CLIMATE FINANCE

How can it help to protect forests and human rights? and improve governance?

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ACRONYMS

AfDB	African Development Bank
AFD	French Development Agency
AE	Accredited Entity (to the Green Climate Fund)
BAU	Business as usual
BPDLH	Badan Pengelolaan Dana Lingkungan Hidup (Indonesian Government's Environment Estate Fund).
BMU	Bundesministeriums für Umwelt, Naturschutz und nukleare Sicherheit (Federal Ministry of the Environment, Nature Conservation and Nuclear Safety, Germany)
BMZ	Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaft-liche Zusammenarbeit), Germany
BLUP3H1	Public Service Agency - Center for Forest Development Financing, Indonesia
CACO-REDD	Civil society REDD (Reducing Emissions from Deforestation and Degradation) platform in Republic of Congo (RoC)
CAFI	Central African Forest Initiative
CSO	Civil Society Organisation
DAK	Special Allocation Fund in Indonesia
DFID	Department for International Development (of the United Kingdom)
DGM	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities
DRC	Democratic Republic of Congo
ENBCC	(Peru National Forest and Climate Change Strategy)
ENRAC	Ghana Environmental and Natural Resources Advisory Council
EITI	Extractive Industries Transparency Initiative (in RoC)
ERPA	Emissions Reduction Purchase Agreement (of the Forest Carbon Partnership Facility, FCPF)
ER-PIN	Emission Reduction Programme Idea Note (of the FCPF)
ER-Programme	Emission Reduction Programme (of the FCPF)
FAO	Food and Agriculture Organisation
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Programme
FONAREDD	Fonds National REDD+, Democratic Republic of Congo
FCDO	Foreign, Commonwealth and Development Office, UK
FCPF	Forest Carbon Partnership Facility
FLEGT	Forest Law Enforcement, Governance and Trade
FPIC	Free, Prior and Informed Consent
FREL	Forest Reference Emissions Level
GDP	Gross Domestic Product
GEF	Global Environment Facility
GCF	Green Climate fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
GTCRR	Groupe de Travail Climat REDD+ Rénové (Reformed Climate Working Group on REDD+)
ICCTF	Indonesia Climate Change Trust Fund
IFAD	International Fund for Agricultural Development
IDA	International Development Association
IKI	Internationale Klimaschutzinitiative (International Climate Initiative, Germany)
IUCN	International Union for the Conservation of Nature

JICA	Japan International Cooperation Agency
KPK	Corruption Eradication Commission (of the BLUP3H1 in Indonesia
LULUCF	Land Use, Land Use Change and Forestry
MENCDD	Ministry of Environment, Nature Conservation and Sustainable Development of DRC
MECNT	Ministry of Environment, Nature Conservation, and Tourism of DRC
NRWG	Ghana National REDD+ Working Group
NDA	National Designated Authority (of the GCF)
NDC	Nationally Determined Contribution
NGO	Non-governmental Organisation
NICFI	Norwegian International Climate and Forests Initiate
OECD DAC	Organisation for Economic Co-operation and Development Assistance Committee
P3H	Indonesia Forestry Fund
PGDF	Civil society FLEGT platform in RoC
RBP	Results Based Payment programme (of the GCF)
REDD+	Reducing emissions from deforestation and degradation, conservation of existing forest carbon stocks, sustainable forest management and enhancement of forest carbon stocks in developing countries
RoC	The Republic of Congo
R-PP	Readiness Preparation Proposal (of the FCPF)
SERFOR	Servicio Nacional Forestal y de Fauna Silvestre (Peru National Forest and Wildlife Service)
TCC+	Ghana Technical Coordinating Council Plus
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Degradation in Developing Countries
VPA	Voluntary Partnership Agreement (under FLEGT)

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EXECUTIVE SUMMARY

Forest protection, restoration and sustainable forest management are central to the Paris Agreement and broader efforts to limit the global average temperature increase to 1.5 °C above pre-industrial levels.

The importance of forests to mitigation and adaptation efforts is reflected in a broad range of "forest climate finance" mechanisms, a term that includes bilateral and multilateral schemes for reducing emissions from deforestation and forest degradation (REDD+), as well as funding programmes channelled through the Green Climate Fund (GCF) and bilateral and regional entities to support forest protection, restoration and sustainable land use. These activities also figure heavily in the implementation of Nationally Determined Contributions (NDCs) and other national climate plans.

So far, research and advocacy in this area has largely focused on technical issues concerning the implementation of the various funding mechanisms. Few studies have examined the implications of forest climate financing on governance as well as community and Indigenous Peoples' rights. These issues are of particular relevance because REDD+ and related forest climate finance mechanisms are often framed in terms that mostly view forests as carbon stocks, with less reflection on their broader ecological, economic and social value. This report intends to address this imbalance, offering an overview of climate finance flows and governance arrangements on the ground, and identifying gaps, obstacles and opportunities to improve the governance of forest climate finance to ensure that it better serves the needs of communities in recipient countries.

This report examines the governance of forest climate finance in six countries: Cameroon, Democratic Republic of Congo (DRC), Ghana, Indonesia, Peru, and the Republic of Congo (RoC). It identifies the scale of forest climate finance flows to each of these countries, whether the institutions implementing climate finance projects and programmes are transparent and inclusive, and whether funds contribute effectively to forest resilience and sustainable local livelihoods whilst upholding the rights of communities and Indigenous Peoples'.

Forest climate finance is still at a relatively early stage of implementation in most of the countries studied here, except to some extent in Indonesia. In the case of DRC, Ghana and RoC, there are now significant amounts of funding approved but these largely remain to be disbursed and reported upon. In the case of Cameroon and Peru, relatively little finance has been approved – despite considerable pledges and statements of intent in the case of Peru – due to donor concerns regarding governance and political instability. As such, it is too early to reach definitive conclusions on the contribution of forest climate finance to forest protection. There is certainly some potential for improvement, and it could be argued that the reduction in historical deforestation rates in Indonesia is partly a result of the promise of significant climate finance, but such outcomes are far from guaranteed, with finance for forest conservation and restoration generally competing with agricultural expansion, logging, mining and infrastructure development. With deforestation rates still rising in most of the countries surveyed, it is far from clear that sufficient forest climate finance resources are being provided to decisively alter these development trajectories. In various cases, as shown in the studies of DRC, Ghana and Peru below, concessions for forest protection under climate finance programmes contradict land uses granted by other government ministries, further complicating the overall picture.

Our study of the impact of forest climate finance on community rights and livelihoods finds a similarly mixed picture. At best, readiness activities and projects implemented under a forest climate finance framework have broadly contributed to improvements in womens' participation, as in Ghana or Peru, and there have been considerable efforts to include civil society participants in forest climate finance mechanisms in DRC and Ghana, although in the case of the former these were not always followed through at the level of participation in decision-making processes. However, considerable concerns were raised in other cases, including fears that REDD+ and PREFOREST programmes in RoC could contribute to land expropriation and the further marginalisation of women and Indigenous Peoples. In Cameroon, too, there was little evidence that forest climate finance had so far achieved significant improvements in governance or improved the rights and livelihoods of local communities and Indigenous Peoples.

Across all six countries that were the subject of this study, there remains considerable room for improvement in the governance of forest climate finance. Specific recommendations are presented for each country in the body of the report, and while the challenges they face are diverse, a number of common themes emerge that are addressed in five general recommendations:

- Improve access to information, establish or improve transparency policies for forest climate finance, and ensure their effective implementation

- Broaden participation of civil society, community and Indigenous groups in decision-making processes, including the governance of national REDD+ processes, private sector financing initiatives, and the design and implementation of individual projects

- Enhance financial transparency, implement redress mechanisms and whistleblower protection to address corruption risks

- Establish community-owned and managed projects, and improve land tenure, to reduce land use conflicts and reduce deforestation

- Ensure that forest climate finance contributions are adequate and predictable, and subject to equitable benefit-sharing

The report is structured around two main sections. The first section looks at forest climate finance flows, as well as identifying some methodological and data issues in these. It offers a brief profile of the key forest climate finance sources, identifying the proportion of funding that goes to the six countries that are the focus of this report.

The second, main section of the report offers country profiles of forest climate finance in Cameroon, Democratic Republic of Congo, Ghana, Indonesia, Peru and the Republic of Congo. These country reports are based on April 2021 interviews with civil society representatives and some government agencies; an online survey that was sent to local, national and international civil society, donors and government agencies (see Appendixes for research methodology); and a desk review of literature on forest climate finance governance. The country profiles identify the main climate funding received; assess the transparency of governance arrangements and accessibility of information; assess the inclusion of civil society actors, community, and Indigenous groups; identify potential corruption risks; and look at the broader impact of climate finance on forest governance, gender equity, rights and livelihoods.

RECOMMENDATIONS

Recommendation 1. Improve access to information, establish and implement transparency policies for forest climate finance

- The provision of information on forest climate finance is often piecemeal, while information published on government or programme websites is often outdated. As far as possible, a single national online portal for REDD+ and related forest climate finance programmes, including CAFI and FCPF, should be established by the relevant national authorities, such as national environment/ forest ministries or REDD+ Secretariats. Information portals should follow open data standards, with regularly updated information including progress reports on implementation and the status of funding disbursals, as well as planning documents, contracts, project documents and compliance reports.

- Local governments should be given full support to undertake local stakeholder forums and report on the management of funds received through REDD+ and other sources of forest climate finance.

- Increased capacity building support for civil society, including local organisations, would help to ensure that information is more accessible, and that online information can be better distributed to local communities.

- Greater financial transparency is needed as a basis for effective monitoring of forest climate finance flows, including support for increased independent monitoring in contexts where there are low levels of implementation capacity at the level of public authorities.

Recommendation 2. Broaden participation of civil society, community and Indigenous groups

- The extensive multi-stakeholder approach adopted by the FLEGT/VPA process is generally considered the "gold standard" to be replicated in REDD+ processes and other forest climate financing.

- Donors should offer capacity building support for civil society that extends beyond technical issues to include assistance with improving civil society organisation CSO) governance and coordination, since internal divisions and lack of representativeness can hamper CSO effectiveness.

- Capacity building should prioritize the further inclusion of women, Indigenous Peoples and forest communities in decision-making processes.

- Where public-private partnerships and industry-led initiatives (e.g., Cocoa & Forests Initiative) are undertaken, governments and donors should ensure that farmers' representatives, Indigenous Peoples' and forest communities are represented in their decision-making bodies.

- Although many gender policies have been put in place, policy and planning gaps remain in some countries, and implementation remains mixed. Gender equity goals should be integrated across all forest climate finance programmes, with disaggregated goals such as targets for women's participation, and for greater gender balance in consultations and decision-making processes, as well as requirements to formulate gender action plans (as already required by the GCF, although the quality of these remains variable). In some cases further capacity building measures are also needed, especially at the local level, to ensure the full participation of women and the integration of gender concerns.

Recommendation 3. Enhance independent monitoring capacity, and implement redress mechanisms and whistleblower protections to address corruption risks

- National REDD+ programmes and other forest climate funds should ensure that anti-corruption mechanisms are in place and operative at all levels, including at regional and district offices.

- Civil society should be directly involved in the oversight of forest climate finance mechanisms, with financial support offered by donors for both independent appraisals and community monitoring.

- Complaints mechanisms and secure, anonymous reporting channels should be put in place before forest climate finance projects and programmes are implemented.

- Whistleblower protection should be adopted by national REDD+ funds and committees. These protections should also be extended to members of technical and advisory committees.

- International funding institutions and their national focal points should ensure that civil society organisations are aware of their accountability mechanisms and whistleblower protection. In particular, National Designated Authorities (NDAs) of the Green Climate Fund should engage in capacity building efforts to ensure greater awareness of its Independent Integrity Unit and Independent Redress Mechanism.

Recommendation 4. Establish community-owned and managed projects, and improve land tenure, to reduce land use conflicts and reduce deforestation

- Community-owned and managed forest projects should be given greater priority by funders to help ensure that local expectations are met in the delivery of forest climate finance, helping to incentivize conservation and sustainable resource use.

- Indigenous and local community rights of access to forest resources should be formalized through the recognition of collective land rights in order to reduce deforestation and land conflicts. Indigenous Peoples and local communities should be directly engaged in mapping and characterisation work underlying these land tenure processes.

Recommendation 5. Forest climate finance contributions should be adequate and predictable, and ensure equitable benefit-sharing

- International forest climate finance to developing countries should be scaled up in an equitable, inclusive and predictable manner if it is to provide sufficient incentives to outweigh competing land uses.

- The full participation of civil society in decision-making mechanisms for results-based payments, such as those funded by the GCF, must be prioritised, in order to facilitate the equitable and fair distribution of benefits and ensure that financing reaches local communities.

- Greater synergies are needed between forest climate finance and other financial flows, with REDD+ and other forest/biodiversity protection programmes integrated as part of overall forest management policies to ensure that resources are managed sustainably.

- Land and environmental bodies (as well as enforcement and integrity agencies) should be protected against undue influence of corrupt powerful individuals and industries.

OVERVIEW OF CLIMATE FUNDING AND FINANCIAL FLOWS

CLIMATE FINANCE

International climate finance primarily refers to the transfer of public resources from developed to developing countries to support action on climate change, as set out in the 1992 United Nations Framework Convention on Climate Change (UNFCCC). Such finance should be "new and additional, predictable and adequate", in the words of the 2010 Cancún agreements.

According to data provided by developed countries and multilateral development banks, a total of US$78.9 billion in climate finance was provided in 2018, up from US$71.2 billion in 2017 and US$58.6 billion in 2016 (OECD 2020). These headline figures tend to be significantly over-reported, however, since they do not adjust for grant-equivalence – loans are given equal weight to grants. When grant equivalence is factored in, total climate finance between 2017-2018 was worth just US$25 billion (Oxfam 2020).

2016 and 2017 total climate finance to the six focal countries of this report is shown in Figure 1 (aggregated country-level data for 2018 is not yet available).

Country	Approved Finance (US$ million)			
	2017		2016	
	Upper	Lower	Upper	Lower
Cameroon	155.1	2.3	21.73	9.66
Congo (Rep.)	15.08	12.15	0.04	0.02
DR Congo	57.4	48.4	31.1	24.59
Ghana	232.6	177.1	194	72.5
Indonesia	780.2	51.2	74.5	56.9
Peru	91.8	83.6	74.7	64.6

Figure 1. 2016 and 2017 total climate finance. Source: OECD-DAC.

Estimates of the scale of climate finance flows are highly variable according to what is included within their scope. The standard reporting method is to use the OECD DAC Rio Markers for Climate, under which finance is tagged as being of "principal" relevance (climate impacts are a primary objective) or "significant" relevance (climate impacts are a secondary objective). As Figure 1 shows, there can be very significant differences between "upper bound" estimates, the terminology used by the OECD to describe climate finance flows that include those of both "principal" and "significant" relevance, and "lower bound" estimates that only include funding that has climate as its principal objective. Further uncertainty is introduced by the fact that developed countries do not apply a consistent standard in how they interpret what proportion of development finance is of "significant" climate relevance, with some using this category to count finance that has very limited climate impact (Oxfam 2020).

It should be noted that the climate finance flows identified in this report use different definitions, baseline years and currencies. As we are summarising existing data sources, we have focused on identifying the latest and most complete data in each case rather than attempting to standardise everything into a single format, which would necessarily result in an incomplete and outdated picture.

Forest climate finance

The largest share of forest climate finance falls under the framework of REDD+, which is defined as measures aimed at "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" (UNFCCC, n.d.). REDD+ started as a form of payments for environmental services, but in practice has evolved into a far broader mechanism to support avoidance of deforestation and forestdegradation and promote sustainable development" (COWI 2018, 62). It includes both mitigation and adaptation goals.

Other forest climate finance can be for both mitigation and adaptation purposes. One of the reasons for the lack of any global estimate on the scale of forest climate finance is that the OECD Development Assistance Committee (DAC) system, which forms the common basis for reporting all international development assistance including climate finance, offers multiple categories that correspond to forest-related climate finance. Projects and programmes may be reported under headings of "biodiversity", "environmental policy and administrative management", "public sector policy and administrative management" and "environmental research." National-level data includes measures to address deforestation under category of "agriculture, forestry, fishing", but this also includes forestry and agricultural activities that can be significant drivers of deforestation, making this category of little use in assessing the scale of forest climate finance.

The most comprehensive recent review of forest climate finance is offered by a 2018 EU-funded Study on EU Financing of REDD+ Related Activities (COWI et al.), which identified around €19.4 billion in international public forest-related climate finance between 2008 and 2015. This figure comprises €2.7 billion in "direct" REDD+ funding, almost all of which (99 percent) is provided in the form of grants (COWI 2018). The remaining €16.7 billion is classified as "indirect" REDD+ funding, defined as activities that share the same objectives but are not self-described as REDD or REDD+.

Over the 2008-2015 period, the EU28 provided just over 35 percent of all global forest climate finance, comprising €824m in direct REDD+ funding, and a total of €7.08 billion overall.

A majority of forest climate finance is provided by just a handful of contributor countries. The scale of these contributions varies considerably depending on what is counted, but Norway is by far the largest contributor regardless of which metrics are used, with significant contributions also coming from the UK, Germany, USA, Australia and Japan (see figure 2) (Watson and Schalatek 2021; Silva-Chávez et al. 2015).

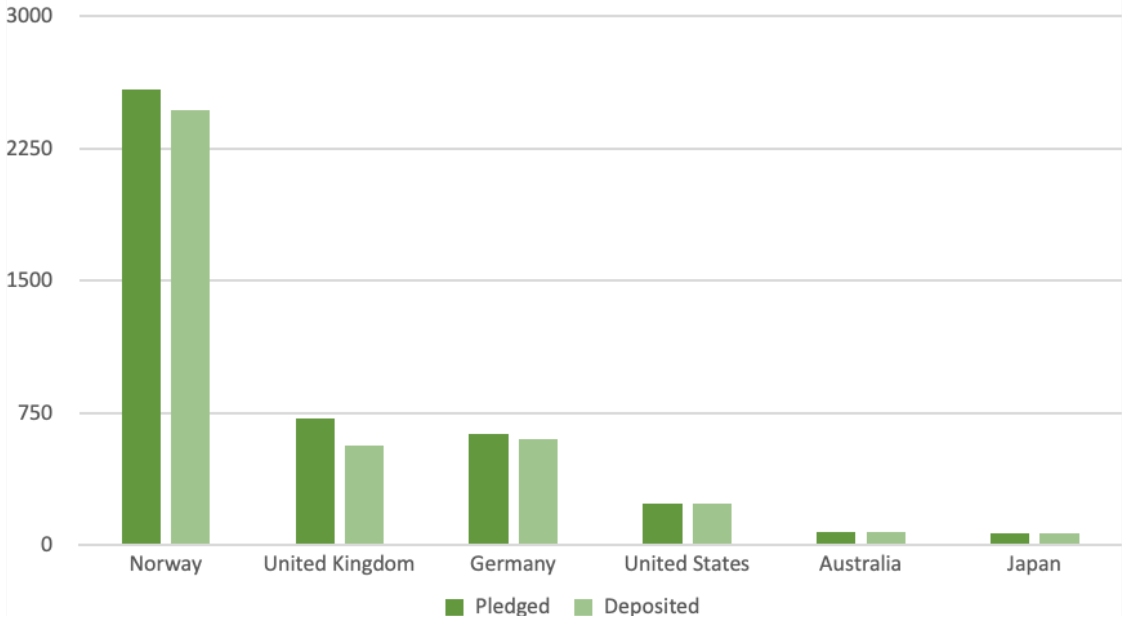

Figure 2. Top REDD+ donors, 2008-2020. Source: Heinrich Böll Stiftung and ODI 2021

By far the largest recipient of REDD+ financing is Brazil, followed by DRC, Indonesia and Mexico (see figure 3). Using a broader definition of forest climate finance, Brazil remains the largest recipient of forest climate finance, followed by Mexico, India and China (COWI 2018). Further differences relate to what is counted. For example, significant financing has been pledged to Peru – much of it in the form of results-based payments - but a far smaller amount has actually been formally approved or disbursed to projects and programmes.

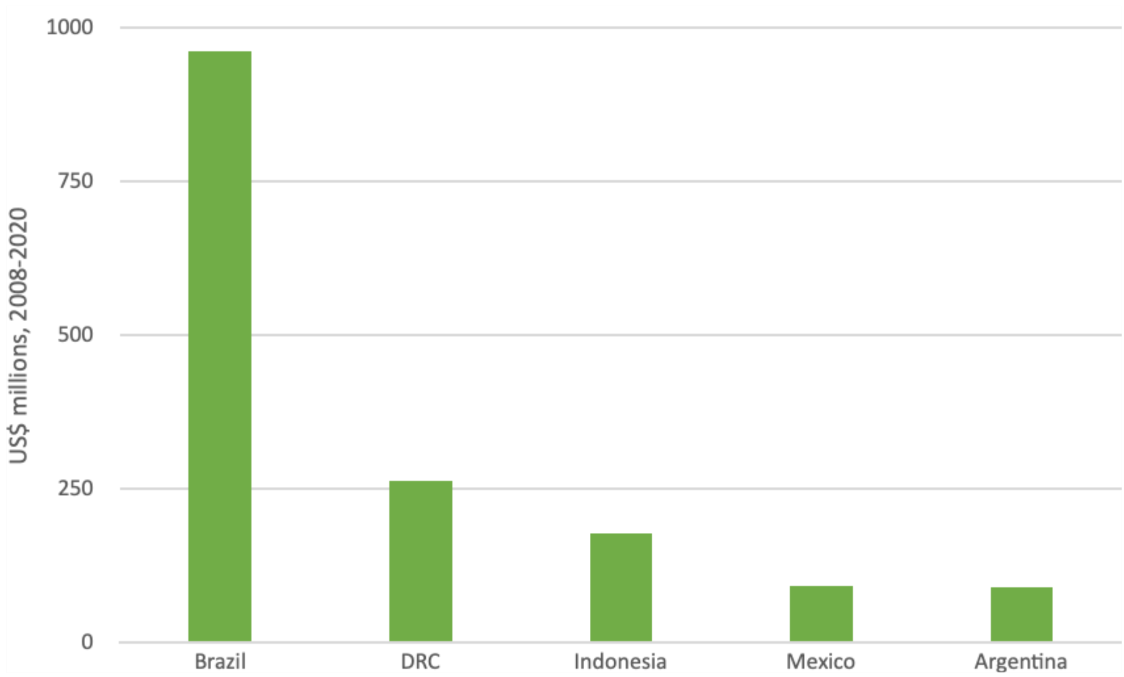

Figure 3. Largest recipients of REDD+ financing. Source: Heinrich Böll Stiftung and ODI, 2021

FOREST CLIMATE FUNDS

The Green Climate Fund (GCF) is the largest source of multilateral forest climate finance. The other major multilateral forest funds are the World Bank's different forest funds (see Fig 4), and the United Nations REDD+ Programme (UN-REDD), which is overseen by the United Nations Development Programme (UNDP). These have cumulatively approved US$2.8 billion for project activities between 2008 and 2020 (Watson and Schalatek 2021). The Global Environment Facility and Central African Forest Initiative (CAFI) provide further significant sources of forest climate finance, so are also included in this survey.

Fund	Pledged (US$m)	Approved (US$m)	No. of projects
Green Climate Fund (GCF)[1]	--	946.5	22
Amazon Fund	1288.2	719.7	103
Central African Forest Initiative (CAFI)	478.76	182.2	11
Forest Investment Programme (FIP)	739.9	573.7	48
UN-REDD Programme	329	323.5	35
World Bank BioCarbon Fund	349.9	107	5
World Bank Forest Carbon Partnership Facility (FCPF)	1341	311.2	46
Congo Basin Forest Fund[3]	186	8	37

Figure 4. Forest climate finance funds 2008-2020. Sources: Watson and Schalatek, 2021; GCF (own calculation).

Green Climate Fund

The Green Climate Fund[4] (GCF) was established in 2010 as the main financial mechanism of the UNFCCC, and as such reports to the UNFCCC although it has an independent governance mechanism. Its first funding was allocated in 2015, and between that time and March 2021 it has approved US$8.4 billion in total funding, US$1.3 billion of which is allocated to the "forests and land use" sector, spread across up to 50 different projects and programmes (GCF 2021). These headline figures may be overstated, since they rely on a non-transparent methodology for assigning multi-sectoral financing to specific sectors. What is nevertheless clear is that the GCF became the largest multilateral source of forest climate finance in 2019 and is likely to remain so.

The largest share of the GCF's forest climate financing relates to a US$500 million Pilot Programme for REDD+ results-based payments (RBP), which is an implementation mechanism of the Warsaw Framework on REDD+, agreed at the UNFCCC in 2013. The Warsaw Framework focuses on ex-post payments for verified emissions reductions. Therefore, the RBP pilot funds only CO2 reductions that have already occurred, in contrast to development funding ('readiness finance' in REDD+ parlance) to support implementation of forest reforms. Funding for the pilot is now fully allocated to programmes in eight countries, although only one of these (US$103.8 million to Indonesia) is a focal country in this report.

1 • The GCF is multi-sectoral, with US$17.3 billion pledged over two funding rounds, with pledging conferences held in 2014 and 2019 respectively. The GCF has no specific forest sectoral target, but part of its forest financing included US$500 million for a REDD+ results-based payments pilot project.
3 • The Congo Basin Forest Fund was established in 2008 and closed in 2018.
4 • https://www.greenclimate.fund/

By our own calculation, aside from theREDD+ pilot program, the GCF has approved a further US$450 million in financing across 14 activities explicitly focused on reforestation or reducing deforestation. This includes four funded activities in our focal countries: US$31 million to a Shea landscapes restoration project in Ghana; US$28 million to a sustainable forest management and agroforestry project in Republic of Congo; US$6 million to a land-use planning and sustainable forestry project in Peru; and a further US$25 million to a private sector sustainable forestry programme that includes Peru and Ghana. The Ghana and RoC projects are discussed in more detail in the respective country sections below.

Funding proposals need to be made through accredited entities, which are approved partners of the GCF. Although the Fund's mandate encourages priority to be given to "country-driven" approaches, most funding (86 percent) is currently allocated via international entities, which include all of the major international development banks, as well as a number of UN agencies and bilateral institutions, such as Germany's GIZ.

Various concerns regarding the REDD+ RBP were raised in the context of the programme's "mid-term review", including environmental integrity and transparency considerations (regarding the "scorecard" used for allocations, chosen baselines, double-counting risks and non-permanence) and those regarding safeguard monitoring, including a need to better integrate the GCF Indigenous Peoples policy, gender, environmental and social safeguards concerns into assessment of REDD+ programmes (Leonard 2020).

The GCF has clearly articulated rules on transparency and accountability, including an Independent Redress Mechanism to address safeguards violations and an Independent Integrity Unit (IIU) to investigate claims of corruption. Its suite of policies also includes anti-money laundering provisions and whistleblower protection. As of June 2021, the IIU has dealt with 97 cases (17 of which are still open) (GCF 2021c). Most of these (58 cases) relate to accusations of staff misconduct (3 fraud, 3 retaliation against whistleblowers and witnesses, and 11 related to conflicts of interest), while 10 of the cases dealt with by the IIU relate to accusations of fraud and corruption in GCF projects.

However, as shown by our interviews and outreach, local knowledge of these policies, as well as the GCF's robust gender and Indigenous Peoples policies, is often limited - not least, due to a lack of capacity and civil society engagement by a number of the National Designated Authorities (NDAs) (usually government ministries) that serve as the interface between the GCF and recipient countries.

Forest Carbon Partnership Facility

The Forest Carbon Partnership Facility (FCPF) is administered by the World Bank, and operates in 47 developing countries across Africa, Asia, and Latin America and the Caribbean. It was created with the intention of assisting developing countries in developing and implementing REDD+.

Since it became operational in 2008, FCPF has received funding pledges amounting to US$1.3 billion, sub-divided into a US$400 million Readiness Fund (most of which are already allocated) and a US$900 million Carbon Fund (FCPF 2020, Climate Funds Update 2020).

The Readiness Fund has allocated US$314.3 million and disbursed US$247.6 million, while only US$42 million of the Carbon Fund has yet been disbursed, all related to programme development, technical support and administrative costs (FCPF 2020).

The Carbon Fund provides results-based payments, which are formalised according to Emission Reductions Payment Agreement (ERPAs) negotiated with national partners. So far, there are four signed ERPAs worth up to US$181 million. These run to 2024 and include approved funding of up to US$50 million to Ghana, up to US$55 million to DRC, and up to US$110 million in Indonesia (FCPF 2020, World Bank 2020). Republic of Congo submitted an Emissions Reduction Programme Document in 2018, but its plan remains under revision and Carbon Fund support to the country is yet to be approved. Peru's FCPF programme was cancelled in February 2021 (Lang 2021).

Norway (US$113m readiness, US$297 carbon fund) and Germany (US$106m readiness, USR$321m Carbon fund) are the largest donors to the FCPF (FCPF 2020).

The FCPF is governed by a Participants Committee and Assembly that give equal weight to developing and industrialised countries. These bodies comprise representative from 47 developing countries (18 in Africa, 18 in Latin America and the Caribbean, and 11 in Asia-Pacific), 17 donor participants, and active observers from northern and southern Indigenous Peoples, civil society and women's organisations, as well as several international delivery partners (Climate Funds Update 2021).

Forest Investment Programme

The Forest Investment Programme (FIP) was established in 2008 with US$750 million in pledges. It is part of the Climate Investment Funds, a series of climate funds implemented by the World Bank and other multilateral development banks. The FIP is intended to assist developing countries in the implementation of REDD+ programmes.

As of June 2019, there were 50 projects (US$622 million) in the FIP portfolio, and US$236 million had been disbursed to 36 of these (Climate Investment Funds, 2020). The FIP also houses a US$80 million Dedicated Grant Mechanism for Indigenous Peoples and Local Communities. It has approved activities worth US$56.6 million so far, including projects in Ghana, Peru, DRC, Indonesia and RoC.

The UK is the largest contributor to the FIP (US$305m), followed by the United States (US$188m) and Norway (US$142m) (CIFs 2020).

Decisions about FIP financing are taken by the Strategic Climate Fund (SCF) Trust Fund Committee, with support from an FIP Sub-Committee. The SCF Trust Fund Committee is comprised of eight contributor and eight recipient countries, as well as a number of observers from international institutions (including GCF, GEF and UNDP), plus four civil society observers, two from the private sector, and two from Indigenous Peoples.

UN-REDD

The UN-REDD Programme has worked with 65 partner countries since it was launched in 2008, allocating US$337.7 million to 26 countries and providing technical assistance to the others (UNDP 2021).

It provides grant financing for REDD+ readiness activities, which have been implemented by the UNDP itself, the Food and Agriculture Organisation (FAO) and/or UN Environment, as well as by national governments, regional development banks and non-governmental organisations (NGOs) acting as executing agencies. There is limited data on how funding has flowed to individual countries, however, as most allocations are under multi-country programmes.

Norway has contributed the largest share of financing (US$290.7 million), with the 2nd largest contribution coming from the EU (US$26.6 million).

Global Environment Facility

The Global Environment Facility claims that it has funded 432 forest projects and programmes totalling more than $2.8 billion in GEF grant support since it was established in 1992, although it is not clear what criteria are used as the basis for this claim (GEF 2018).[5] GEF programming has been focused on "sustainable forest management", a category that includes financing to address climate change, protect biodiversity, and avoid land degradation, as well as plantations.

5 • GEF is not particularly consistent. As of March 2021, its website claims 380 "forest-related" projects since 1992, investing over US$2.1 billion (GEF n.d.).

The most recent GEF replenishment (GEF-7) totalled US$4.07 billion, with US$511 million allocated to climate change. Its main donors are Japan (19 percent), Germany (15 percent), the UK (10 percent), USA (8 percent) and Sweden (7.5 percent).

GEF's current programme architecture includes Sustainable Forest Management Impact Programmes in the Congo Basin (US$57m, which includes activities in Cameroon, Democratic Republic of Congo, and Republic of Congo) and the Amazon (US$148.6m, including Peru).

Funding decisions and operational policies and programmes are made by the GEF Council, which is comprised of 14 members from donor constituencies and 18 from recipient constituencies. The Council makes decisions by consensus.

CAFI

The Central African Forest Initiative (CAFI), launched in 2015, is a collaboration between the United Nations Development Programme (UNDP), the United Nations' Food and Agriculture Organisation (FAO), the World Bank, six Central African partner countries and a coalition of donors.

CAFI has received funding pledges of US$493 million by 2020 (Climate Funds Update 2020b). It has so far committed funding to 23 programmes worth US$232 million, the vast majority of which are in DRC, which accounts for US$210 million of the total (CAFI 2020). CAFI has also begun to fund programmes in Gabon (US$18.4 million), while US$1 million in funding has been approved as preparatory support in each of Republic of Congo, Cameroon, Equatorial Guinea and Central African Republic, with further financing expected. Notably, CAFI has agreed a US$65 million Letter of Intent (LOI) to support land use plans for sustainable management and protection of peatlands in RoC (CAFI 2019).

CAFI indirectly builds on the work of other regional initiatives, such as the Congo Basin Forest Fund (hosted by the African Development Bank), which closed in 2018.

CAFI is both a Trust Fund that supports direct investments, and a political negotiation platform that aims to facilitate high-level policy dialogue. It has a "contributor-driven" Executive Board comprised of donor governments and agencies: Norway, France, UK, Germany, the European Union, The Netherlands, South Korea and UNDP.

Women farming cassava in Sierra Leone, photo by Annie Spratt

BILATERAL FINANCE

Bilateral forest climate finance is distributed across a range of funds and donors, although Norway, Germany and the UK are the largest contributors.

By far the largest source of bilateral forest climate finance is the Amazon Fund, which aims to combat deforestation in Brazil. It has received pledges of US$1.21 billion from Norway, out of a total fund size of US$1.28 billion, with Germany and the Brazilian oil company Petrobras the other donors (Amazon Fund 2020).

Aside from its contributions to the Amazon Fund, and to multilateral funds (which account for over half of Norway's pledged forest climate finance commitments), Norway has made a number of substantial bilateral financing pledges, including up to US$1 billion for results-based payments in Indonesia, and up to US$300 million in Peru. Alongside results-based payments, Norway has pledged smaller amounts of financing for readiness and governance initiatives (US$50 million in the case of Peru). Tracking the status of these pledges is challenging, however, because they do not have specific governance structures. Norway has disbursed US$60 million in REDD+ financing to Indonesia, and a further US$10 million to Peru (including a US$5 million UNDP readiness programme). Further details on these commitments are provided in the country chapters below.

Germany is the second largest contributor to forest climate finance, including significant support for both REDD+ and biodiversity protection. The German International Climate Fund (IKI, in its German acronym), established in 2008, is a dedicated climate finance fund, complementing the German government's existing climate finance cooperation activities. It supported €2.9 billion in forest climate finance 2008-2015, including €418 million in funding for REDD+ activities (COWI 2018). Its largest forest climate finance commitments were to Brazil (€234 million), Indonesia (€136 million), Colombia (€128 million), China (€126 million), DR Congo (€114 million) and Peru (€104 million). A number of these involve results-based elements and, as the Peru case study shows, the actual finance that has been disbursed is considerably lower than these pledged amounts.

The UK is also a significant contributor to forest climate finance. It pledged €1.8 billion in total climate finance between 2008 and 2015, with €364 million earmarked for funding to forests through REDD+ schemes (COWI 2018). A majority of UK financing (57 percent) was channelled through multilateral funds and institutions, including the GCF, FCPF and FIPs.

Corruption in (forest) climate finance

Corruption in climate finance can not only ensure that there is no decrease in carbon emissions, it can even lead to an increase in emissions and generate wide environmental and social damage.

Corruption risks in climate forest initiatives like REDD+ exist at local, national, and international levels. They take different forms at different stages of policy formulation and programme implementation (U4 Helpdesk 2014):

- determining forest and carbon rights (undue influence from industry to change or weaken policies and elite capture to ensure policy design benefits them);
- setting carbon reference levels (collusion to manipulate data);
- deciding on how to share revenue (officials extracting rent instead of leaving benefits to local communities);
- land and forest rights implementation (bribes to officials to turn a blind eye to violations);
- measuring and verifying carbon credits (kickbacks by developers to understate or overstate achievements); and
- collecting and managing REDD+ revenues (embezzlement, fraudulent schemes).

The Transparency International Climate & Corruption Atlas also draws on concrete cases of corruption in climate finance and forest finance. For example, it features a case in which a whistleblower from the Ministry for the Environment in DRC alleged that the Secretary General of the Ministry had diverted around US$38 million of REDD+ funding. Another example in Indonesia highlights that the Ministry of Forestry took US$600 million from its Reforestation Fund to finance politically favoured projects that did not contribute to the Fund's objectives. An external audit by Ernst & Young also documented more than US$5 billions of dollars in losses, citing systematic financial mismanagement fraudulent practices by recipients and routine diversion of funds (CIFOR, 2010).

CAMEROON

Photo: UN Women/Ryan Brown, FLICKR

Background

Close to half of Cameroon's territory, around 22 million hectares, or 45 percent, is covered by the dense equatorial forests of the Congo Basin. The forest sector plays a key role in the country's economic development. It employs 168,000 people, out of a total population of around 25.9 million, but contributes over 10 percent of Cameroon's GDP, and about 30 percent of the total volume of exports.

Although historic deforestation and degradation rates are low, they continue to increase due to the expansion of agricultural lands and agro-industry development policies, the extension of infrastructure, population increase and migrations exacerbated by refugees from neighbouring countries, extraction of minerals, and greater access to regional and global commodity markets (Republic of Cameroon 2017).

Cameroon is a party to the UNFCCC and CBD and has made commitments not only to combat climate change but also to restoring degraded forest landscapes. Cameroon's NDC aims at a 32 percent reduction in greenhouse gas emissions by 2035 (11 percent unconditional and 21 percent conditional on international support) compared to 2010 levels.

Based on its extensive forested area, Cameroon is a net carbon sink and is classified among non-emitter countries. Therefore, Cameroon's climate policies have focused more on greenhouse gas removals than emissions. In its NDC, Cameroon reports that the national balance of greenhouse gas emissions and absorptions emissions in the year 2000 was 2,990 Gg CO2e, compared to absorption of 76,582 Gg CO2e.

Overall size of climate funding received

Cameroon is engaged in REDD+, the World Bank Forest Investment Plan and the FLEGT Action Plan. Cameroon says it considers forest and climate initiatives as an instrument to attain sustainable development, promote green growth and diversify its economic base and fight climate change. This makes inward financial flows from international sources for these initiatives critical for Cameroon.

Although Cameroon has been involved in these initiatives for over a decade, external financing for climate change in Cameroon remains largely fragmented and unpredictable and is subject to individual donor preferences rather than driven by a national strategy (Gemma N-D 2011).

Most of the forest climate finance received so far relates to land use planning, landscape restoration/biodiversity, and improvements in forest climate governance, including readiness activities. Germany is by far the largest contributor, as shown in figure 5.

Photo by Mokhamad Edliadi/CIFOR, FLICKR

Funding Source	Approved Funding (US$ million)
BMZ Germany (various, including land use planning)	98.2
European Development Fund (VPA)	12.1[6]
FCPF	8.8 (3.9m disbursed)
JICA Japan	4.9
UK (World Afroforestry Centre)	4.5
Sweden (WWF)	3.2
GEF (landscape restoration)	1.5
CAFI	1

Figure 5. Forest Climate Finance to Cameroon, 2014-2018. Source: OECD-DAC (own calculations); CAFI; FCPF (2020).

In addition to the financial flows shown in figure 5, there are numerous smaller climate financial flows to specific projects/initiatives and civil society organisations that are hardly ever reported or disaggregated in official documents. For example, the German International Climate Initiative (IKI) has contributed to the readiness of African CSOs for GCF, with Cameroon one of 11 recipient countries.

The key Ministries that are actively involved in climate change-related finance activities are MINEPDED; the Ministry of Forests and Wildlife (MINFOF); the Ministry of Economy Planning and Regional (MINEPAT) as well as other public structures and non-state actors.

Transparency of governance arrangements and accessibility of information

In Cameroon, although REDD+ and FLEGT/VPA have the laudable aim of improving the participation of non-state actors in their policy processes, the effective participation of civil society at the local level remains hindered by a number of complex contextual realities. Information transparency is put forward as a tool to address some of the underlying governance issues in the forest sector, but the transparency agenda is hindered by an unequal power structure benefitting centralised elites. There is a risk that the information transparency agenda can be steered towards empowering central government actors to consolidated their control, rather than engage in a participatory process at the grassroots level. Although REDD+ and FLEGT/VPA aim to address the underlying governance issues, they have not been effective in achieving these aims, at least not through the information transparency tools that are being proposed (Carodenuto 2019). In part, this is because the highly technical tools designed to improve governance by enhancing information disclosure are not well-equipped to contribute to significant and durable change on the ground.

Access to information is a cornerstone in the design and implementation of REDD+, according to government officials interviewed for this study. At the policy level, this should include the presumption of disclosure of information on REDD+; the obligation to publish information; equitable access to information; affordable cost; free access to stakeholder meetings; and the protection of whistleblowers. The government is seeking membership of the Aarhus Convention, which would ostensibly strengthen its commitment to these aims. However, in practice information about REDD+ activities in the country, including contracts with companies, baseline data on emissions levels, and progress reports on implementation are known only to very few departments in the responsible Ministry, and to few other stakeholders.

6 • This includes the costs of developing the Forest Information Management System (SIGIF2). In 2020, the EU announced that it would reduce this grant by €2 million on account of what it described as the failed development of the system. The grant was supported by €450,000 from the government of Cameroon, plus €700,000 from KfW and €350,000 from the International Tropical Timber Association (EU Commission 2020)..

Again, there remain some limits on the extent to which stakeholders will be able to access information. Even though the law on Environmental Management in Cameroon (Law 96/12 of 5 August 1996) is fairly generous with the locus standi by defining the applicability of such rules as related to "authorized grassroots communities and associations contributing to all actions of public and semi-public institutions working for environment protection", the requirement for access to REDD+ information in practice is rather inhibitive. In fact, practically, in order to request access to information, stakeholders will have to justify their interest in specific information, including by showing participation in one or more of the design, implementation, monitoring and evaluation phases of a REDD + Project.

The government expects project proponents to guarantee that local communities on the ground are able to fully participate in the design and implementation of REDD+ (and other) forest projects, and also to be able to provide relevant information to project proponents. However, there is neither any clause that compels the proponents to do so nor a clause that has penalties for non-compliance by project proponents.

Inclusion/involvement of civil society actors, community, and Indigenous groups

In Cameroon, there are two main platforms representing civil society organisations in FLEGT VPA and REDD+ policy processes: (a) Community and Forests Platform (CFP), and (b) REDD+ and Climate Change Platform (PFNREDD & CC). The PFNREDD & CC claims to be a broad grassroots network of more than 73 CSOs and 429 national and community-based organisations and is recognised in the Readiness Preparation Proposal (RPP) as an interlocutor between government and civil society/Indigenous Peoples. It is also a member of the national REDD+ steering committee.

The CFP represents more than 50 national, local, and community-based CSOs working on forest and peoples' rights issues in Cameroon. The platform acted as an official CSO representative during the multi-stakeholder VPA negotiation process, including various working groups until the signing of the Agreement in 2010. Civil society in Cameroon has reportedly experienced this as significantly more participatory process than previous negotiations conducted by the Government (CIFOR 2020, Wodschow et al 2016).

However, some proponents argue that, from a legal perspective, the capacity of the Cameroonian public to confront the State remains relatively limited. CFP was not directly involved or invited to participate in the REDD+ process but has been carrying out advocacy on REDD+ (Satyal 2018). The PFNREDD & CC platform was also not directly involved in the FLEGT/VPA process. Although there are overlaps in the membership of CFP and PFNREDD & CC platforms, such stratification and division of civil society only weakens its effective participation in key decision making processes in Cameroon. For instance in a 2018 study on civil society participation in REDD+ and FLEGT processes in Cameroon, when asked whether the CSOs were fairly represented in the REDD+ and FLEGT VPA processes, the interviewees from these platforms had mixed opinions. The PFNREDD & CC, with a sympathetic view to the government efforts, sees a relatively high level of representation of civil society in the REDD+ process. On the other hand, CFP members see a relatively low representation of CSOs in REDD+ and a relatively high participation in the VPA process (Satyal 2018).

Survey and interview responses show that there is considerable room for improvement in the participation of civil society organisations in forest climate governance – in particular, noting that involvement in RREDD+ and FLEGT/VPA processes related meetings does not always extend to civil society being afforded meaningful opportunities to participate in decision-making. For example, CSOs are given only one place among the 17 members of the national REDD+ steering committee. There is also only one representative for NGOs and one for Indigenous Peoples out of 14 members of the VPA national follow-up committee. Some stakeholders report that participation of CSOs, particularly in REDD+, is insignificant with the meetings dominated by members of different government ministries, World Bank, consultant groups and INGOs (Satyal 2018). Some international funding agencies, by contrast, have a more positive perception of civil society participation on the basis that environmental and social safeguards are respected, and that all interested stakeholders are consulted. This gap may relate to the involvement of these actors in different areas of the process: funders can ascertain that civil society has been consulted in advance of activities but have less of an overview on their implementation.

Corruption risks

According to Transparency International's 2020 Corruption Perceptions Index (CPI), which measures perceived levels of public sector corruption in countries around the world using a score of 0-100 (where 0 is highly corrupt and 100 is completely clean), Cameroon is ranked at 149 out of 180 countries. Cameroon is scored at 25 out of 100 in the CPI, on a scale where 0 is highly corrupt and 100 is completely clean. Corruption in the forest sector is a major governance challenge, and it has been described as a "hub of corruption" (Korwin 2016).

A previous assessment of corruption risks in REDD+ in Cameroon undertaken by Transparency International identified policy, legislative and regulatory gaps, difficulties in tracking financial and economic flows, performance monitoring, reporting and the institutional framework (Korwin 2016). In particular, survey respondents suggested that baseline information for REDD+, including historical land-use trends and drivers of deforestation, had been manipulated, which could lead to policy choices that disproportionately benefit certain stakeholders at the expense of other, more vulnerable groups. These issues are compounded by lack of and/or insufficient access to information, public participation, and access to justice in environmental decision-making in Cameroon.

Government actors claim that corruption is already taken seriously in the national strategy, with grievance and redress management mechanisms intended to complement, and not to replace, formal legal conflict management channels. While this is clearly the case, and it is vital that legally channels are fully available to address corruption and major and systematic violations of rights, it remains the case that fund-specific redress mechanisms offer an important option that is often more accessible and appropriate to deal with issues arising as part of a funded project.

Similar issues have been observed more broadly across the whole forest and wildlife sector, which noted considerable corruption risks, with holders of a share of state authority being the principal perpetrators of such practices (CIDT 2018). Initiatives implemented by civil society have not succeeded in sustainably reducing the impact of corruption, and inadequate access to information has contributed to impunity and, ultimately, the withdrawal of technical and financial partners from anti-corruption initiatives (CIDT 2018).

The Cameroon Government believes the situation is changing and states that it is determined to uproot corruption in the forestry sector. It cites as a concrete example the considerable effort it put into launching the 2nd generation Forest Information Management System (SIGIF2) as a means to improve forest management and reduce corruption, through the implementation of a verification system that traces timber and the legality of forestry entities, leading to issuance of Legality Certificates and FLEGT Authorisations. The government and some private sector stakeholders stress that this dematerialisation of forest management (shifting documentation from paper to electronic form) is crucial as a means to both speeds up the verification process, avoiding the lengthy process of obtaining permits and documentation from up to 15 different offices, and as an anti-corruption measure because it significantly reduced the number of opportunities for corruption to occur. It should however be noted that the tool does not show how it can address the more systemic challenges being addressed, e.g., conflicts of interest being traced to prevent corrupt deals in allocation of forestry licenses.

Again, the EU and KFW, which provided funding for SIGIF2, claim that there remain "major dysfunctions" in the system as of April 2021. They have stated that certificates issued by the SIGIF2 will not be recognised or validated under the Wood Regulation of the European Union (RBEA), and that it is not compatible with achieving FLEGT authorisations.

Impact of forest climate finance on forest governance, rights, and livelihoods

In general, communities support the establishment of strict conservation zones and hope to promote local participation with a high expectation of benefits. Insecure tenure reduces project support and local engagement. However, Cameroon's Forest Investment Plan states that the implementation of land tenure enshrined in ordinances of 1974 calls on a range of enabling instruments. Various subsequent decrees establish rules on land expropriation by public entities, and rules for compensation of landholders.

A February 2013 Decree (No. 2013/0171 /PM) sets out requirements for environmental, social and strategic impact studies if projects have an impact on land tenure and mobilise international financial and/or development cooperation support. Some non- state actors remain sceptical, however, based on their perception that local administrators generally mismanage compensation programmes, with displaced community members losing their livelihoods and even their lives. They think experience in REDD+ programmes will not be any different.

Community-based natural resource management and integrated conservation and development projects have often not met local expectations due to problems of application and impracticable legislation such the hyper-centralised final decision making power in the Ministries in Yaounde. Involving communities in tangible project roles and functions and developing an effective co-management approach or establishing community-owned and -managed forest projects is more likely to lead to successful projects (Awung et al 2016). This will entail building the capacity of local communities and grassroots CSOs to effectively participate in the processes especially as these organisations are resource stressed and lack the technical capacity to fully engage.

In Cameroon, the right to own and trade carbon (carbon rights) remain vague, and the current regulatory framework does not distinguish between trees and the carbon contained in them. Additionally, while some Indigenous and local communities have the right of access to forest resources, all naturally growing trees in Cameroon that have not been planted belong to the State. Even trees planted on private land without a deed still remain state property (Fobissie, et al 2014).

The stated aim of the Cameroon Government is to reduce vulnerability and reinforce resilience capabilities, including in forested areas. Women are more dependent on forest resources for their means of subsistence, which requires clear rights to secure access to and use of these resources. As such, consideration of gender should be placed in the forefront of REDD + projects.

In Cameroon, women suffer from limited access and control of productive resources, especially land; they are often restricted from full and effective participation in consultations or decision-making process related to the natural resources upon which they depend; women have limited access and/or control of information, technology and tools; lack access/or control of income-generating forest activities; and receive unequal benefits from natural resource-related activities due to gender blind benefit-sharing schemes. The government of Cameroon acknowledges that reducing vulnerability is dependent on overcoming these gender-related disparities (Republic of Cameroon 2017).

The REDD+ programmes have so far been characterised by an increase in women's participation. For example, about 80 percent of the regional coordinators of the National REDD+ and Climate Change Platform are women. Gaps remain in addressing gender equity within projects, however, including at the conception and design stages of REDD+ projects. The women leaders interviewed for this study suggested that they were only informed of projects when they were already at very advanced stages.

Photo by Ollivier Girard/CIFOR

Conclusion/Recommendations

Despite extensive engagement with REDD+ and other climate finance mechanisms, as well as the FLEGT/VPA process, Cameroon has so far been unable to achieve significant forest protection, governance improvements, or enhancement of the rights and livelihoods of local communities and Indigenous Peoples. Insufficient communication and dialogue between the Government and donor agencies frequently result in tensions and mutual suspicions, which sometimes lead to projects and programmes being delayed and/or halted altogether. For example, in October 2019 the World Bank unilaterally cancelled a US$5 million readiness grant from the FCPF on grounds the government was slow in achieving some milestones in implementing some activities. There have also been significant delays in the implementation of the forest information management system tool (SIGIF2), developed by the Ministry of Forests and Wildlife (MINFOF) to operationalise the VPA/FLEGT agreement in Cameroon. Despite the granting of a 34 month contract extension, the EU and KFW claim that the version of the tool delivered in November 2018 is not compliant with their specifications, with the result that EU authorities do not currently recognise certifications made by the system, which was developed with their own funding.

- ***Transparency and access to information***

The Ministry of Environment, Protection of Nature and Sustainable Development should publish online quarterly information related to all REDD+ activities in the country, including contracts with companies, baseline data on emissions levels, and progress reports on implementation. This should follow open data standards. Information should also be published in forms that are accessible to rural communities, for example information bulletins that can be distributed at district assemblies. Local governments should be given support to undertake local stakeholder forums to inform and report on the management of funds received through REDD+ and other sources of climate finance.

- ***Civil society and community participation***

Greater synergies should be sought between civil society representation in related processes, including REDD+ and FLEGT/VPA. The extensive multi-stakeholder approach adopted by the FLEGT/VPA process should be reproduced in the implementation of REDD+. Although there is a strong basis of civil society consultation, funding agencies and national implementing bodies should ensure that civil society and community perspectives are more consistently incorporated into decision-making. This will entail international support for enhancing the capacity of CSOs, especially grassroots organisations, which are usually resource-stressed and lack the technical capacity to understand and effectively engage in forest climate finance processes.

- ***Corruption risks***

Independent revision of REDD+ baseline data and reporting of deforestation trends is needed to ensure that forest climate finance does not exacerbate existing inequalities. Greater access to information, access to justice, and improved public participation in decision-making would also reduce corruption risks, in fact, this should be a sine qua non in all the international climate finance support to Cameroon. More broadly, the SIGIF2 system has the potential to considerably improve the traceability of timber and streamlines the permitting process in ways that reduce the number of opportunities for corruption. However, concerns remain about "dysfunctions" in the system, which would need to be addressed in order to ensure its integrity, and to gain access to the FLEGT authorisations.

- ***Governance, including gender equity***

Expanding REDD+ projects to cover community-owned and managed forest projects can help to ensure that local expectations are met in the delivery of forest climate finance, helping to incentivise conservation and sustainable resource use. Indigenous and local community rights of access to forest resources should be formalised through land tenure arrangements.

- ***Building Synergies and Capacity of Cameroon to attract Climate Finance***

Financial flows remain relatively modest, and there is mistrust and mutual suspicion between the funding partners and government as well as amongst the different government agencies that are involved in climate change finance, as shown by the differences between the EU, KFW and the Cameroon government over the launch of SIGF2. There is an urgent need to build synergies amongst the actors as well as governmental institutional collaboration so as to capture the climate finance opportunities that are available.

DEMOCRATIC REPUBLIC OF CONGO

photo by Axel Fassio/CIFOR, FLICKR

Background

The Democratic Republic of Congo (DRC) is home to the second largest swath of rainforest in the world—155 million hectares, and accounts for most of the remaining rainforest in the Congo Basin. Although deforestation rates in the DRC are low (0.3 percent) compared to tropical forests in the Amazon and Southeast Asia, tree cover loss between 2015 and 2019 regularly surpassed 1 million hectares per year, with 475,000 hectares of primary forest disappearing in 2019 alone (Schneider 2020). The main direct drivers of deforestation include slash-and-burn agriculture, fuel wood production, bush fires, artisanal forest exploitation, and small-scale and industrial logging, although other activities including "mining and large-scale agriculture are significant, yet not adequately quantified, contributors", not least as they come with the opening of new roads and other infrastructure (FCPF n.d.; Schneider 2020).

Around 40 million of the DRC's population of 87 million depend on the rainforest for their livelihoods. This number includes between 600,000 and 2 million people (1 to 3 percent of the population) who self-identify as Indigenous Peoples.

Although because of its size, natural resource, and geo-political importance, DRC has the potential to become one of Africa's richest countries, more than 80 percent of its population lives under conditions of extreme poverty (less than US$1 a day), and the DRC ranks 179th out of 189 countries in the UN's Human Development Index. 71 percent of people are food insecure, and 57 percent do not have access to basic health services.

In its NDC, DRC has committed to a 17 percent reduction in its greenhouse gas emissions by 2030 compared to a business-as-usual scenario, conditional on international support. For adaptation action, the DRC has identified Land Use and Forestry as one of five priority sectors.

DRC is engaged in REDD+, including through CAFI, the World Bank Forest Investment Programme and FCPF. In 2010, the Democratic Republic of the Congo (DRC) and the EU began negotiating a Voluntary Partnership Agreement (VPA) to promote trade in legal timber products and improve forest governance. But the negotiations are yet to be concluded and the VPA signed. In 2012, the DRC adopted its National REDD+ Framework Strategy, aiming to stabilise forest cover to 63.5 percent from 2030 onwards. The 2015-2020 DRC REDD+ Investment Plan stems directly from this Framework Strategy, and seeks to address all direct and underlying drivers of deforestation as cited above, via both sectoral approaches and an integrated programme. A REDD+ National Fund (FONAREDD) has been established to mobilise resources for the implementation of the investment plan, ensuring cross-sectoral coordination and monitoring sectoral and integrated programmes related to REDD +. The Fund is the main platform for coordinating and setting up REDD + in the DRC with multi-stakeholder governance structures.

Overall size of climate funding received

The REDD+ process in the DRC was initiated in 2009, under the leadership of the Ministry of Environment, Nature Conservation and Sustainable Development (MENCDD), with the support of a US$ 7.3 million UN-REDD readiness grant and US$3.4 million in readiness funding from the World Bank's Forest Carbon Partnership Facility (FCPF), in consultation with Congolese civil society and local Indigenous Peoples.

The REDD+ mechanism was launched in DRC in January 2009, with the first joint mission carried out by UN-REDD and the Forest Carbon Partnership Funds (FCPF) of the World Bank. With funding from these partners (US$7.3 million from UN-REDD and US$3.4 million from FCPF), DRC spent three years in the preparation phase for REDD+ after producing an ambitious Readiness plan (R-PP), which was adopted in March 2010 by the UN-REDD board and the FCPF Participants Committee.

The Mai-Ndombe Emission Reductions Programme is being developed under the FCPF, with an Emissions Reduction Purchase Agreement (ERPA) signed in late 2018 which envisages future payments of up to US$55 million for verified emission reductions. Complementary funding is being provided by the FIP

3 • After an informal suspension of the process in 2013, the FLEGT Technical Commission has made progress on core elements of the VPA since November 2016.

(which includes a US$37 million Improved Forested Landscape Management Project, over 40 percent of which is targeted towards the Mai-Ndombe project area) and the Central African Forest Initiative (CAFI) (US$30 million).

The DRC's REDD+ Investment Plan was formally adopted by the Government of the DRC and presented to the CAFI Executive Board in December 2015. It formed the basis of the Letter of Intent with CAFI in April 2016, which, with the accompanying capitalisation of the DRC's REDD+ National Fund (FONAREDD), marked the start of the programming phase for implementing the Investment Plan.

FONAREDD has mobilised US$219 million for the implementation of REDD+ programmes in the DRC, which includes US$190 million under a Letter of Intent signed between the DRC and CAFI. The first US$113 million is an unconditional tranche of funding while the remainder is conditional upon programme performance and the evaluation of the milestones of the Letter of Intent. A second funding installment was released in 2020 on the basis of independent verification. In addition, FONAREDD has been pledged US$25 million in co-financing from Norway and US$4.1 million from Sweden, as well as a further US$31 million in co-financing from JICA, GIZ and AFD for specific sectoral and integrated programmes.

As of December 2020, the FONAREDD Steering Committee had approved 18 programmes, with a budget totalling over US$244 million. There remain challenges (such as limited access to updated data and information) for independent CSO tracking the flow of disbursed funding, however, and in monitoring whether this is allocated according to objectives set in the investment plan. Again, despite considerable civil society involvement in the development of a civil society participation manual, it remains unclear how this is used and complied with by implementing agencies in FONAREDD projects.

Transparency of governance arrangements and accessibility of information

The national governance structure for REDD+ refers to the institutions, processes and decision-making mechanisms that enable the country to channel resources from the international level to measures on the ground that address the drivers of deforestation. The emerging national governance structure for REDD+ in DRC has a hybrid nature, combining the establishment of a national REDD+ fund and independent REDD+ projects at the local level. The hybrid funding structure was intended to allow the country to target both underlying causes of deforestation through international payments conditioned to policy reforms through the National REDD+ Fund (FONAREDD); and direct drivers of deforestation through REDD+ projects (Aquino et al 2013). There has been considerable controversy over the governance of FONAREDD, including tensions between the Ministry of the Environment, the Conservation of Nature and Tourism (MECNT) and the Ministry of Finance on the control of the REDD+ programme. However, according to FONAREDD officials, these tensions have been resolved over time, and the fund governance structures are increasingly established as stable and competent bodies.

While some stakeholders remain critical of FONAREDD, the Government of DRC claims that it has a very specific role: it is the financial arm of the DRC's management of its REDD + national strategy, mobilising different sources of public and private financing, bilateral and multilateral, providing coordination, transparency and national ownership. FONAREDD has been tasked by the government with channelling CAFI funding amounting to US$215 million.

A recent Transparency International governance assessment found that FONAREDD is generally performing well against indicators for transparency and accountability. For instance, it was regarded as having an above agerage performance for policy level transparency, and average performance at the level of practice. As for accountability, FONAREDD's indicators on financial reporting and audits were also average while its accountability (answerability) mechanism was considered to be above average. Despite this, there remain inconsistencies and delays in updating information on its website. CAFI's policies and practices in relation to transparency, accountability and integrity are more mixed (Petrucci 2020). Some stakeholders point out that the strong influence of CAFI on FONAREDD risks compromising its independent decision-making capacity and how it allocates its resources. Notably, UNDP has a triple role in the decision-making chain, an Administrative Agent of FONARED and CAFI, board member and implementing agency, which could provoke conflicts of interest.

Generally, transparency in the forest sector in DRC remains a challenge due to corruption and poor government regulation. Citizens' abilities to hold the forest authorities accountable or to fully participate in the management of forest resources is hampered by many constraints, including unsecured local rights to land and forests, legal inconsistencies, weak implementation of laws, and weak enforcement capacity (World Resources Institute, 2013). A number of ministerial decrees have been adopted in recent years, including a specific provision relating to the forest concessions of local communities (MENCDD, 2016), but the fundamental problem of weak implementation remains an obstacle.

Inclusion/involvement of civil society actors, community, and Indigenous groups

The REDD+ policy process in the DRC over the past decade has diverged from the initial government planning due to political changes at the international and national levels. While participation is perceived by government and international actors as one of the biggest achievements of REDD+ in the DRC, non-state actors – particularly civil society organisations and Indigenous groups – are sceptical about claims of inclusiveness within the decision-making process. Social inequalities and local power relations can hinder the implementation of participation instruments and the involvement of local and Indigenous communities, impeding their ability to achieve reduced deforestation and poverty alleviation (Kengoum et al 2020).

For example, a 2018 research paper investigating the introduction of REDD+ in two pilot sites in the Équateur province of the DRC found that community participation was lacking and "tokenistic" at local level, with communities consulted and informed, but never achieving managerial power or influence over the REDD+ pilot projects. The decision for the communities to join REDD+ was not democratic and the information provided during the process of introducing REDD+ was not sufficient for the communities to make an informed decision to join or not (Samndong 2018).

Efforts to improve information sharing and capacity building are being advanced via the FLEGT/VPA process, whose communication plan includes awareness raising through workshops, videos, and consultations. Measures have also been proposed to strengthen private sector advocacy in the VPA and certification processes. A ministerial decree (No. 72) from November 2018 creates new regulations on the agreements of social clauses between companies in the forest sector and local communities (ATIBT 2020).

FONAREDD is also financing a US$3 million civil society programme, which seeks to strengthen internal capacities and support for the functioning of the Reformed Climate Working Group on REDD+ (GTCRR, by its French acronym), which provides a platform for DRC's local communities and Indigenous Peoples in the REDD+ process and in national and international forums. The FONAREDD programme seeks to strengthen internal capacities and support for the functioning of the GTCRR network and its decentralisation, as well as supporting the use of participatory tools, strategic partnerships and targeted external interventions.

FONAREDD funding also supported the development of a national law for the protection of Indigenous Peoples rights, adopted in April 2021. The passing of this law marks the culmination of a 10 year struggle led by Indigenous Peoples organisations (Fern, 2021).

Corruption risks

DRC is ranked at 170 out of 180 countries in the Transparency International Corruption Perceptions Index and has a score of 18 out of 100 in the 2020 assessment.

Weak governance over natural resources have long formed the bedrock of corruption in DRC, and this continues to be reflected in controversies over the allocation of logging concessions. For example, although DRC implemented a moratorium on new logging concessions in 2002, with the intent of fighting off corruption, independent field observations have revealed that government officials and forest operators have repeatedly violated these initiatives. Greenpeace Africa reports that the Minister of Environment and Sustainable Development breached the moratorium 13 times in 2020 (Harris 2021).

A large amount of work has been undertaken to mitigate corruption in REDD+, but risks remain. In the early days of REDD+, a whistleblower revealed that the secretary general in charge of REDD+ financing at MECNT had diverted around US$38 million of funding from the programme (Transparency International 2020b). Further corruption arising in relation to REDD+ implementation include kickback payments; the politicisation of government forestry positions; financial mismanagement by international development cooperation agencies and non-governmental organisations; and non-transparent hiring practices of international consultants (Assembe-Mvondo, 2015).

At the level of forest and climate governance, FONAREDD has its own policies on anti-corruption and integrity, through the Complaints and Redress Mechanism. This covers both the FONAREDD Executive Secretariat, reinforced by UNDP anti-corruption rules, and the Fund's Technical and Steering Committees. In addition, the latter are covered by declarations of impartiality and conflict of interest. However, FONAREDD lacks a whistleblower protection system and a mandatory integrity training system for implementing agencies (Petrucci 2020). There are some legal barriers to implementing such measures, since they fall under the sole responsibility of DRC's judicial services, but FONAREDD should nevertheless ensure that its funded programmes develop and adhere to integrity principles and guidelines.

More broadly, increased pressure from national civil society organisations, donors and international organisations, alongside a change in government in 2018, has resulted in renewed efforts to enforce existing regulations and introduce forest policy reforms. These include the DRC government seeking to create a VPA with the European Union to strengthen local legality in the forest sector, as well as attempts to achieve certification by both the Forest Stewardship Council and the Working Groups of the African Wood Organisation (OAB).

In December 2019, the Ministry of the Environment and Sustainable Development (MEDD) and the CAFI Board of Directors agreed on a "roadmap for the forestry sector" that includes a review of the legal titles of forest concessions, and attempts to establish the validity of different types of forest concession contracts. The National Forest Advisory Council, which was created by Presidential Decree n°08/03 of 26 January 2018 was also finally operationalised and held its first meeting in February 2021.

Impact of forest climate finance on forest governance, rights and livelihoods

A recent milestone in the forest sector was the adoption of a community forest law in 2016, which grants local communities the right to obtain forest titles and manage their lands (MENCDD, 2016). This means community exploitation of the forest is now a little more organised as community forests must have management plans. However, while the legislation was received with enthusiasm among civil society actors, challenges remain when it comes to commonly marginalised groups such as women and Indigenous Peoples (Schneider 2020). A 2017 study analysing gender relations in REDD+ pilot projects found gender differences are currently not given due consideration in forest governance.

Women's voices are often muted in decision-making arenas and they occupy only a nominal position in both forestry and development initiatives as compared with men. This status quo is extended to the REDD+ pilot projects as well. Women have limited information about REDD+ compared with men. The mechanisms used to establish new village organisation for REDD+ exclude women from decision making in the ongoing REDD+ pilot project, and gender inequalities are exacerbated by existing social norms regarding local access to land and material resources, existing gender division of labour, local perceptions regarding women's roles and contributions/responsibilities, as well as men's dominant position in rural settings (Samndong and Kjosavik 2017).

Conclusion/Recommendations

- ***Transparency and access to information***

Although FONAREDD developed a new website in 2020, which makes available most internal documents, this would be further improved through more regular updates of information. Considerable challenges remain in tracking actual flows of disbursed forest climate finance, however. A funding register should be established to trace these flows, alongside a technical process to confirm their alignment with the REDD+ National Framework Strategy.

- ***Civil society and community participation***

Widespread participation is achieved in forest climate finance mechanisms, but there remains considerable scope for greater inclusiveness in decision-making. Increased support for capacity building and training is needed to ensure that local communities and Indigenous Peoples can offer their fully informed consent for REDD+ and other programmes.

- ***Corruption Risks***

Whistleblower protection mechanisms should be developed for FONAREDD. It should also ensure that funded programmes develop and follow integrity principles and guidelines. New measures and/or mechanisms to limit corruption and undue influence at ministerial level should be developed at a higher level, such as new rules and checks on how forestry concessions are granted.

- ***Governance, including gender equity***

There should be increased involvement of women and young people at all key decision making levels, with particular attention needed to broaden this participation at the local level where projects are being implemented.

Photo by Axel Fassio/CIFOR

GHANA

Photo by JAMES, Stock Adobe

Background

Ghana is a West African country with a population of 28.4 million and is classified as a "lower middle income country" (Ghana Statistical Service 2018, World Bank 2018). Ghana contains 7.98 million hectares of forest, covering around 35 percent of the country's total land area (FAO 2020).

Ghana's economy is heavily dependent on natural resources, with "activities based on use of land, water, forest and fisheries" contributing more than 20 percent of GDP and about 40 percent of jobs, especially in rural areas, where most of the poor live (World Bank 2018). Over 11 million people are estimated to live in forest areas, and around 2 million depend on forests and wildlife for their livelihood (Saeed, McDermott, and Boyd 2018).

Agriculture, forestry and other land-uses are the major source of greenhouse gas emissions in Ghana, accounting for 54.4 percent of total emissions in 2016, mostly from deforestation (Republic of Ghana 2018; Partnership for Forests 2019).

Ghana's deforestation rate is estimated at over 3 percent per year, mostly as a result of agricultural conversion led by cocoa farming expansion into forest areas – although primary forest loss reportedly slowed by 50 percent in 2019 (Forestry Commission of Ghana 2021, FCPF 2020). Deforestation is particularly acute in the High Forest Zone (HFZ), one of three ecological zones in Ghana. Other drivers of deforestation and degradation are urban sprawl, mining and mineral exploitation, and unsustainable wood harvesting. Severe land degradation, coupled with water stress, is particularly acute in the Northern Savannah, which is also the area of Ghana with the highest poverty levels (World Bank 2018).

Ghana has adopted various policies and national strategies for reducing deforestation and degradation in the context of sustainable development. The country is implementing a 20-year Forestry Development Master Plan (2016-2036), a 25-year Ghana Forest Plantation Strategy (2016-2040), and a National REDD+ Strategy, all of which fall within the scope of the country's overall Forest and Wildlife Policy (2012) (Republic of Ghana 2018). Ghana also adopted a National Climate Change Policy in 2012.

Ghana's first NDC indicates that the "sustainable utilisation of forest resources" will be promoted through REDD+ as one of the country's mitigation goals, while "sustainable forest resource management" is also a core adaptation objective (Republic of Ghana 2015). The NDC is currently under review, with civil society representatives reporting that a revised version signaling greater ambition will be published in advance of COP26.

Transparency of governance arrangements and accessibility of information

The REDD+ process in Ghana is overseen by various bodies at national level, whose remit is laid out in the 2016 Ghana REDD+ Strategy (Republic of Ghana 2016). The Forestry Commission (FC) under the Ministry of Lands and Natural Resources (MLNR) serves as the key authority for the national REDD+ process (Saeed, McDermott, and Boyd 2018).

Policy coordination and high-level decisions are the responsibility of the Environmental and Natural Resources Advisory Council (ENRAC), a cabinet-level body, which is supported by the Technical Coordinating Council Plus (TCC+) (IUCN 2015; Republic of Ghana 2016; Saeed, McDermott, and Boyd 2018). Under TCC+ is the National REDD+ Working Group (NRWG), a multi-stakeholder platform co-chaired by the Deputy Minister of Lands and Natural Resources and a traditional ruler from the national house of Chiefs. Members of the NRWG are drawn from Ministries, Departments, and Agencies, the private sector, civil society groups, traditional authorities, development partners, research and academia, and local communities represented by a member of the National Forest Forum (IUCN 2015, Republic of Ghana 2016). The NRWG meets every six months.

There remains considerable room for improvement in terms of information disclosure at the national level, including greater transparency in the reporting of forest-related climate finance flows. As one local NGO noted, although financial reporting requirements exist, there is no independent oversight to ensure the effective utilisation of funds.

These transparency gaps are only partly offset by the information disclosure policies of international funds. For example, the Ghana Cocoa-Forest REDD+ Programme is financed by FCPF, which has a commitment to provide open access to the information produced through its work (including meeting documentation and funding decisions) (Transparency International 2013).

The transparency of the Ghana Shea Landscape Emission Reductions Project was also bolstered by GCF rules, which ensure that project documentation was published in full in advance of approval, alongside a gender assessment and gender action plan, and environmental and social safeguards report.

The Ministry of Finance, as National Designated Authority (NDA) for the GCF in Ghana, was one of the first NDAs to set up a multistakeholder decision-making mechanism (GCF Watch 2019). It should be noted, however, that the choice of NDA followed considerable contestation within government, and that civil society representatives report that the Finance ministry is relatively inaccessible.

Inclusion/involvement of civil society actors, community, and Indigenous groups

The REDD+ processes leading to the development and adoption of programme plans have generally seen improvements in civil society participation over time (Satyal 2018). However, the process started from a low base. Civil society, including forest communities, were only involved in the development of the REDD+ process a few years after it began in 2009. The Emissions Reduction Project Idea Note (ER-PIN) had already been developed when civil society members were asked for their feedback (Satyal 2018) and, as one of our respondents noted, the outcomes of the benefit sharing framework "were predetermined by the [Forestry] Commission and the World Bank even before they engaged with farmers." The development of REDD+ safeguards involved more constructive engagement, however, with Civic Response, a national NGO, facilitating the organisation of national and local forest fora that were also used for REDD+ consultations in the beginning (Satyal 2018).

The implementation of the flagship REDD+ projects has involved greater participation. The GCF Ghana Shea project saw several rounds of multi-stakeholder reviews and engagements, from REDD+ Readiness Phase through to the nomination of UNDP as the accredited entity, the discussion of a concept note at the National REDD+ Working Group, and the creation of a multi-stakeholder task force (including representatives of ministries, the regional development authority and two NGOs, IUCN and A Rocha) to provide advice and input at the early stage of project development (GCF 2020).

While civil society representatives broadly welcome the Ghana Shea project, they have noted that the stakeholder consultations "have mainly involved institutional actors in the forestry / NRM [Natural Resource Management] sector" (GCF Watch 2020). The extent of actual consultations is contested. According to some accounts, the project proponents have "barely undertaken community consultations", with the result that the Project design has been arrived at by a "top-down approach" (GCF Watch 2020). However, other interviewees and survey respondents report that consultations prior to the project involved community leaders from the regions and NGOs working locally, as well as those working at a national level. They also stress that community level structures have been established to ensure ongoing monitoring, and that these are backed by capacity building initiatives.

Despite these reported improvements, REDD+ is generally seen as a step backwards compared to the FLEGT/VPA process, which our respondents widely reported to be the "gold standard" that set a benchmark for any multi-stakeholder process in Ghana. The VPA process offered significant opportunities for stakeholder participation, independent monitoring, and joint implementation review, empowering domestic NGOs with local knowledge to expose problems on the ground and hold public authorities accountable for addressing them (Overdevest and Zeitlin 2018). There was also significant EU funding for community engagement with FLEGT. The same opportunities and funding have not been available for REDD+, although some larger NGOs have attempted to plug this gap through support for local engagement.

In addition, whereas civil society elected its own representatives to the VPA steering committee, civil society members on the REDD+ steering committee were directly picked by the government (Satyal 2018). In the past this led some observers to question "whether civil society interests are genuinely represented", although our respondents did not repeat such concerns (Satyal 2018). However, similar concerns have emerged around engagement with the GCF NDA, where "there was a deep sentiment among parts of civil society that their NDA-selected representative did in fact not represent civil society" (GCF Watch 2019).

Corruption risks

Ghana is ranked at 75 out of 180 countries in the Transparency International Corruption Perceptions Index and has a score of 43 out of 100 in the 2020 assessment, which is the highest (i.e., least corrupt) of any of the six countries included in this study.

There is considerable corruption in forest areas, with reports of widespread illegal timber production and illegal mining in forest reserves. The VPA process has helped to shape tree tenure and reform benefit sharing, which can reduce these risks (FERN et al. 2017). Our respondents suggested that the introduction of VPA systems covering gold and other commodities would help considerably to reduce illegal mining.

There also remain key forest governance challenges in Ghana relating to political culture, particularly the power position of some elites in forest management (Ameyaw and Wals 2016). This was confirmed by our interview respondents, who stated that corruption was often enabled by politicians, who also hindered the role of enforcement agencies.

These corruption risks extend to REDD+, where powerful political figures have reportedly exercised undue influence on decision-making processess. Interviewees in a 2016 Transparency International study noted that there is "a high inclination in Ghana's forest sector to manipulate, pressure and interfere in policy-making and implementation to accommodate friends, and receive commissions" (Korwin 2016). The absence of effective public participation mechanisms means that decisions are often not effectively scrutinized, which could result in the adoption of REDD+ actions that "may have serious negative social and environmental impacts" (Korwin 2016).

Although accountability mechanisms and whistleblower protections exist in relation to climate finance, our interview and survey respondents either stated that few people know how to access them or were themselves unaware of these tools. This was true of both mechanisms established within Ghana, such as the availability of designated safeguards officials at district offices of the Forestry Commission, and of international mechanisms. For example, there was a general perception that the GCF did not have procedures to handle corruption, despite the existence of an Independent Integrity Unit to investigate allegations of fraud and corruption, and an Independent Redress Mechanism to assess complaints about projects, including violations of environmental and social safeguards.

Impact of forest climate finance on forest governance, rights and livelihoods

The REDD+ experience has been positive for the development of gender-sensitive policy and project plans. From a relatively early stage, the Forestry Commission of Ghana partnered with IUCN, to develop a roadmap for a gender-sensitive REDD+ strategy in Ghana. This included provisions to "enable full and effective consultation and participation of women and men in all stages of the REDD process", "safeguards to ensure women's rights to land and natural resource use", and "grievance mechanisms that establish and support legal protection of the rights of women on an equal basis with those of men" amongst other recommendations (Forestry Commission et al. 2011, IUCN 2015). The Ghana Shea project builds upon these general goals to establish a series of gender-responsive targets, such as a minimum of 40 percent representation of women on any decision-making bodies, and capacity building to ensure that women have adequate resources to benefit from the whole shea value chain (GCF 2020b).

There are mixed reviews on the results of these efforts to improve gender equity. Some of our informants highlighted considerable effort to integrate gender considerations in stakeholder processes and to provide capacity building training for women. One informant highlighted that these processes had resulted in greater inclusiveness, including in areas where there were "many cultural barriers against women's participation in governance of natural resources." Others were more skeptical, however, with one informant stating that REDD+ studies and policy documents on gender still "mostly sit on shelves of offices and are not really being implemented on the ground." This, too, was put down to cultural barriers such that, for example, women are still not allowed to own land in some cultures in Ghana.

In general, stakeholder perspectives cast some doubt on the ability of Ghana's REDD+ process to contribute to greater equity. Ghana's land tenure is pluralistic and complex, including various undocumented land rights. In the case of the Ghana Cocoa-Forest REDD+ Programme, there is a risk that tenure arrangements could pose a risk to farmers (usually migrants) who are currently engaged in insecure share-cropping arrangements with landowners (Isyaku et al., 2017). This concern was reflected in our survey and interviews, where one local NGO drew attention to potential conflicts resulting from "confusing tree tenure registration", while another reported "some community members losing their source of livelihood." Another local NGO was more negative still, pointing to "cases where mechanisms such as REDD+ and Cocoa and Forest Initiative encourage land grabbing, undermine biodiversity and community livelihoods."

The implementation of REDD+ in Ghana was also seen as a lost opportunity by some respondents, who noted that it has been implemented through a "project" approach, and with a Secretariat that works in isolation from some of the main bodies that implement Ghana's overall forest management. This issue is exacerbated by the spread of funding and competencies over different ministries – notably, the Finance ministry acting as the NDA for the GCF, while other forest climate finance is housed in the Ministry of Lands and Natural Resources. Difficulties in collaboration between ministries, as part of the wider failure to mainstream REDD+ across the workings of the forestry system as a whole, has contributed to its relative lack of impact on the overall rate of deforestation.

The impacts of FLEGT/VPA on broader forest governance were viewed more positively. Notably, it has contributed directly to the inclusion of social responsibility clauses in Ghana's updated Timber Resource Management and Legality Licensing Regulations (LI2254), as well as through related initiatives to build community capacity to sustainably manage forest resources.

Outside of these initiatives, the promotion of public-private partnerships and industry-led initiatives has been a cause of concern. For example, the Cocoa & Forests Initiative was "brought to Ghana already cast in stone" with little prior consultation, a steering committee that did not include representation of cocoa farmers, and a number of plans that contradict other forest conservation measures and represent business-as-usual. The UK Foreign, Commonwealth and Development Office's Partnership for Forests initiative attracted similar criticism since, as one informant claims, "it requires civil society to partner with private companies that are not acing in the interests of communities."

Conclusion/Recommendations

- ***Transparency and access to information***

Greater transparency is needed on the disclosures of forest-related climate finance flows. Although financial reporting requirements exist, it is not always clear where to find information. The Forestry Commission should publish planning documents, contracts, project documents and compliance reports on its website. Capacity building support is also needed to make information more accessible.

- ***Civil society and community participation***

The FLEGT/VPA process set the standard for multi-stakeholder processes in Ghana. Although participation in REDD+ processes has improved in recent years, more funding support is needed for capacity building and community engagement, including for the independent monitoring of ongoing projects. The GCF NDA and the Cocoa & Forest Initiative, in particular, should allow for the meaningful participation of a far broader range of civil society and community actors.

- ***Corruption risks***

Greater awareness is needed of the existence of accountability mechanisms and whistleblower protection, with efforts undertaken to directly involve civil society in the oversight of these mechanisms in order to enhance their credibility. The GCF NDA should also engage in capacity building efforts to ensure greater awareness of that Fund's Independent Integrity Unit and Independent Redress Mechanism. The introduction of VPA systems covering gold and other commodities would further help to reduce deforestation from illegal mining.

- ***Governance, including gender equity***

The governance of REDD+ process should be linked more closely to Ghana's overall forest management and governance architecture, to avoid policy contradictions as well as to ensure that the lessons of the VPA process regarding multi-stakeholder engagement are translated to forest climate finance. Some public-private partnerships and industry-led initiatives risk undermining forest protection in their current form and should be revised to ensure that they act in accordance with the free, prior and informed consent of forest communities, and involve community and farmers' representatives in their governance structures.

Farmer James Tebi, FLICKR

INDONESIA

photo by Icaro Cooke Vieira/CIFOR, FLICKR

Background

Indonesia has a total forest area of 92.1 million hectares and lost an estimated 9.75 million hectares of primary forest between 2002 and 2020 (FAO 2020, Global Forest Watch 2021). The deforestation rate has reduced in recent years, with an estimated 270Kha of primary forest cover lost in 2020 (Global Forest Watch 2021). Palm oil exports are the key driver of deforestation of primary economic importance, contributing US$13.48 billion to the Indonesian economy (Suwastoya 2020).

The Nationally Determined Contribution (NDC) submitted by Indonesia has pledged an unconditional emissions reduction target of 29 percent and a conditional reduction target up to 41 percent of the business-as-usual scenario by 2030 (ROI 2016). Land use, including peat fires is the primary cause of greenhouse gas emissions and the forestry sector is expected to contribute 17.2 percent of the unconditional reduction of 29 percent (ROI 2015). Based on this scenario, the forestry sector is expected to reduce its emissions by about 69.6 percent unconditionally, and by a further 21.4 percent with external support (Tacconi and Muttaqin 2019).

Indonesia submitted an updated NDC in 2021, although this has not made its reduction targets more ambitious (Antara 2021). It is estimated that REDD+ implementation in Indonesia will cost around US$5.6 billion (Cadman et al 2019), despite little evidence to show that REDD+ is changing the land-use priorities of district governments (Myers et al 2016). In terms of adaptation, Indonesia's NDC places emphasis on community-based forest management to reduce pressure on primary forests and to protect, restore and rehabilitate watersheds (ROI 2016).

To achieve Indonesia's NDC, the legal recognition of Customary Forests (Hutan Adat) of Indigenous Peoples is critical. In 2014, Indonesian President Joko Widodo pledged to hand over 12.7 million hectares of state forests to communities within five years. Progress has however been slow, with just 4.2 million hectares authorized by June 2020. The process has been further hampered by the COVID-19 pandemic, with Indonesia announcing it will cut back on planned transfers of state forests to local communities by half during that year (Jakarta Post 2020a).

Overall size of climate funding received

Although data on how developing countries deliver and administer climate finance remains poor (Atmadja et al 2020), some progress around transparency has been made in Indonesia due to the recently implemented national climate change budget tagging system. Indonesia has put in place a number of climate change and forest-related financial mechanisms at the national level, including the Village Fund (Dana Desa), Public Service Agency - Center for Forest Development Financing (BLUP3H1), Indonesia Climate Change Trust Fund (ICCTF), Special Allocation Fund (DAK), and the Forestry Fund (P3H). In October 2019, the Indonesian Government launched its Environment Estate Fund (Badan Pengelolaan Dana Lingkungan Hidup—BPDLH), which is a new 'financial hub' for environmental funding; and includes a REDD+ window and a forest rehabilitation window (Mafira et al 2020).

The BPDLH, now the central national fund for environmental issues, hopes to raise up to US$56 billion (Reuters 2019) through a mix of sources, including both climate and non-climate financial flows from international donors, REDD+ payments and carbon trading, criminal fines, and land reclamation payments. The Village Fund, a government supported fund for community empowerment, and activities, which can include protection of the environment, reforestation and rehabilitation of peatland areas and mangrove forests (Watts et al 2019) allocates around US$60 – 100 thousand per village, distributed across more than 73,000 villages (Jakarta Post 2020b) equating to more than US$5 billion. The Forestry Fund (currently being dissolved into the BPDLH), a revolving loans fund for private sector, can include plantations, village forests, community-based forestry, ecosystem restoration and non-timber forest products, and is recorded as having received in excess of US$ 100 million as at the end of 2018 (Mafira et al 2020).

The most significant climate finance for forests in Indonesia relates to REDD+ and comes from the US$1 billion agreement negotiated with Norway to fund a range of readiness activities, including the National REDD+ Strategy and Management Agency (now dissolved); a national MRV system; a Forest Reference Emissions Level (FREL); a National Registry System; and a Safeguards Information Systems

(MOEF 2018). Norway has recently awarded US$56.18 million in REDD+ results-based payments, and in August 2020, the GCF approved US$103.8 million in results-based payments for reducing forest-based emissions in 2014 to 2016. These funds will be channeled through the REDD+ window of the BPDLH (GCF 2020; Mongabay 2020). Indonesia has also received around US$40 million through the World Bank Forest Investment Programme (FIP) and around US$7 million through the World Bank Forest Carbon Partnership Facility (FCPF).

Transparency of governance arrangements and accessibility of information

With an increasing amount of climate related finance, especially for forests, risks of corruption increase, and so too does the need for adequate mechanisms to be put in place to properly administer the funds. Indonesia's main 'hub' for environmental finance, BPDLH, which is now arguably the mechanism carrying this higher risk has recently been appraised by UNDP as an agency with "moderate qualification" (World Bank 2020), and the level of transparency and inclusion in its establishment has been criticized amongst Indonesian civil society, with requests for documentation going unanswered. Further, there is a lack of clarity as to how to access to the fund, according to our interviews and survey responses. Revenue for the BPDLH will be generated through fees, charges and levies, some of which have come under scrutiny as to whether they achieve their desired objective, and potentially incentivize the application of 'unofficial, informal or illegal' fees (Cadman et al 1029). Technical assistance to enhance governance of the BPDLH is proposed through a US$2 million World Bank project to develop systems for monitoring and evaluation, information management, and stakeholder engagement, and to strengthen environmental and social risk management and to commence work to put in place a grievance redress mechanism (World Bank 2020). National funds of this nature in Indonesia do not normally manage international funds, and hence the BPDLH is unique.

With regard to international funds, the Green Climate Fund (GCF) provides some public information on its website – including publishing concept notes, full public sector funding proposals, environmental and social safeguard reports and gender assessments – and several Indonesian NGOs are involved in tracking developments. The GCF is regularly criticized for its lack of access, however, and the inability of many national level organisations or NGOs to become accredited. The readiness consultations held to date by the Fiscal Policy Agency of the Ministry of Finance, which is the GCF National Designated Authority (NDA) in Indonesia, were tokenistic, according to our interview and survey respondents, who criticized these meetings as mere information sessions open to a select few organisations.

The FLEGT initiative provides greater space for participation for Indonesian civil society and Indigenous Peoples at the national, regional and international level, although concerns have been expressed by participants that organisations lack financial resources, capacity and technical knowledge to effectively engage in the VPA process (EU FLEGT Regional CSOs 2018).

Inclusion of civil society actors, community, and Indigenous groups

Participation and inclusion in forestry and land use activities to address climate change in Indonesia has shown that greater legitimacy and credible outcomes are achieved through complete free, prior, and informed consent processes, strong consultations, and effective communication among multiple government and non-government stakeholders (Myers et al 2016). However, this does not seem to be occurring in Indonesia, which is ranked low in corruption and democracy indices (The Economist 2020; Transparency International 2020a).

A range of barriers to participation exist in Indonesia, including barriers to resources, access to policy dialogue, political activity and to advocacy. Serious concerns have more recently been raised that the new Omnibus Law on Job Creation contributes to the continued repression on the rights to freedoms of expression and information and limits public participation in environmental decision-making processes (Business and Human Rights 2020). This must all be viewed in a context whereby intimidation, criminalisation, physical attacks and even murders of environmental defenders have been linked to companies or projects in the land use sector in Indonesia (Global Witness 2020).

The example of the Village Fund demonstrates that a lack of community participation during the planning and supervision process is one reason behind the extent of corruption (Watts et al 2019). Village Heads themselves have complained about constantly changing and confusing regulations and a lack of participation in the implementation of projects or involvement in reporting processes, according to our interviews. In the majority of cases, there has been a lack of community discussions around selection of projects (Watts et al 2019). Further, the Public Service Agency - Center for Forest Development Financing (BLUP3H) 2018 Gender Analysis Pathway results found that very few beneficiaries are female, which indicate low female participation (Atmadja et al 2020).

The recently approved REDD+ results based payment programme (RBP) has triggered increased interest in the GCF amongst civil society, although the processes in place thus far, led by UNDP, have lacked transparency. The approach to participation concerning the REDD+ RBP is not considered by our interview and survey respondents to be “full and effective” or inclusive of Indigenous Peoples, despite representations in project documents to the contrary. This is particularly important where the RBP ‘Use of Proceeds’ is intended to allocate around US$ 46 million to social forestry initiatives. The Indonesian GCF Country Programme has also drawn concerns for containing only one reference to Indigenous Peoples, despite the GCF having a very clear Indigenous Peoples Policy (Republic of Indonesia 2018).

In contrast, the FLEGT initiative has been found to make a positive contribution to the participation of civil society, local communities and Indigenous Peoples, specifically around improved organisation, decision making and holding governments to account (Cerutti et al 2020).The FLEGT initiative has also provided support to Indonesian NGOs to strengthen Independent Forest Monitoring through the FAO-EU FLEGT Programme since 2017, which has trained and equipped up to 800 independent community monitors with the legal and investigative resources needed to report on activities of logging companies across Indonesia (FAO-EU FLEGT 2020).

Corruption risks

Corruption is endemic in Indonesia, has worsened in recent years (Jakarta Post 2021), and has been found at all levels of the bureaucracy, executive and judiciary (Boer 2020), despite having a Corruption Eradication Commission (KPK) in place since 2003. Indonesia is ranked at 102 out of 180 countries in the Transparency International Corruption Perceptions Index and has a score of just 37 out of 100 in the 2020 assessment. Corruption has been found at all stages of the timber product chain, from concession issuing to market sales (Dermawan et al. 2011). The 2020 Economist Intelligence Unit Democracy Index considers to be a “flawed democracy” (The Economist). Studies show that there is currently a deterioration of democracy occurring in Indonesia (Power 2018), caused by extreme inequality; systematic corruption, usually through collusion of wealthy economic elites to protect their own interests (Hidayat 2019).

The most significant example of corruption in the funds considered here can be found in the administration of the Village Fund. By 2020, there have been a total of 54 recorded corruption cases filed, including for failure to implement activities and non-reporting of funds used (Jakarta Post 2020b), resulting in imprisonment of Village Heads in some circumstances (Jakarta Post 2020c). In 2016 it was reported that 61 village heads had been arrested for corruption related to this fund (Watts et al 2019). Over the period of the programme, this is said to have amounted to a loss of Rp 40 billion (over US$3 million) (Australia-Indonesia Centre 2019). The Village Fund may have enabled corruption through “unclear service assignments, fast growing and relatively large budgets, inadequate public financial management procedures, and questionable control and accountability mechanisms” (Lewis 2015), as well as limited capacity of village heads and village administrations, sub-optimal village institutions and the politicisation of the use of the fund as part of village-level elections (Irfan 2017).

Impact of forest climate finance on forest governance, rights and livelihoods

There are ongoing concerns related to the potential for corruption, governance failings, a lack of capacity and lack of access, in particular related to the financial mechanisms at the national level. On the subject of gender, for example, the DAK and BLUP3H have not included gender in their strategies and procedures, and almost all beneficiaries of funding from the BLUP3H are men (Atmadja et al 2020).

Overall, there is growing recognition that climate finance in Indonesia needs to do more to integrate gender concerns (Atmadja et al 2020).

In terms of impacts of international initiatives, The FIP Dedicated Grants Mechanism (DGM) has helped raise Indigenous Peoples' issues up the political agenda in Indonesia and globally, particularly with respect to customary land rights (Douthwaite et al 2019). The FLEGT VPA process has contributed positively to improved legal and regulatory frameworks and to greater transparency in the forestry sector with sanctions being more regularly enforced (Cerutti et al 2020). The GCF however is currently coming under increased scrutiny, caused by lack of consultations and lack of transparency related to use of REDD+ RBP proceeds.

Conclusion / Recommendations

- ***Transparency and access to information***

There is a need for enhanced transparency of governance arrangements, especially related to public access to documentation and decision making with respect to the BPDLH and in GCF readiness and project and pipeline development.

- ***Civil society and community participation***

The Indonesian Ministry of Finance, including the GCF NDA and AEs (especially UNDP) need to ensure the full and effective participation of civil society and Indigenous Peoples in all processes concerning REDD+ results-based payments including preparation of proposals and distribution of use of proceeds and project implementation, including through BPDLH.

- ***Corruption risks***

Due to the higher risks of corruption at the international, local and village level, there is a need for enhanced capacity building at all levels with support of local organisations related to fund administration, regulatory requirements and governance, as well as strong law enforcement in circumstances where corruption occurs.

- ***Governance, including gender equity***

To increase the potential for positive impacts of forest climate finance and governance, there is a need to incentivize the inclusion and participation of women and integrate gender concerns across all climate finance for forests.

Photo by Achmad Ibrahim/CIFOR,FLICKR

PERU

Photo by Marlon del Aguila Guerrero/CIFOR

Background

Peru has the fourth largest tropical forest in the world, covering around 78 million hectares, and is one of the world's most biodiverse countries. Forests cover around 60 percent of Peru's territory, and much of that land is Indigenous territory (MINAM 2016a). Around 14 percent of Peruvians – over 4 million people in a population of 32.5 million – are Indigenous Peoples, comprising 55 peoples and 2,434 registered Indigenous communities (Tenure Facility 2017).

The deforestation rate in Peru over the decade has been approximately 120,000 hectares per year, peaking in 2014 (178,000 hectares of forests loss) before seeing a moderate decline (FAO 2021, NICFI n.d). The main driver of deforestation is conversion to agricultural land for growing crops such as coffee, cocoa and palm oil (FAO 2021).

In response to the twin problems of deforestation and climate change, the Peruvian government has adopted various institutional frameworks and funding mechanisms to protect forests (Piu 2016). In 2011, a new forestry law was approved (No. 29763). A National Forest and Wildlife Service, SERFOR, was also established that is supposed to ensure the sustainable use of forests and land resources at the forest margins.

The National Forest and Climate Change Strategy (Estrategia Nacional sobre Bosques y Cambio Climático, or ENBCC) is the over-arching framework for forest climate finance in Peru, which is mostly categorized as REDD+. It has the explicit aim of reducing emissions from land use change and forestry, but also sets adaptation goals of reducing the vulnerability of the forest landscape and the forest-dependent population, "especially Indigenous and peasant people, improving their resilience and taking into account their traditional knowledge" (MINAM 2018).

Peru's NDC commits the country to an unconditional greenhouse gas emissions reduction of 20 percent below business-as-usual by 2030, rising to 30 percent with international support. Reducing emissions from Land Use, Land Use Change and Forestry (LULUCF) is an important component in meeting this target. The NDC is currently under revision but it is likely there would be only a modest increase in ambition with the conditional target raised to 35 percent by 2030.

Overall size of climate funding received

Perhaps the most notable feature of forest climate finance in Peru is the huge gap between the hundreds of millions of dollars pledged for (performance related) plans to reduce deforestation, and the far smaller amounts of financing that have actually flowed into the country. The financing that has so far been delivered has been concentrated on readiness activities, with a high proportion of this channeled to international or Lima-based consultants to work on road maps, safeguard information systems and other pillars of planning. A number of interview and survey respondents drew attention to the perception that funding remains in consultancies with little money flowing to communities in forested areas.

In 2014, Peru, Norway and Germany signed an agreement that saw Norway pledge up to US$300 million to support Peru's REDD+ efforts. This was supposed to incorporate up to US$50 million for readiness and governance initiatives, followed by a performance related payment for verified emissions reductions worth up to US$250 million in the period up to and including 2020 (Republic of Peru et al. 2014). Despite significant challenges, the Joint Declaration of Intent was reaffirmed in 2017 (Norwegian Office of the Prime Minister 2017). No results-based payments have so far been made by the Norwegian government, although the Norwegian International Climate and Forests Initiative (NICFI) reports "renewed momentum" in climate and forest cooperation since 2019 (NICFI n.d.). Very little of the promised US$50 million in bilateral Norwegian finance has flowed to governance and readiness activities either, with Norway reporting a disbursement of just 56.5 million NOK (around US$5.8 million) in the period up to 2016, and a further US$5.1 million in 2017 (Norwegian Ministry of Climate and Environment 2018; 2020).

Germany did not make a specific pledge related to results-based payments, but it provided €6.3 million in technical support funding to establish Peru's national REDD+ system, and to develop the Readiness Preparation Proposal for funding by the Forest Carbon Partnership Facility (FCPF), while GIZ, BMU and BMZ have financed a variety of small projects to enhance environmental monitoring, address deforestation, and support Indigenous Peoples (including for civic participation) (Lottje 2014; Government of Germany 2019).

Peru participated in the FCPF for over a decade, submitting its initial Readiness Plan Idea Note (R-PIN) in 2008, and receiving at least US$5.75 million of a total funding allocation of US$8.8 million for FCPF Readiness. However, despite expending considerable resources developing an Emissions Reduction proposal for the FCPF Carbon Fund, Peru "was lagging far behind in the completion of key documents such as those related to safeguards, benefit sharing plan", according to a note from the FCPF Facility Management Team (Lang 2021). As a result, the World Bank and Government of Peru agreed to cancel the programme in February 2021. Our respondents claim that this was cancelled due to the "inefficiency of both the World Bank and MINAM", with the cancellation happening despite a revised emissions reduction proposal that included several readjustments proposed by the Interethnic Association for the Development of the Peruvian Rainforest (AIDESEP), the national federation of Indigenous Peoples in Peru.

The Forest Investment Programme (FIP) has approved the most significant share of Peru's forest climate finance so far. FIP support is divided into 3 components: a US$ 36.3 million mix of grants and loans via the Inter-American Development Bank for the implementation of the main FIP plan, which is split between forest management and forest governance activities; US$ 12.2 million via the International Bank for Reconstruction and Development (IBRD, or World Bank) for a forest landscape management project, and a further US$ 5.5 million via the IBRD's Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities.

Further significant sources of forest climate finance in Peru include GEF's Sustainable Forest Management Impact Programme (US$ 148.6m, although it is not clear what proportion of this finances activities in Peru). USAID has also supported a number of bilateral forest sector initiatives, including the technical support for the creation of SERFOR, and technical assistance for the Forest Authorities of Loreto, Madre de Dios and Ucayali (USAID 2021).

Transparency of governance arrangements and accessibility of information

There is considerable room for improvement in the transparency of forest climate finance in Peru. According to our interviews and survey respondents, access to information is generally difficult and confusing, and financial information is not readily available, so it is not possible to see what projects are under implementation with financing already disbursed or to see how and where funds are distributed.

A 2019 assessment of REDD+ readiness found that "it is necessary to improve the dissemination and the accessibility of information" (DAR 2019), although survey respondents say the situation has worsened considerably since the start of the Covid-19 pandemic.

Although there is a public access point through a REDD+ website (http://www.bosques.gob.pe), which contains many assessment documents, information is often not updated, and project level data and documentation is still lacking. It is particularly difficult to find out the status of the Germany-Norway-Peru agreement, since it does not have a specific governance structure, although civil society groups have attempted to plug this gap by directly requesting information from Norwegian government representatives. The FCPF also fell short on information disclosure, including through a non-transparent approvals process, before it was abandoned altogether (Proética 2017).

Organisations that are involved in consultative processes can request specific information through "access to information" requests. There is also greater transparency at the level of the FIP, which has country-specific pages for project documentation, and publishes the documentation of all FIP sub-committee meetings. However, as one informant put it, these channels are largely "only accessible to funding specialists who are able to access such information through prior knowledge."

There are also broader problems with information transparency about the forest sector as a whole – not just because of a lack of access, but because there remain significant gaps in what information is collected. A decade on from its creation, SERFOR does not have a functioning forestry information system that accounts for even half of forest sector activities.

Inclusion of civil society actors, community, and Indigenous groups

Civil society inclusion in REDD+ has improved over time, but many of our respondents felt that forest climate finance often still falls short of allowing for meaningful participation in decision-making processes.

The creation of the ENBCC formally incorporated a Free, Prior and Informed Consent (FPIC) process with Indigenous Peoples, although it has been noted that the participation and involvement of Indigenous organisations at the national level based in Lima has not been matched by the "same effort to encourage participation and involvement of the regional and local bases of these same organisations" (DAR 2019).

A 2014 study of the early phases of REDD+ governance painted a mixed picture. Respondents to an online survey and interviews mostly had negative perceptions of the timeliness of information delivery and a very negative response to the clarity of information on complaint and dispute resolution mechanisms. Sixty percent of respondents felt that the participation mechanisms did not allow for effective participation (Piu 2014). Our interviews and surveys were on a far smaller scale than this study but paint a slightly more positive picture – with only 40 percent of respondents complaining of a lack of participation, although a similar number felt that civil society participation was still mostly observation rather than playing a significant role in decision-making.

Corruption risks

Complexities around tenure arrangements in Peru have created opportunities for corrupt officials to invalidate land rights and seize the lands of Indigenous Peoples and vulnerable communities, often with the result that rainforests make way for plantations (Proética 2019, Escobedo 2021). A recent study for Oxfam Peru describes how "As companies target forest areas in Peru, government officials ignore native communities and small-scale farmers seeking land title while agribusiness firms, many of them foreign owned with deep pockets, can quickly acquire title to lands already claimed by Indigenous and other communities. And there is little enforcement of laws that prohibit use of forest lands for agribusiness. These corrupt land deals are sometimes accompanied by violent intimidation of local environmental, Indigenous, and human rights defenders" (Escobedo 2021).

Against this backdrop, corruption should be more broadly recognised as a driver of deforestation. "Organised crime, money laundering and corruption need to be better understood if projects are to stop the advance of deforestation in the Amazon," as one of our survey respondents put it.

A similar pattern has long been observed in the granting of mining concessions in Peru, where the substantial gap between formal and customary rights has been leveraged to deny the rights of communities (Larsen et al. 2013). Forest climate finance could itself become a source of this type of land grabbing, although the key issue in Peru to date has been that overlapping tenure claims are exacerbated by conflicting government policies and agendas, including the practice of different government agencies handing out overlapping concessions to the same forest area to different actors (Larsen et al. 2013).

There is no solid evidence of fraudulent uses of REDD+ and other forest climate finance, but it is hard to tell with certainty because of a lack of transparency over financial flows. There is an absence of in-country accountability and whistle blower mechanisms to counter fraud were it to occur, although the international funders and agencies involved in implementing REDD+ (including World Bank, UNDP and GIZ) have such policies in place.

Impact of forest climate finance on forest governance, rights and livelihoods

Forest climate finance governance in Peru incorporates some well-articulated policies and principles, but there are significant implementation challenges in ensuring that civil society participation is maintained, rights are protected, and good governance is upheld.

For example, there have been significant improvements in terms of articulating gender-responsiveness and equality at the level of policies and programme plans, but it is not clear that these are reflected in practice (Glave and Boresino, 2019). Some of our respondents reported that women (including Indigenous women) are now more widely represented in public meetings and decision-making processes, but others felt that climate finance processes had not empowered or benefitted Indigenous women. The DGM is a partial exception, however: 26 of the DGM sub-projects in Peru are women-led, amounting to a third of the total (Douthwaite et al. 2019).

Peru's forest law and REDD+ strategy offer well-articulated principles of forest governance, but implementation challenges are acute at the level of strengthening regional forestry authorities and management committees (Glave and Boresino, 2019). This is particularly concerning because REDD+ forest conservation and restoration are competing with mining and agricultural expansion to shape local land-use dynamics and, on most measures, appear to be losing. As one 2016 study points of REDD+ in Madre de Dios points out, "In the absence of strong and effective regional regulation for sustainable land use alternatives and the high value of gold on the international market, illegal gold mining proved to be a more profitable land-use choice" (Rodriguez-Ward 2016). REDD+ in Peru remains a long way from "altering development trajectories" and substantially reducing forest loss (Kowler et al. 2016, Piu 2014b).

The implementation of REDD+ has brought some progress in ensuring that Indigenous Peoples' voices are heard, and their rights are respected, with the current forest strategy and policies "enhancing inter-sectoral coordination and fostering legitimacy and engagement" (Lozano Flores 2018). Although significant climate finance has yet to flow from the Peru-Norway- Germany agreement, one study found that it had "affected the land tenure agenda by establishing high standards, setting measurable targets, and leading to better coordination, improved titling procedures, greater local capacities, and more funding for titling and land-use planning processes" (Lozano Flores 2018).

The DGM has also provided avenues for Indigenous communities to directly engage in mapping and characterisation work, which has so far resulted in 133 communities achieving recognition of their claims to approximately 400,000ha of land (Douthwaite et al. 2019). Where tenure has been secured through the titling of community lands in the Peruvian Amazon, this has led to an immediate and significant reduction in deforestation (Blackman et al 2017). However, there has only been limited progress implementing the titling of collective rights on the ground (Tenure Facility 2017).

Some REDD+ projects in Peru have also exacerbated land conflicts. Conservation International's Alto Mayo REDD project, for example, has inflamed long-standing conflict between the government, which allocated the land as a national park, and some local communities over ownership and control of the land. This is just one of many territorial conflicts where land titles granted by regional governments infringe upon Indigenous territories, with the result that Indigenous Peoples are dispossessed of their lands and feel usurped. Kidnappings, beatings and assassinations of environmental defenders have occurred in the context of these conflicts.

As the cases of the abandoned FPCF and the stalled Peru-Norway- Germany agreement (JDI) show, the ability of REDD+ to control forest loss in Peru is questionable, failings that are compounded by remaining inconsistencies in the government's forest policies, and weak enforcement of laws meant to constrain commercial pressures on tropical forests and Indigenous lands (Lozano Flores 2018). REDD+ in Peru has largely failed to slow the pace of deforestation or improve the material well-being of Indigenous communities.

Conclusion/Recommendations

- ***Transparency and access to information***

The government's information website for REDD+ should be regularly updated to include project level data and information on financial flows, so that it is clear which projects are being implemented and have distributed funds.

- ***Civil society and community participation***

Civil society involvement in forest climate finance still needs to be further translated into meaningful participation in decision-making processes. In particular, this requires outreach and capacity building to ensure participation of regional and local organisations and Indigenous communities, to ensure that REDD+ and other financing activities fully adhere to the principle of Free, Prior and Informed Consent.

- ***Corruption risks***

Greater financial transparency is needed as a basis for effective monitoring of forest climate finance flows. In addition, forest climate finance activities should acknowledge the important role of corruption as a driver of deforestation, including through corrupt land deals that dispossess Indigenous communities.

- ***Land tenure***

The titling of community lands in the Peruvian Amazon has led to immediate and significant reductions in deforestation. Further progress is needed to ensure the titling of Indigenous Peoples collective rights, with climate finance providing more avenues for Indigenous communities to directly engage in mapping and characterisation work.

REPUBLIC OF CONGO

Photo by Djoan Bonfils, WRI.

Background

The Republic of Congo (RoC) is home to 22.5 million hectares of the Congo Basin forest. Although RoC has low historical rates of deforestation and forests covering 69 percent of the land area, major infrastructure projects have opened up previously remote forest areas to economic activity.

The current population of Congo is estimated at 4.4 million people and a majority of this population, especially in rural areas, still lives in poverty. An estimated 575,000 Congolese (around 15 percent of the population) live in forest areas. The Indigenous population of RoC is estimated to constitute up to 10 percent of the country's population, with some Indigenous Peoples still leading nomadic and/or semi-nomadic lifestyles, i.e., hunting and gathering in the forests.

The Congolese economy is heavily based on the exploitation of natural resources, especially oil and timber, which contribute nearly 70 percent of GDP. Congo has long been a leading producer of tropical hardwoods (between 2005 and 2008, forestry made up 13 percent of exports and more than 60 percent of non-oil export earnings). The forestry sector accounts for 11,000 direct and 5,000 indirect jobs, but the informal labor force is estimated at over 140,000, making it one of the country's largest private sector employers. Agriculture, which employs 40 percent of the active population, contributes only 6 percent of GDP.

Some of the direct drivers of deforestation in RoC include industrial logging, agro-industrial production (palm oil), slash-and-burn agriculture and mining. The deforestation rate has continued to rise in the context of the country's reliance on commodity exports, which are driving the expansion of agriculture, bio-energy and extractive industries at the expense of natural forests. This situation risks significantly harming socio-economic development in the long term. Therefore, the country's ambition is to build a national economy by 2025 that is based on the principles of sustainable development, and to optimize land use planning as part of a move towards a green economy (Republic of Congo 2016).

In September 2015, the RoC submitted its Nationally Determined Contribution (NDC) to the UNFCCC, presenting forest protection and REDD+ as its main contribution to global mitigation efforts. Congo's NDC is seeking to reduce greenhouse gas emissions by 48 percent by 2025 under the business as usual (BAU) scenario, and by 55 percent by 2035. All of this is conditional on support from the international community. The Government validated its final National REDD+ Strategy in October 2016, which sets out the strategic options for achieving its vision of pursuing low-carbon development pathways. The NDC is currently under revision, in a UNDP supported process that was launched in November 2020.

Overall size of climate funding received

The Government of the Republic of Congo, with the support of FAO, has recently seen US$29 million in funding for the PREFOREST Project approved by the GCF. The project aims to reduce deforestation caused by slash-and-burn farming and over-logging of natural forest for fuelwood by encouraging agroforestry approaches that combine management of trees with that of crops and livestock, resulting in better and more sustainable livelihoods. The project will receive US$9 million in co-financing from the RoC government, US$1.6 million from the International Fund for Agricultural Development (IFAD), and a further US$7 million from the Central African Forest Initiative (CAFI).

The Republic of Congo is also engaged in REDD+, the World Bank Forest Investment Plan (FIP) and signed a VPA with the EU in May 2010. The Republic of Congo submitted its Emission Reduction Programme (ER-Program) in December 2018, which aims to implement REDD+ as model for sustainable development in a 12.4 million hectares programme area, 11.1 million hectares of which are forests (52 percent of the national forest area). The multiple objectives of the programme are to: reduce 9 million tons of carbon emissions from 2019 to 2023; enhance sustainable landscape management; improve and diversify local livelihoods; and conserve biodiversity. The programme is also designed to aggregate and coordinate various sources of funding from multiple international donor agencies, as well as private companies and investors (Republic of Congo 2018). On the 3rd of May 2021 the RoC finally signed an agreement with the World Bank's Forest Carbon Partnership Facility (FCPF) that will unlock up to US$ 41.8 million to reduce 8.4 million tons of carbon emissions through 2025 under the ER-Programme.

The main climate and forest related activities currently underway in RoC are shown in the table below:

Funding Programme	Pledged and approved funding (US$ millions)
GCF (PREFOREST Congo)	29 (+ 8.5 international co-finance)
CAFI (2021– 2025)	45 (+ 20 from bilateral channels)
FCPF (ERPA)	Up to 41.8 (results-based)
Forest Investment Programme (FIP)	24
National Afforestation and Reforestation Programme (PRONAR) [Government of RoC]	10

Figure 6. Forest climate finance in republic of Congo. Source: FAO 2021b

Transparency of governance arrangements and accessibility of information

The FLEGT VPA has been a model for multi-stakeholder governance. Thanks to the VPA, civil society organisations (CSOs) were recognized as a credible partner for the first time, playing a clear role in the process. A major achievement for CSOs was ensuring an inclusive forest legal reform process, leading to the drafting of legal provisions on community rights, and governance mechanisms.

Substantial progress has also been made on increasing transparency in the forest sector – including information on forest revenues, permits and industrial concessions (Bollen 2020). This has been achieved through the implementation of the VPA transparency annex, the creation of an independent forest monitor, and the inclusion of timber in the reporting scope of the Extractive Industries Transparency Initiative (EITI). As a result of these processes, CSOs have also strengthened their overall capacity to influence and monitor a wider set of forest-related policies and regulations, including the goverance of climate finance. They have helped to shed some light on benefit sharing mechanisms in the forest sector and pushed for the inclusion of community forestry in national legislation.

However, fundamental governance challenges persist, which are slowing down progress. One of the key governance challenges that is cited by local organisations and Indigenous Peoples' is the lack of access to information to the existence of and/or activities of those processes, most especially because there is generally no obligatory access to information clauses in the governance frameworks of the processes. Most respondents to our questionnaire felt there was no or inadequate consultation of civil society, or that the consultation does not represent broad groups of stakeholders when it comes to real decision making in these processes.

Inclusion/involvement of civil society actors, communities, and Indigenous groups

Civil society participation in the VPA and REDD+ processes take place mainly through two platforms: (a) the Plateforme pour la Gestion Durable des Forêts (PGDF), which was initially set up to improve forest governance but later decided to use the VPA and forest reforms as levers to provoke change (the same strategy as the CFP in Cameroon); and (b) the Cadre de Concertation des Organisations de la Société Civile Congolaise et des Peuples Autochtones sur la REDD+ (CACO-REDD). Within the framework of VPA negotiations, civil society representation in the PGDF also comprises representatives of Indigenous Peoples and local communities. The REDD+ platform, CACO-REDD also has two components, one for CSOs and one for Indigenous Peoples. CSOs in the RoC equally participated in the negotiation of the VPA, through the decision-making bodies, such as the National Consultative Group and Joint Working

Group. Formal negotiations started in June 2008 and the VPA was signed in May 2009. Issues discussed in the VPA negotiations included participation mechanisms; Free, Prior and Informed Consent (FPIC); and benefit sharing. While a number of CSOs participated in the negotiations, communities and Indigenous Peoples were not directly represented other than through a few CSOs working with Indigenous Peoples or composed of Indigenous Peoples participating in the PGDF platform.

Although CSOs have generally participated in the process of revising the forest law and the elaboration of forest policies, including the Readiness Plan Proposal (RPP) and other technical meetings on REDD+ (e.g., legal, safeguard and secretarial groups), some CSOs claim that they were not able to meaningfully participate in the drafting of REDD+ documents, but were tasked only with validating the RPP and other documents that were written by consultants. In their view, there was almost no meaningful CSO participation in REDD+ meetings such as the elaboration of the Emissions Reduction Project Ideas Note (ER-PIN) in 2014, and that they had to publish position papers just to raise their concerns (Satyal 2018).

Even though the FLEGT process and other processes have greatly improved the inclusion of non-state actors in forest and environmental decision making processes, the effective participation of these stakeholders is still hampered by some underlying factors. For instance, in RoC, there is no strong local civic culture, which hampers effective advocacy by non-state actors. Local civil society also suffers from internal divisions and fragmentation which affects its capacity to play its role effectively.

When asked if independent civil society actors (forest communities, local NGOs, organisations of Indigenous Peoples and other groups unaffiliated to the national government) participate significantly in the governance and funding implementation process, around half of those surveyed felt that participation was more as observers rather than in an active role, while around a third of respondents did not consider there to be any meaningful civil society participation.

Corruption risks

According to Transparency International's 2020 Corruption Perception Index (CPI) the Republic of Congo is ranked 165th out of 180 countries assessed. It has scored a corruption index of 19, meaning it has a perception of very high corruption. The CPI finds that although RoC has an anti-corruption framework in place, its implementation remains weak (Transparency International 2020a). Limited coordination between government ministries means that permits for land use can be contradictory and overlapping, contributing to the prevalence of illegal conversion of timber (Bollen 2020).

The RoC's strategy to control tax collection and stop corruption along the supply chain is both unclear and ineffective (WRI 2014). Increasing forest and trade monitoring in the country might help increase transparency and reduce corruption, but the lack of capacity and equipment to do so is currently prohibitive.

Corruption is commonplace in the forestry sector. For example, a 2019 report by EIA reveals that one of the most influential groups of affiliated timber companies in Africa (referred to only by a pseudonym, for legal reasons) has turned timber trade regulations upside-down and has diverted millions in unpaid taxes from the governments of Gabon and the RoC. Company executives explained in detail to EIA investigators how they routinely bribe ministers in both the RoC and Gabon to obtain timber concessions and avoid punishment for their crimes. EIA's findings indicate that the Group's modus operandi is common amongst the majority of companies operating in the industrial logging sector in the RoC and Gabon (EIA 2019).

Some improvements have been achieved through the VPA and other processes. Major legislative reforms have been carried out in an inclusive manner, including a new law to protect Indigenous Peoples' rights. There is also now formal recognition of the role of independent forest monitoring carried out by civil society, which yielded 38 reports of infringements and irregularities between 2010 and 2018 (Bollen 2020).

Impact of forest climate finance on forest governance, rights and livelihoods

Despite some notable advances in forest and climate governance driven in particular by the implementation of the VPA, significant challenges remain. Communities are rarely involved in decision-making processes, and the accountability of state actors is limited in conflict resolution and the fight against corruption. Coordination between institutions on land and forest governance issues is insufficient and there is a critical need to harmonize and strengthen sectoral policies and climate commitments, including to advance the VPA and better integrate forest governance into the NDC (Tovivo 2020).

The effectiveness of participation largely depends on other factors such as gender and the milieu. A case study on inclusiveness in forest management decision-making mechanisms, which set out to examine and compare inclusiveness in a certified and a non-certified forest management unit in the RoC, found that participants are predominantly men in both units. However, participation of women is more active in the villages of the non-certified unit, where some of the women have achieved strategic positions. They display a greater level of self-mobilisation and active participation, which can be linked to self-started initiatives (Guillaume 2017).

According to survey and interview respondents, forest-related climate finance processes have yet to bring any meaningful positive impacts on the rights and livelihoods local communities and Indigenous people. On the contrary, most informants claim that these programmes have led to negative impacts. For example, the agroforestry activities carried out in the Department of Sangha as part of the World Bank funded Sangha and Likouala project has a negative impact on the Community Development Series (SDC), with land grabbing by elites continuing in defiance of local communities and Indigenous Peoples. Despite the claims that climate finance can strengthen and protect the rights of communities, it has so far cut off access to firewood and agricultural (slash and burn) activities without developing alternatives or supporting the livelihoods of those affected. Violation of FPIC principles, expulsions of local communities and Indigenous Peoples from their ancestral lands, and a lack of transparency in the management of land have also been reported.

Conclusion/Recommendations

The REDD+ and PREFOREST programmes promise to attract significant financial flows into RoC, but there remain significant concerns on whether these will benefit local populations and Indigenous Peoples, with suggestions that these could contribute to land expropriation and the further marginalisation of women and Indigenous Peoples.

A number of measures could be taken to improve the governance of forest climate finance, including:

- ***Transparency and access to information***

Access to information standards should be mandatory in all the programmes and frameworks: proactive, timely and useful information clauses should be embedded in all frameworks, especially as these will facilitate informed decision making for stakeholders. Available information should include clarity on the ownership of implementing entities, and documentation of agreements entered into. Information on financial flows should also be made available, including monitoring reports on the disbursement and use of funds.

- ***Civil society and community participation***

Concerns have been raised regarding shrinking civic space for participation. The existing platforms (PGDF and CACO-REDD) should be preserved and enhanced to ensure that civil society and Indigenous Peoples representatives are afforded more space to participate in decision-making processes.

Capacity building support for civil society should go beyond technical issues to include assistance with improving CSO governance and coordination, since internal divisions and lack of representativeness currently hamper effective advocacy by non-state actors. Capacity building of stakeholders should prioritize the further inclusion of women and Indigenous Peoples.

- ***Corruption risks***

Increasing forest and trade monitoring would help to reduce corruption, although this would require considerable increases in capacity and equipment.

Civil society participation in monitoring corruption has revealed a number of infringements and irregularities. In recognition of the role that independent CSO monitoring can play in improving anti-corruption efforts, their capacity and resources should be enhanced to make them more effective in this role.

- ***Governance, rights and livelihoods***

There should be a systematic review of climate finance projects to address concerns regarding land expropriation and marginalisation of women and Indigenous Peoples. The REDD+ and PREFOREST projects should develop clear, independent mechanisms to reduce or manage conflict arising from remunerations, and to ensure that they do not result in the expropriation of land by powerful elites. There should be capacity building support to ensure that local actors are aware of and can access the GCF's Independent Redress Mechanism and World Bank Grievance Redress mechanisms, if required.

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Appendix 1. Methodology

The research process underlying this report incorporate four elements - a desk-based literature review on the governance of forest climate finance in the countries in question; an overview of bilateral, multilateral and private climate finance flows for tropical forests; an interviews and surveys with key country informants; and review and validation meetings with key partners to review an inception report and to review and comment the findings of a draft of the report prior to completion. The literature review and climate finance overview are both a straight-forward assessment of publicly available information. The primary research carried out via telephone interviews and an online questionnaire are summarized here.

An online questionnaire and telephone interviews were conducted in the six countries covered by the study. Number of interview and survey respondents is shown in table 1.

Country	No. online surveys completed	No. interviews
Cameroon	2	12
DRC	1	4
Ghana	8	4
Indonesia	3	6
Peru	5	4
Republic of Congo	6	6
Total	25	36

The core interviews focused on 3-4 key informants per country, and were conducted in a semi-structured manner, meaning that the list of questions in Annex 2 (below) was used to guide the interviews, but as the primary objective was to collect individual experiences and perceptions, responses may diverge from the question list and uncover new ground. Interview respondents were identified through the existing networks of Fern, Transparency International and the independent consultants carrying out the study. Interviews were used to supplement the desk review and to better understand key trends identified in online surveys.

The online survey was designed to collect and collate views from a wider range of people, to ensure views from government, NGO's and development agencies are included in the report. The survey questions are available in Appendix 2. In all cases, but most notably those of Cameroon and Indonesia, this was supplemented by additional interviews to address information gaps due to a relatively low response rate in the online survey.

Appendix 2. Questionnaire

TI/Fern project – Climate Finance: How can it help to protect forests and rights?
On-line survey questions

Instructions to participants will be to answer for one specific project or interaction with funding agency. If participants are involved in more than one project, they should fill in the survey separately for each project (noting that the survey is not cumbersome and should take only 15 minutes to complete).

Contact info

- Country.
- Affiliation type – select one – (government, international NGO, local NGO, private sector, funding agency)
- Funding agency your project is involved with – select one – (GCF, FCPF, add others as relevant per country). (Please respond to only one funding agency per questionnaire).

Participation

1. In practice, how extensive are consultations between funding agencies and civil society? Select one:
    - o Weak – There is no civil society consultation, or consultation does not represent broad stakeholder groups.
    - o Average – There is civil society consultation in advance of the approval of funding proposals but not during their implementation period, and/or civil society consultation is irregular.
    - o Good – There is regular and meaningful consultation between civil society representing different stakeholder groups and implementing agencies.
    - o No response.
2. Do independent civil society actors (e.g. forest communities, local NGOs, Indigenous peoples' organisations) participate meaningfully in the funding governance and implementation processes? Select one:
    - o Weak – civil society actors do not participate in proceedings.
    - o Average – civil society actors attend proceedings, but mostly in an observational capacity.
    - o Good - civil society actors participate in proceeding and have opportunities to meaningfully contribute.
    - o No response.
3. To what extent are civil society recommendations acted on? Select one:
    - o Weak – proposals and implementation plans do not change following civil society input.
    - o Average – Some input from civil society is adopted in the development of proposals and implementation plans.
    - o Good – processes for implementation and decision-making are developed in conjunction with civil society and other relevant stakeholders.
    - o No response.

(Short text box for any further comments on Accountability)

Transparency

4. Do the climate finance initiatives that you are aware of contain adequate policies for public access to information on projects/programmes (e.g. funding decisions, financial or progress reports)?
    - o Weak – There are no provisions to disclose information publicly or on request.
    - o Average – There are provisions in place to disclose information publicly or on request.
    - o Good – There are clear provisions in place and the information is freely available in the public domain, comprehensive and timely.
    - o No response.
5. Does the project or funding mechanism have effective financial reporting guidelines in place?
    - o Weak - There are no financial reporting requirements.
    - o Average – Financial reporting requirements exist, but are insufficiently thorough or inconsistently applied.
    - o Good – Explicit reporting guidelines are in place and effectively enforced.
    - o No response.

(Short text box for any further comments on Transparency)

Accountability

6. Are funding initiatives governed by clear and effective accountability mechanisms?
    - o Weak – Decision-making processes are complex and opaque and are not explained or made available to stakeholders.
    - o Average – Procedures for decision-making and appeal of decisions exist but they are unclear or ineffective.
    - o Good – Comprehensive and transparent explanations of decisions are provided on a regular basis.
    - o No response.
7. Are there mechanisms to handle whistleblowing or the exposure of wrongdoing by staff or contractors working on funding initiatives?
    - o Weak – There is no protection for whistleblowers.
    - o Average – Provisions exist to protect whistleblowers, but they are incomplete or poorly enforced.
    - o Good – Comprehensive provisions exist to protect whistleblowers, which are en forced in practice.
    - o No response.
8. Are there independent and effective mechanisms in place to register and investigate com plaints by external actors about corruption or fraud in climate finance projects/programmes?
    - o Weak – There are no provisions to handle complaints.
    - o Average – There are provisions in place to handle complaints, but these are not followed in a consistent manner.
    - o Good - Appeal procedures are publicly available and are adhered to.
    - o No response.

(Short text box for any further comments on Accountability)

9. Impacts of climate finance on forest governance

Do you have any examples of **positive** or **negative** impacts to forest governance from climate finance? (e.g. impacts on rights and livelihoods, on gender, on ecosystems).

(Short text box for written response)

Glossary of Terms

Climate Finance: International climate finance primarily refers to the transfer of public resources from developed to developing countries to support action on climate change, as set out in the 1992 United Nations Framework Convention on Climate Change (UNFCCC). Such finance should be "new and additional, predictable and adequate", in the words of the 2010 Cancún agreements.

Deforestation: According to the UN's Food and Agriculture Organisation, deforestation is the loss of forest land through "the conversion of forest to another land use or the long-term reduction of the tree canopy cover below the minimum 10 percent threshold."

Forest degradation: According to the UN's Food and Agriculture Organisation, forest degradation is "the reduction of the capacity of a forest to provide goods and services."

National Designated Authority (NDA): A government institutions that serve as the interface between the Green Climate Fund and recipient countries. An NDA should provide broad strategic oversight of the GCF's activities in the country and communicate national financing priorities, as well as engaging in stakeholder dialogue.

Nationally Determined Contributions (NDCs): National plans that set out medium and long-term emissions reduction goals and (optionally) adaptation objectives as part of the Paris Climate Agreement. Developing country NDCs often contain "unconditional" emissions reduction targets as well as others targets "conditional" on the provision of international climate finance.

Results-based payments (RBP): Results-based payments are international financing instruments where payments are contingent on the independent, ex-post verification of results, such as meeting verified deforestation reduction targets. RBP accounts for the largest share of REDD+ financing.

REDD+: 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, as captured in relevant UNFCCC decisions.