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***Energy, Environment and Development
Programme***

Monitoring Governance for REDD+: What to Monitor, How and Who

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***UN-REDD side event on Developments in MRV & Monitoring of Mitigation Actions
& Safeguards for REDD+, UN Climate Change Talks, Bonn
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Overview

- Background
- Aims
- Summarise results of Expert Workshop 1
- Present Background Paper 3
 - Operational considerations
 - Indicative national system (tools & institutions)



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Background

- *Washington* – Informal meeting, Chatham House, UN-REDD, WRI, Global Witness, Oct 2009
- *Copenhagen* - Governance, MRV and REDD stakeholder meeting, Dec 2009
- *London* - Chatham House / RRI REDD dialogue, Jan 2010
- *London* – Expert Workshop on Monitoring Governance Safeguards in REDD+, Chatham House, May 2010



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Aims

- Improve understanding of what monitoring of governance for REDD+ might entail, drawing on existing initiatives
- Develop :
 - draft framework of core governance parameters for M and R (***what*** to monitor)
 - draft operational guidance on tools and institutional arrangements (***how*** to monitor governance effectively)
- Inform monitoring systems evolving through UN-REDD NPDs & R-PPs, FAO FRA



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4

Background paper 1

Monitoring Governance for Implementation of REDD+

- Discussed concepts and definitions for governance & monitoring
- Identified lessons learned from review of existing initiatives & case studies (forests & NR sector)
- Identified best practice – MEAs, FLEGT, EITI
- Proposed draft framework parameters & initial operational guidance from lessons learned



Workshop 1: Issues highlighted Finance & Participation

- Transparent systems for managing budgets & financial flows
- Participation of stakeholders
 - Broad
 - Genuine
 - Provide space for vulnerable & marginalised groups



Workshop 1: Issues highlighted Institutions

- Clear institutional roles and responsibilities
- Effective coordination between institutions and across sectors
- Institutional capacity to implement decisions



Workshop 1: Issues highlighted Transparency & Access to information

- Transparency of and access to information
- Provision of information in a timely manner
 - Important for effective participation



Workshop 1: Issues highlighted Different needs for different levels & phases

- Monitoring and data needs differ for:
 - M and R for international purposes (demonstrate performance)
 - M and R for domestic purposes (improve national implementation)
- Intensity of monitoring and monitoring priorities will change through the phases



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9

Product of workshop 1 -What to Monitor Draft Framework of core governance parameters & key considerations in scope

- 3 core parameters
- 13 key considerations in scope
- relevance to safeguards

Core governance parameters for REDD+	Key considerations in scope	Of particular relevance to "supporting and promoting" (current safeguards text)
Clear and coherent policy, legal, institutional and regulatory frameworks	• Forest and land use policies, laws and regulations • Legal framework to support and protect land tenure/carbon ownership and use rights • Consistency of REDD+ policies with broader development policies • Clarity of mandates across different levels of government	a) Consistency with national forest programmes, international conventions and agreements c) respect for rights of indigenous peoples and local communities e) consistency with conservation of natural forests, biodiversity etc f) address risk of reversals g) address risk of displacement
Effective implementation, enforcement and compliance	• Cooperative enforcement of laws and regulations relevant for REDD+ • Effectiveness and integrity of judicial system • Implementation of, and compliance with, relevant international commitments/obligations • Anti-corruption measures	b) ...effective national forest governance structures, taking into account national legislation... f) address risk of reversals g) address risk of displacement
Transparent and accountable decision-making and institutions	• Stakeholder participation in REDD+ design and implementation, with special emphasis on vulnerable groups • Transparency and accountability of agencies responsible for implementation and enforcement • Conflict resolution and grievance mechanism • Transparency and accountability (including reconciliation) of REDD+ payments and revenues • Participatory and transparent monitoring, reporting, verification and MRV, including accessibility of information	b) transparent...national forest governance structures d) full and effective participation of relevant stakeholders



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10

What to Monitor

3 core Governance Parameters

- **Clear and coherent policy, legal, institutional and regulatory frameworks**
 - Key consideration: Forest & land use policies, laws & regulations
- **Effective implementation, enforcement and compliance**
 - Key consideration: Cooperative enforcement of laws & regulations for REDD+
- **Transparent and accountable decision-making and institutions**
 - Key consideration: Transparency & accountability (including reconciliation) of REDD+ payments & revenues



Application to Social Safeguards

Respect for rights of IPs & local communities

- ***Parameter:*** *Clear and coherent policy, legal, institutional and regulatory frameworks*
- ***Key consideration:***
 - Legal framework to support & protect land tenure/carbon ownership & use rights
- ***Parameter:*** *Effective implementation, enforcement & compliance*
- ***Key considerations:***
 - Effectiveness & integrity of judicial system
 - Implementation of, and compliance with, relevant international commitments/obligations (eg UNDRIP)
 - Conflict resolution & grievance mechanism



Application to Social Safeguards

Full & effective participation of relevant stakeholders

- **Parameter:** *Transparent and accountable decision-making and institutions*
- **Key considerations:**
 - Stakeholder participation in REDD+ design & implementation, with special emphasis on vulnerable groups
- Participatory & transparent monitoring, reporting & verification & MRV, including accessibility of information



Subject of workshop 2 - How to monitor & Who would do it

BGP1 – lessons & practice from review of existing initiatives

- Indicator-based initiatives - World Bank/FAO, WRI GFI, CH illegal logging, GW transparency report card, CCBA/Care stds
- EU FLEGT
- IFM (Nicaragua case study)
- TI forest corruption monitoring tool
- EITI
- Philippines - Multi-sectoral Forest Protection Committees (MFPCs)
- Mongolia – country-led governance assessment (CLGA)
- Kenya – African Peer Review Mechanism
- Low-tech monitoring networks (Guinea, Philippines)



BGP3 - describes an evolution towards proposed Indicative National System

- Step 1. Developed operational considerations from 15 “principles” in BGP1 based on lessons learned & best practice
- Step 2. Examined institutional arrangements delivering key operational considerations - FLEGT & IFM
- Step 3. Applied operational considerations & institutional arrangements to propose an indicative national system (institutions, reporting flows & characteristics)



Step 1 – operational considerations

Pillar	Operational considerations
Transparency	• Clarify and publish relevant laws and policies, including tenure and land-forest use rights • Clarify and publish institutional roles and responsibilities • Include field-based element of monitoring to reconcile policy and practice • Report publicly and in a timely manner • Establish benchmarks against which to demonstrate progress/change • Establish robust financial accounting for REDD+ financial flows, with full reconciliation and stakeholder oversight
Appropriate accountability	• Establish institutions to facilitate multi-stakeholder participation • Collect data/opinions from broad-based sources as well as expert opinion • Develop capacity both within and outside REDD+ institutions to facilitate accountability, with particular attention given to enabling the vulnerable groups highlighted above • Develop appropriate peer review mechanisms • Establish conflict-resolution/complaints mechanisms at national and international levels • Establish independent and consistent financing for monitors
Cost-effectiveness	• Avoid waste through fraud or corruption with effective auditing • Enforcement monitoring should be ‘intelligence-led’ • Systematic information gathering should build on existing data sets wherever possible • Data gathering should be based on complementary national and international concepts and needs



Transparency

- Clarify & publish relevant laws & policies, including tenure & land/forest use rights (FLEGT)
- Clarify & publish institutional roles & responsibilities (FLEGT, IFM, MFPCs)
- Include field-based element of monitoring to reconcile policy & practice (IFM, MFPCs)
- Report publicly & in a timely manner (IFM, APRM Kenya)
- Establish benchmarks against which to demonstrate progress/change (indicator-based initiatives)
- Establish robust financial accounting for REDD+ financial flows, with full reconciliation & stakeholder oversight (EITI)
- Timely access to information (CCBA/Care, APRM Kenya, IFM) [BGP1]



Appropriate accountability

- Establish institutions to facilitate multi-stakeholder participation (CLGAs, CCBA/Care, IFM Nicaragua, MFPCs)
- Collect data/opinions from broad-based sources as well as expert opinion (indicator-based initiatives)
- Develop capacity both within & outside REDD+ institutions to facilitate accountability, with particular attention given to enabling vulnerable groups (WRI GFI, GW TRC, IFM, CLGAs)
- Develop appropriate peer review mechanisms (FLEGT, IFM)
- Establish conflict-resolution/complaints mechanisms at national & international levels (EITI, FLEGT)
- Establish independent & consistent financing for monitors (FLEGT, IFM, MFPCs, Guinea low-tech monitoring)



Cost effectiveness

- Avoid waste through fraud or corruption with effective auditing (FLEGT, IFM)
- Enforcement monitoring should be 'intelligence-led' (TI anti-corruption monitoring tool, IFM)
- Systematic information gathering should build on existing data sets wherever possible (FAO/World Bank)
- Data gathering should be based on complementary national & international concepts & needs (FLEGT)



Step 2 – institutional arrangements delivering key operational considerations

FLEGT

- Voluntary Partnership Agreements (VPAs)
 - 3 signed - Cameroon, Ghana, Republic of Congo
 - Include transparency commitments
 - Negotiation process resulted identifying opportunities for governance reform
 - 7 under negotiation - CAR, DRC, Gabon, Indonesia, Liberia, Malaysia, Vietnam
- Each country develops national Legality Assurance System (LAS) for wood & forest products



5 Elements of LAS

1. A clear, stakeholder-endorsed definition of legal timber against which to verify compliance
2. A mechanism to control timber as it moves around the country
3. A government-endorsed institution to verify that all relevant laws have been complied with & the control system is being applied with sufficient rigour
4. A licensing authority
5. An independent institution to monitor the functioning of the whole system



3 Monitoring functions of VPAs

- Independent audit of LAS for wood and forest products
- 'Joint Implementation Committee' - EU, partner country & relevant stakeholders on a voluntary basis – considers ongoing implementation of VPA
- Impact monitoring – with scope and institutional arrangements to be confirmed in each country but reporting to JIC



IFM / IO

- Current IFM operations – Cameroon, Honduras, Nicaragua
- Under development – DRC, Guyana (Gabon?)
- Based on contract between the monitor & government institution
- International NGO builds capacity for local actors to perform monitoring
- Engagement with enforcement agency builds capacity in forest law enforcement

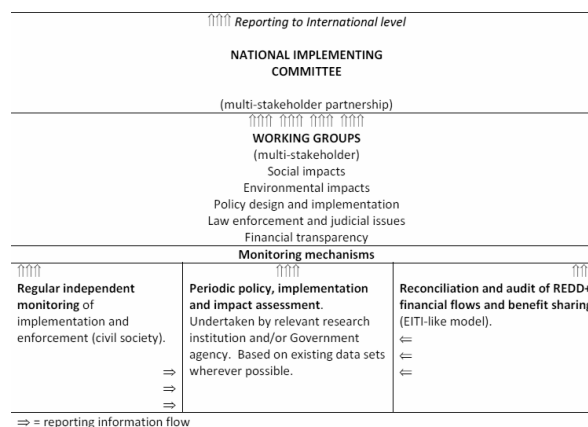


Country case study - Indonesia national legality verification system (Sistem Verifikasi Legalitas Kayu)

- Elements of monitoring identified from draft documents
 - A Comprehensive Evaluation (CE) performed by accredited 3rd parties
 - IFM performed by coalition of CS groups under a code of conduct with accreditation (complementary to CE)
 - A Periodic Evaluation (PE) of effectiveness – enable systemic improvements



Step 3. Indicative national system – institutions & reporting information flows



Indicative national system - characteristics (in accordance with operational considerations)

2 phases proposed for Periodic Assessments & Independent Monitoring:

- Diagnostic phase
- Implementation phase



Periodic Assessments – diagnostic phase

- Diagnostic assessment sets benchmark for periodic assessments
- institution conducting the assessment should, *inter alia*:
 - Publish a clear, coherent, stakeholder-endorsed REDD+ policy framework
 - Identify and publish nationally-appropriate ('satellite') indicators derived from, or in addition to, generic indicators derived from core parameters & key considerations
 - Establish, verify/peer review & publish baseline data
 - Consult widely to identify opportunities for governance reform
 - Use data from broad-based surveys + expert opinion
 - Report to multi-stakeholder WG / committee



Periodic Assessments – implementation phase

- Periodic review of policy, implementation, enforcement & impacts will support iterative improvements in REDD+ strategies
- On-going monitoring of policy framework & social / environmental standards will demonstrate progress & 'performance' for payments
- More regular repeat assessments needed in early stages for frequent refinement of policy framework & strategies
- WG / committee to which assessing institution reports should have complaint / conflict resolution mechanism
- Periodic assessments should consider reports of independent monitors to reflect on-the-ground realities



***Periodic Assessments – existing tools & precedents
for institutions undertaking assessments***

- FAO/World Bank indicator process
- CCBA/Care standards
- WRI Governance of Forests Initiative
- GW Transparency Report Cards
- FLEGT VPA preparatory negotiating phase



Independent monitoring – diagnostic phase

- Monitor should undertake field- and desk-based assessment of implementation & enforcement status to establish, *inter alia*
 - Benchmarks for measuring implementation & enforcement
 - Capacity building needs in enforcement agencies
 - System design for facilitating low tech monitoring networks & channels for participatory monitoring engaging indigenous and local communities, and civil society
 - Risk profiling to facilitate 'intelligence-led' priority setting



Independent monitoring – implementation phase

- Monitor should perform intelligence-led monitoring, incorporating broad-based, low-tech information gathering to ensure participation & cost effectiveness
- Monitoring should be ongoing with periodicity of missions reflecting risk intensity & geographical differentiation within countries
- Reporting should be to relevant WG/committee & to institution carrying out PAs
- Reports should be made public once peer reviewed & endorsed by government & stakeholders



Independent monitoring – existing tools & precedents for institutions designing TORs & performing IM

- IFM / IO
- FLEGT Guidelines for Independent Monitoring



Reconciliation & audit of REDD+ financial flows & benefit sharing

Given different auditing, reporting & institutional requirements of different financial mechanisms, propose :

- Common structure drawing lessons from EITI as part of Common Delivery Platform



EITI –Extractive Industries Transparency Initiative

- Coalition of governments, companies, civil society, investors & international organisations
- Oil, gas & minerals sectors (Liberia includes forests)
- Countries that join required to establish stakeholder-endorsed action plan to disclose & reconcile information about value & scope of resource extraction rights & activities in the countries
- May 2010 - 31 countries implementing EITI , 3 negotiating to join, 17 participating in FCPF / UN-REDD (could be more now)
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EITI – inclusive participatory institutional structure

- Implementation overseen internationally by multi-stakeholder Board
- Implementation overseen nationally by multi-stakeholder group
- Include representatives of all key stakeholders



EITI Validation

- Assesses whether countries have achieved EITI compliance
- Aim – to evaluate national EITI implementation with multi-stakeholder oversight
- Once compliant, Validation repeated every 5 years
- Dispute resolution mechanism incorporated into Validation process



EITI –impacts of inclusive participatory approach

- Transparency increased
- Discussion of data disclosure promoted
- Trust built between stakeholders in 3 sectors which have historically featured adversarial relationships between governments, CS & private sector.

