Brown, K., and Svarstad, H. (2000). *Advancing a Political Ecology of Global Environmental Discourses*. Global Environmental Change Working Paper 2000-10. London: Centre for Social and Economic Research on the Global Environment, University of East Anglia and University College.
- de Koning, R. (2009). *Forest Governance Innovations: Assessing Their Pro-Poor and Democratic Effect in Cameroon and the Philippines*, OGC Discussion Paper. Oslo, Norway: Oslo Governance Centre (OGC).
- IWG-IFR (2009) Preliminary Report of the Informal Working Group on Interim Finance for REDD. October 2009.
- Forest Dialogue. 2009. *Investing in REDD-plus: Consensus on frameworks for the financing and implementation of REDD-plus*. New Haven, Connecticut: The Forest Dialogue.
- Mayers, J., Bila, A., Khauxha, S., Opoku, K., and Simwela, W. (2006). Forest Governance and Social Justice: Practical Tactics from a Learning Group Approach in Africa. *International Forestry Review* 8(1):101–109.
- Rakner, L., and Wang, V. (2007). *Governance Assessments and the Paris Declaration: A CMI Issues Paper Prepared for the UNDP Bergen Seminar, September 2007*. Bergen, Norway: Chr. Michelsen Institute.
- Saunders, J., and Nussbaum, R. (2008). *Forest Governance and Reduced Emissions from Deforestation and Degradation (REDD)*. London: Energy, Environment and Development Programme, Chatman House.
- Siry, J.P., Cabbage, F.W., and Ahmed, M.R. (2005). Sustainable Forest Management: Global Trends and Opportunities. *Forestry Policy and Economics* 7:551–561.
- Sunderlin, W.D. 2008. *Poverty, Rights, and Tenure on Forest Lands: The Problem, and Priority Actions for Achieving Solutions*. Washington, DC: Rights and Resources Initiative.
- UNDP (United Nations Development Programme). 2009. *Supporting Country-Led Democratic Governance Assessments: A Practice Note*. New York: UNDP. URL: http://content.undp.org/go/cms-service/stream/asset/?jsessionid=aqdHEndGn-P9?asset_id=1793861.
- UN-REDD Programme 2009. *Towards an MRV for Governance*.

ANNEX 1: REDD Phases ⁹

The international community, led by the Informal Working Group on Interim Finance for REDD+ (IWG-IFR) and The Forest Dialogue on Frameworks for financing and implementing REDD+, is developing consensus on the merits of a phased approach as an operational framework for REDD+ action (Forest Dialogue 2009). Below is a combination of the proposed negotiation text on REDD+ (Ad Hoc 2009) and the proposals of the IWG-IFR. Financing of these phases would gradually transition from grants-based (Phase 1) to performance-based payments (Phase 3), Phase 2 being a blend of both grants and payments for proxy indicators. This phased approach would allow countries to engage in REDD+ activities according to their national circumstances.

Phase 1: Initial preparation and readiness phase: “the development of national [action plans] [strategies], policies and measures and capacity-building” (Ad Hoc 2009)

- The development of a REDD+ strategy at the national level, including, inter alia, the identification and prioritization of key policy and institutional capacity-building measures for both state and non-state actors. This will pave the way for investments in Phase 2 through the development of systems for monitoring, reporting, and verification (MRV) and the identification of required protocols.
- The UN-REDD Programme and Forest Carbon Partnership Facility (FCPF) are currently the two main Phase 1 readiness platforms. Bilateral agreements also support countries in this phase.

Phase 2: “the implementation of national policies and measures, and [action plans] [strategies] that could involve further capacity-building and technology transfer” (Ad Hoc 2009)

- The Informal Working Group proposes to separate Phase 2 in two components:
 - Phase 2a: “participation” and “policy” enablers (IWG-IFR 2009)
 - Participation enablers may include payment infrastructure for receiving and transferring payments, MRV capacity building and operation, basic REDD+ infrastructure (e.g., REDD+ oversight committee, accounting functions)
 - Policy enablers for REDD+ may include capacity building for land tenure law reform and land tenure system, institutional capacity building, land-use planning, treasury reform, judiciary reform, support services capacity development, and other smaller costs (e.g., enforcement of forest laws, independent monitoring, forest law reform, standards and guidelines, tax reform, NGO capacity building)
 - Phase 2b: The specific portfolio of policies and measures will vary from country to country in accordance with each country’s own priorities, but examples include further investment in alternative livelihoods in forest-dependent communities, improving land tenure security, restructuring industries that threaten forested areas, supporting sustainable management of forests, sustainable infrastructure planning, and demarcating and titling indigenous or other community lands (IWG-IFR 2009). Financing will be based on the achievement of emission reductions as measured by proxies (e.g., reduction in area deforested annually relative to an agreed-upon reference level)

⁹Adapted from the Forest Dialogue, the IWG-IFR report and Non paper 39 as produced at the conclusion of the Barcelona Climate Change talks

Phase 3: “results-based actions that are measured, reported and verified” (Ad Hoc 2009)

Market mechanisms such as the carbon market and fund-based mechanisms should, by Phase 3, deliver performance-based payments based on third-party verifiable emission reductions and carbon stock enhancements. Market policies must be designed with the objectives of creating equitable distribution mechanisms, stabilizing prices, and developing risk-management and credit-management vehicles.