

Real-time Evaluation of Norway's International Climate and Forest Initiative (NICFI)

Synthesising Report 2007-2013



This brief presents a summary of a real-time evaluation of Norway's International Climate and Forest Initiative (NICFI). The evaluation is summative, primarily a backward-looking compilation of documented results against NICFI's core objectives over the period 2007-2013. This evaluation is the fifth in a series of real-time evaluations of NICFI, and can be downloaded at www.norad.no/en/evaluation.

What is REDD+?

Reducing Emissions from Deforestation and Forest Degradation (REDD+) is a global initiative designed to provide results-based payments to developing countries for protecting their forests and reducing emissions of greenhouse gases.

What is the scope of NICFI?

NICFI supports REDD+ through:



United Nations
Framework Convention on
Climate Change

UNFCCC negotiations

UN-REDD
PROGRAMME

Multilateral REDD+ institutions



Bilateral initiatives



Civil society and research

What are the main objectives of NICFI?

The inclusion of emissions from deforestation and forest degradation in a new international climate regime



To take early action to achieve cost-effective & verifiable reductions in greenhouse gas emissions



To promote conservation of natural forests in order to maintain their carbon storage capacity



Overall: As NICFI is funded through the Norwegian aid budget, an overarching objective is to contribute to the achievement of Norwegian development policy.



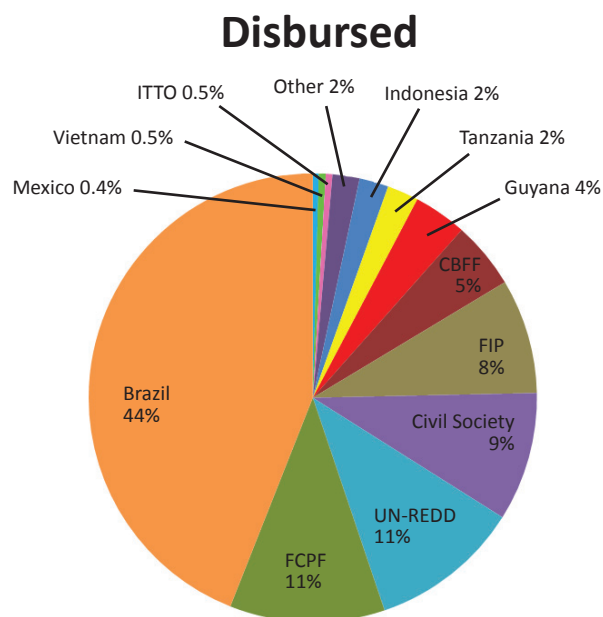
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NICFI Funding in Figures

NICFI has given pledges of support totalling 19.8 billion NOK (US\$ 3.3 billion) to be disbursed against achievement of agreed milestones and results. Of this, 68% is for three bilateral partners; Brazil, Indonesia and Guyana. Disbursements have been as follows:

- 10.3 billion Norwegian Kroner (NOK) (US \$ 1.7 billion) of NICFI funding was disbursed from 2008 to 2013.
- Four recipients account for 75% of all funds disbursed to the end of 2013:
 - **Brazil** (NOK 4.6 billion, 44% of all funds disbursed)
 - **Forest Carbon Partnership Facility** (NOK 1.2, around 11%)
 - **UN-REDD Programme** (NOK 1.1 billion, around 11%)
 - **Civil society** (NOK 1 billion, 9%)



Key Results on Achievement of the NICFI Objectives

NICFI's contribution to the establishment of a Global REDD+ Regime has been a great success:



- NICFI is the largest REDD+ donor, globally
- Substantial contribution to operational architecture and to engagement of both REDD+ and donor countries
- Flagship bilateral partnerships have leveraged political support for REDD+
- Instrumental to the progress on REDD+ in the UNFCCC climate change negotiations

NICFI has made a good contribution to taking early action on REDD+:



- Major contribution to international policy and national progress on REDD+ Measurement, Reporting and Verification (MRV) and Reference Levels
- Important contribution to REDD+ financial mechanisms
- Strong contribution to safeguards and broad stakeholder engagement in REDD+
- However, engagement with the private sector and partner country finance and agriculture ministries is insufficient

NICFI has made a solid contribution to promoting conservation of natural forests:



- Pilot projects and the establishment of new conservation forests
- A moratorium on new forest and peat land concessions in Indonesia
- Safeguards on natural forest conservation

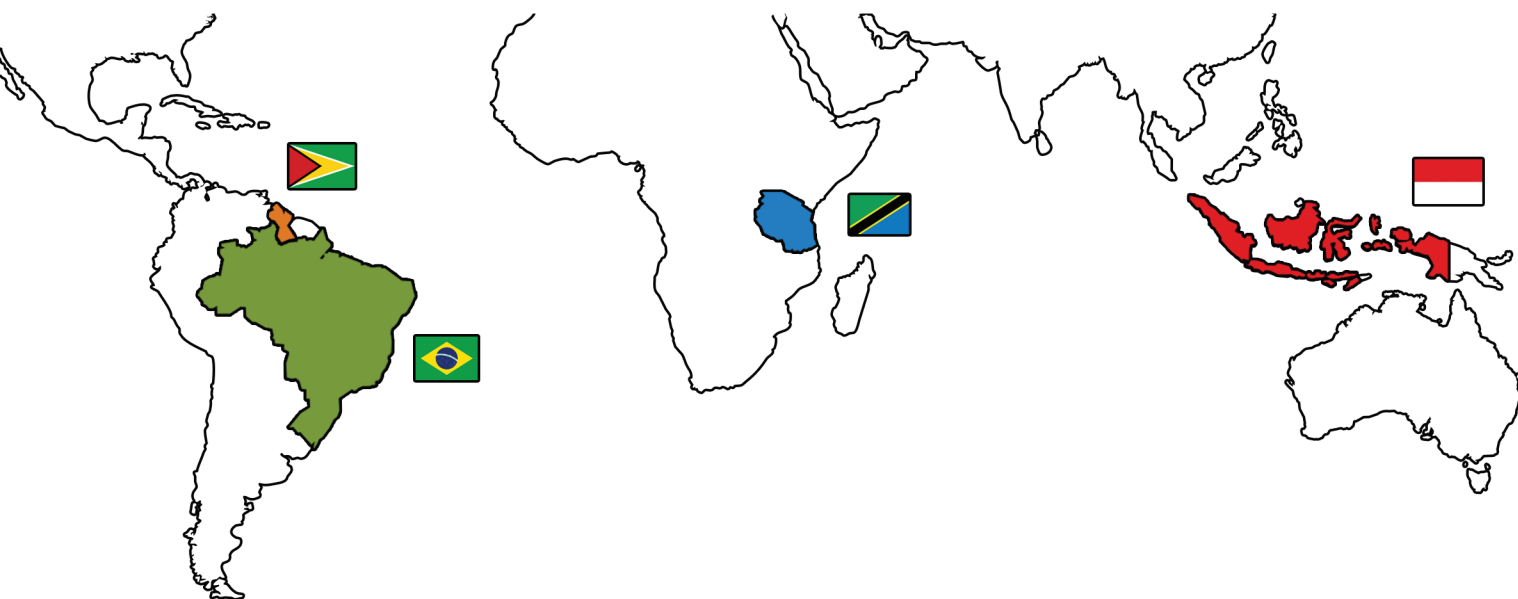
NICFI has made an active contribution to achievement of Norwegian development policy goals:



- Forest governance has been strongly addressed
- Development of Social Safeguards
- Rights of indigenous people given strong attention; important progress made in Indonesia
- Strong contribution to sustainable development
- However, rights of non-indigenous people are less-well covered and progress on gender issues is limited by lack of expertise on gender in partner countries

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Country Progress Summary



Brazil's deforestation rate and corresponding greenhouse gas emissions have strongly decreased and activities established through NICFI's payments for these results are paving the way for future emissions reductions.



In Guyana, technical and institutional pre-requisites for verifying avoided deforestation and degradation have been achieved, but much more action is required to mitigate the impact of mining as the main driver of deforestation.



Indonesia has made good progress on readiness planning, establishment of an institutional framework for REDD+ and design of the systems and processes required to implement REDD+. However, upcoming governmental change and weaknesses in the legal basis for REDD+ present a serious risk that achievements may be lost.



In Tanzania, NICFI support has catalysed a large number of REDD+ activities; however, achievement of readiness outcomes has been limited by the lack of government ownership and slow decision making.

Lessons Learnt on General REDD+ Development:

- The field is spread out among REDD+ countries: some are receiving results-based payments; many are making little progress.
- The promise of funding has been important for country engagement but results-based payments have functioned as political motivators rather than the economic incentives originally envisaged.
- The lack of certainty over REDD+ funding is the greatest risk to progress, yet there has not been enough attention to the cost of REDD+ systems in relation to national capacity and likely levels of finance to sustain them.

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Lessons Learnt on NICFI's Strategy and Role:

- Continued high level political support, substantial funding and a flexible government system in Norway has allowed NICFI to develop a uniquely responsive intervention model.
- The NICFI strategy has not been sufficiently revised to accommodate the slow rate of REDD+ progress being made by many countries.
- NICFI's efforts to convene and co-ordinate with other donors are valuable in mobilising funding and piloting approaches; however, there is insufficient co-ordination with relevant international initiatives beyond REDD+.
- NICFI has played a leadership role on REDD+ but there are signs that the detached approach to multilateral partners has led to some inefficiencies; slow disbursement remains a challenge.
- There is a need for NICFI to take stock of the differing progress made and the way that REDD+ has evolved to consolidate and rationalise its continuing and future interventions.

Recommendations

1. Using this report and other relevant material, assess the progress made on REDD+, the contribution of NICFI support together with that of other donors and the varied progress in REDD+ countries together with a gap analysis to provide an objective basis for a review of NICFI policy and strategy.
2. Develop a revised NICFI policy and strategy including a formal Theory of Change linked to a responsive, results-based reporting framework that takes into account the needs and priorities of all the agencies engaged in NICFI.
3. Undertake a review of partnerships with other donors and the multilateral organisations, with a view towards optimising the multilaterals' activities. This should take into account their differing mandates, constraints and opportunities for synergy with NICFI's strengths. Develop a common approach with other donors to leverage greater efficiency and effectiveness from the multilateral institutions.
4. For different reasons, there have been limitations to progress in Guyana and in Tanzania. Both countries should be visited by a high-level, multi-disciplinary team to discuss the reasons for this and whether and how NICFI support should be continued.
5. NICFI should give attention to communication: providing more information on its progress and successes through a variety of means. This should include, but not be limited to, a comprehensive website with links to reports and other sources of information. It should also continue efforts to secure greater transparency on the flow of funds around REDD+, especially where funds are channelled through multilateral partners.