



GERMANY'S CONTRIBUTION TO THE FOREST AND CLIMATE PROTECTION PROGRAMME REDD+

Synthesis study

Executive Summary

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EXECUTIVE SUMMARY

Climate change is one of the greatest challenges in our time and requires drastic changes in the way people interact with nature. Forests provide vital ecosystem goods and services, such as water regulation, soil fertility, and the conservation of biodiversity. They also contribute significantly to the regulation and mitigation of, and adaptation to, climate change. Deforestation and forest degradation in developing and emerging countries lead to significant greenhouse gas (GHG) emissions that undermine climate-change mitigation and adaptation efforts. The international REDD+¹ framework aims to strengthen mitigation efforts by reducing emissions from and enhancing carbon stocks in forested lands, and investing in low-carbon paths to sustainable development.

This study aims to synthesize existing knowledge about the performance and impact of REDD+ measures supported by Germany between 2008 and 2018. To this end, on the basis of primary and secondary data we analysed 30 German REDD+ measures with reference to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC) criteria, namely relevance, effectiveness, efficiency, sustainability, and overarching (development) impact. The synthesis is the first inter-ministerial study by the German Institute for Development Evaluation (Deutsches Evaluierungsinstitut der Entwicklungszusammenarbeit, DEval) that encompasses measures commissioned by three different Federal Ministries: the Federal Ministry for Economic Cooperation and Development (Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung, BMZ), the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Bundesministerium für Umwelt, Naturschutz und Nukleare Sicherheit, BMU), and the Federal Ministry of Food and Agriculture (Bundesministerium für Ernährung und Landwirtschaft, BMEL).

Since the contribution to REDD+ marks only one among several components of Germany's broad international development cooperation portfolio in support of forest conservation and the sustainable use of its resources, this study takes no account of a significant number of German development cooperation measures relevant to the forestry and land-use sector in partner countries. These also focus on the establishment of agroforestry systems, deforestation-free supply chains, legal logging schemes, and protected areas, to name but a few, and are related, for instance, to international processes such as the UN Convention on Biological Diversity (CBD), the New York Declaration on Forests (NYDF), the Bonn Challenge, the UN Forum on Forests (UNFF), and EU Forest Law Enforcement, Governance and Trade (FLEGT).

Despite the supposedly straightforward idea of REDD+ incentivizing the successful reduction of emissions caused by deforestation and forest degradation through performance- or results-based payments (PBP or RBP), REDD+ is difficult to implement through simple blueprint solutions. The implementation of RBP requires various political, legal, and technical elements within countries, which is why most countries first have to undergo readiness processes to establish those framework conditions. This includes the establishment of a national REDD+ strategy or action plan, robust monitoring systems, and valid approaches to measurement, reporting, and verification (MRV), among others. Moreover, because of a highly complex and context-dependent web of direct and indirect drivers enmeshed in a globalized system of trade, the dynamics of such multi-sectoral and multi-layered issues like deforestation and forest degradation remain difficult to understand (Weatherley-Singh and Gupta, 2015). It needs to be acknowledged that there are limited possibilities for international technical and financial cooperation to address, for instance, the political economies and socio-economic forces that underpin deforestation and degradation in many partner countries.

¹ Abbreviation for: Reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

Key findings

The overall REDD+ experience

- In sum, the German experience with REDD+ is largely consistent with the global experience, including the finding that, contrary to broadly shared and optimistic initial expectations, the instrument has not been a rapid and cheap way of reducing emissions in the forest sector (Angelsen et al., 2018b, 2018c). Most countries have not been ready for REDD+ implementation from the start and needed considerable readiness support. Nonetheless, REDD+ countries have made notable progress in various areas, including MRV capacities, yet with heterogeneous results regarding the achievements at outcome level.
- The German REDD+ measures represented in this study support countries mainly with regard to technical, financial, and political aspects in their readiness phases and are therefore relevant and appropriate.
- The German experience reaffirms recent research insights that the need for readiness efforts in preparing countries for REDD+ have been broadly underestimated, especially regarding the complexity and strains that drivers of deforestation, as well as governance and technical challenges, would put on partner and donor countries.
- With limited ability to effectively counter forceful drivers of deforestation and forest degradation, the contribution of the REDD+ activities to reducing emissions from deforestation and forest degradation as well as to conserving and sustainably managing forests and enhancing forest carbon stocks in developing countries has so far been limited.
- This slow progress is accompanied by growing worries and criticism among stakeholders in partner countries who have invested in establishing requirements, but have not (yet) received payments, or who doubt sufficient future finance as they move toward scaling up their efforts toward phase 3 (results-based payments).
- Still, our analysis suggests that the decade-long (German) engagement in REDD+, and forest conservation more generally, has led to notable changes in the partner countries – particularly regarding the renewed attention on forests and the matters of Indigenous Peoples and rural communities.

German influence on further development of REDD+ at the international level

- German efforts have helped shape and advance the development of the REDD+ concept internationally by providing evidence on how REDD+ implementation of RBP works in practice, for example in the case of REDD Early Movers (REM) and the Amazon Fund. More specifically, the “stock and flow” approach introduced by REM, which rewards both protection of forests (stock) and the reduction of deforestation (flow), has contributed to the international discussion on benefit-sharing.

Performance of specific German measures

- While Forest Carbon Partnership Facility’s (FCPF) Carbon Fund had (at the time of our analysis) still not disbursed results-based payments, Germany’s REM programme² has successfully tested the delivery of results-based payments. With a focus on rewarding past successful reductions in emissions from deforestation, the instrument provides valuable first lessons on the design of RBP processes and is an important basis for trust building among partners.

² FCPF’s Carbon Fund and Germany’s REM programme are the two notable existing funding structures focused on results-based payments (RBPs) in the forest sector. Both follow the principal idea of compensating partner countries for successful emission reductions (ERs).

- Beyond that, and given the fact that most partner countries still needed considerable support to establish the framework conditions necessary to receive RBP via REDD+, the majority of German measures have focused on readiness activities. As a matter of fact, verifiable reductions in GHG emissions in the forest sector have (not yet) been achieved.
- More generally, German measures have contributed to “improved forest governance”, more inclusive governance structures, and strengthened monitoring and MRV capacities, often linked to general development and capacity-building issues, rather than climate-change mitigation considerations. Since it is difficult to infer an actual influence of readiness outputs on the state of forests in partner countries, performance and hence payments are broadly pending. This has fuelled legitimacy issues. While partner countries point to the financial uncertainty and lack of incentives for their (readiness) efforts, institutions and the interested public in Germany question whether significant expenditure has led to actual emission reductions in partner countries.
- The prior two aspects are often interpreted as a failure of (German) REDD+ support by design. However, they may rather be seen as a sign of flawed communication and excessive or misguided expectations about what REDD+ is and can possibly achieve where, and how fast.
- Analysed German measures have principally been relevant to key actors in recipient countries, not least by sensitively reacting to the different prerequisites and policy agendas, whereas most support was intended to get the various partner countries “ready for REDD+”, for example by establishing different political, legal, and technical elements needed for national implementation.
- The analysis has highlighted the uniqueness of the German engagement, in particular with regard to its implementing organizations. The combination of technical and financial cooperation allows for integrated approaches. In the case of REM, for instance, KfW Development Bank (Kreditanstalt für Wiederaufbau, KfW) implements the results-based finance (RBF) scheme, while the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) supports partners in meeting the requirements for receiving RBP.
- The analysis has shown that long-term partnerships and the long-standing presence of implementing organizations in partner countries can be an important success factor, especially for complex measures. These long-term relations have provided privileged access to key decision-makers.
- While Germany, Norway, and the United Kingdom (GNU) exhibit high levels of coordination and knowledge exchange at a higher political level, the analysis has shown that coordination on the ground, i.e., between German implementing organizations and implementing entities of other bi- and multilateral donors – such as the FCPF or UN-REDD Programme (UN-REDD) – has often been challenging.
- In terms of efficiency, the analysis has shown that a number of measures were delayed due to complications during implementation and in line with the nature of a new idea; while at the same time most measures stayed in budget.
- Securing human and financial resources for the sustainability of outputs achieved through REDD+ activities remains a challenge for partner countries. Apart from the unexpectedly high efforts for readiness and a need for reliable future finance (for an RBP instrument) sustainability is mainly jeopardized by detrimental political interests and governance conditions in partner countries.

Building on these results, we have elaborated some discussion points which, in our view, may not only be relevant to strengthening REDD+ implementation but also for creating a better understanding of *what* German actors are doing *where* exactly. With a more proactive approach to transparency about concepts, assumptions about and experiences with REDD+, implementing actors could, for instance, address general misconceptions about REDD+.

Implications

Acknowledging the fact that German development cooperation institutions or their partners may not have influence over all the implications outlined, the following list may serve as an initial basis for discussions among the various partners engaged in REDD+ support. In fact, relevant German stakeholders are already discussing a number of them. Specifically our results point to the following implications:

1. **Implications that require the revision of REDD+ strategies and portfolios**, taking into account key lessons learnt. Actors may focus on various aspects:
 - a. Update key objectives and priorities, taking into account the political economy of development agendas in partner countries, as well as the powerful drivers of deforestation, both within and outside partner countries (from producer to consumer).
 - b. Promote cross-sectoral approaches in REDD+ implementation across all ministries that better align REDD+ with other efforts supported by Germany, such as strategies on deforestation-free supply chains.
 - c. Make private and finance sector actors more responsible for sustainable land-use practices and accountable as key agents of deforestation, and ideally functioning as change agents. This could either imply developing new and innovative measures in the German REDD+ portfolio that explicitly focus on new forms of inter-sectoral integration in land-use planning or policy making, or truly collaborative cross-sectoral dialogue and planning. This requires keeping in mind pertaining power imbalances and the need to change not only narratives but mind-sets and political will.
 - d. Strengthen the collaboration and cooperation between key target groups in partner countries including ministries and agencies working on agriculture, finance, economic development, infrastructure, and mining, among others. In this context, civil society actors should be institutionally strengthened.
 - e. Consolidate the international coordination with other donors and institutions, by discussing higher carbon prices and REDD+ budgets, or how to deal with countries with particularly bad governance but high relevance for forest conservation, for example.
 - f. For the readiness phase, consider experimenting with RBP for political milestones to spur progress.
 - g. Refocus themes and regions of the REDD+ support and portfolio, especially considering a more efficient use of funds, by refraining from “piling up” on the activities of other donors in particularly promising themes, countries, or districts, for example; proactively identify persisting thematic and regional blind spots for support and coordinate implementation, accordingly.
2. **Implications for coordination:**
 - a. Intensify the existing inter-ministerial coordination and consultation in Germany beyond the formal consultation processes.
 - b. Utilize the different core competencies, experience, and financing opportunities, while avoiding inefficiencies and trade-offs; such coordination should explicitly also extend beyond BMZ, BMU, and BMEL (e.g. BMF), considering the trade-related drivers of deforestation in Germany.
3. **Implications for communication and political discourse:** bring deforestation to the front of political discussions around global (agriculture) supply chains, particularly on commodities known for driving deforestation (i.e. soy, cattle, palm oil, timber, pulp, and paper). Policy reform in Germany (and Europe) that addresses perverse incentives in the agricultural sector (e.g. subsidies) or consumption-related pull factors for deforestation will have a major role to play.
4. **Implications for transparency and learning:** the opportunity and already existing willingness to approach transparency and learning more systematically.
 - a. Establish a more coherent and transparent reporting system, for instance a joint database, covering information on all German REDD+ measures with comparable key parameters and lessons learnt from implementation. Such a system would allow a better understanding (and revision) of German contributions and impact, while increasing the coherence between measures of different

organizations. Accompanying research projects may enhance the quality and transparency of measures and support a systematic and reflexive learning practice.

- b. Another opportunity lies in a more proactive approach to communication and exchange with the interested public around German REDD+ support. Coordinated by lead ministries and enacted by implementing organizations, this approach could help to avoid misconceptions and enhance an open debate about measures, objectives, and achievements.

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