



Independent Technical Review: ECUADOR National Programme Document

UN-REDD PROGRAMME

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General comments to National Programme Document of ECUADOR

The comments provided in this review correspond to the reading and assessment of the document and annexes: “Draft UN National Joint Programme for the Reduction of Emissions from Deforestation and Forest Degradation in Ecuador”, prepared by the government of Ecuador under the FAO-UNDP-UNEP Joint National Programme. This document was submitted to the UN-REDD Secretariat on February 15, 2011.

The general purpose of the document is to present the approaches and actions that the government of Ecuador has been and intends to continue implementing to reduce emissions from forest loss and degradation with the goal of obtaining support from the Joint National Programme in the preparation phase for REDD+. This document results from years of work by the Ecuadorian government to consolidate actions towards reducing forests loss with the associated negative impacts on cultural and biological diversity, and preclusion of development options. The document constitutes a necessary step into the formulation of an integrated national development policy to maintain the country’s patrimony that will in turn benefit its society in present and future generations.

Governmental solidity and processes for building climate-friendly inter-sectoral policies and actions.

It is clear from the document that the government of Ecuador has been steadily moving, more so since the Constitution of 2008 and further policy and legal instruments, towards having more control over the ways the nation’s rich natural patrimony is used. The formulation and ongoing implementation of the *Well Living Plan (2009-2013)* represents a specific example of how the government intends to organize and consolidate actions around goals that link social, economic, and environmental welfare. Ecuador is in a golden position to make enduring changes to benefit its natural resources and society at large. Because the Constitution is fairly recent, several initiatives that address enhanced governance, fair distribution of costs and benefits of environmental services among society members, recognition of land rights and associated responsibilities, role and representation of civil society in decision-making and negotiation, enhancement and revamping of the country’s legal structures and institutions, and overall recognition of the importance of ecosystem services, are still in the making. Several directorates, divisions, offices, policies, and programmes have been created recently, all of which have missions that aim to address climate change and development challenges. The goals of these novel institutions suggest agreement and consistency in recognizing the need to address ecosystem services loss and in doing so, foster development in ways that could benefit society and the natural environment. Yet, the specifics of benchmarks and time-lines when some of these goals will be reached are missing. Stronger emphasis should be made in making these concrete results more prominent throughout the document. For instance, the definition of legal frameworks to clarify forests and carbon rights, the financial structure of the mitigation programme, the terms and objectives of the new agrarian reform, all are issues central to consolidate a unified policy front for the implementation of a REDD+ strategy. Overall, it should be clear that the country is making strides towards structural changes that have the possibility of curbing forests loss. The main challenge for the several high and medium level institutions and processes created will remain in defining specific goals and timeframes, and harmonizing the support of all parties, including the international cooperation which so far has demonstrated strong commitment.

Integrated understanding of GHG emissions in the country, in particular those associated to forest loss and degradation.

The REDD+ Ecuadorian document (REDD+ED) does not present an integrated appraisal of the current greenhouse gas emissions (GHGE) of the country as a whole. Even if the focus of this document should be on actions that aim at reducing deforestation and forest degradation, its goals would need to be framed within the several strategies the country will be putting forth to deal with emissions from other sectors (e.g., mining, energy), even if accurate numbers are not available yet. Likewise, a more in-depth tentative presentation that goes beyond the list of well-recognized general drivers of deforestation/degradation, and that specify some level of attribution should be included. It is clear that accurate numbers do not exist yet, but an idea of the approximate proportion of forest loss and degradation to the activities of each sector

(Table 1) in different regions could be included. For instance, in Tables 6 and 7, what are factors that could be associated with major drivers of forest loss by forest type and by region? Threats faced by regions differ (point 152) and there still seems to be incipient understanding of how those work and what influences them. The design of targeted solutions would need to consider regional dynamics. The success of these integrated solutions would depend, to some extent, on the availability of financial resources for implementation. However, proper consideration of the context and understanding on how it defines the effects of the drivers of deforestation at different scales will greatly contribute to the design efficiency of the REDD+ strategy.

Activities towards formalization of lessons learned from past and current initiatives to enhance and reduce ecosystem services loss and degradation.

Ecuador is one of the few countries that has already some practical experience with incentive programmes to combat deforestation (*Socio Bosque Programme, SBP*). Even if this programme is relatively recent (2008) it would be necessary to include in the document results of attempts at evaluating its impacts on rural livelihoods and on forest cover. More than the usual criteria of area covered by the SBP, families benefitted, and costs of the mechanism, it would be necessary to include information on the potential existence of leakage from SBP implementation (i.e., that funds from the SBP programme payments could be invested in clearing forested areas for productive activities somewhere else), the extent to which monitoring and verification procedures have been able to detect illegal activities (e.g. logging), the extent to which the payments might have turned into perverse incentives that could induce changes in land ownership and other factors, and overall, issues about the long-term efficiency, effectiveness, sustainability, and permanence of the programme itself. The partial evaluation of the efficiency of the SBP (e.g. targeting areas with high vulnerability of deforestation), even at this early stage, will greatly illuminate the design and implementation of the REDD+ initiative. In general, analyses will be needed on how the objectives of SBP were articulated within the country's development goals and those of other sectors, and in the event of conflicts, how they were addressed. In particular, it would help to learn about the obstacles to transfer the incentives to participating members, and the legal and institutional frameworks developed for SBP's implementation to date.

Assessing the National Programme Document against review criteria

The general review of the National Programme Document was performed following the UN-REDD+ Rules of Procedure document.

1. Ownership of the Programme

The UN-REDD+ document was prepared by the Undersecretary of Climate Change from the Ministry of the Environment of Ecuador. In this process this office received the support of the Office of the UN Resident Coordinator in Ecuador, FAO, UNDP, and UNEP. The programme is framed within a series of institutional instruments and instances defined by the Government of Ecuador, such as the National Plan for Good Living 2009-2013 (2009), Ecuador's Environmental Policy (2009), and Ecuador's Environmental Code (2008). The document reports several activities towards engaging major actors in the process of discussion and negotiation of the REDD+ strategy. Within the government there was the recent creation of the Inter-institutional (Agency) Committee for Climate Change (late 2010), although no clear map of their activities, compromises, and specific benchmarks is provided in the document.

2. Level of consultation, participation and engagement

Outside of the government, activities with the goal of engaging local social actors include a mapping of stakeholders process (February-April 2010), which identified 30 stakeholders with activities related to the REDD+ concept and sorted into the major categories (i.e. training, research, advocacy, and project development). There was also the establishment of an informal group (Follow-Up Group of the UN National Joint Programme for REDD+) which includes indigenous, civil society, and peasant organizations. Up to 7 workshops have been developed that include information and discussion

events, the most recent one earlier this year (Feb. 10, 2011) to continue the discussion of the proposed draft of the UN National Joint Programme for REDD+. In particular, this recent meeting testifies to the Ecuadorian government's intention to maintain an active role of the Follow-Up Group in the deliberative processes associated with the definition of the REDD+ strategy. To maintain the credibility of this process, this review welcomes the engagement of the government to work on defining very concrete measurements of achievement (e.g. agreements signed with different social actors; documents produced collaboratively amongst parties that include the often contrasting perspectives of all participating stakeholders). This review also encourages to formally engaging more members of the private sector, including in particular the timber industry.

3. **Programme effectiveness and cost efficiency**

The effectiveness of the UN-REDD+ programme will be enhanced if it is used to build up on existing and planned government's efforts to address forest loss and degradation. If other failures, besides lack of financial resources, are being addressed the impact of Ecuador's REDD+ strategy also has the chance of contributing structural enduring changes. As seen from the document, the Ecuadorian REDD+ strategy is built so far on very recent institutions, rules, and processes. Moreover, it is also built on an incomplete understanding of the causes of deforestation and the extent to which they play in different regions. Effectiveness will increase if the already existing inter-sectoral platform defines concrete cross-cutting benchmarks to be achieved at different times and for addressing targeted drivers of deforestation in each region. **Outcome 1** addresses the design of a national forest information system. It would be important to explicitly include activities towards tracking stocks and fluxes of forest carbon. This review is pleased to know about collaboration of internationally recognized technical and scientific institutions (e.g. Carnegie Research Institute) on the development of actions towards this Outcome. Even if the document proposes REDD+ -related actions at a national level, it should be pondered by the responsible institutions the potential option of defining reference levels for each region. This effort might help decide on actions with more scope for effectiveness, that further aggregated solidify the national REDD+ strategy. **Outcome 3** would refine the causes of deforestation/degradation and define the policy and instrumental platforms to put into operation activities within the context of the international implementation of REDD+ initiatives. This Outcome should explicitly consider socioeconomic studies for that end, identifying vulnerable communities and other risks. **Outcome 2** deals with engagement of civil society in the deliberative processes towards the REDD+ strategy definition. Further refinement of the indicators associated to this outcome is needed. Suggestions are: participation agreements that include list of collaborative actions between government and civil society institution; plans that frames these actions and organizes them in short, medium, and long term timeframes; documents that capture the perspectives of social actors; design of official spaces/mechanisms to legitimize social participation; establishment of regional/thematic working groups and round-tables with targeted goals. The operational framework of the strategy is considered in **Outcome 4** (and **6**, the latter particularly focused on the mechanisms for distribution of benefits). Several of these instruments are in the making in Ecuador: the document should include information on how these processes are advancing and how their results are integrated into the dynamic document for the REDD+ strategy (e.g. legal studies to assign rights; legalizing tenure for indigenous communities; progress in the implementation of agrarian reform; advances to define reference baseline and reporting and verification procedures, national registry, and overall international validation). It would be important to incorporate into **Outcomes 5 and 6** some activities to evaluate not only the benefits of the implementation of a REDD+ strategy, but also to not lose perspective of its costs. Finally, explicit attention should be given to the processes of REDD+ strategy Monitoring and Evaluation. Early incorporation of these elements during the design phase of this intervention, rather than being a burden to it, will turn these steps into instruments to help avoiding future failures and benefitting from mistakes.

Regarding cost efficiency of the REDD+ strategy, this review would have liked to see in the draft budget information, at least in very generic terms (e.g. name of institution/donor agency and

approximate amounts), on the breakdown of existing funding that has been obtained to contribute to complement the support of the UN-REDD+ Programme to achieve its goals. In this way, a more accurate idea of the cost efficiency of the REDD+ strategy would be possible. The funds include resources provided by the government (USD 8 500 000) and the German Cooperation (EUR 14'500, 500), and how these are contributing to achieve the proposed outcomes (e.g. indicative activity 5.1.1 with WCMC; contribution of the German Cooperation to Outcome 6). This information seems important at this stage, when Ecuador has accessed considerable funds from other agencies. So far, priority is given in the UN-REDD+ Programme budget to **Outcome 1** (~43% of total budget), which makes sense insofar as the activities cover a broad range of issues related to forest and carbon inventories, trends in forest loss and degradation, and definition of baseline and MRV systems. These actions are central to the implementation of a REDD+ strategy. **Outcome 2** has been assigned 30% of the total budget, and builds up on activities already being developed by the government. **Outcomes 3-5**, which are crucial for the identification and analysis of deforestation drivers, policy approaches, design, and operative aspects of the REDD+ strategy, would have ~20% of the budget. It is presumed that other funds from those mentioned above are contributing to achieve the challenging goals of these particular outcomes.

4. **Management of risks and likelihood of success**

Ecuador is going through a process of articulating the Constitutional mandate with the participation of the different levels of government towards enacting laws and other legal instruments, institutions, and frameworks. This process cannot be rushed and has its own rhythm. The urgency of slowing deforestation might feel threatened by not having all the required elements in place. Yet the emphasis given by the current government to environmental issues around a new development model might assist in keeping the focus on achieving the reduction of deforestation goals.

The designation of focal points within the participating institutions in the process of negotiation and discussion of the REDD+ strategy has its pro's and con's. On the positive side new ideas require champions that can shape them into the particularities of each institution as well as facilitate the continuation of the dialogue. On the negative side concentrating these dialogues on a single individual might preclude the engagement of the institution on a more comprehensive manner. Creative balancing of these opposing forces requires dynamic and flexible leadership from the part of the government. Clear identification of smaller achievements at different implementation stages for the participating institutions will greatly enhance the likelihood of success of the REDD+ strategy.

5. **Consistency with the UN-REDD Programme Framework Document and Strategy**

The Draft UN National Joint Programme REDD+ document from Ecuador addresses the major structural elements included in the Programme's *Framework Document and Strategy*. It aims at presenting an articulated and consistent view of the country's goals and planning processes at the national level, as well as actions to build national support. It also incorporates the ongoing projects of international cooperation agencies at different levels. It strives to engage civil society including traditionally marginalized groups into the design processes. It has identified the critical elements to be defined before implementing a REDD+ strategy (e.g. baseline; transparent legal, institutional and financial frameworks; general capacity-building needs). Yet, a more integrated understanding of the socio-economic aspects of forest loss and degradation need to become a priority and articulated as normative solutions at different levels. Likewise, the determination of cost effective ways of accurately assessing GHG emissions needs to advance in parallel. Finally, more specificity into how to realize capacity building and technology transfer goals should be developed. A reflection towards formalizing lessons learned from SBP will greatly enhance the REDD+ national strategy and align its goals with those of the UN-REDD Secretariat.

6. **Compliance with UN-REDD Programme Rules of Procedure and Operational Guidance**

The concepts of the Rules of Procedure and Operational Guidance have been in general considered in the document. These include participation of local social actors and sectors of the government in the active roles of consultation, discussion, negotiation, and validation of the actions considered in the REDD+ strategy, as well as formalization of their contributions in the National Advisory Committee (COASNA). An Executive Board and a Programme Management Unit will also be constituted and their membership aligns with the principles established in the Rules of Procedure and Operational Guidelines document.

7. Suggestions for improving the technical design of the National Programme Document of ECUADOR

A list of the most relevant changes that could enhance the scope of the UN-REDD Programme for Ecuador is provided below. These changes have been organized in three themes.

Information update and completion

- The document presents conflicting information on deforestation rates that should be corrected (points 106 and 152).
- Table 1 could be more quantitative, by adding an extra column that would include an estimate (e.g. at least a best-guess) of the contribution of each sector to forest loss.
- The information of 1990 on forest cover should only be provided insofar as it is used for estimating rates of forest loss for particular periods of time.
- Some information is outdated. Examples are given below. Information on the contribution of the forest sector to the national economy is now 10 years old (reference from 2001). More fundamentally, the document does not present a description of the timber industry (including the illegal sector), and what are its contributions to national and international markets. Are there certified operations in the country? This information is critical and can facilitate to identify windows of intervention that could inform REDD+ implementation.
- Information on population is static: are there population migrations and if so, is there possibility of conflicts arising? Are there mechanisms/procedures for conflict resolution? Is there risk that these potential conflicts become exacerbated by poor design of the REDD+ strategy? What should be done to minimize these risks?
- The document reports on a recent study with WCMC on co-benefits (multiple benefits) but none of the resulting information from this study is articulated into the document. (Point 169: *Identification of social and environmental “multiple benefits” in Ecuador. The MAE started a work program with UNEP-WCMC to identify and subsequently strengthen the “multiple benefits” related to environmental and social aspects that the implementation of REDD+ could bring to the country. These types of studies are relevant because they contribute to mid-term and long-term planning, which is necessary for the implementation of the REDD+ mechanism. The initiative collected cartographical information and statistical analysis used to define the location of potential multiple benefits. The product of this joint work was a document presented during the Conference of the Parties (COP) at the Convention on Biological Diversity (CBD) in October 2010. It can be found on MAE’s website.*)
- The same concern applies to existing results of a German cooperation-funded study on the financial architecture of REDD+ strategy, whose results, even if in the process of being officialised, would need to inform the present draft document (Point 159: *Ecuador also needs to establish a financial structure to capture and canalize funds from financial sources, such as bilateral and multilateral cooperation or the carbon market. This financial structure will serve to channel resources destined for the implementation of ENREDD+, and the channeling of benefits of ENREDD+ itself. In August 2010, with the support of German cooperation, a consultancy was established with the objective of setting up a proposal for the “financial architecture” necessary for the future management of funds destined to forest conservation, as well as funds resulting from the implementation of REDD+ in Ecuador. At present, the financial structure proposal is in the process of being validated by the MAE and the Ministry of Finance, and is expected to be operative by the first quarter of 2011.*)
- Is there more current information on the issue of legalization of indigenous lands? The reference is from 2005 (before the Constitution of 2008). Likewise, tenure and conflict information is also from 2005 and 2002, respectively.
- Territorial zoning (ecological and economic) is a central element of any policy that attempts to control forested land uses. Yet, it is mentioned only in passing in Annex 5 and in a couple other places, and not articulated as an action that requires prompt and concerted implementation as part of the REDD+ strategy. Which obstacles does territorial zoning have and which opportunities?
- Annex 5 provides information on goals but not on implementation so its vagueness does not contribute to the document.

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- There is no information or activities towards collecting information on soil carbon pools, inventories, management, and which specific actions can enhance them.
 - Annex 1 cannot be read.
 - This reviewer was surprised to see no mention, at least as part of the contextual framework with which the REDD+ strategy will advance, of the Yasuni-ITT initiative. Even if this initiative does not see fruition, its evolution and linkages to institutional actors should be presented.

Instruments to make the UN-REDD Programme viable in Ecuador

- There are several inter-institutional committees and within institutional initiatives that are working on climate change. Yet, it is not clear what are specific benchmarks in the short, medium, and long run, how they are advancing to those, and how those responsible are committing to the concerted goal of reducing deforestation and degradation. Inter-sectoral consolidation in a unified front against forest loss needs to advance beyond good intentions. For instance, it is surprising to this reviewer to realize that, at least not explicitly, it seems MAGAP is not a member of the Inter-institutional Committee of Climate Change. Its mission is focused on the land issue, which is in turn central to the way land is getting legalized and forests are used (point 140).
- Since November 2009 and until April 2010 the MEE was the leader in the creation of an informal civil society group to discuss issues related to REDD+, and it advanced on and finalized the definition of principles, criteria, and indicators of the REDD+ Standard via two consultation workshops with representatives of civil society and indigenous groups. Partial outcomes of this important activity should be integrated into the document presented (point 165).
- Although all the elements of a UN-REDD+ Programme are included in the document, there is still incipient development in some areas. More information could be provided in the document on topics that have already been worked out, such as those presented in point 158 (“(1) *An analysis at national level of the legal, financial and institutional context of environmental services in Ecuador, as well as other compensation schemes resulting from activities related to the management and exploitation of natural resources; (2) an analysis of the technical aspects which surround the creation of environmental services in Ecuador and; (3) an analysis at international level of the legal, financial and institutional context of carbon and other schemes related to the provision of environmental services, in the case that such schemes exist at the international level. At present, the three studies have been completed and will be used as input for proposing regulations on environmental services.*”).
- Synergies with adaptation actions should be made explicit in the document. There are several effects associated with global climate change that represent threats to natural ecosystems and can increase livelihoods’ vulnerability to further stresses. Concerted efforts to address those threats will require the coordination of both mitigation and adaptation actions, which should be made explicit in the document.

Lack of clarity on some terms

- The way of calculating the 30% in deforestation reduction that the government has as goal should be clarified. For instance, this number should reflect *only* natural forest loss, and not be calculated including area reforested.
- The term *ownership of the land* should specify what it entails. The document mentions that indigenous and Afro Ecuadorian people *own* the largest share of native forests in the country (7.5 million hectares; Point 69). What rights and responsibilities does this ownership grant, and how do they influence the way REDD+ actions can be tailored?