Building Robust Jurisdictional Strategies and Investment Plans to Reduce Deforestation and Promote Low Emissions Development

Concept Paper to Accompany GCF Task Force Proposal Template

1. Introduction

The Governors' Climate and Forests Task Force (GCF) is a unique, subnational collaboration of thirty-eight states and provinces from ten countries working to build robust, jurisdiction-wide programs for REDD+ and low emissions development, and to connect these programs with public and private finance. More than one-third of the world's tropical forests are in GCF states and provinces, including the vast majority of the Brazilian and Peruvian Amazon and most of Indonesia's forests.

In 2014, GCF Governors adopted the Rio Branco Declaration, signaling to the world that they are ready to do more than their fair share in the effort to fight climate change, protect forests, and enhance livelihoods. The Rio Branco Declaration commits its signatories to reduce deforestation by 80% by 2020 if sufficient, long-term financial support is made available. It pledges to provide to indigenous and traditional communities a "substantial share" of any pay-for-performance funds these states and provinces receive as a result of their efforts to reduce deforestation. And it calls upon supply chain actors and indigenous peoples organizations to partner with GCF states and provinces to build jurisdictional programs for low emissions development that are durable and equitable and that align with national policies and programs.

At the 2015 GCF annual meeting in Barcelona, the Norwegian Government announced a $25 million pledge to the GCF in recognition of the Rio Branco Declaration and the ongoing leadership of GCF states and provinces.

Norway has selected UNDP's REDD+ Team in Geneva to manage and implement its pledge. The aim of Norway's pledge is to support innovative GCF tropical forest states and provinces to meet the commitments of the Rio Branco Declaration by developing/updating jurisdictional strategies for REDD+ and low emissions development and catalyzing transformative financing opportunities. This will be done through two funding windows:

A. GCF Jurisdictional Strategies and Investment Plans Funding Window

B. GCF Innovation Funding Window

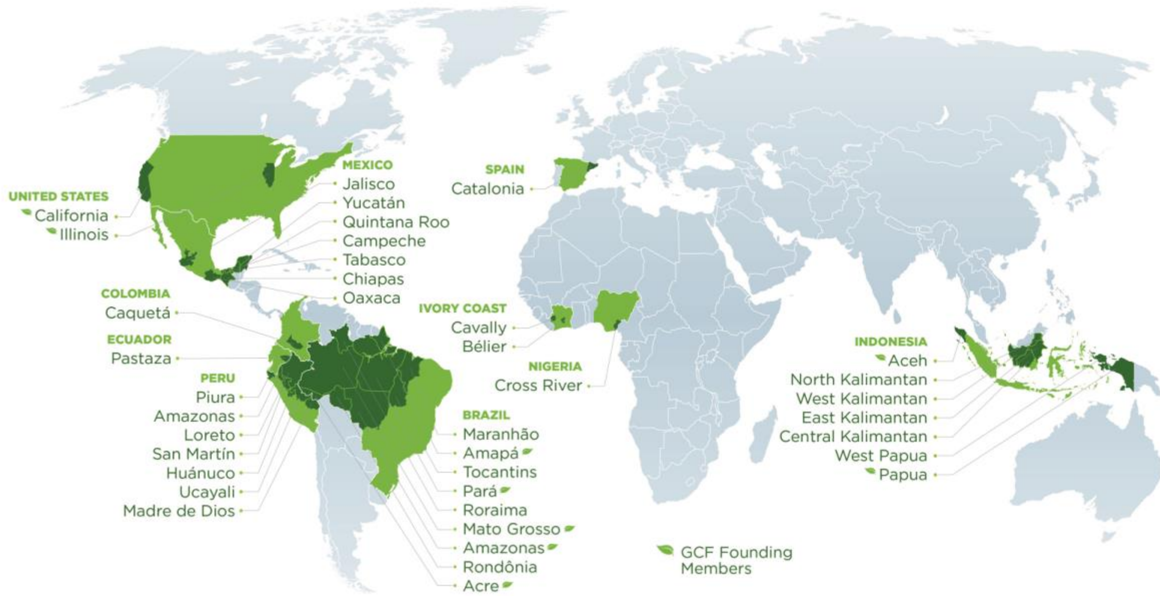
This concept note provides context relevant to funding window A: GCF Jurisdictional Strategies and Investment Plans and covers the following areas:

- Background on the GCF and the Jurisdictional Approach
- Robust Jurisdictional Strategies and Investment Plans
- Activities Supported Under Funding Window A
- Expected Steps for Participating in this Initiative

2. Background on the GCF and the Jurisdictional Approach

The GCF now includes thirty-five tropical forest states and provinces from eight countries (Brazil, Colombia, Cote d'Ivoire, Ecuador, Indonesia, Mexico, Nigeria, and Peru), with large clusters of states and provinces in Brazil, Indonesia, Mexico, and Peru.[1]

[1] The entire GCF network is currently comprised of thirty-eight members from ten countries, those listed above as well as the United States and Catalonia.



The GCF's theory of change starts from the premise that states and provinces (and subnational actors generally) are key players in the global effort to protect forests and fight climate change. They are doing much of the hard work associated with climate change mitigation, and adaptation. Subnational jurisdictions represent an important, often decentralized, level of territorial governance that is closely connected to local realities, land use actors, and investments. These governments can make more efficient use of resources by more precisely targeting REDD+ interventions. Additionally, initiatives at the jurisdictional level provide the opportunity to consolidate efforts and align interests across multiple stakeholders (government, business, communities) and sectors. Such approaches are not only essential to prevent leakage but also serve as important sources of experimentation and policy innovation. For example, even if scaled up, a payment for ecosystems services (PES) project, without enforcement of land-use zoning across the landscape, could simply displace emissions outside of the areas covered by the project, cancelling out the mitigation effects.

Since its inception, the GCF has been at the forefront of efforts to develop and implement *jurisdictional programs* for REDD+ and low emissions development. In contrast to individual projects, a jurisdictional program takes a holistic, wall-to-wall approach to forest and land use governance. When successful, such programs provide a platform for cross-sectoral policy alignment and coordination with national processes, as well as a framework for bringing multiple public and private sector activities together into a comprehensive approach to low emissions development. By mainstreaming REDD+ and low emissions development into government programs and policies, the jurisdictional approach thus seeks to achieve emissions reductions at scale and to ensure institutional and political durability. As jurisdictional programs advance and receive support, they also provide proof-of-concept to other jurisdictions and demonstrate the tangible political benefits of investing in the fight against deforestation and climate change — all of which serves to reinforce and strengthen individual and collective commitments and to further leverage support for subnational initiatives to protect forests and reduce emissions.

Efforts to establish and maintain successful jurisdictional programs face many challenges. At a minimum, building robust jurisdictional programs as a basis for effecting transformative change in land use and forest governance in any state or province requires strong leadership and commitment from the Governor and his/her political appointees, combined with strong organizational capabilities across the government and its broader network of civil society partners. As understood here, organizational capability for policy implementation is the ability of an organization to equip, enable, and induce its agents to do the right thing at the right time to advance a normative policy outcome.

To be sure, these are necessary but not sufficient conditions for success. They can be viewed as key components of the conditions for transformative change. They do not by themselves constitute a guarantee that such change will occur.

The GCF experience suggests that some GCF jurisdictions are stuck in persistent capability traps, and that very few GCF Governors have yet to see political dividends from a strong commitment to reducing deforestation. That said, there are GCF jurisdictions that have been able to combine a strong Governor's commitment with strong organizational capabilities. Moreover, there are a number of jurisdictions that combine strong commitment with weak capabilities and vice versa. Understanding where a jurisdiction is in terms of commitments and capabilities should be an important consideration in seeking and deciding upon support for jurisdictional strategies and investment plans.

It is important to recognize in this respect that there are a variety of institutions and organizational forms that can comprise a successful jurisdictional program. There is no "one right way" to build a high-performing jurisdictional approach, in other words. The capabilities of any particular jurisdiction will be driven as much by the vernacular institutions and informal norms that exist within the particular government and among the broader network of actors involved in the jurisdiction's efforts as they are by the adoption of lessons and best practices taken from the experience of other jurisdictions.

Given the wide range of commitments and capabilities across these different jurisdictions, any support for the development of jurisdictional programs should start with these differences in mind. Moreover, it is critical that the overall approach be flexible enough to accommodate the different starting points and distinctive contexts of individual GCF members.

Effective jurisdictional approaches to REDD+/LED should be problem-driven, including careful attention to the conditions in the jurisdiction that give rise to problems of policy formulation and, more importantly, implementation. Focusing on problems that matter in the specific context of the jurisdiction in question forces government leaders, managers, civil servants, and civil society partners to ask questions about incumbent ways of doing things and promotes meaningful inquiry into alternatives. Finding and fitting solutions to local, jurisdiction-specific problems is a collective, network capability acquired through a process of trial and error.

In practice, jurisdictional REDD+/LED approaches should:

Mobilize and align capabilities across multiple government departments and programs to achieve higher implementation effectiveness (as well as the broader network of partners), rather than pursue individual projects and activities spread across a state or province, often involving different actors with different priorities. Indeed, there is not always a direct and linear relationship between a specific project and emissions reductions. Rather, emission reductions result from a series of interrelationships of different enabling policies (e.g. inter-institutional coordination) and direct investments made in the field (e.g. subsidies to farmers). Furthermore, individual policies and measures pursued in isolation can increase the risk of displacement (or leakage). Implementation of enabling policies and investments in the field in a coordinated manner on a large scale increases the potential for effectiveness in addressing drivers. As part of their effort to develop a jurisdictional strategy and/or investment plan, jurisdictions will need a clear **theory of change** (further described below) that identifies these interrelations.

Enhance learning and knowledge generation which can be captured in the programme's monitoring, reporting, and evaluation arrangements and adaptive management system. While assessing the effectiveness or efficiency of a project in delivering on a specific output (e.g. outputs per hectare under a payment for ecosystem services (PES) scheme) is relatively straightforward, jurisdictions still need to better understand the interrelationships between different policies, as well as their impact on drivers and ultimately on emissions, which are better monitored at the jurisdictional level. This learning is crucial, and the GCF can be a platform to disseminate lessons in terms of monitoring and evaluation and adaptive management for jurisdictional programmes, and facilitate South-South learning on how to design and manage such complex programmes. The jurisdictional level is the ideal scale to pilot policies which could then be scaled up to the national level or replicated in other jurisdictions without increasing the total costs of implementation.

Increase cost efficiency, political leverage, and capacity to manage risks. Consolidated coordination through a jurisdiction-wide approach can allow a jurisdiction and its financial partners (donors and investors) to better:

- Coordinate the multiple initiatives and stakeholders existing in a landscape, supporting their alignment towards a common goal;
- Focus the jurisdiction's transformative efforts based on a single work plan and results framework, with priorities clearly set;
- Monitor and evaluate progress using harmonized performance metrics, tools and methodologies and in some cases the same systems (e.g. forest monitoring system or commodity traceability system); and
- Report progress in a manner that allows for consolidation and joint stocktaking.

This approach could benefit from many sources of financing, and involve multiple partners supporting multiple activities without all resources flowing through a single channel. Moreover, it has the potential to enhance:

- Political leverage to promote alignment with low-emission development objectives through strategic and coordinated allocations (successful low-emission development requires considerable political will and commitment to reform by all stakeholders in partner jurisdictions);
- Financial additionality of resources, by facilitating a better coordinated blend of financial instruments (loans, grants, guarantees, equity); and
- Measurable impact, which can in turn improve political support and create additional resource opportunities.

Examples of jurisdictional strategies and planning processes are available on the Governors' Climate and Forest Task Force Knowledge Database.

3. Robust Jurisdictional Strategies and Investment Plans

As understood here, a REDD+/LED jurisdictional strategy is a strategic framework or "meta-strategy" for the planning and implementation of low emissions development that responds to the particular challenges and opportunities within the jurisdiction. It builds on the overall existing policy framework of the jurisdiction (development plan, sectoral policies, etc.) as well as past and ongoing initiatives. As such, it may be understood as a "meta-strategy" aimed at enhancing policy coherence as well as cross-sectorial and multi-stakeholder coordination, rationalizing resource use, and streamlining policy implementation.

A REDD+/LED jurisdictional strategy is more than a document. An effective jurisdictional strategy is built on ongoing multi-stakeholder involvement. It is durable across political administrations. And it has sufficient flexibility to respond to new challenges and opportunities. The process of building a robust jurisdictional strategy thus results in a "living" document that will enable the jurisdiction to communicate its vision and priorities to its constituents and partners, both internally and externally, and align finance and initiatives. Over time, an effective jurisdictional strategy will be embedded in sectoral policies and law, and reflected in the basic organizational capabilities of the government.

An investment plan should complement the jurisdictional strategy by reinforcing the ongoing, deliberative process of prioritizing and operationalizing its actions. It should contain costed and packaged deliverables as well as provide a coherent framework for understanding existing flows of finance and channeling new investment (public and private) to meet the needs of the jurisdiction outlined in the strategy.

Support for jurisdictional strategies and investment plans should avoid a "transplant" approach, wherein so-called best practices of strategy/plan development are imported into the jurisdiction via civil society partners and the broader donor community without careful attention to the realities on the ground. Such an approach reinforces the incentives for the jurisdiction and/or its partners to focus on reproducing the form of what a good strategy or plan should look like rather than doing the hard work of identifying the key problems and critical actions that are necessary or most likely to lead to transformation, and building/strengthening functional capabilities for strategy development (and implementation).

Put another way, support for jurisdictional strategies and investment plans should avoid creating incentives for partners and jurisdictions to focus on the production of strategy documents that look good but are disconnected from the processes and capabilities in the jurisdiction itself. Rather, such support should be directed at building capabilities to design and implement robust strategies that identify the problems and challenges confronting the government and its partners, outline realistic approaches to solving those problems, and establish processes for adapting and adjusting strategies over time.

Planning "pathways"

Many – though not all – GCF jurisdictions have already engaged in REDD+ or LED strategy development, resulting in either a "strategy" or "action plan". Funding through Window A can be used for both strategies and plans. Though both are supported by a thorough context analysis and a clear theory of change, there are distinctions between the two: (i) "Strategies" may be understood as a general framework defining a medium- or long-term vision, with wide-ranging orientations; while (ii) "Plans" tend to be more detailed and operationally-oriented, and may include detailed budget and quantitative objectives, a results framework, a risk management framework, and outlines of programmes (Table 1). The terminology used by a given jurisdiction may also reflect institutional requirements or preferences, and existing REDD+/LED strategies or plans and as a result the terms in use may vary widely. While some jurisdictions have used the term "action plan", others have preferred the terms "investment plan", "strategic plan", or "implementation plan".

Figure 1: The planning pathway - from strategic planning to implementation

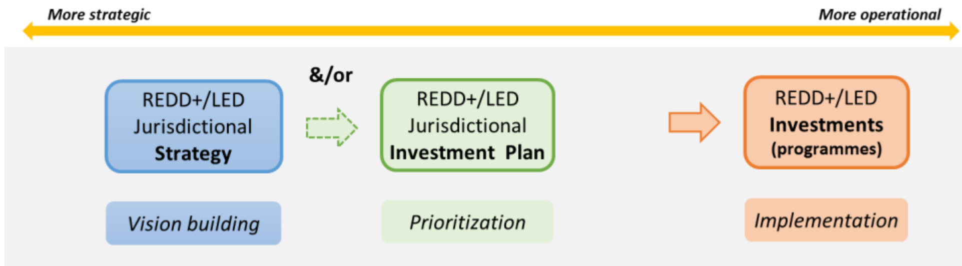


Table 1: Generic characteristics of a "strategy" vs a "plan"

(a) Strategy	(b) Plan
• **Political document** • **Medium/long-term vision** (e.g. 10 years or open-ended) • **General strategic priorities to achieve vision and goals**	• **Operationally-oriented** (i.e. semi-political semi-technical) • **Shorter/medium-term** (e.g. 5 years) With: ✓ Detailed **quantitative objectives…** ✓ **…through "packages" of actions…** (coherent set of projects/programmes) that have been **prioritized** ✓ **…**which have been **costed…** (budget) ✓ …with **financial resources** identified &/or secured as part of a financing strategy (potentially associated with a financial mechanism) ✓ …to be implemented over a **specific timeline/sequencing…** ✓ …**monitored and evaluated** using an overall **results framework** using **performance indicators…** (associated with a M&E system) ✓ … with **risks identified & managed** ✓ and a functional **cross-sectorial and multi-stakeholder coordination and oversight mechanism** that enables adaptive management

The appropriate planning pathway will depend on the specific context of each jurisdiction. A very generic "strategy" alone is unlikely to be sufficient to direct and coordinate investment, or form a robust basis for mobilizing finance. But while some jurisdictions may directly aim to develop a detailed and concrete "plan", others may prefer to secure progress through a more general "strategy" first, for example while the conditions are right before a political transition, or as a first important milestone to reduce the risk of "planning fatigue".

Ultimately the decision will depend on the context, in particular: (i) the existing policy framework and the various initiatives a jurisdiction may build on; (ii) its collective capacity (both public and private partners) and level of collaboration; (iii) the level of convergence among sectors and stakeholders towards a common vision; (iv) the specific – and diverse – requirements from the various sources of finance targeted (both domestic and international).

Building on the existing policy framework and initiatives, focusing on a robust, socially-inclusive and gender-responsive participatory process, and defining the relevant objectives early-on should always be kept in mind.

Key aspects of the strategic planning process

In the process of strategy development, diligent inquiry is needed into the underlying causes (drivers) of deforestation and land use change, together with a genuine debate about the related barriers to change and tasks that the government and its partners can realistically perform. This will guide the identification of the specific problems that the jurisdiction faces as well as the development and application of innovative, perhaps unique, solutions that will be durable over time.

A well-developed jurisdictional strategy or plan should thus provide a clear "theory of change" for how the jurisdiction will reduce deforestation in accordance with the targets and commitments of the Rio Branco Declaration and over the longer term given the particular circumstances within the jurisdiction. This includes:

- a clear delineation of what is driving land use change and deforestation on the ground in the particular jurisdiction;
- identification of the jurisdiction's priorities for addressing these drivers;
- the assumptions on which these priorities are defined;
- identification of any barriers faced by and livelihood needs of both women and men within the forest communities (particularly those from marginalized groups, such as women, youth, ethnic minorities, indigenous people, etc.) in the jurisdiction; and
- the legal and institutional challenges (and opportunities) that the jurisdiction faces in developing and implementing its strategy (including the capabilities within the government and among key civil society partners), partnership demands and opportunities, coordination with national policies and processes, and financing needs.

In simplest terms, each jurisdictional strategy or plan needs to identify what the jurisdiction plans to do to address the drivers of deforestation and achieve its targets in the context of the jurisdiction's particular situation, how it will build a process to implement this, and why the identified approach will be effective.

As part of this, and in keeping with the idea that jurisdictional approaches should be "problem-driven", the jurisdiction and its partners will need to focus on careful identification and characterization of the "internal" and "external" problems of governance and organizational capabilities that it confronts in trying to develop and implement a strategy to reduce deforestation; why these particular problems matter to the performance of the government and its partners; and how they can be addressed. In effect, the process of developing a jurisdictional strategy or plan should include an honest and forthright assessment of the jurisdiction's implementation capabilities and the problems it confronts in trying to reduce deforestation.

Jurisdictions will need to analyze where they stand in their REDD+/LED "planning pathway" (Figure 1), and define what is necessary for strategic, effective, and efficient implementation and resource mobilization. This can be measured against the elements presented in Table 1(b). Further guidance to jurisdictions on how to conduct this assessment is outlined in the proposal template.

Regional strategies

In some cases, neighboring jurisdictions may want to collaborate in the development of a regional, multi-jurisdictional strategy and/or investment plan. The advantages of such an approach include an improved ability to address regional drivers and common problems, coordination and sharing of resources, better alignment with national policies and programs, and information exchange and learning. In any such approach, there should be clear identification of the advantages of a regional approach as well as an evaluation of the potential costs. In particular, a regional strategy should not come at the expense of strengthening capabilities and processes for REDD+ and low emissions development within individual jurisdictions.

Risks associated with jurisdictional strategies and investment plans

Any support for the development of jurisdictional strategies and investment plans should be aware of (and seek to mitigate where possible) risks associated with such interventions. At a minimum, the GCF wants to ensure that any intervention under this program does not make things worse by creating perverse incentives, imposing unrealistic demands, disrupting promising efforts already underway, or reinforcing or worsening existing inequalities (e.g. social, gender, etc.). This requires an assessment of risks before making decisions on funding. These include:

(1) Form over function – support for the development of jurisdictional strategies and investment plans should avoid creating and/or reinforcing incentives in target jurisdictions to develop strategies that look like the kind of plan that international best practices suggest are good strategies, rather than helping the jurisdictions (and their partners) to do the hard work of building/enhancing the functional capabilities needed for successful strategy development and implementation.

(2) Unrealistic expectations – existing organizational capability in any particular jurisdiction, which includes internal capabilities as well as capabilities of key partners in the broader network of actors working with the jurisdiction, is a fragile, scarce resource that is often the binding constraint on public sector interventions. It needs to be deployed carefully and strategically. Funding through Window A will therefore be targeted to activities/tasks that are feasible without placing unrealistic expectations on the jurisdiction. Adding new roles and responsibilities in the case of weak and fragile governments can make things worse. At the same time, funding through this window should push jurisdictions to do more. Civil servants need to understand not only their constraints, but also the opportunities they have to push forward with new agendas.

(3) Disruption of ongoing stakeholder processes – many GCF governments have already engaged in some form of stakeholder process in their efforts to address deforestation and related challenges. Support delivered through Window A should be careful not to disrupt ongoing processes, but where possible should seek to build upon and enhance them.

(4) Undermining trusted relationships – several GCF governments have already developed partnerships with local and regional civil society organizations (sometimes as broad consortia). These partnerships often support (and are reinforced by) ongoing stakeholder processes. Support delivered through Window A, including the initial work of selecting a "responsible partner" for the jurisdiction, should not undermine existing relationships between the government and its civil society partners.

(5) Political and administrative change – noting that high-level political support and administrative capability is critical to the success of jurisdictional strategies and investment plans, jurisdictions and their partners should ensure a system is in place to enable the continuity of processes beyond electoral cycles. This entails building capacity and continuity at the civil servant level and garnering the support of a new administration in the event of change.

(6) Reinforcing existing inequalities – support for the development of jurisdictional strategies and investment plans should avoid reinforcing or worsening inequalities (e.g. social, gender, etc.) of communities within and around the jurisdiction. Efforts to restore and enhance forests that do not take into account those stakeholders who access, rely and use the forests for their survival (e.g. women and men in forest communities) can inadvertently lead to negative impacts on the livelihoods of these stakeholders, particularly those more marginalized (e.g. women, youth, indigenous people, etc.). Thus, support delivered through Window A should seek to promote social inclusion, women's empowerment and gender equality.

4. Activities Supported Under Funding Window A

As stated in the Framework Document for the Norway-GCF Pledge, the overall goal is to support GCF members and their partners in innovative GCF tropical forest states and provinces to implement the Rio Branco Declaration to reduce deforestation 80% by 2020 and to build a foundation for further reductions in the post-2020 period. Window A aims to do this through grants of up to US$ 400,000 per member jurisdiction to support efforts to establish (and strengthen) the capabilities, processes, and partnerships needed to generate, implement, and adapt strategies to reduce deforestation at scale and promote low emissions development, given the particular circumstances in the jurisdiction. Regional approaches developed by groups of member jurisdictions (e.g. the Peruvian Amazon members) will also be eligible for support.

GCF jurisdictions participating in this initiative should demonstrate a desire to develop jurisdictional strategies and investment plans that: (i) build on existing jurisdictional planning efforts; (ii) think creatively about what the real issues and key opportunities are; (iii) identify priority actions towards improved land and forest use; and (iv) strengthen planning and implementation capacity.

Where possible, support channeled through this window should push jurisdictions, together with their partners, to think outside the confines of traditional strategy development and to create a process that will strengthen capabilities within the government, as well as connections with civil society and other stakeholders, particularly those more marginalized, such as women, youth, indigenous people, ethnic minorities, etc. It should also recognize that successful strategies must be open to novel and experimental approaches to problem solving. Based on a self-assessment and according to the specific context, needs and opportunities of each jurisdiction, different jurisdictions may propose a variety of approaches to the development of strategies and investment plans.

Given the wide range of commitments and capabilities across the GCF members (as noted in section 3 above), support delivered through funding window A should be flexible enough to accommodate the different starting points and distinctive contexts of individual GCF jurisdictions. To that end, activities eligible for support under funding window A can be grouped into three broad categories:

(1) development of new jurisdictional strategies and investment plans;

(2) elaboration and refinement of existing jurisdictional strategies and investment plans; and

(3) development of complementary products and proposals that build on existing jurisdictional strategies and investment plans and that are targeted at larger sources of finance such as the Green Climate Fund.

Development of new jurisdictional strategies and investment plans

In jurisdictions that do not have a REDD+/LED strategy or plan in place, building a common vision and defining the strategic actions and structure required to achieve it will be an essential first step. These jurisdictions should strongly consider using support channeled through this window for participatory development of a strategic and operational vision for the jurisdiction, so as to frame their subsequent steps towards implementation. There is great value for these jurisdictions in using this support to build and/or strengthen internal capabilities, to establish multi-stakeholder processes, to assess the specific challenges and opportunities facing the particular jurisdiction, to begin mapping pathways to low emission development, and to identify problems that can be solved based on existing resources and capabilities as well as those that require additional support and partnerships. For these jurisdictions, the point is to take the initial steps toward building a robust jurisdictional program for REDD+ and LED. In this respect, it is vital to avoid the risk of asking jurisdictions to take on too much in the way of new roles and responsibilities or raising unrealistic expectations (as discussed above). In sum, support channeled through this funding window needs to meet jurisdictions where they are, recognizing that many must walk before they can run.

Elaboration and refinement of existing jurisdictional strategies and investment plans

This initiative also recognizes that many – if not most – of the GCF jurisdictions already have some sort of REDD+/LED strategy or plan. However, these may be partial (either spatially or in terms of drivers/agents of deforestation addressed) or outdated. Some jurisdictions may therefore prioritize efforts to expand, update, elaborate, and/or refine their existing REDD+/LED strategy or plan. A jurisdiction could further refine an existing or strategy or plan by carrying out additional analysis of the underlying drivers of deforestation in the jurisdiction, or improving the connections to national and global initiatives for reducing deforestation (e.g. national climate change or REDD+ strategies, or the New York Declaration on Forests). Funding under Window A could also be used to update existing strategies so that they better reflect other relevant jurisdictional processes taking place, such as commodity supply-chain initiatives, or to enhance stakeholder processes, or better respond to the needs and concerns of women, indigenous peoples, or other marginalized groups. Some jurisdictions may also choose to complement their existing strategy and plan with a more detailed and operational investment plan, that includes costed and packaged actions (a programme), following a clear theory of change, with a robust integrated results framework and risks management framework.

Development of complementary products and proposals

For those jurisdictions that already have a relevant REDD+/LED plan in place that does not need significant updating, funding under Window A could be used to support the development of complementary products and proposals that build on existing jurisdictional strategies and investment plans to facilitate specific implementation partnerships and/or targeted at larger sources of financing, such as the Green Climate Fund.

Such support could be used to conduct a financial and economic appraisal of existing financing as well as an assessment of additional financing options as part of the jurisdiction's broader investment plan. Developing an integrated approach that brings together the various relevant financing streams, whether strictly "REDD+/LED" or rather REDD+/LED-relevant (from public and private, domestic and international sources) may represent an important step towards the implementation and viability of the jurisdictions' strategies and investment plans.

The specific steps required to develop such an approach will vary according to the context of each jurisdiction, but could incorporate the following elements:

Financial and economic appraisal of proposed actions: Building the case for financing implementation starts with a financial and economic appraisal of the various actions proposed. (i) The economic analysis – the analysis of the costs and benefits flowing to/from society – can mean (depending on the programme context) the monetization of non-market benefits, internalization of externalities, and accounting for subsidies, among others. (ii) The financial analysis refers to analysis of the costs and revenues flowing to/from the programme.

Mapping existing flows of land use finance: Many financial resources relevant to REDD+ are already flowing into the jurisdictions. Some are directly supporting REDD+/LED objectives (green investments) but are not adequately aligned and coordinated, ensuring the necessary synergies. Other resources (grey investments) will actually oppose the REDD+/LED agenda, representing several times the level of magnitude of the green finance.

Mapping the existing flows of land use finance and characterizing which are supporting or opposing the REDD+/LED agenda is a useful first step to then identify the financing gaps, as well as the opportunities to better align or redirect financing flows. [2]

Based on this appraisal, a financing plan can be developed identifying the amount, instruments (grants, loans, guarantees, results-based payments, equity), required to finance the different types of projects as well as relevant potential sources (public, private, domestic, international).

Monitoring, evaluation, and reporting

Regular reporting will be an integral part of monitoring and evaluation for systematic and timely information on progress. All activities supported under funding window A should include provisions for monitoring, evaluation, and reporting of progress in a manner that allows for consolidation and joint stock-taking across multiple actors and sectors. This kind of recursive or adaptive approach to the development, refinement, and implementation of jurisdictional strategies and investment plans will also help jurisdictions better understand the interrelationships between different policies, their impact on drivers, and ultimately their role in reducing emissions.

Provisions for monitoring, evaluation, and reporting should reflect the different starting conditions and contexts of GCF members and should be based on a robust and realistic results framework for each jurisdiction as well as a functional and pragmatic, integrated monitoring and evaluation system. Over time, as jurisdictions move from development and refinement to implementation of strategies and investment plans, the results framework should become more detailed, including the creation of harmonized performance metrics, tools, and methodologies; the use of shared systems for monitoring drivers and the implementation of policies across projects; monitoring financial execution; and respect for common safeguards.

This system could also include a monitoring of efforts at the national/international level in order to identify synergies, avoid redundancies, and recognize opportunities for leveraging jurisdictional efforts.

UNDP policies and procedures will guide the monitoring, evaluation, and reporting process. For a Responsible Party, this includes (a) quarterly reports; (b) if the duration of the agreement exceeds one (1) year, annual reports; and (c) a final report. The reporting timeline will depend on the length of each project and will be agreed between UNDP and the Responsible Party. Partners should ensure monitoring and reporting costs are reflected in the budget. Partners should also budget for a final report to illustrate results and collect best practices and lessons learned that can be shared with other jurisdictions and inform future programming. UNDP will provide reporting templates. In addition, the activities carried out by Responsible Parties may also be subject to independent evaluation and/or audit as part of the UNDP REDD+ global project.

[2] Additional guidance on how this could be carried out will be made available to assist jurisdictions to undertake financial mapping exercises under Window A.

5. Expected Steps for Participating in this Initiative

There are two primary steps for participating in this initiative: i) conducting a preliminary self-assessment to establish a baseline; and ii) engaging with stakeholders. These steps must be carried out by jurisdictions and their partners in preparing a proposal under Window A. Guidance on proposal development is provided in the template.

The baseline (preliminary self-assessment)

In many jurisdictions, much has already been done to get on the path to low emission rural development, including the development of jurisdictional strategies or plans. It is imperative to build on past efforts where relevant.

Whether or not a given jurisdiction already has a REDD+/LED strategy or plan in place, the first step in participating in this initiative is a quick self-assessment (by the jurisdiction and its partners) of:

- What has already been carried out and achieved at the jurisdictional level: the existing strategic framework with its current relevance and completeness, as well as the degree to which it has been translated into the jurisdiction's policy, legal, and institutional framework. It may also be relevant to assess whether the key elements of operationalization of a jurisdiction-wide approach mentioned in Table 1b are in place;
- Existing initiatives and new opportunities within the jurisdiction as well as outside (i.e. at the global or national level) that the jurisdiction could capitalize on, and the extent to which the existing strategic framework capitalizes on them.

An assessment of the jurisdictional efforts in place should include a mapping of drivers, stakeholders (including those more marginalized, such as women, indigenous people, ethnic minorities, etc.), and policies; existing finance options; institutional capacities; and jurisdictional partnerships (e.g. commodity producers, conservation organizations). It should also include an analysis of how these jurisdictional efforts are socially inclusive and gender-responsive. Understanding the drivers is also critical. Not only the direct drivers (i.e. commercial agriculture, illegal logging) but especially underlying drivers (i.e. institutional capacity, legal framework, market forces) and how they relate to each specific direct driver. Sometimes drivers are very uniform within a jurisdiction but they can also vary substantially from one part of a jurisdiction to another.

The jurisdiction should also consider the current REDD+ activities, stakeholders, and existing policies and measures within the jurisdiction. Moreover, a synopsis of monitoring and evaluation systems in place for both REDD+ and implementation (including monitoring of drivers) is an opportunity to assess current efforts, identify gaps, and address as part of the programme.

A quick preliminary assessment of existing financing sources and opportunities may also be a useful basis for subsequent financial and economic appraisals and the potential development of an integrated financing strategy (see below).

Mapping existing capacities (human, institutional) will facilitate an assessment of how far the jurisdiction is from being able to fill gaps and harness opportunities. Given the problems of high staff turnover and the associated lack of institutional memory that affects many GCF jurisdictions, the baseline assessment should also assess staff turnover and any efforts by the jurisdiction to ensure continuity of jurisdictional programs across political administrations.

Investment planning at jurisdictional level should be carried out in partnership with non-government bodies. In many cases, partnerships are already in place. These should be incorporated into the baseline as well as an assessment of capacities to develop investment plans.

An exhaustive self-assessment could be extremely time and resource-intensive for jurisdictions. Instead, the GCF recognizes that preparing for participation in this funding window should entail a quick self-assessment carried out by jurisdictions and their partners, based on existing material and knowledge. The accompanying template provides further guidance to jurisdictions in this respect.

Depending on the strategic needs and opportunities identified, a more detailed assessment could be carried out as part of a strategic planning exercise using the financial resources under Window A.

Engaging stakeholders

Dialogue with the stakeholders across relevant sectors is crucial in ensuring that they buy into the objectives and collaborate in the design and implementation of the commonly-agreed actions. These include civil servants from various ministries; communities living and using forest resources in the jurisdiction; private sector actors, including commodity producers and buyers; civil society organizations; and research and education institutions. This is often a real challenge given the low level of organization of stakeholder groups, particularly rural smallholders. Deliberate efforts will also need to be taken to ensure that more marginalized stakeholders (e.g. women, youth, poor women and men, indigenous people, ethnic minorities, etc.) are actively involved in the planning and implementation process. This can in turn improve socio-economic development and environmental outcomes and promote long-term sustainability. In the end, a pragmatic balance will have to be found in engaging stakeholders, to ensure their meaningful participation and buy-in without overly burdening the strategic planning process. Evidence of stakeholder participation should be recorded (broken down by constituency and gender, at a minimum). Further guidance on stakeholder engagement, including on how to engage with more marginalized stakeholders, such as indigenous peoples and women, is outlined in the template for Window A.