

Center for Global Development
776 Massachusetts Avenue, NW
Third Floor
Washington, DC 20036

Arkivkode/ File no:
822.1

Vår ref./ Our ref.:
1201424-7

Deres/ Dykkar ref./ Your ref.:

Vår saksbeh./ Enquiries:
Knut Nyfløt

Dato/ Date:

26.04.2013

GRANT LETTER FOR QZA-0462 QZA-13/0071, CREATING DEMAND FOR REDD+

Reference is made to the application from Center for Global Development (the Grant Recipient) to the Norwegian Agency for Development Cooperation (Norad) dated 17.10.2012 regarding financial support to the above project.

Norad has decided to award a grant of up to NOK 30 million (the Grant) to the Grant Recipient for the implementation of the project as it is described in the application including any attachments after these documents have been adjusted and approved as described below (the Project).

Norad has assessed the application and decided that parts of the application need to be revised. An adjusted application must be submitted to Norad for approval no later than 01.05.2013. The approved adjusted application is hereafter called the Project Document.

The tentative distribution of the Grant will be as follows:

2013	NOK 10 million
2014	NOK 10 million
2015	NOK 10 million

Disbursement frequency and other conditions for disbursement are set out in section 3.

Disbursement after the current budget year is subject to Parliamentary appropriations.

The Grant is provided subject to the acceptance of the conditions and procedures specified in this grant letter by the Grant Recipient. This grant letter together with the Grant Recipient's written acceptance shall constitute an agreement (the Agreement) between Norad and the Grant Recipient (the Parties).

The Agreement number QZA-0462 QZA-13/0071 shall be used in all further correspondence regarding the Grant, including requests for disbursement, invoice(s) and repayment of unused funds.

1. PURPOSE AND IMPLEMENTATION OF THE PROJECT

The Grant Recipient shall implement the Project as set out in the Agreement including the budget attached as Annex 1, and in the application, including any attachments, with any agreed adjustments (the Project Document).

The purpose of the Project is to reduce tropical deforestation and its impact on people and the climate by substantially increasing the incentives for tropical forest countries to conserve their forests.

The full result framework or goal hierarchy is as set out in the Project Document.

In case of major deviations from the Project Document, such as changes to the budget, the goal hierarchy, the Grant Recipient's organisation and/or alterations to the implementation plan of more than three months, Norad shall be notified in writing in advance. Norad may stop disbursements of the Grant until these changes have been approved in writing.

The Grant Recipient shall ensure that no part of the Project is implemented in a way that is in contravention of UN conventions that Norway adheres to or of any UN Security Council resolution.

The Grant Recipient shall identify, assess and mitigate any relevant risks, hereunder risk of financial mismanagement, associated with the implementation of the Project and any potential negative effects of the Project on the environment, climate or gender issues.

The Grant Recipient should, if appropriate, acknowledge Norad's support in communications and publications related to the Project.

If the Grant Recipient is to transfer all or part of the Grant to a cooperating partner, the Grant Recipient shall enter into a written agreement with the partner. In these agreements the Grant Recipient shall require the partner to apply such administrative procedures that ensures compliance with the obligations of the Agreement, particularly with regard to reporting, audit, procurement and anti-corruption measures.

The Grant Recipient shall have the full responsibility for the implementation of the Project regardless of whether parts thereof have been carried out by any cooperating partners. The Grant Recipient is responsible towards Norad for all deliveries from Climate Advisers which is one of its cooperating partners. Norad shall not be liable - financially or in other ways – to companies or individuals engaged by the Grant Recipient. Further, Norad shall not be liable to any third persons for any harm or loss incurred as a result of acts or omissions of the Grant Recipient or its cooperating partners.

2. THE GRANT

The Grant shall be used exclusively to finance the Project, including indirect costs as described below, during the planned period 01.01.2013 – 31.12.2015 (the Support Period).

The Grant Recipient may use up to 7 % of the Grant for overheads/indirect costs.



Any accrued interest on the Grant may be used to finance the implementation of the Project during the Support Period.

The Grant Recipient shall provide the financial and other resources required in addition to the Grant.

If the value of the Grant is reduced due to fluctuations in the exchange rate to such an extent that this will have consequences for the implementation of the Project, the Grant Recipient shall inform Norad as soon as possible. If fluctuations in exchange rates increase the value of the Grant, additional funds shall be repaid in accordance with section 6.

Representatives of Norad and the Norwegian Auditor General shall at all times be allowed to undertake control measures to verify that the Grant is being used in accordance with the Agreement and hereunder be permitted to visit any premises and examine any records, goods and documents requested. If the Grant Recipient is to transfer all or parts of the Grant to a cooperating partner, the Grant Recipient shall require in its agreement with the partner that Norad and the Norwegian Auditor General have the same access to undertake such control measures related to the partner's use of the Grant.

For constitutional reasons, the funds provided under this Agreement can only be used for activities that can be reported as Official Development Assistance (ODA).

3. DISBURSEMENT

The Grant will be disbursed in advance in semi-annual instalments.

Except for the first disbursement in 2013, all disbursements will be made upon receipt of written requests from the Grant Recipient. Disbursement requests must be made in writing. The request must demonstrate a financial need related to the approved budget, financial accounts up to date and plans for the next period.

The first disbursement in 2013 will amount to 50% of NOK 10 million and shall be made when Norad has received the Grant Recipient's written acceptance of the Agreement and banking details. The disbursement also covers expenses incurred in the Project from start-up to the first disbursement.

The second disbursement in 2013 is subject to Norad's approval of the Project Document, as stated above.

Subsequent years:

First disbursement is subject to Norad's receipt and approval of:

The annual implementation plan and information on the Project's current status and progress according to plan.

Second disbursements is subject to Norad's receipt and approval of the

- progress report
- financial report
- auditor's report on the project accounts



- the Grant Recipient's most recent general annual report, annual accounts and auditor's report

The Grant Recipient may, upon application, request that disbursed parts of the Grant that remains unspent at the end of the calendar year may be utilised in the following year within the Support Period. This application must be submitted no later than the submission of the second annual request for disbursement the year after the unspent grant was disbursed.

The Grant Recipient shall immediately in writing acknowledge receipt of the funds. The date of the receipt shall be stated as well as the exchange rate applied.

4. REPORTING AND ANNUAL IMPLEMENTATION PLAN AND BUDGET

The Grant Recipient shall submit to Norad the reports listed below. If unable to meet a reporting deadline, the Grant Recipient shall inform Norad immediately.

An implementation **plan and budget** for the Project for the following year January -December shall be submitted to Norad by 1. November each year.

The budget shall follow the annual budget format in the Project Document, and shall contain all expected expenditure and income for the following year as well as estimates for the remaining years of the Support Period. The budget shall show Administrative costs/indirect costs and any funds provided by other donors to the Project.

A **progress report** for previous calendar year shall be submitted to Norad by 1. May each year. The report shall be signed by an authorised representative of the Grant Recipient. The progress report shall be set up in such a way that it may be compared with the information in the Project Document. Norad's report form shall be used. The form can be downloaded from Norad's website.

The **financial report** for previous calendar year shall be submitted to Norad by 1. May each year. The report shall be signed by an authorised representative of the Grant Recipient, and countersigned by the financial controller. The financial report shall consist of project accounts with corresponding notes, using the same structure and items as in the budget, and shall include:

- the latest approved overall budget for all years,
 - total expenses charged/capitalised,
 - the approved budget for the period/year,
 - expenses charged/capitalised in the period/year in question,
 - income from all sources, including interests accrued. Funds provided by Norad shall be specified,
 - any deviations between the approved budget for the period/year and the expenses charged/capitalised during the period/year in terms of amount and percentage.
- Deviations of more than 10% above a budget line shall be explained.

The **auditor's report** on the annual Project accounts shall be submitted to Norad by 1. May each year. The audit shall be carried out by a state-authorised, chartered or certified accountant in accordance with ISA 800 or ISA 805. The audit must give reasonable assurance that the financial statements are

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free of material misstatement. The costs of the audit shall be covered by the Grant. If the auditor in addition submits a Management letter (Matters for governance attention) this shall be attached to the auditor's report.

The **final report** for the whole Support Period shall be submitted to Norad by 1. June 2016. The final report shall be set up in such a way that it may be compared with the information set out in the Project Document. Norad's report form shall be used. The form can be downloaded from Norad's website.

The **general annual report and annual accounts with the auditor's report** on the Grant Recipient's own organisation shall be submitted to Norad by 1 May each year. If the auditor in addition submits a Management letter (Matters for governance attention) this shall be attached to the auditor's report. Donor funds should be specified in the financial statements.

5. OTHER FOLLOW-UP MEASURES

Meetings between the Parties concerning implementation of the Agreement will be held if required by one of the Parties. Agreed minutes of such meetings shall be prepared by the Party appointed at the meeting.

Norad may, at any time, carry out independent reviews, field visits or evaluations of the Project. The costs of such reviews, etc. shall be covered by Norad over and above the Grant.

6. REPAYMENT OF INTEREST AND UNUSED FUNDS

Once all activities of the Project have been implemented, any unused funds, including accrued interests, that total more than NOK 1 000 shall be repaid as soon as possible, and at the latest six months after the end of the Support Period. The transaction shall be marked: "Unused funds, QZA-0462 QZA-13/0071, Creating Demand for REDD+".

Repayments shall be made to the following bank account:

Name of the account:	Norad
Account no.:	7694 05 14815
IBAN no:	NO31 7694 0514 815
Name and address of bank:	DnB ASA, 0021 Oslo, Norway
Swift & BIC code:	DNBANOKKXXX

7. FINANCIAL IRREGULARITIES

The Grant Recipient shall organise its operations and internal control systems in such a manner that financial irregularities, including corruption, theft, embezzlement, fraud, misappropriation of funds, favouritism or nepotism are prevented.

The Grant Recipient shall, without undue delay, inform Norad of any suspicion of financial irregularities that the Grant Recipient becomes aware of during the implementation of the Project. The matter will be handled in accordance with Norad's guidelines for dealing with suspicions of financial irregularities.

Further, the Grant Recipient shall during the implementation of the Project not directly or indirectly demand, receive, accept, offer or give any kind of gift, payment or benefit that could be construed as illegal or corrupt practice.

8. PROCUREMENT

Any procurement to be undertaken under the implementation of the Project shall be based on competition, and carried out in accordance with good business practice, ensuring transparency, verifiability, equal treatment, predictability and non-discrimination on the basis of nationality or local ties, so that the best possible conditions may be obtained.

The Grant Recipient shall:

- take into account any environmental impact when planning the procurement,
- ensure that the International Labour Organization's core conventions are complied with where relevant,
- request tenderers to inform the Grant Recipient of any potential conflict of interests related to the procurement,
- enforce a strict practice towards tenderers who can be linked to professional misconduct, i.e.:
 - only accept tenders that affirm that the tenderer has not received any final conviction for participating in a criminal organisation, or for corruption, fraud, money laundering, or any other form of economic crime,
 - consider rejecting tenders where the tenderer indicates that, or it is known that, the tenderer has received a final conviction for a criminal offence related to its professional conduct,
 - consider rejecting tenders where the tenderer indicates that, or it is known that, the tenderer has committed a serious breach of professional or ethical standards in the line of business concerned.

When the total value of a procurement exceeds NOK 100 000 ex VAT, the Grant Recipient shall keep a procurement record that documents assessments and decisions during the whole procurement process from the planning stage to the signing of the contract. The record shall include assessments and decisions regarding the above points.

The same applies to procurement undertaken by any cooperating partner of the Grant Recipient, and the Grant Recipient shall include in its agreement with the partner requirements equivalent to those mentioned above.

9. PROPERTY AND EQUIPMENT

The right of ownership to property, equipment and consumables procured by use of the Grant shall vest in the Grant Recipient or its cooperating partner, unless otherwise indicated in the Project Document. All matters associated with such property, equipment and consumables are the exclusive responsibility of the Grant Recipient.

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If such property and/or equipment is sold before the end of the Support Period, the Grant Recipient shall prepare sales records or, together with the purchaser draw up a list of the equipment sold and the price. The income from the sale shall accrue to the Project. This record or list shall be attached to the first report after the sale, and the selling price shall be included in the financial report.

If the activities under the Project do not continue after the end of the Support Period, all remaining property, equipment and goods that have been purchased by use of the Grant shall be sold as described above. The income from the sale shall be repaid to Norad as set out in section 6.

10. BREACH OF AGREEMENT

If the Grant Recipient fails to fulfil its obligations under the terms of this Agreement and/or if there is suspicion of corruption and/or other financial irregularities, Norad may withhold all or part of the Grant.

In the event of material breach of the Agreement, including if it is documented that all or part of the Grant has not been used in accordance with the Agreement, if the use of funds has not been satisfactorily accounted for, and/or if financial irregularities have taken place, Norad may, following consultation with the Grant Recipient, cancel the Agreement, and/or claim repayment of all or part of the Grant.

11. SETTLEMENT OF DISPUTES

If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall seek to reach an amicable solution. Any dispute that cannot be solved amicably shall be referred to the ordinary courts of law of Norway and settled in accordance with Norwegian law. The court venue shall be Oslo District Court.

12. ENTRY INTO FORCE – TERMINATION

The Agreement shall enter into force on the date of the Grant Recipient's acceptance, as described below, and shall remain in force until both Parties have fulfilled all obligations arising from it. Whether these obligations shall be regarded as fulfilled shall be decided in consultation between the Parties.

Each of the Parties may terminate the Agreement upon three months' written notice. In the event of termination of the Agreement, the Grant Recipient shall not commit the Project financially from the date of the receipt of the notice of termination. If the Project cannot be completed without the Grant, the Grant Recipient shall *discontinue the Project promptly in an orderly and financially sound manner*. Any unused funds not committed by the date of the receipt of the notice of termination shall be repaid to Norad immediately.

In case of termination of the Agreement Norad will have no liability towards Climate Advisers.

Vår dato

Vår referanse

26.04.2013

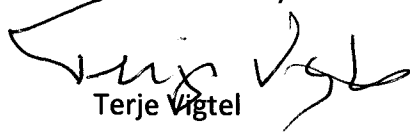
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13. SIGNATURE

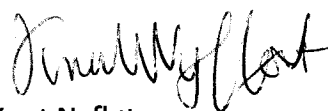
If the conditions set out above are acceptable to the Grant Recipient, acceptance is given by signing a copy of this letter and returning the signed copy to:

Norad
Department for Civil Society
Postboks 8114 Dep.
0032 Oslo
Norway

Yours sincerely



Terje Vigtel
Director
Civil Society Department



Knut Nyfløt
Senior Advisor

Vår dato

Vår referanse

26.04.2013

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14. ACCEPTANCE – TO BE FILLED IN BY THE GRANT RECIPIENT

The Grant Recipient accepts the conditions set out in the Agreement.

The Grant shall be transferred to the following bank account, which is solely used for grants from Norad in accordance with the Agreement:

Name and address of the bank Suntrust Bank, NA 1445 New York Ave, NW, Washington, DC 20005	
Name of the account holder Center for Global Development	
Account number/IBAN number 0000702282979	Swift code SNTRUS3A
Currency of the account USD \$	Other information

Place: Washington, DC, USA

Date: *may 8, 2013*

Signature:

Ellen Mackenzie
for Center for Global Development

Name: Ellen Mackenzie

Title: CFO

Attachment: Annex 1 Approved budget for the Project

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Vår referanse

26.04.2013

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Annex 1: Budget**Table 1: Approved Project Budget Summary by Cost Type (Table 5), in USD ***

	2013	2014	2015	Total	% of Total Project Cost
Personnel	534,129	555,416	577,554	1,667,099	30.84%
Travel	44,391	44,391	44,391	133,173	2.46%
Capital Equipment	-	-	-	-	0.00%
Consulting	87,000	138,000	37,032	262,032	4.85%
Other Direct Costs	22,000	41,000	37,000	100,000	1.85%
<i>Subcontract to Climate Advisers</i>	1,005,905	957,569	926,002	2,889,476	53.46%
<i>Personnel¹</i>	863,361	863,361	863,361	2,590,084	
<i>Travel</i>	68,066	53,269	38,472	159,807	
<i>Other Direct Costs</i>	74,478	40,938	24,168	139,585	
Direct Costs, Total	1,691,950	1,704,359	1,655,472	5,051,781	93.46%
Indirect Costs, NORAD 7%	118,437	119,305	115,883	353,625	6.54%
Total Project Cost Dollars	1,810,387	1,823,664	1,771,355	5,405,405	
Total Project Cost NOK	10,047,647	10,121,335	9,831,018	30,000,000	

¹Note that this represents a billable total based on personnel hours.**Table 2: Approved Budget Summary by Theme and Activity (Table 6), in USD ***

	2013	2014	2015	Total
Build global political will for results-based REDD+	729,818	802,059	781,305	2,313,182
1. Economist/Scientist Synthesis Report (2020 2 degree gap report)	127,224	134,444	131,890	393,558
2. Working Group for REDD+	479,361	531,402	519,825	1,530,588
2a. Background papers lessons learned for REDD+ from other R-B initiatives	80,937	83,547	86,262	250,746
3. G20 and Other Int. Institutions	0	0	0	0
4. Development and outreach on FORMA and fCPR	42,295	52,666	43,328	138,289
Secure U.S. REDD+ leadership	634,006	636,258	638,600	1,908,865
1. High level mobilization	534,011	536,238	538,555	1,608,804
2. U.S. Fiscal Policy Project	0	0	0	0
3. US Results based Aid Mechanism	0	0	0	0
4. Tracking and Analyzing US REDD+ leadership	99,995	100,020	100,045	300,061
Support a global partnership for Indonesia	328,126	266,042	235,566	829,734
1. REDD+ Partnerships Road Shows	248,713	186,311	155,505	590,529
2. Indonesian REDD+ Reports	79,413	79,731	80,061	239,205
Total Direct Costs	1,691,950	1,704,359	1,655,472	5,051,781
Indirect Costs, NORAD 7%	118,437	119,305	115,883	353,625
Total Project Costs	1,810,387	1,823,664	1,771,355	5,405,405
Total Project Costs NOK	10,047,647	10,121,335	9,831,018	30,000,000

* Exchange rate 5.55 NOK/USD

About CGD



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CGD conducts research and analysis on a wide range of [topics](#) related to how policies and actions of the rich and powerful affect poor people in the developing world. Examples include [aid effectiveness](#), [climate change](#), [education](#), [globalization](#), [health](#), [migration](#) and [trade](#). Drawing on our research, we actively engage with thought leaders, policymakers, and others to move our ideas to action.

We organize work that is related to proposals for specific, practical policy improvements into [initiatives](#), such as [Development Impact Bonds](#), [Cash-on-Delivery Aid](#), [Preemptive Contract Sanctions](#), [Oil to Cash](#), and [More Health for the Money](#). Our [Commitment to Development Index](#) annually ranks more than two dozen high-income countries on the seven main policy areas that influence development outcomes: aid, trade, investment, migration, environment, security, and technology.

Who We Are

CGD's [senior researchers and other experts](#) are intellectual leaders in their fields, combining academic rigor and practical experience to increase global prosperity. Our [visiting and non-resident fellows](#) contribute an added level of knowledge to CGD's work. Many are simultaneously employed at leading universities, institutions, and NGOs around the world.

CGD also provides promising young researchers from developing countries an opportunity to work for one year at the Center as part of the [International Development Research Centre \(IDRC\) fellowship](#). Our complete [staff listing](#) includes CGD policy analysts, program managers, communications professionals, and research assistants. Our growing [Alumni Association](#) links former

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Our Partners

CGD benefits from the support and guidance of an influential [Board of Directors](#) composed of prominent individuals from the public and private sectors with a passionate commitment to development. Our [Advisory Group](#) of top-tier development economists, political scientists, and policymakers, helps CGD maintain the high quality of our research and identify over-the-horizon issues for early attention. CGD works with others through contractual and informal [partnerships](#) with a wide range of organizations who share complementary goals.

Where We Came From

Since its founding in 2001, CGD has earned a reputation as a "think and do" tank, where independent research is channeled into practical policy proposals that help to shape decisions in Washington, other rich-country capitals, and the international financial institutions.

We have put on the global agenda—and sometimes helped to drive to implementation—proposals to [accelerate vaccine development](#); to permit [migration as a tool in disaster](#) recovery; to [write down](#) \$36 billion in Nigerian debt; to make the [World Bank](#) more effective, accountable, and legitimate; and to create [a new international institution](#) for independent evaluation of poverty-reduction efforts.

CGD was founded in November 2001 by [Edward Scott Jr.](#), [C. Fred Bergsten](#), and [Nancy Birdsall](#). A technology entrepreneur, philanthropist, and former senior US government official, Ed Scott provided the vision and a significant financial commitment that made the creation of the Center possible. Fred Bergsten, the director of the [Peterson Institute for International Economics](#), lent his formidable reputation in academic and policy circles and provided the fledgling Center with a roof and logistical support within the Peterson Institute for the Center's initial months of operation. Nancy Birdsall, a former head of the World Bank research department and executive vice president of the Inter-American Development Bank, became CGD's first president. Her intellectual leadership and rare combination of being both hard-headed and soft-hearted about development attracted a cadre of researchers and other professionals who are deeply dedicated to CGD's mission.

CGD's three founders perceived a growing need for independent research to generate practical, creative solutions to the challenges that global interdependence poses to the developing countries, starting with debt. [Delivering on Debt Relief: From IMF Gold to a New Aid Architecture](#) (CGD, 2004), by Birdsall and John Williamson, a senior fellow at the Peterson Institute, was the Center's first book.

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ABOUT US

Climate Advisers is a mission-driven policy and politics shop working to deliver a strong low-carbon economy. In the United States and around the world, we create and implement large-scale, cost-effective strategies to strengthen climate action and improve lives.

We work with philanthropies, think tanks, advocacy groups, international institutions, companies and governments.

Our Ideas

Our political, policy and diplomatic expertise help our clients shape global, national and local **climate and energy** solutions.

We catalyze action and innovative financing to reduce climate pollution from **forests and lands**.

We create climate solutions that accelerate **sustainable development**, spur economic growth, and fight poverty.

Our Impact

We develop **innovative policy** solutions, which quickly move to the center of the debate.

We work to expand the realm of the politically possible, creating and executing **political strategies** that turn good ideas into reality.

We conduct **transformative analysis** that gives important context and spurs action

We conduct targeted and elite **communications** to change minds and set the agenda.

Our team includes globally recognized thought leaders on climate and energy, forests and lands and sustainable development.

On specific projects, we partner with our affiliate Catapult to add grassroots organizing and outreach capacity.

From: Michele de Nevers (mdenevers@cgdev.org) <mdenevers@CGDEV.ORG>
Sent: Monday, October 14, 2013 8:27 PM
To: Nyfløt, Knut
Cc: Ellen Mackenzie (emackenzie@cgdev.org); Nancy Birdsall (nbirdsall@cgdev.org); Halvorsen, Vigdis; Nigel Purvis
Subject: RE: Project document
Attachments: Revised CGD and CA Project Document 10-14-2013 Final.docx

Dear Nyflot,

Attached is the final version of the project document. We hope this responds to all your comments and suggestions. Please let us know if you have any additional questions.

Thanks, best regards, Michele

Michele de Nevers
Senior Associate
Center for Global Development
1800 Massachusetts Avenue NW
Washington DC 20036
Tel 202-416-4000/mobile 202-841-1601

From: Nyfløt, Knut [Knut.Nyflot@norad.no]
Sent: Saturday, October 12, 2013 3:34 AM
To: Michele de Nevers (mdenevers@cgdev.org)
Cc: Ellen Mackenzie (emackenzie@cgdev.org); Nancy Birdsall (nbirdsall@cgdev.org); Halvorsen, Vigdis; Nigel Purvis
Subject: RE: Project document

Dear Michele,

I was not able to reach Norad's/ MFA's email server yesterday evening, therefore I am not able to send this until now.

Thanks for the revised version of 10 October.

I think the Project document is improved each time.

We could leave it like it is now, but I have 2 small suggestions for improvements.

After your feedback on this I will send the PD to management for approval. Disbursement of requested funds will be initiated as soon as the PD is approved by management.

Suggested changes

1. Impact and main outcome on the frontpage (project summary) is not completely in line with the text in the revised document. For instance is Indonesia not mentioned in the outcome section of project summary (but in the countries section of the project summary).

We will use Project details summary on Norad's webpage. This means many people and organizations will read the project summary, while the full project documents will not be on the webpage.

Please consider a few amendments to the impact and main outcome section so they are more in line with the revised text in the project document. The impact you used in the grant letter was "to reduce

tropical deforestation and its impact on people and the climate by substantially increasing the incentive for tropical forest countries to conserve their forests".

Normally we prefer that the actual impact and outcome formulations are the same throughout the document. If not it can be unclear which impact and outcomes the project shall be reported towards. You can use different narrative explaining text in the different sections, since project summary is a short version. But the actual impact and outcome formulations should preferably be the same.

2. Three to five years:

Page 7, Section 5.1a Changes to be achieved, Global Strategy: Doubling of global three to five years Indicator to Global outcome in Appendix C has the three to five years formulation still.

With best regards

Knut

-----Original Message-----

From: Michele de Nevers (mdenevers@cgdev.org) [mailto:mdenevers@CGDEV.ORG]

Sent: 10. oktober 2013 22:14

To: Nyfløt, Knut

Cc: Ellen Mackenzie (emackenzie@cgdev.org); Nancy Birdsall (nbirdsall@cgdev.org); Halvorsen, Vigdis; Nigel Purvis

Subject: RE: Project document

Dear Knut,

Thanks for your very careful reading of the document and for pointing out the discrepancies. We (Climate Advisers and CGD) have made the adjustments as you suggest and appreciate your help in making this document as strong as possible. With regard to your specific points:

1. You have not adjusted figure 2 (page 14). Two bullet points on the enhance program should be deleted Please see figure 2 in the revised version attached. It should be correct now.

2. There are a few discrepancies between the outcome formulations in the text and in Appendix C. This is for the Indonesian strategy; Two of the indicators ("Policy maker.." and "Increased portion"...and under the outcome "Doubling...(just increase in vs. increased). We took your advice (below under 4) to adjust Appendix C, and eliminated wording discrepancies for the indicators There are also many of them that has (or within 3-5 years) in the text, but not in Appendix C. Please see below Under Outcome for Strategy 1 in the table on page 7, you have forgottensuch as FORMA and fCPR and others under the change to be achieved. We've added "and others" on page 7.

If you want to have the specification (or within 3-5 years) on many of the outcomes and outcome indicators Norad will in the approval letter of the project document ask you to submit a supplementary report/additional final report after 5 years. That will be outside the scope and period of the grant letter and is a little bit tricky that way. And you cannot keep some of the Norad funding from year 3 for that. Is this a problem? You are still required to send in a final report within 6 months of project closure 31.12.2015.

We would like to know the actual effects from the project and if some of them are expected to be achieved after 5 year – we would like to know that you achieved them.

Thanks for this helpful clarification. In view of your advice we have eliminated all references to (or within 3-5 years) or anything beyond the project closing date.

1. I am still a little unsure about the result hierarchy:

Under impact indicators in 4.2 you say increased results-based financing for REDD+ from an increased number of donors is the primary indicator. Do you have other indicators than the increased funding? For example reduced deforestation in Indonesia? We expanded the text to try to address this comment directly.

I am struggling a little with explaining the logical linkages from the outputs to the outcomes to the impact. You have mentioned it in the last sentence of section 4.1; These aims will ultimately contribute to achieving NICFI's objective of reducing emissions from forests globally. Is it possible to make it even clearer in the impact and outcome sections that increased results-based finance is the best tool to reach your outcomes and impact: (impact from the grant letter):to reduce tropical deforestation and its impact on people and the climate by substantially increasing the incentives for tropical forest countries to conserve their forests.

Your Theory of Change in Figure 1 includes the three outcome strategies, but not any effects for a user group – or link to reduced deforestation. Your illustration of theory of change can stop at this level, but I believe we have to make it even clearer how increased results-based finance leads to the impact. We addressed this comment by adding Figure 1b, which shows how this project is related to the ultimate impact we are seeking, and by modifying the text to better reflect the logic model.

Result chain (according to Norad's guidelines):

[IMAGE]

1. Under Chapter 5 Outcome (page 6) – you write that the main outcome will be strengthening the global consensus for REDD+. Is that outcome on top of the outcomes for Strategy 1, 2 and 3? We changed the phrasing to better reflect the logic model and avoid introducing a new "main outcome." Isn't outcome for strategy 1: Global political will for results-based REDD+ financing and increased funding. Outcome for strategy 2: Secure US REDD+ leadership and Outcome for strategy 3: Support a global REDD+ partnership for Indonesia?

In the table in Appendix C please consider if the outcomes for strategy 1, 2 and 3 should be in the outcome column and what you have placed in the outcomes column now should be in the indicator column (they are to a large extent covered there already).

We've taken your advice and adjusted Appendix C accordingly.

Outcomes should have an "end user effect".

The ultimate impact on end users comes when the additional funding we help generate, and the greater effectiveness of that funding, leads to reduced deforestation in developing countries benefiting people on the ground.

Thanks again for your advice and support. Best regards, Michele

Michele de Nevers
Senior Associate
Center for Global Development
1800 Massachusetts Avenue NW
Washington DC 20036
Tel 202-416-4000/mobile 202-841-1601

From: Nyfløt, Knut [Knut.Nyflot@norad.no]
Sent: Wednesday, October 09, 2013 6:05 PM
To: Michele de Nevers (mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>); Nigel Purvis
Cc: Ellen Mackenzie (emackenzie@cgdev.org<mailto:emackenzie@cgdev.org>); Nancy Birdsall (nbirdsall@cgdev.org<mailto:nbirdsall@cgdev.org>); Halvorsen, Vigdis
Subject: RE: Project document

Dear Michele,
Thank you for the revised version.

I have a few additional comments/questions.

1. You have not adjusted figure 2 (page 14). Two bullet points on the enhance program should be deleted
2. There are a few discrepancies between the outcome formulations in the text and in Appendix C. This is for the Indonesian strategy; Two of the indicators ("Policy maker.." and "Increased portion"...and under the outcome "Doubling....(just increase in vs. increased).

There are also many of them that has (or within 3-5 years) in the text, but not in Appendix C.

Under Outcome for Strategy 1 in the table on page 7, you have forgottensuch as FORMA and fCPR and others under the change to be achieved.

If you want to have the specification (or within 3-5 years) on many of the outcomes and outcome indicators Norad will in the approval letter of the project document ask you to submit a supplementary report/additional final report after 5 years. That will be outside the scope and period of the grant letter and is a little bit tricky that way. And you cannot keep some of the Norad funding from year 3 for that. Is this a problem? You are still required to send in a final report within 6 months of project closure 31.12.2015.

We would like to know the actual effects from the project and if some of them are expected to be achieved after 5 year – we would like to know that you achieved them.

3. I am still a little unsure about the result hierarchy:

Under impact indicators in 4.2 you say increased results-based financing for REDD+ from an increased number of donors is the primary indicator. Do you have other indicators than the increased funding? For example reduced deforestation in Indonesia? I am struggling a little with explaining the logical linkages from the outputs to the outcomes to the impact. You have mentioned it in the last sentence of section 4.1; These aims will ultimately contribute to achieving NICFI's objective of reducing emissions from forests globally. Is it possible to make it even clearer in the impact and outcome sections that increased results-based finance is the best tool to reach your outcomes and impact: (impact from the grant letter):to reduce tropical deforestation and its impact on people and the climate by substantially increasing the incentives for tropical forest countries to conserve their forests.

Your Theory of Change in Figure 1 includes the three outcome strategies, but not any effects for a user group – or link to reduced deforestation. Your illustration of theory of change can stop at this level, but I believe we have to make it even clearer how increased results-based finance leads to the impact.

Result chain (according to Norad's guidelines):

[Results Chain]

4. Under Chapter 5 Outcome (page 6) – you write that the main outcome will be strengthening the global consensus for REDD+. Is that outcome on top of the outcomes for Strategy 1, 2 and 3?

Isn't outcome for strategy 1: Global political will for results-based REDD+ financing and increased funding. Outcome for strategy 2: Secure US REDD+ leadership and Outcome for strategy 3: Support a global REDD+ partnership for Indonesia?

In the table in Appendix C please consider if the outcomes for strategy 1, 2 and 3 should be in the outcome column and what you have placed in the outcomes column now should be in the indicator column (they are to a large extent covered there already).

Outcomes should have an "end user effect".

Please feel free to call me or email me if you disagree with any of these additional comments/questions.

With best regards

Knut

From: Michele de Nevers (mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>)
[mailto:mdenevers@CGDEV.ORG]
Sent: 7. oktober 2013 23:35
To: Nyfløt, Knut; Nigel Purvis
Cc: Ellen Mackenzie (emackenzie@cgdev.org<mailto:emackenzie@cgdev.org>); Nancy Birdsall
(nbirdsall@cgdev.org<mailto:nbirdsall@cgdev.org>)
Subject: RE: Project document

Dear Knut,

Thank you for your call Friday explaining a bit about the political context for the project. We have tried to take into account all your comments as well as the written feedback provided. In particular we have tried to strengthen the section on risk and risk mitigation.

Toward this end, on behalf of CGD and Climate Advisers I attach two revisions to the project document. The first is a clean copy. The second (a bit messy) shows the track changes so it may be easier for you to compare to the original document.

Please let us know if any further action is needed on our part. We look forward to hearing from you. Thank you for your support and assistance.

Best regards, Michele

From: Nyfløt, Knut [mailto:Knut.Nyflot@norad.no]
Sent: Tuesday, October 01, 2013 11:05 AM
To: Nigel Purvis; Michele de Nevers
(mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>>>)
Subject: RE: Project document

Dear Michele,
Here's Norad's questions/feedback to the project document. I am sending them so it will be easier for you to respond/discuss this.
It's the follow-up issues that are relevant.

Please suggest a time when we can discuss these issues and the way forward.

With best regards

Knut

From: Nigel Purvis [mailto:purvis@climateadvisers.com]

Sent: 1. oktober 2013 12:17

To: Nyfløt, Knut

Cc:

mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>>>;

francesjseymour@gmail.com<mailto:francesjseymour@gmail.com<mailto:francesjseymour@gmail.com<mailto:francesjseymour@gmail.com>>>; Michael Wolosin

(wolosin@climateadvisers.com<mailto:wolosin@climateadvisers.com<mailto:wolosin@climateadvisers.com<mailto:wolosin@climateadvisers.com>>>); Andreas Dahl-Joergensen; Ellen Mackenzie

(emackenzie@cgdev.org<mailto:emackenzie@cgdev.org<mailto:emackenzie@cgdev.org<mailto:emackenzie@cgdev.org>>>); Lea Rosenbohm

Subject: Re: Project document approval

Dear Knut,

Many thanks for this update and encouraging news. CGD will take the lead in organizing the discussion on our end. We look forward to chatting with you this week.

Best wishes,

Nigel

[Description: Image removed by sender.]

Nigel Purvis, President & CEO

1320 19th St. NW Washington, DC 20036

O: 202.350.4950 . D: 202.350.4940 . M: 202.468.6443

purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com>>> . climateadvisers.com<http://climateadvisers.com> .

NEWS<http://climateadvisers.com/in_the_news.htm>

On Tue, Oct 1, 2013 at 1:39 AM, Nyfløt, Knut

<Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no>>>> wrote:

Dear Nigel,

We have finished with the review of the project document on our side.

Is it possible from your side to have a phone conference on Norad's feedback and comments with a representative from CGD and CA on of the following days?

I am available all days this week.

We are sorry for the delays from our side and understand your challenges stemming from the delay.

We want to finalize the Project Document and second disbursement as soon as possible.

Yours sincerely

Knut Nyfløt

Senior Adviser

Civil Society Departement

[Description: []]

Norwegian Agency for Development Cooperation Phone : +47 23 98 01

38<tel:%2B47%2023%2098%2001%2038>

Mob : +47 92 46 32 00<tel:%2B47%2092%2046%2032%2000>

Norad : +47 23 98 00 00<tel:%2B47%2023%2098%2000%2000> P.O. Box 8034 Dep, 0030 Oslo, Norway

Email:

knut.nyflot@norad.no<mailto:kjersti.lindoe@norad.no<mailto:knut.nyflot@norad.no<mailto:kjersti.lindoe@norad.no>>>

<http://www.norad.no><<http://www.norad.no/UrlBlockedError.aspx>>>

From: Nigel Purvis [mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com>]

Sent: 30. september 2013 12:29

To: Nyfløt, Knut

Cc:

francesjseymour@gmail.com<mailto:francesjseymour@gmail.com<mailto:francesjseymour@gmail.com<mailto:francesjseymour@gmail.com>>>; Michael Wolosin

(wolosin@climateadvisers.com<mailto:wolosin@climateadvisers.com<mailto:wolosin@climateadvisers.com<mailto:wolosin@climateadvisers.com>>>);

mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>>>; Andreas Dahl-Joergensen; Ellen Mackenzie

(emackenzie@cgdev.org<mailto:emackenzie@cgdev.org<mailto:emackenzie@cgdev.org<mailto:emackenzie@cgdev.org>>>); Lea Rosenbohm

Subject: Re: Partner meeting 28 October

Dear Knut,

Thank you for this update. Congratulations on the terrific program for Redd Exchange, which I can appreciate is both a lot of work and a top priority right now. My team is excited to participate.

I wonder whether you might have any news on when we might receive comments from Norad on the project document we submitted in early June. Right now we are self-financing our Norad supported program and, as you will appreciate, this is a bit of a financial challenge. We would greatly appreciate any assistance you might provide to expedite the review. As it could take us time to address comments you may have and then perhaps additional time for Norad to review our revised submission, it seems there's a risk of not receiving the second tranche of 2013 funding until November or December, which could create additional, unintended financial hardship.

I do realize that the civil society program is large and that project documents require careful review, and that you must balance many competing tasks. We are most grateful for all that you are doing. This note is merely to update you on the financial realities we face on our side.

Best wishes,

Nigel

[Description: Image removed by sender.]

Nigel Purvis, President & CEO

1320 19th St. NW Washington, DC 20036

O: 202.350.4950<tel:202.350.4950> . D: 202.350.4940<tel:202.350.4940> . M:

202.468.6443<tel:202.468.6443>

purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<

mailto:purvis@climateadvisers.com>> . climateadvisers.com<http://climateadvisers.com> .

NEWS<http://climateadvisers.com/in_the_news.htm>

On Sun, Sep 29, 2013 at 4:55 PM, Nyfløt, Knut

<Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no>>> wrote:

Dear Frances and Michael

As we have announced earlier, Norad and the Civil Society Department will arrange a meeting for our grantees in connection with The Oslo REDD Exchange.

The meeting will be held on Monday 28 October, from 10am to 1pm.

The meeting will be in Norad, and our address is: Ruseløkkveien 26. Our office is just a ten minutes' walk from where the Oslo REDD Exchange will be arranged, and above a shopping center called House of Oslo. See link to map here: <http://www.norad.no/en/about-norad/contact-us>

The meeting will be twofold:

1. Plenary meeting on mutual challenges in documenting results, including Norads ambitions to report on aggregated results from all grantees. Norad will also give an overview of the portfolio.
2. Parallel-sessions on each of the four thematic category in our portfolio. All organizations should give a brief (5 minutes) presentation of their Norad-funded project. The aim is to facilitate for more knowledge-sharing between the organizations.

From 2pm to 5pm there will be a meeting on Indonesia, also held in Norad. Agenda will be sent out later. The main focus of the meeting is learning, discussions and coordination between the grant recipients that have projects with Indonesia components.

If you want to participate, please send a confirmation to Marianne Haugh, marianne.haugh@norad.no<mailto:marianne.haugh@norad.no<mailto:marianne.haugh@norad.no<mailto:marianne.haugh@norad.no>> , and the deadline for confirming your participation is Friday 11 October. Please also state whether you will participate in the Indonesia-meeting.

Bilateral meetings: many of you have asked for bilateral meetings with your contact person in Norad. These meetings should be confirmed directly with your contact person and can be held also during the breaks of the REDD Exchange.

Yours sincerely

Knut Nyfløt
Senior Adviser
Civil Society Departement
[Description: []]
Norwegian Agency for Development Cooperation Phone : +47 23 98 01
38<tel:%2B47%2023%2098%2001%2038>
Mob : +47 92 46 32 00<tel:%2B47%2092%2046%2032%2000>
Norad : +47 23 98 00 00<tel:%2B47%2023%2098%2000%2000> P.O. Box 8034 Dep, 0030 Oslo, Norway
Email:
knut.nyflot@norad.no<mailto:kjersti.lindoe@norad.no<mailto:knut.nyflot@norad.no<mailto:kjersti.lindoe@norad.no>>>
<http://www.norad.no><<http://www.norad.no><UrlBlockedError.aspx>>

From: Michele de Nevers
(mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>>> [mailto:mdenevers@CGDEV.ORG<mailto:mdenevers@CGDEV.ORG>]
Sent: 29. august 2013 19:39
To: Nyfløt, Knut
Cc:
francesjseymour@gmail.com<mailto:francesjseymour@gmail.com<mailto:francesjseymour@gmail.com<mailto:francesjseymour@gmail.com>>>>; Nancy Birdsall
(nbirdsall@cgdev.org<mailto:nbirdsall@cgdev.org<mailto:nbirdsall@cgdev.org<mailto:nbirdsall@cgdev.org>>>>);
purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com>>>>
Subject: RE: REDD exchange and Result Bar

Dear Knut,

As our contact person in NORAD I'd like to let you know that Frances Seymour will be able to represent CGD in the civil society and partner meetings on October 28 in Oslo. She is copied here so please let her know as these meetings are organized.

Thank you, best regards, Michele

From: Nyfløt, Knut [mailto:Knut.Nyflot@norad.no]
Sent: Tuesday, August 27, 2013 9:42 AM
To: Michele de Nevers
(mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org<mailto:mdenevers@cgdev.org>>>>);
purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com<mailto:purvis@climateadvisers.com>>>>
Subject: REDD exchange and Result Bar

Dear Michele and Nigel

The Civil Society Department in Norad would like to use the forthcoming Oslo REDD Exchange (October 29-30) as an opportunity to meet most of our civil society partners.

Therefore we would like to know whether you would have the interest and possibility to participate in one or several meetings before the event, more specifically on Monday 28 October.

The aim would be for our partners to meet and learn from each other. Our idea is to have bilateral, thematic and/or country-specific meetings where we discuss topics like coordination on country-level, indicators for measuring results under each thematic category, communication with Norad and so forth.

Please let us know by September 1st if you could be interested in such meetings by sending an e-mail to your contact person in Norad. In the e-mail you could also indicate if you are interested in bilateral meetings with Norad, meetings with partners under the same thematic category and/or country. We're considering a Indonesia partner meeting and would like your input on that.

You have received an invitation for the Oslo REDD Exchange by e-mail and deadline for registrations through the e-mail link is 15 September.

Please contact

Huyen.Nguyen@norad.no<mailto:Huyen.Nguyen@norad.no<mailto:Huyen.Nguyen@norad.no<mailto:Huyen.Nguyen@norad.no>>> if there are any questions to the invitation. From CGD/CA we have William Savedoff and Andreas Dahl Jørgensen registered.

The deadline for submitting the results sheet to the REDD Exchange Results Bar was August 15, as you were informed by e-mail. We have received some results, but would like to remind those of you who haven't sent the results to do so by September 1st. This is a good opportunity to show what you have achieved.

Completed forms can be e-mailed to

Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no<mailto:Knut.Nyflot@norad.no>>>, with copy to

Huyen.Nguyen@norad.no<mailto:Huyen.Nguyen@norad.no<mailto:Huyen.Nguyen@norad.no<mailto:Huyen.Nguyen@norad.no>>>.

We look forward to meet you in October.

Yours sincerely

Knut Nyfløt

Senior Adviser

Civil Society Departement

[Description: []]

Norwegian Agency for Development Cooperation Phone : +47 23 98 01

38<tel:%2B47%2023%2098%2001%2038>

Mob : +47 92 46 32 00<tel:%2B47%2092%2046%2032%2000>

Norad : +47 23 98 00 00<tel:%2B47%2023%2098%2000%2000> P.O. Box 8034 Dep, 0030 Oslo, Norway

Email:

knut.nyflot@norad.no<mailto:kjersti.lindoe@norad.no<mailto:knut.nyflot@norad.no<mailto:kjersti.lindoe@norad.no>>>

<http://www.norad.no><<http://www.norad.no/UrlBlockedError.aspx>>

Creating Demand for REDD+: Project details summary

Applicant: [Center for Global Development \(CGD\)](#), grant recipient; and [Climate Advisers, sub-grantee](#)

Thematic category: Creating global consensus on REDD+

Impacts: Conservation of the world's remaining tropical forests is a crucial and urgent component of reducing the emissions of heat-trapping gases in order to hold the mean global temperature increase below 2 degrees Celsius, widely regarded as the tipping point beyond which climate change will become rapid and irreversible. It is in the self-interest of rich countries to offer incentives for such forest conservation and advances in remote monitoring using satellite data make it possible to verify compliance, making forest conservation a perfect candidate for pay-for-performance financing.

To date the vast majority of results-based funding has come from just one country: Norway. This proposed three-year project aims to address this problem by building a political and technical consensus in favor of greatly increased financing of REDD+, and to catalyze a shift towards results-based finance for REDD+. This additional and more effective finance will help trigger the target impact: fast and durable reductions in emissions from deforestation and forest degradation in tropical developing countries, for the benefit of people and climate.

Main outcomes: This project will contribute to a major global increase in finance for REDD+. It will also contribute to a sharp shift towards results-based finance for REDD+, thereby increasing the effectiveness of REDD+ financing. With global climate negotiations and the emergence of robust global/regional compliance markets for REDD+ taking longer than originally expected, scaling up results-based resources for REDD+ from all available sources (foreign aid, as well as other more innovative public and private finance) is vitally important not only to the success of the Norway International Climate and Forest Initiative (NICFI) but also to the world as a whole. CGD and Climate Advisers' theory of change for achieving these outcomes is pictured in Figure 1, including three strategies: global, US, and Indonesia. The outcomes for each include increased REDD+ finance and a greater portion of finance through results-based mechanisms. We also seek to increase global awareness and utilization of monitoring tools, to increase the portion of US finance flowing to priority countries, and to increase donor-country understanding of the successes of results-based finance in Indonesia.

Success in this project would result in both more financing and more effective use of those funds to create incentives for tropical forest countries to conserve their forests, thereby substantially reducing the emissions of greenhouse gases and extending the narrow window of opportunity for the major emitters to reach the broader agreement that will ultimately be needed to avert climate catastrophe.

Annual budget: In line with the guidance provided by Norway, CGD and Climate Advisers are requesting NOK 10,000,000 per year for three years.

Implementers: CGD and Climate Advisers will work collaboratively across major aspects of the project.

Countries of implementation and activity profile

Countries. The project will have three areas of geographic focus: global, the United States, and Indonesia.

- First, at the global level, the project will strive to foster an international consensus in support of enhanced results-based REDD+ financing, through international civil society organizations and key international and multilateral fora, such as the United Nations, World Bank and G-20.
- Second, within the United States the project will work with policymakers and NGO allies to urge the US government to become the strongest possible champion for REDD+ results-based financing, not only in its bilateral relationships with nations like Indonesia but also in global fora including climate negotiations.
- Third, it will encourage a sharp increase in funding for results-based REDD+ in Indonesia and other key forest countries, both by encouraging them to press donors to offer results-based REDD+ financing and by making the case for results-based REDD+ directly to donor nations as the most effective and least intrusive means for supporting developing countries in reducing deforestation and forest degradation, starting with Indonesia's own participation in REDD+ as a model.

Activities. In all three geographic areas CGD and Climate Advisers will pursue five types of activities: (i) conduct rigorous analysis and research and disseminate results through reports, policy papers, and supporting materials; (ii) convene and otherwise engage experts and thought leaders through multi-stakeholder dialogue; (iii) mobilize high-level elites to engage in the policy process; (iv) foster consensus in support of politically realistic solutions that emerge through research, dialogue, and mobilization; and (v) undertake public education and outreach through events and print, broadcast, and other media.

Application Form part 1: Information about the organization

1.1. Basic information about the applicant organization

Applicant – name and abbreviation: The Center for Global Development (CGD) and Climate Advisers, with CGD serving as the grant recipient.

Legal status and type of institution: CGD is a non-profit, non-partisan research institution. Climate Advisers is a mission-driven consulting firm. Both organizations are based in Washington, DC and work globally.

Year of establishment: CGD began in 2001. Climate Advisers was founded in 2008.

Contact person with email and phone number: Project contacts: Michele de Nevers for CGD, mdenevers@cgdev.org, +1.202.416.4000; or Nigel Purvis for Climate Advisers, purvis@climateadvisers.com, +1.202.350.4950. Administrative contacts: Katie Douglas Martel, kdmartel@cgdev.org, +1.202.416.4082; or Lea Rosenbohm for Climate Advisers, rosenbohm@climateadvisers.com, +1.202.350.4950.

Full postal address: Center for Global Development, 1800 Massachusetts Avenue, NW, Washington, DC 20036; and Climate Advisers, 1320 19th Street, NW, Washington, DC 20036

Country (applicant’s head office): United States

Websites: cgdev.org and climateadvisers.com

Applicant’s experience and competence with REDD+ and relevant development work:

CGD is a global leader in results-based financing for sustainable development. CGD’s climate program is helping mainstream REDD+ into global and national development policies, emphasizing the potential of REDD+ solutions to improve livelihoods and climate resilience. CGD has created an open source monitoring tool, Forest Monitoring for Action (FORMA), that uses freely available high-definition satellite data to track deforestation across the tropical biome with almost-real time (fortnightly) reports at an extremely high level of resolution (down to 0.5 sq. km.). An accompanying analytical tool, Forest Conservation Performance Rating (fCPR), compares countries’ forest conservation results against historic and projected trends, and against country-specific and global REDD+ targets, providing one possible objective standard for results-based REDD+ payments to countries that successfully slow deforestation and degradation. [Nancy Birdsall](#), president of CGD, is one of the most influential global voices in development policy, including most recently on performance-based (a.k.a. “cash-on-delivery”) payments as an approach to foreign assistance. She served on the high-level, bipartisan US Commission on Climate and Tropical Forests.

Climate Advisers is a global leader on REDD+ and other policies for the low carbon economy. Climate Advisers currently serves as the Secretariat to the Tropical Forest and Climate Coalition, the main NGO and business alliance advocating REDD+ policies in the United States. Working independently, Climate Advisers successfully advocated in 2011 for the inclusion of forests in the Millennium Challenge Corporation’s (MCC’s) compact with Indonesia. In 2009, Climate Advisers conceived of, recruited, and staffed the US Commission on Climate and Tropical Forests, which convinced the Obama administration to pledge \$1 billion for REDD+, and Climate Advisers remains the lead organization tracking the impact of those funds. [Nigel Purvis](#), the founding CEO of Climate Advisers, has been a leader in US REDD+ policy, first as a senior US climate negotiator, then as global vice president for The Nature Conservancy (TNC), where among other things he spearheaded the creation of the Forest Carbon Partnership Facility (FCPF).

Is the proposed project a continuation of a previously or currently Norad funded project? CGD and Climate Advisers are proposing a new project to build global political will and generate additional financing for REDD+.

Applicant’s systems for quality assurance:

CGD is widely recognized for having a robust yet flexible approach to programme planning and implementation that has enabled it, during the eleven years since its founding, to establish a reputation as a highly effective “think tank plus”. This approach is grounded in rigorous empirical research that is subject to external peer review by leading academics and policymakers in the relevant field. Drawing on the resulting findings, CGD uses a variety of mechanisms—including working groups, roundtable discussions, and policy blogs, to test ideas and build expert consensus within the relevant community. This consensus then provides the basis for active engagement in the policy process. The Center’s policy priorities are identified as “initiatives” on the CGD website and benefit from enhanced communications and policy outreach support within the Center.

For example, one previous CGD initiative led to a \$1.5 billion [advance market commitment \(AMC\)](#) for the rapid adaptation for use in the tropics of a vaccine that prevents pneumococcal disease, which kills millions of children annually. The AMC pilot was successful and the vaccines are now being administered around the world. The AMC approach is now being tried in other areas, including agricultural research.

During the 2008 financial crisis, Birdsall put forward a proposal for a [\\$1 trillion global stimulus package](#), via the IMF and the multilateral development banks, to cushion the shocks from the crisis in the developing world and enable developing countries to participate in the recovery, in part by continuing to buy products from the crisis-hit high-income countries. The idea was endorsed by UN secretary general Ban Ki-moon and then picked up by the G-20, and soon became an important part of the global response to the crisis.

Climate Advisers employs a five-part approach to ensure that its work lives up to the highest possible professional and ethical standards. First, it relies on experienced and talented staff that have proven themselves at respected universities, think tanks, and other blue chip organizations prior to joining Climate Advisers. Second, Climate Advisers' executives and directors employ a hands-on, participatory management style. Third, Climate Advisers' published reports and public materials are externally reviewed by scholars and independent experts. Fourth, Climate Advisers employs outside counsel to ensure compliance with local law, including restrictions or requirements relating to taxation, corporate registration, lobbying and political activity. And finally, Climate Advisers obtains independent review of projects and accounts by external bookkeepers and highly-experienced certified public accountants.

Applicant's financial management systems and the corruption prevention measures: CGD has strict financial/accounting policies and procedures that ensure checks and balances for all of the Center's transactions. These checks and balances are reviewed and tested every year during CGD's annual audit process, and a formal report is issued for review to the board of directors. Both CGD and Climate Advisers follow best-practice policies and procedures on financial integrity and corruption prevention. CGD's and Climate Advisers' financial statements are prepared by certified public accountants. CGD and Climate Advisers file annual registration and tax returns in all jurisdictions in which they operate. CGD and Climate Advisers maintain and enforce an ethics policy to ensure transparency, disclosure and the avoidance of conflicts of interest. CGD and Climate Advisers comply fully with applicable laws relating to the prevention of corruption, including the US foreign corrupt practices act.

Applicant's systems for knowledge management: CGD knowledge management systems are based on an open and transparent approach to learning and knowledge sharing that combines face-to-face meetings and extensive engagement online. Among CGD's communication slogans is "share early and often," meaning that project ideas are tested repeatedly through meetings and public exposure online, not only via research papers but also by way of blogs, podcasts (CGD produces a weekly audio interview with a CGD-affiliated expert called the [Global Prosperity Wonkcast](#)) and, increasingly, by way of video postings. CGD is also increasingly using online video-conferencing tools to have frequent discussions with partners and other stakeholders across the globe. Climate Advisers is dedicated to promoting public education and policy dialogue. Climate Advisers typically shares knowledge through in-person and online interactions. It disseminates reports and papers through a network of partner think tanks, including CGD, as well as its own web postings and distribution lists.

1.1 Financial Status

Table 1: Annual income of the organizations in the last three years (USD) including income source:

<i>Applicants</i>	2011	2010	2009
Center for Global Development (total revenue)	16,919,000	9,428,000	15,913,000
Grants and contributions	16,983,000	6,822,000	12,320,000
Contracts, investments, and other	(64,000)	2,606,000	3,592,000
Climate Advisers (total operating revenue)	2,380,000	1,672,000	1,554,000
Foundation	1,618,000	1,204,000	948,000
NGO and think tank	476,000	334,000	482,000
Government	286,000	117,000	124,000
Corporate	0	17,000	16,000

1.2 Partner organization(s)

CGD has a close working relationship with the World Resources Institute (WRI), a leading think tank on global environmental policy issues. WRI is using CGD's [Forest Monitoring for Action \(FORMA\)](#) as a key component of a Global Forest Watch 2.0, which uses satellite imagery, boundary maps and social media applications to provide near-real-time forest change alert system. CGD will explore further collaboration with WRI in promoting the goals of this

project. Climate Advisers works closely with the Climate and Land Use Alliance (CLUA), both as an advisor and project implementation partner. Climate Advisers will explore with CLUA ways to make that collaboration supportive of the goals in this project. In addition, Climate Advisers works closely with the world's leading global and US environmental advocacy organizations (EDF, NRDC, Sierra Club, TNC, CI, etc.), each of which is a member of the Tropical Forests and Climate Coalition that Climate Advisers leads. Climate Advisers will strive to ensure that those organizations contribute to the goals and success of this project as well.

Application Form part 2: Project Information

2 Relevance

2.1 Relevance to Norwegian Climate and Forest Initiative objectives and Norwegian development-cooperation objectives:

This project will contribute substantially to Norway's climate and development objectives by identifying, sharing and advocating for politically feasible options for achieving substantial and sustainable near-term funding for results-based REDD+ (prior to 2020 but also beyond). At its inception in 2009, NICFI positioned itself as a short-term bridge to global compliance markets for REDD+ (e.g., markets that would put a price on emissions, thereby generating both funds and demand for REDD+ credits). Unfortunately, developed nations are taking longer than originally envisioned to establish robust compliance markets for REDD+ monitoring, reporting and verification systems which allow full carbon accounting and global climate negotiations are also delayed.

As a consequence, forest-rich developing nations are beginning to wonder whether global support for REDD+ is sufficient to warrant the pursuit of new forest-friendly development strategies. Scaling-up financial resources for REDD+ is essential to reduce emissions from forests now, learn valuable insights about how to do REDD+ in developing nations, and politically enable continued progress toward a global REDD+ regime.

Global compliance markets for REDD+ emission reductions are still the long term solution and NICFI is still only a bridge to those markets. Political and economic conditions, unfortunately, require the bridge to be longer and stronger than originally envisioned. This CGD and Climate Advisers project will help NICFI span the gap by striving to mobilize additional resources from developed nations for results-based REDD+ action.

2.2 Relevance to the objectives of the thematic category as described in the call for concept notes:

This project will help create a global consensus for REDD+ by scaling up demand for emissions reductions from the forest sector, before 2020 and beyond. All elements of the project are centered on mobilizing leadership in priority developed nations by focusing on politically feasible options for achieving sufficient and sustainable REDD+ finance, with an emphasis on results-based approaches that involve the public and private sectors. This is precisely the topic that the Norad CSO concept note identifies as a priority for Norway.

2.3 Relevance to REDD+ at the international level:

The project will contribute to the development of international REDD+ policy in three important ways. First, the project will help persuade developed nations to scale-up financing for REDD+ and to align existing and new REDD+ funding around results-based approaches. Second, by doing so the project will lead to stronger and more effective international climate programs in developed nations and in multilateral development institutions. Third, scaled-up funding for results-based REDD+ will contribute to the political will necessary to include REDD+ fully in new global climate agreement(s). By helping to scale-up financing for results-based REDD+, in short, the project will accelerate near-term partnerships between developed and developing nations, while also laying the foundation for REDD+ friendly climate agreements.

2.4 Relevance to development objectives of the country and the national REDD+ agenda:

Increasing funding from donor nations for results-based REDD+ emissions reductions will create powerful economic incentives that spur sustainable development in developing nations. Many forest-rich developing nations, including Indonesia, have made it clear that international funding is a pre-requisite for scaled-up results on REDD+. Understandably, they consider such funding essential to ensure REDD+ advances their own sustainable development objectives. Helping to deliver that funding will lead to stronger in-country political will and ultimately better development and climate outcomes at the national and local level. Stronger REDD+ outcomes, of course, will further enhance sustainable development in affected communities. Many, if not most, of the activities needed to achieve REDD+ have enormous sustainable development benefits, including through contributions to good governance, rule of law, social justice and poverty alleviation.

3 Baseline; and the case for the project

3.1 The justification of the project:

International negotiations are stalled on a binding agreement that would hold emissions of heat-trapping gases to levels compatible with a mean global temperature increase to less than 2 degrees Celsius—widely considered to be the maximum amount of heating consistent with avoiding rapid, catastrophic climate change. In the absence of a global agreement to contain the rise in emissions, protecting the world's remaining tropical forests is potentially one of the most immediately possible, cost-effective means for slowing emissions growth and sequestering carbon, providing a narrow window for a renewed effort for a global agreement. REDD+ has the potential to answer this urgent and important need. However, the global consensus for REDD+ is weak. Developed nations are not providing sufficient and sustainable finance for REDD+ to create a strong global political consensus for emission reductions. Our analysis suggests that total funding for REDD+ today is less than 10% of the amount needed to make REDD+ attractive and sustainable in developing nations.ⁱ In addition, aside from NICFI, most existing REDD+ financing is not results-based and therefore does not create strong incentives for transformational change. Together these facts help explain why most forest-rich nations have yet to fundamentally realign their economies away from deforestation.

3.2 Identify the *main actors* that, in your analysis, hold the key to change:

Countries. A small number of countries hold the key to creating a strong global consensus for scaled-up results-based REDD+ financing. Without strong advocacy by major European governments it's hard to see other donor nations mobilizing large scale financial resources for REDD+. Norway's leadership has been critical to progress so far. CGD work on other payment-for-results finance innovations has highlighted the catalytic role that an individual country can play in demonstrating the feasibility and success of an innovative approach. Research and analytical materials prepared in the course of the project, and close consultations with Norwegian policymakers during this same period, can help to strengthen Norway's pay-for-performance approach to REDD+. The project will also serve to amplify and highlight the lessons from Norway's approach, thereby encouraging other donors to follow suit.

The UK and Germany, in particular, must join Norway to form the nucleus of a coalition of the willing. US support is also vital. Given its power in the world and because the United States is often reluctant to increase financial resources for developing nations, if the United States signs on then other donor nations will follow. Japan and Australia are also well-positioned to join a coalition of willing nations for increased REDD+ financing given their domestic policies and engagement with REDD+ nations in South East Asia. On REDD+ policy these developed nations pay attention to the views of major forest nations, particularly Brazil and Indonesia. When it comes to financing for REDD+, Indonesia is particularly important because many donors view Brazil as sufficiently developed to finance its own climate action.

Decision Makers. Decisions in developed nations about REDD+ financing are made by a combination of heads of government, finance ministries, climate negotiators, development agencies and legislators. The balance of power varies from country to country. In the United States, for example, the White House, State Department and Congress play the biggest role. In the United Kingdom, the Prime Minister's office, exchequer, climate agency and aid agency share decision making authority. CGD and Climate Advisers will tailor strategies to fit priority nations.

Stakeholders. Policy makers in these countries and institutions respond to well-organized input from numerous political constituencies. Naturally, environment and development advocates must press for action. Businesses concerned about climate impacts and the cost of climate action in developed nations must also weigh in. Think tanks and opinion leaders shape media coverage and public opinion, particularly about which policy instruments make sense.

3.3 Identify the changes that must occur with *these actors*, in order for the fundamental problem to be overcome:

- National leaders and finance ministries from developed nations must be convinced that it is in their own national interest to allocate substantially increased resources for REDD+ result-based financing during difficult economic times; that there is a strong technical consensus that such an approach will be efficient and effective; and that they can count on support from key constituencies for such actions.
- Climate change and development assistance agencies need to be convinced that REDD+ is a priority climate intervention and that results-based approaches hold the most promise.
- Climate advocates and developing country governments need to be mobilized to press for international REDD+ funding from donor governments even though their natural inclination is to focus primarily on domestic policies.

3.4 Explain why the project proposed here, in your analysis, is a good instrument to cause those changes:

A successful effort to scale-up global results-based financing for REDD+ needs to influence senior decision makers in key donor countries. This CGD and Climate Advisers project would do this in the following concrete ways.

CGD and Climate Advisers are leaders in global development and climate policy, participating actively in global forums and shaping policymakers' decisions through (i) rigorous, widely-distributed non-partisan analysis and research, (ii) impactful policy engagement through multi-stakeholder dialogue, (iii) mobilizing high-level thought leaders and decision makers, (iv) translating consensus and mobilization into action on politically realistic policy solutions, and (v) shaping global public opinion through online engagement and presentation of key ideas in traditional mass media and social media.

Both organizations have direct relationships with decision makers and will mobilize a diverse network of independently influential thought leaders through this project. Together their circles of influence span the various countries and government institutions mentioned above. Both organizations have done extensive work on development and climate policies in developed nations. CGD's relationships are strongest in development circles whereas Climate Advisers has strong ties to climate policy institutions and venues.

CGD and Climate Advisers, both based in Washington, DC, are well-positioned to influence the United States, of course, but they also have deep connections and long-standing partnerships with the United Kingdom and other European donors, and Japan. CGD has recently established a European presence, with a presence in London headed by a former senior UK civil servant, [Owen Barder](#), who has excellent access and insights into the UK policy process, particularly concerning development issues. Barder is leading a wider European engagement effort that will provide a basis for engaging European donors on REDD+ performance based finance. The strategies we propose in this project will take full advantage of these relationships and others to achieve results.

CGD and Climate Advisers have a proven ability to convene, influence and help mobilize advocates and private firms on development, REDD+ policies and international climate and development finance. CGD has successfully influenced G-20 deliberations and declarations on three occasions: the previously mentioned proposal for a \$1 trillion global stimulus package during the 2008 financial crisis; the shaping of the G-20 development agenda endorsed at the 2010 Seoul Summit; and the inclusion in the declaration at the 2012 Cancun Summit of support for a pilot on results-based financing for agricultural research to benefit Africa. Climate Advisers has successfully mobilized the United States to commit substantial finance for REDD+, for example playing a key role in generating the \$1 billion US REDD+ commitment made in Copenhagen, and helping to open up more than \$330 million in US support to Indonesia to forest and land use projects. CGD and Climate Advisers proven success with these strategies in other contexts provide strong support that this project is the right instrument for pursuing our target outcomes.

Both organizations have conducted independent research on forest conservation in Indonesia and other forest nations, and have weighed in with policy makers in support of Norway's results-based bilateral partnerships. CGD's satellite monitoring tool (FORMA) has been extensively tested and ground-truthed in Indonesia. Climate Advisers' online tool to assess the potential for REDD+ in forest nations (FCI) is widely used by journalists, think tanks and advocates. CGD and Climate Advisers are well positioned to highlight opportunities for progress in Indonesia and other make-or-break REDD+ nations, and this project will do so to help mobilize support for Indonesia and other's REDD+ goals.

4 Impact

4.1 Articulate succinctly the desired *state of society*, toward which the project, as one of several factors, will *ultimately* contribute:

This CGD-Climate Advisers project has an ambitious aim: to help trigger fast and durable reductions in emissions from deforestation and forest degradation in tropical developing countries, thereby slowing climate change in hopes of extending the window of opportunity for the main emitters to reach an effective global climate agreement. The project aims to do this by first forging a strong and broadly shared technical consensus on a practical approach to results-based financing of reduced deforestation and forest degradation in developing countries, and then using that consensus as the basis for fostering broad support and political will for increased results-based financing of REDD+. Figure 1 below illustrates the Theory of Change for this work.

Figure 1a: Program Theory of Change

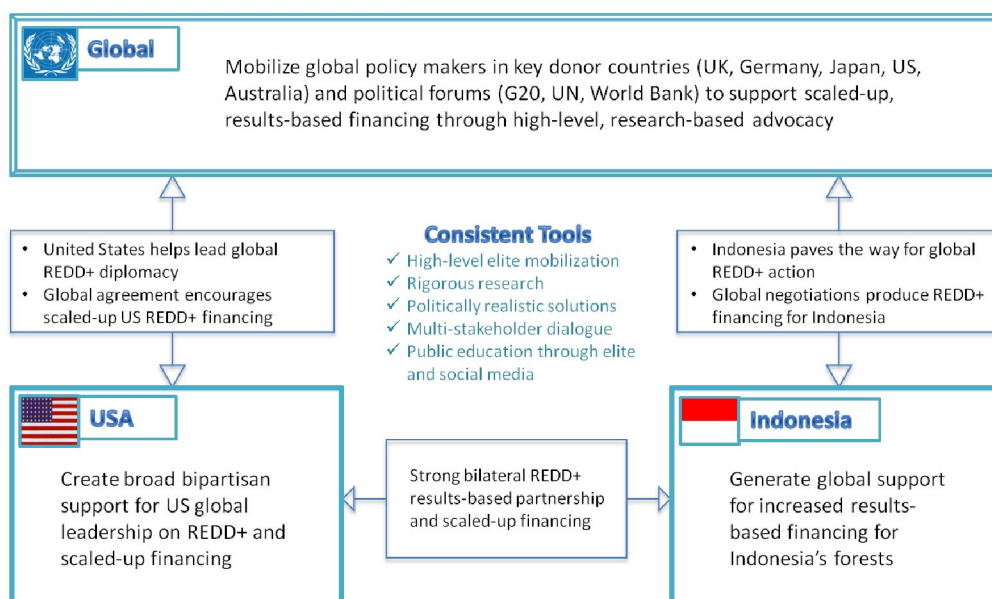
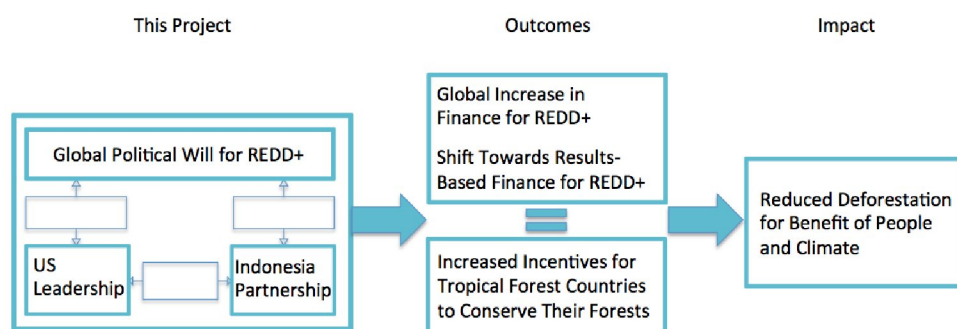


Figure 1b: Program Leads to Impact



The project will work to increase global understanding of REDD+ as a partnership between developed and developing nations that advances shared objectives concerning global climate protection and sustainable development. With global climate negotiations and the emergence of robust regional compliance markets for REDD+ taking longer than originally expected, market-based demand for forest-based emissions reductions is insufficient to reduce deforestation as fast as needed to protect the climate and the communities that depend on forests. This project seeks to increase REDD+ finance during this interim period to help bridge this gap. CGD and Climate Advisers also believe that results-based REDD+ mechanisms are severely under-capitalized compared to capacity-building assistance. It is critical not only to increase REDD+ finance in this interim period, but to catalyze a shift to results-based REDD+. Therefore, this project aims to scale up results-based approaches such as the FCPF carbon fund and Norway's bilateral REDD+ partnerships, to enhance and disseminate the tools that support them such as FORMA and fCPR and others, and to promote additional resources for REDD+ from all available sources (foreign aid, and more innovative public and private finance vehicles). These aims – increased finance for REDD+, and a shift to results-based finance for REDD+ – will ultimately contribute to achieving NICFI's objective of reducing emissions from forests globally. This project focuses on that challenging but essential element of success.

4.2 What indicator(s) will show progress toward the desired impact?

The primary indicator of success will be increased results-based financing for REDD+ from an increased number of donors. Given the time frame of the project and the time lag between generating new finance and the in-country policies and measures that achieve reduced deforestation, we focus on the amount of REDD+ finance and the proportion of that finance that is dedicated to results-based mechanisms as the primary indicators for this project, rather than including impact indicators of deforestation reduction and its benefits for people. Determining the amount of finance is relatively straight-forward: the OECD Development Assistance Committee (DAC) regularly reports on Official Development Assistance (ODA), including climate finance. Other tracking systems for climate

finance are rapidly emerging or already online. Determining which nations and states are providing assistance within a results-based framework will require additional research and monitoring, as described below.

5 Outcome(s) – effect on project's target group(s), counterpart(s), beneficiary(-ies)

5.1 Identify for all outcomes: (a) the main groups/entities that the project targets; (b) the change to be achieved; (c) the key indicator(s) that the desired change has occurred, and (d) explain whether the outcomes are expected to be sustainable:

As indicated in Figure 1 above, the project is built around a clear and coherent theory of change that capitalizes on CGD and Climate Advisers' core competencies as organizations that help shape international development and climate policies at the global level and in developed nations in particular. The project will have three types of outcomes: global, in the United States and in Indonesia. Generating increased finance for REDD+ and a shift towards results-based mechanisms will require strengthening the global consensus for results-based REDD+ and for REDD+ as a critical near-term investment. Success on that front is far more likely to occur if the United States and Indonesia lead the way. The United States, despite its history of inadequate climate action, remains one of the most influential nations in international climate negotiations and in the direction of REDD+. The United States supports REDD+ but has not scaled up results-based financing adequately. Stronger US leadership would spur action by other donor nations, and additional US technical knowledge is also needed to help make REDD+ work in practice.

Indonesia is the global test case for REDD+. (Given its more advanced state of development, Brazil's success with REDD+ has not convinced the world that REDD+ will work elsewhere.) If REDD+ can work in Indonesia, a global consensus for REDD+ is more likely to follow since deforestation, illegal activity and forest corruption have been endemic in Indonesia for decades and prior international efforts there have failed. More than any other two countries, Indonesia and the United States are crucial to Norway's goal of crafting a durable and successful global system for REDD+ results-based payments. Flowing from these insights, this project is designed to increase the supply of such finance (following Norway's lead, from the United States and other donors) and demand (starting with Indonesia, followed by other tropical forest nations) for increased REDD+ performance-based finance. The expected outcomes at all three levels are described in detail below.

a. Outcomes for Strategy 1: Build global political will for results-based REDD+ financing and increased funding

Table 2: Global Strategy Outcomes

(a) Groups/entities targeted	(b) Changes to be achieved	(c) Key indicator	(d) Outcome sustainable?
Policymakers in funder nations including UK, Germany, France, US, Australia, Japan	Doubling of global financial flows for REDD+	Global REDD+ funding flows reach \$2.6 billion per year by 2015	Yes, if successful, because once nations understand the importance of REDD+ to staying within 2 degree C the global consensus for REDD+ will endure
Policymakers in funder nations including UK, Germany, France, US, Australia, Japan, and in multilateral funding institutions including World Bank, GEF, other IDBs	A greater portion of REDD+ finance flows through results-based mechanisms, increasing its effectiveness	An additional \$500 million a year in results-based REDD+ pledged	Yes, if successful, because once countries gain experience with results-based approaches they will see the transformational impact that is possible
REDD+ policy makers and stakeholders generally	Increased awareness and utilization of monitoring tools and performance ratings such as FORMA, fCPR and others	REDD+ negotiators no longer debating feasibility of timely, cost-effective monitoring	Yes, because technology, tools and buy-in will continue to improve

Overall, this project aims to provide the intellectual underpinnings for and help to forge a broad consensus in support of a doubling of global financial flows for REDD+ from funder nations to forested developing countries. A

group of Annex I country governments collectively pledged to provide over \$4.1 billion of public finance for REDD+ in the 2010-2012 fast start period.ⁱⁱ While difficult to measure precisely, it is estimated that \$3.9 billion has been allocated during this period, or \$1.3 billion/year.ⁱⁱⁱ Recipients have reported seeing much less than these pledged amounts in large part because of inevitable and significant time lags from funder country budgeting decisions to money being spent on the ground.^{iv} To cut emissions from deforestation and degradation in half by 2020, \$15 billion per year or more in finance may be required.^v This project is designed to take on the ambitious objective of helping to facilitate a doubling of global REDD+ financing by 2015, reaching \$2.6 billion per year of public finance by the end of that time, creating the type of acceleration needed to reach longer-term REDD+ finance needs.

In addition, the project will seek to increase the effectiveness of REDD+ finance by shifting a greater portion towards results-based mechanisms, in part as an alternative to the contentious negotiations and stalled progress on monitoring, reporting and verification or so-called MRV. Currently only Norway is providing REDD+ finance through a results-based framework. The “cash on delivery” (COD) approach to results-based finance pioneered by CGD, and the similar approach taken by Norway in Brazil, Indonesia, and Guyana, provide strong models for other funder nations. The project will work to ensure that by 2015 a greater percentage of REDD+ financing will follow these results-based models.

To achieve a substantial increase in results-based REDD+ funding in the near term, given slow progress on international negotiations and sluggish funder-country economies, the project will build confidence in results-based approaches. It will raise awareness of monitoring tools and performance ratings such as FORMA and fCPR. It will reach out to policymakers, NGOs, civil society groups and think tanks to contribute toward a new global sense of urgency for protecting forests. In global climate policy discussions, forests are currently a third-tier issue for funder nations, taking a back seat to energy systems, trade and competitiveness, and resilience. This lack of prioritization is evidenced by the scant attention climate ministers, climate advocates and the media give to forest issues when discussing climate solutions. This project will endeavor to raise the profile and urgency of REDD+ solutions by promoting recognition of forests as the highest priority near term climate protection strategy.

These outcomes at the global level will contribute toward the development of a strong global climate agreement that includes in robust terms results-based REDD+. As such, this project’s contributions to addressing climate threats will, if successful, have impacts well beyond 2015. By building global demand for emissions reductions from the forest sector and creating consensus around how to do REDD+ well, the project has the potential to help increase trust between high-income and developing nations and thereby help to accelerate international climate negotiations

b. Outcomes for Strategy 2: Secure US REDD+ leadership

Table 3: US Strategy Outcomes

(a) Groups/entities targeted	(b) Changes to be achieved	(c) Key indicator	(d) Outcome sustainable?
US policymakers (White House, State Dept, USAID, Treasury, MCC, Congress) and influencers (think tanks, NGOs, thought leaders)	Doubling of US REDD+ finance by the end of 2015	US funding for REDD+ reaches \$500 million by 2015	Yes, because U.S. understanding of the importance of REDD+ will create broad, lasting support for higher funding levels
US policymakers (WH, State Dept, USAID, Treasury, MCC, Congress) and influencers (think tanks, NGOs, thought leaders)	Increased effectiveness of US REDD+ finance, including through an increase in portion of REDD+ finance flowing through results-based mechanisms and an increased portion flowing to fewer priority partner countries	\$200 million a year pledged by 2015 for results-based REDD+ by the United States Increased portion of US REDD+ funding through results-based mechanisms Increased portion of US REDD+ funding flowing to top two funded REDD+ partners	Yes, because the project will build lasting support for results-based REDD+ financing

The United States plays a key role in global REDD+ efforts as one of the three largest funders globally^{vi}, as a strong voice in international forums, as a locus of major stakeholder interest in REDD+, and as a source of many global

public goods on REDD+ (from satellite data to online tools such as those pioneered by CGD and Climate Advisers previously). The United States has also shown a willingness to give priority to REDD+ in its climate policy discussions, as evidenced by the role of forests in every major recent climate bill considered by the Congress. US REDD+ leadership is not just possible, it is a major factor in the success of the project as a whole, including its global and Indonesia objectives. Recently, however, US leadership on REDD+ has faltered, particularly since the collapse of Congressional interest in a forest-friendly climate law. This project seeks to re-energize and broaden the support for REDD+ amongst US policymakers, in close coordination with the outcomes and strategies at the global scale and focused on Indonesia.

The United States, while a global REDD+ leader, has dedicated very little of its REDD+ finance to performance-based mechanisms during the 2010-2012 fast start period – limited to a small contribution to the Forest Carbon Partnership Facility’s carbon fund. None of the United States’ approximately \$675 million in bilateral climate finance over this period is results-based.^{viii} The absence of results-based approaches in the US policy portfolio is not surprising, as there is a complete lack of results-based mechanisms through the main US agencies through which US foreign assistance flows - the US Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), and the Department of Treasury. This project aims to shift the US foreign assistance landscape for climate and REDD+ towards more acceptance and utilization of results-based approaches.

The project aims to contribute to the doubling of US REDD+ finance by the end of 2015 and increase its impact, including by making it more results-based and by focusing US assistance in priority nations, for example by strengthening the large-scale bilateral US REDD+ partnership with Indonesia and contributing to the development of a second large-scale bilateral US REDD+ partnership. CGD researchers are working with researchers at the Brookings Institution to extend CGD’s data-driven Quality of Official Development Assistance (QuODA) toolset to examine climate finance. Results from this research will be an important input into CGD’s ability to assess what proportion of REDD+ finance is offered in a pay-for-results framework. Improvement in program assessments, such as Climate Advisers’ recent assessment of the US REDD+ program to date, would also be an indicator of success.

c. Outcomes for Strategy 3: Support a global REDD+ partnership for Indonesia

Table 4: Indonesia Strategy Outcomes

(a) Groups/entities targeted	(b) Changes to be achieved	(c) Key indicator	(d) Outcome sustainable?
Donor country policy makers and stakeholders	Donor nations understand that Indonesians and REDD+ experts both believe that results-based REDD+ is working in Indonesia, and donor nations understand how they can build on that success	Policy maker opinions in developed nations more favorable to Indonesia REDD+	Yes, if Indonesia continues to enact meaningful REDD+ reforms
Donor country policy makers and stakeholders	Doubling of international support and increased results-based financing for REDD+ in Indonesia by 2015	Amount of bilateral and multilateral REDD+ finance to Indonesia Increased portion of international REDD+ finance to Indonesia through results-based mechanisms	Yes, if Indonesia continues to enact meaningful REDD+ reforms

The project will seek to increase substantially global interest in helping Indonesia meet its ambitious REDD+ goals. Success in Indonesia is essential because the world sees Indonesia as the test case of whether REDD+ can really work in a nation that has significant governance challenges and where deforestation has become a central part of the national economy. This project will contribute to Indonesia’s success by seeking to double international support and results-based financing for REDD+ in Indonesia by 2015.^{viii} In order for this outcome to be achieved, it is necessary for Indonesia and other key forest nations to become much more articulate and visible internationally in pressing their desire for substantially increased results-based finance, and their willingness and ability to protect remaining forests much more effectively if the desired finance is provided. Much of the project’s activities within the Indonesian component will be directed towards this end. Success here, for example, could come in the form of a

new global fund for Indonesia's forests (e.g., the one promoted by Norad grantee Global Canopy Program), Indonesia's selection for results-based finance through funds such as the FCPC carbon fund and/or the BioCF, and/or a doubling of bilateral assistance for REDD+ in Indonesia, with a preference for funding into Indonesia's new funding instrument FREDDI (assuming it will not experience further delays).

6. Main outputs for each outcome

6.1 Briefly identify the main outputs the project will deliver to achieve the outcomes:

a. Outputs for global strategy

At the global scale, our program has two strategies and associated outputs. They are: 1) a comprehensive economic and scientific synthesis report that presents evidence demonstrating the crucial importance of forest conservation to averting runaway climate change and 2) a working group made up of thought-leaders with experience in climate finance (and the resulting report) to forge and disseminate a technical consensus on how pay-for-performance finance of REDD+ can achieve this goal.

- **Economic and scientific synthesis report.** The project will commission and widely disseminate a research report that draws upon previously published, peer-reviewed scientific results to demonstrate that forest conservation is indispensable to holding global mean temperature increases below two degrees Celsius. The paper will be authored by a team of internationally respected and high-profile scientists and economists not usually associated with forests and REDD+. This report is intended to create a sense of urgency around REDD+ as an indispensable near-term climate solution – a message that will be much more potent if it is generated by a different process than the working group below. Published scientific and economic research support this urgency but have not previously been presented in a widely accessible form. We believe therefore that this synthesis report has the potential to generate wide-spread media attention and to help foster increased interest in the fast-track adoption of policies and recommendations generated by other components of this project – globally, in the United States, and in Indonesia. (The report will be a joint CGD-Climate Advisers publication, with Climate Advisers helping to guide the selection and recruitment of the authors. CGD will take the lead on commissioning and peer-review procedures, and the report will be widely disseminated using the Center's media relations and online presence). Output indicators: completion of several background papers including an assessment of the role of women in forest protection; peer review of background papers and synthesis report; outreach and dissemination workshops on completed synthesis report.
- **Working Group.** CGD research on large-scale global health successes has shown that policy changes and sustained financial support require a solid technical consensus and practical guidance on how to proceed. Policymakers are not willing to expend scarce political capital on a new idea unless they are reasonably confident that it will work, and that their efforts to promote the change will be welcomed and supported by key constituencies. CGD has a strong track record in forging this type of technical consensus through the CGD working group process (see "[Learning While Doing: A 12-Step Program for Policy Change](#)"). In the past 10 years, the Center has organized more than two dozen such groups on a wide variety of development policy topics, including several devoted to innovative approaches to development finance (see full list of current and past CGD working groups [here](#)). While not all CGD working groups have been successful in achieving the desired policy objective, several have achieved far-reaching results, including the \$1.5 billion Advance Market Commitment for an improved vaccine, the creation of a new global institution to foster improved impact evaluations, and several reports on improving the performance of international financial and health institutions. In each case, members of the working group contributed to the consensus and then served as high-profile advocates for its implementation.

For the proposed working group, Nancy Birdsall would serve as one of three co-chairs, bringing -to bear her leadership and expertise on results-based development finance. We anticipate that two additional co-chairs to be identified would include a policymaker, academic or other thought leader from the global South (perhaps, ideally, Indonesia) and a similarly prominent person from a high-income donor country (for example, UK, Germany, or France). Working group members would include experts from both funders and recipient countries in environment (climate and forestry), economics, development finance from a variety of backgrounds such as academia, civil society, and parliaments. CGD will take the lead in organizing and managing the working group, hosting a small secretariat and promoting the final report and recommendations, with substantial advice and support from Climate Advisers, including especially in recruiting co-chairs and members and in drafting the issues paper that will serve as the starting point for the eventual working group report.

To support the deliberations of this working group, we will generate and/or solicit supporting outputs such as white papers, policy briefs, and background papers on such topics as: how lessons from existing results-based systems (e.g. for health and education) can be applied to REDD+; how existing and emerging tools (e.g. satellite-based monitoring tools) can be used for executing results-based REDD+ finance mechanisms; how to determine the appropriate payment for results-based REDD+; and assessment of the effectiveness of REDD+ financing globally. Output indicators: completion of issues paper that will shape the content of the working group; formation of working group and staffing of secretariat; completion of case studies on previous experiments with results-based REDD+ programs and other background documents; completion of Working Group final report and recommendations.

CGD and Climate Advisers are well positioned to undertake this difficult, time intensive and high-profile task. CGD literally wrote the manual on creating this type of multi-stakeholder working group, and on ensuring that its outputs have impact. Previously, Climate Advisers has successfully organized and managed high-level multi-stakeholder commissions that have generated consensus recommendations that enhanced REDD+ policy.

b. Outputs for US strategy

To secure US REDD+ leadership, we have organized our core program of work around two mutually reinforcing strategies and outputs. First, we aim to organize and staff a high-level, blue-ribbon bipartisan advisory group to create, communicate, and generate buy-in for US policy solutions at the nexus of global development, sustainability, forest conservation, and governance (at this nexus lies REDD+). Second, we will track and assess US REDD+ finance to ensure transparency and accountability and increase the effectiveness of existing programs.

- **High-Level Outreach.** Climate Advisers aims to organize and staff a high-level, blue ribbon bipartisan advisory group that includes former cabinet officials, members of Congress, White House advisers, business executives, and non-profit leaders. We have already started recruiting for this advisory committee with great success (see Appendix A). Already confirmed for this project are many of the most influential thought leaders in Washington, DC – and not just on climate change and REDD+ but on US foreign and economic policy generally. We will use this core group as well as an extended high-level network to create, communicate, and generate buy-in for US policy solutions at the nexus of global development, sustainability, forest conservation, and governance. At this nexus lies REDD+. As described elsewhere, Climate Advisers has had great success working at this level in the past through the Commission on Climate and Tropical Forests, an entity created and staffed by Climate Advisers in 2009 that included the “cream of the cream” of US public policy elites and national business and civil society leaders.

Our High-Level Outreach program will generate outputs to advance REDD+ policy in three primary ways. First, it will seek to advance REDD+ policy within its current context – as one of three pillars of US climate foreign assistance. Such an approach is likely to generate some successes, but not reach the scale needed to be truly transformative (nor even to meet the outcomes listed above in Table 3). Traditional REDD+ funding from the United States has grown significantly in recent years and we will work together to sustain that trend and ensure that those funds are used as effectively as possible – in the right countries, including Indonesia, and with a results-based approach. We will track this funding to ensure accountability and transparency, and to create a basis for policy innovation and reforms. We will work with NGOs to give them the information and strategies needed to advocate for more traditional REDD+ funding from foreign aid budgets. In this manner we will maximize the size of the US REDD+ investment from these traditional financing sources.

Second, recognizing that REDD+ could advance further if it is embedded within broader policy objectives, we will create demand for REDD+ to be a component of foreign assistance reform efforts as well as fiscal and energy policy reform (such as carbon taxes, energy trust funds, and redirecting fossil fuel subsidies). As we help maximize traditional foreign aid funds for REDD+ from the United States, we will also actively seek out ways to increase REDD+ funding from less traditional funding sources that will be part of the political and policy debate in Washington, DC. President Obama has proposed the creation of an energy and climate trust fund from fossil fuel revenues. The President has asked Congress to redirect fossil fuel subsidies to clean energy and climate programs. The President and the Congress are discussing major fiscal reforms that could pave the way for a carbon tax. Foreign aid advocates in the United States are pressing the Administration to reform the outdated foreign assistance act, and we are at the center of those calling for more results-based approaches. We will participate actively in these policy discussions, and other similar and as yet unforeseen opportunities, with a view to increasing REDD+ financing.

Third, we will further REDD+ as part of an effort to advance US climate policy more broadly at the highest levels of the Obama Administration. Over the past six years, all REDD+ funding from the United States and all increases in international forest conservation assistance are attributable to concern about climate change. Every major piece of climate legislation in the US Congress during President Obama's first term included provisions to increase US REDD+ support. In short, the best way to secure REDD+ funding is to improve US leadership on climate change generally. We will work to ensure that President Obama, his administration and the US Congress understand the urgency of climate action and have the political will to adopt more ambitious solutions. In so doing, we will always ensure that REDD+ is embedded in these policies as a primary means of US action.

Output indicators: As in the global working group above, our US high-level outreach will both generate and be supported by high-impact outputs, such as reports, white papers, and policy briefs, and other communications outputs such as essays, op-eds, and blogs. It will also generate US-focused messaging materials to translate for a US audience outputs generated by this project's global strategies, such as those conveying urgency for REDD+ and those supporting results-based mechanisms. The US advisory group will also provide an important locus of high-level relationships to US policymakers that will support the global objectives of this project.

Tracking and Analyzing US REDD+ Leadership. In the second prong of our US program, Climate Advisers will help promote transparency and increased effectiveness of US REDD+ programs, to improve their effectiveness, facilitate greater dialogue with civil society and promote accountability. Climate Advisers recently published a first assessment of US REDD+ finance during the fast start period, based on extensive research including budget tracking, direct conversations with policymakers, and discussions with recipients of US REDD+ finance. Over the next three years, as these new US REDD+ programs begin to mature, they will begin to produce results on the ground—good, bad, or mixed, and Climate Advisers will be there to disseminate those outcomes and any lessons learned. Output indicators: We will publish US REDD+ financing updates on a regular basis to climate, environment, and development civil society stakeholders; provide input and updates to policy makers; and produce another major assessment of US REDD+ finance in the third year of this project as programs begin to report out on their results and impacts.

c. Outputs for Indonesia strategy

Climate Advisers and CGD have complementary strengths in Indonesia, and will work together to create two primary outputs that will help generate our outcomes: 1) an ongoing, multi-country REDD+ Road Show, and 2) reports on Indonesian REDD+, including the effectiveness of different types of REDD+ investments, and on the status and progress of efforts related to governance, monitoring, and other prerequisites for substantially increased results-based investments.

- **REDD+ Road Show.** As the global and US components of this project begin to create additional urgency and demand for emissions reductions from the international community at large, we will strengthen this progress through country-driven communications from Indonesia and other REDD+ countries. Specifically, we will bring leading policy makers and experts on REDD+ from Indonesia and other key forest nations, as well as leading global experts on REDD+, to at least four developed nations to educate donor and climate decision makers about the successes and challenges of results-based REDD+ where it has been implemented, opportunities for progress in Indonesia and elsewhere, and to advocate for scaled-up results-based funding in Indonesia. We will organize several of these educational tours over the next three years. These REDD+ Road Shows will target Australia, Germany, Japan, the United Kingdom and the United States. These high-level traveling ambassadors for REDD+ in Indonesia will help deliver country-driven, nationally-tailored communications to donor countries, with extensive communications outputs with local partners. Climate Advisers will be responsible for this substantial and important task, with CGD providing a modest support role, such as hosting the Indonesian delegation for a public event during its visits to Washington and London, coverage on the CGD policy blogs; and assistance with media relations. Output indicators: Six or more educational REDD+ events in 4-5 developed countries; nationally-tailored foreign policy essays, op-eds, and/or think tank reports in host nations.
- **Indonesian REDD+ Reports.** Indonesia provides a number of success stories (and cautionary tales) on REDD+ generally and results-based REDD+ in particular. For example, Norway's results-based partnership with Indonesia, while not without challenges, has managed to unleash a process for national scale change in the country's approach to managing its forests – with an investment to date of only \$8 million! Assessment reports, led by Climate Advisers, of on-the-ground progress and the status of real-time monitoring systems, forest governance reform including spatial planning, and other technical capacity issues will help create narratives that REDD+ in Indonesia can be successful, and that existing tools are sufficient

to support results-based solutions. While Norway and others may issue their own reports on progress in Indonesia, independent validation and verification of progress made would add credibility for REDD+ audiences. Repetition is also needed to reach new audiences and convince the undecided. Output indicators: reports on the successes and challenges of REDD+ in Indonesia and other key REDD+ nations.

7 Activity Profile

7.1 Sketch the profile of activities that will produce the main outputs:

a. How we work: tools and approaches

CGD and Climate Advisers are strong partners for this project in large part because we possess a shared commitment to creating change by changing thinking. Both partners believe in the power of original analysis and research, and both understand that active communications and policymaker/elite engagement is essential to turn new ideas into new policies. We consistently bring a common set of tools to bear, and have a strong history of successfully deploying these tools to produce high-quality outputs, high-impact outcomes, and – ultimately – impacts that matter. The activities we will undertake through this project to create additional global demand for REDD+ results-based finance falls into five primary profiles, outlined below.

Rigorous analysis and research underpins everything we do. Both CGD and Climate Advisers believe that the most powerful ideas are those that are supported by data and by experience. We are well-practiced in generating high-impact ideas by digging deep and thinking critically about existing scholarship, about real world examples, and about cold, hard data.

We also understand that powerful ideas don't emerge solely from the keyboard: no single individual or institution has all the good ideas necessary to make progress on a problem as complex as global deforestation. But we know that through carefully facilitated multi-stakeholder dialogue, getting the right mix of voices around a table can generate the best ideas, and create the buy-in and ownership of them along the way that can help translate ideas into reality.

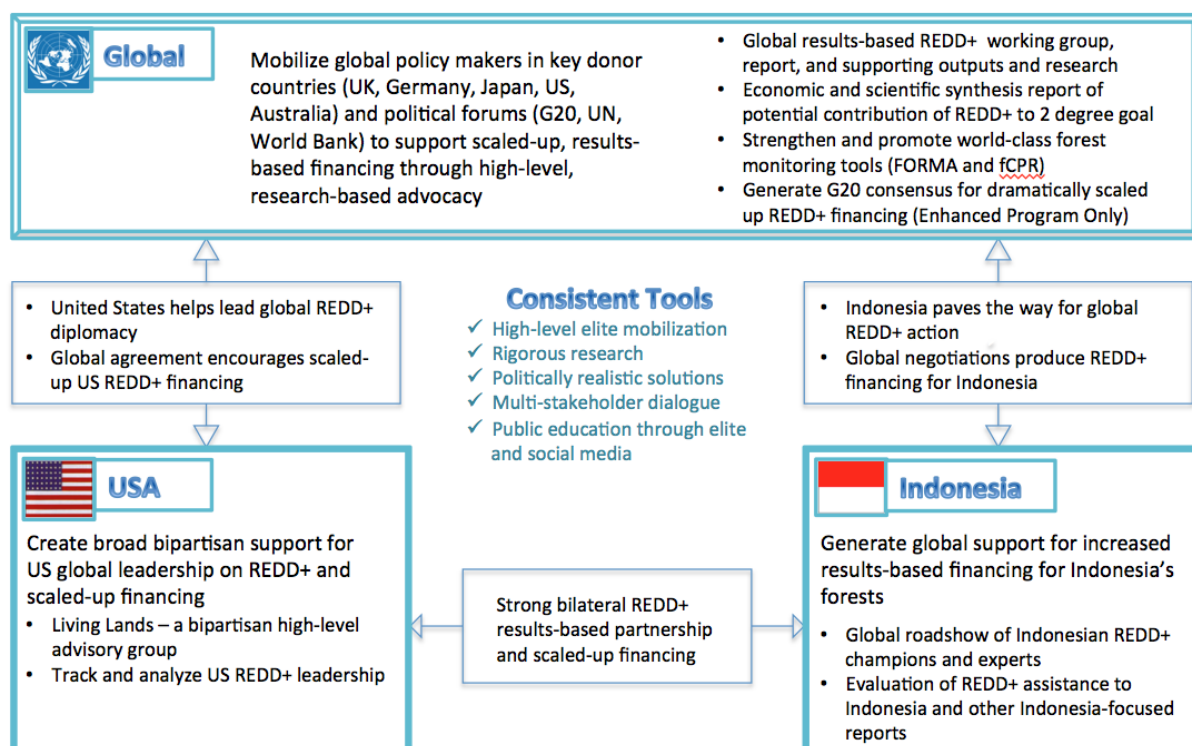
Of course, great ideas go nowhere unless powerful people pick them up and run with them. And not all the necessary people will be (or should be) at the table for the messy stage of multi-stakeholder dialogue and idea generation. High-level elite mobilization allows socialization of ideas beyond the dialogue, bringing them to opinion leaders and to the policy makers who hold the reins of governments and institutions.

Certainly a consensus vision and mobilized leaders can change the world – but translating vision into policy action requires focusing on politically realistic solutions. The scale of investment and engagement we seek on REDD+ will require government decision making at the high political level – subject to all the vagaries therein. Importantly, without politically realistic solutions, none of the other modes can be deployed effectively: high-level elites do not waste time with exercises in futility; analysis and research are merely academic, and multi-stakeholder dialogue merely talk, if they generate impossible solutions.

Finally, it is critical to remember that leaders are also active participants in the world around them, and they actually do care a great deal about the priorities of their constituents. Public education through elite and social media, workshops and conferences is often needed to create the demand for action by leaders, and is a tool we will deploy in the service of this project.

Figure 2 below illustrates how this profile of activities translates into specific actions directly globally, toward the US, and towards Indonesia; additional details follow for each.

Figure 2: Mapping Key Outputs and Activities onto the Program Theory of Change



b. Activities for Global Strategy

Activities supporting a scientific synthesis report: Facilitating a high-impact economist- and scientist-led synthesis report on the recent evidence on near-term pathways to 2 degrees will require the project leaders to carefully define the research question and to recruit a small group of highly respected authors from a variety of disciplines who have not previously been associated with REDD+ advocacy, as described above.

The question to research will be the following: What is the potential role of forest protection in slowing the growth of emissions in the near term (2015 to 2020) enough to keep the climate on a 2 degree pathway given that China, the United States and even Europe are unlikely to increase the ambition of their climate goals this decade? It is understood that other organizations may propose or pursue similar projects. We view this as a strength. The message that “REDD+ is central to saving the 2 degree goal” will need to be stated, echoed and repeated by many, many authoritative sources to be heard by previously deaf policy makers and advocates. CGD and Climate Advisers are committed to adding additional credible voices to advancing this critical message. The report may be branded jointly with other think tanks or with international institutions to enhance its credibility and impact.

In the first phase of this project, CGD and Climate Advisers will undertake a data-driven analysis to provide a first-cut answer to this question and refine the research question as needed, then engage a group of authors to undertake the synthesis report. For example, we will create a short list of possible authors through desk research and quiet consultations with thought leaders in these communities. The right author or authors would be high-profile economists and scientists not usually associated with forests. Within the next six months we will conduct outreach to target authors, with a goal of recruiting the appropriate authors and commissioning the synthesis report by the end of the first year of the project, with publication planned in the second year. The roles of Climate Advisers and CGD in this process were previously described above. Background papers, working papers and policy analysis will be carried out along with workshops and conferences as relevant.

Activities supporting the working group: As noted above, CGD [pioneered the working group model](#) and has applied it successfully in a range of policy areas.

A CGD working group typically requires approximately 18 months to two years from conception to the release of the group's final report. Steps to be undertaken in the first year include the selection and recruitment of the co-chairs and members, drafting and communicating to the members the group's terms of reference (all members serve in a

voluntary capacity as individuals rather than as representatives of their home institutions), commissioning and completion of initial background papers, and the preparation of an issues paper that serves as the “zero draft” for the eventual report. Most of the actual work is done by a small secretariat at CGD, including convening and logistics, the drafting of the issues paper, and communications and consensus building with members of the working group. We anticipate that the first year’s work would include the first of two day-long working group meetings, where members would exchange views and offer advice and opinions on the issues paper. Public events with panels of experts or roundtable discussions may also be held during this period to gather input and share emerging policy proposals.

In this case likely towards the start of the second year, the CGD working group secretariat sends to the co-chairs and then to the working group members a draft report for comments and suggestions, followed by a revised, nearly final draft. A second and final working group meeting is held several months later to resolve any final issues and to build a sense of strong consensus and ownership ahead of the launch of the report. Throughout the process, CGD uses its strong communications platform to share early results of the working group, for example, through blog posts and newsletters. For example, CGD produces a monthly climate and development policy newsletter with an international subscriber base of several thousand readers. Production and distribution of the newsletter will be strengthened throughout the course of this project.

Given the importance of bringing on additional donors, we anticipate that one of these meetings, perhaps the second one, could be held in a European capital, perhaps the home country of the European co-chair, as an additional means to generate dialogue and eventual increased REDD+ finance. CGD’s London office and European engagement activities can provide support to these activities.

Continuing research on results-based approaches to REDD+ financing using tools such as FORMA and fCPR will be a key component. One of the most compelling justifications for accelerating finance for REDD+ at this moment is that rapid technological advances have made monitoring forest loss and forest carbon easier than any time in history. These advances include leaps forward in the ability to process and make accessible forest cover change from MODIS (i.e. FORMA) and from LANDSAT (i.e. Hansen et al, forthcoming). Policy makers will need to understand how these technological advances increase the feasibility and lower the cost of several central components of a pay-for-performance REDD+ mechanism, including setting reference levels, monitoring deforestation, and taking action to address drivers of deforestation in near-real time. We will commission research comparing several new monitoring technologies to each other, to what was available previously, and to what is reasonably foreseen to emerge in the near future. Activities for US Strategy

Our five modes of action – elite mobilization, rigorous research, politically realistic solutions, multi-stakeholder dialogue, and public education – will produce outputs for each component of our US strategy, ultimately leading to our targeted US outcomes (a robust bipartisan consensus around REDD+, doubling of US REDD+ finance, and increasing portions of US REDD+ finance flowing through results-based mechanisms and to key countries through large-scale bilateral REDD+ partnerships).

We will undertake the following activities through our high-level outreach program and to track and analyze US REDD+ programs.

Activities supporting High-Level Outreach: The reelection of President Obama in November, 2012 increased the probability that there will be opportunities for advancing REDD+ in the United States over the next few years. As outlined above, advancing results-based REDD+ policies and programs in the absence of broader policy drivers will be challenging. Our high-level outreach program will thus pursue activities at three different levels. First, the base of this project will build a robust and non-partisan consensus in support of stand-alone results-based REDD+ policies and programs that enhance economic growth, environmental sustainability, and poverty alleviation. Second, it will seek to make REDD+ a core part of broader policy dialogues that could generate sufficient momentum to advance REDD+ goals further than stand-alone measures – in particular foreign aid reform and new fiscal policies, including carbon taxes, redirecting fossil fuel subsidies and energy trust funds that could finance REDD+. Third, at the top level, this project will seek to advance REDD+ and climate policy objectives more broadly by bringing new and highly influential voices to bear on the Obama Administration’s priority-setting for the second term. It will do so in part by applying the same messages of urgency and achievability on climate and REDD+ as the global strategy. But we will also undertake extensive outreach with our high level Advisory Group and others, supported by policy research and writing, to lay out politically realistic solutions at each level – i) U.S. climate policy and urgency, ii) foreign aid and fiscal policy for REDD+, and iii) traditional climate-driven REDD+ policy. In most instances we will activate our Advisory Group in a focused and strategic way – deploying the right individuals at the right times through informal channels, rather than as a formal, full group. This will allow us to maintain maximum energy and leadership, and avoid having the Advisory Group become a lowest common denominator forum.

Another set of activities for our high-level outreach program in the first and second year will be directed towards increasing the concentration of US REDD+ investments in high-priority partner countries. We will do this, for

example, by creating some measure of consensus among key policy makers and stakeholders on the highest priority country, behind Indonesia, for a potential second major US bilateral REDD+ partnership. Modest levels of US bilateral REDD+ finance (between \$10 and \$20 million) were directed from FY2010 towards Peru, Brazil, Democratic Republic of Congo, and Colombia – suggesting the need for scaling up, and policy options are already being discussed in the Administration. Funding mechanisms and institutions such as the Millennium Challenge Corporation, USAID, the Tropical Forest Conservation Act, and State Department program funds could contribute to an increase in funding to priority partners. Meetings and discussions with policymakers and major non-governmental donors will gauge appetite and potential of each option. We will undertake research and drafting of proposals for a limited number of options, and seek champions through the Advisory Group and its networks to support greater engagement with the highest priority countries. We hope that this track will lead to significantly increased funding for results-based REDD+ by marshaling US resources to a second priority nation (in addition to the ongoing strategic partnership with Indonesia); at a minimum, these activities will contribute to more effective US REDD finance rather than the current approach of very diffuse funding to a large number of countries.

Activities to track and analyze US REDD+ leadership: All of the above activities directed towards increasing and redirecting US REDD+ investments towards results-based mechanisms require a foundation of knowledge and engagement with US policymakers. Climate Advisers has maintained this base of knowledge by meeting regularly with US policymakers and stakeholders, by closely tracking US REDD+ finance, and by rapidly digesting, summarizing, and interpreting new releases of information from the US government. This engagement empowers NGOs to be better advocates for REDD+, and helps the US government monitor and improve its own REDD+ programs. We will continue these activities, and undertake additional research and writing on the impacts of US REDD+ programs over the coming three years.

c. Activities for Indonesia strategy

Activities supporting the REDD+ road shows: An important activity targeted for the second half of year one and year two of the program will be to arrange the REDD+ Road Show events. These high-level panels, consisting of key voices from economic development, climate, and forest communities from Indonesia and from key funder nations, will be staged in at least four key donor countries. We will run this type of roadshow twice over the three-year period, with different participants, and no clear branding to identify them as related. In each case, the panels will target thought-leaders in the finance, economic, foreign policy, and security ministries of funder nations, and will build upon the earlier-phase research and communications outputs to communicate a sense of urgency for addressing Indonesian deforestation and a results-based REDD+ solution set to meet that urgency with substantial additional lending and aid.

Activities generating reports on Indonesian REDD+: We will begin immediately to engage with and collect information from key funders and trackers of Indonesian REDD+, including Norway, the United States, the World Bank and UN funds, International NGOs, and think tanks such as the World Resources Institute, ODI, and the Global Green Growth Initiative, to provide data for assessing on-the-ground progress in Indonesia. We will undertake an assessment specifically of different modes of REDD+ finance to Indonesia such as developing REDD+ strategies, other readiness assistance, demonstration activities, results-based finance with performance criteria other than emissions, and results based finance associated with deforestation or emissions rates. We will also apply the lessons and conclusions from the monitoring systems assessment mentioned above to assess their role as a key component in making results-based systems work in Indonesia.

8 Assumptions and Risks, and management of these

8.1 What are the main assumptions and risks:

This project is highly ambitious. While CGD and Climate Advisers believe that we are the best-placed organizations to achieve success, there are many factors that are beyond our control and could prevent us from realizing these objectives. These risks include:

- **Global:** Economic growth in the donor nations remains sluggish and precarious, undermining public support for any resource transfers to the developing world. A sudden and severe economic downturn in either Europe or the United States would strengthen these tendencies and, in an extreme scenario, eliminate the necessary policy space for discussions of stepped up support for forest conservation. A sudden and severe global economic downturn could also occur as a result of events in the big emerging markets, for example, the bursting of a real-estate bubble in China. While this would not directly impact the rich nations' ability to give, it would consume an even scarcer resource—the international community's ability to

collectively respond to common challenges. In such a scenario, it's hard to imagine G20 sherpas devoting time and energy to a declaration on REDD+ and forest conservation.

- **US:** Foreign aid budgets in general and climate finance in particular are under threat. Maintaining the current funding level, let alone increasing it, is highly ambitious with a hostile Congress that is willing to shut down the government and threaten US default in order to shrink government spending. The politics of climate change within the United States continues to be challenged by a combination of a massive disinformation campaign from the fossil fuel industry (oil, coal and gas) and an anti-government yet nationalistic ethos in a significant minority of the electorate. Previous support for results-based REDD+ finance came in a context of potential US legislation or a near term UNFCCC mechanism. Today, such a large-scale incentive structure seems further away. While the country is also home to an increasingly vocal and well-organized citizen's movement for climate action, this focuses primarily on domestic issues, such as opposition to the Keystone XL pipeline that would bring tar sands oil from Canada to the Gulf of Mexico. Environmental groups concerned about forest preservation also tend to focus on areas closer to home, such as Canada's arboreal forest. It is highly unlikely that CGD and Climate Advisers (relatively small, Washington-based organizations) can change this overall political dynamic. To succeed in obtaining increased US support for performance-based finance for REDD+, we will have to ramp up elite engagement with a relatively small number of high level policymakers and succeed despite these conditions, rather than because we have been able to change them.
- **Indonesia:** Indonesia has a long history of corruption in the forest sector, and land clearing for the planting of agricultural commodities, such as palm oil, is an important part of the economy. While there are individuals currently within the Indonesian government who are deeply committed to forest conservation and eager for significant REDD+ finance to help them tip the balance in favor of policies to slow deforestation, the politics are extremely complex and the 2014 elections could weaken (or strengthen) the political commitment. Winning support within Indonesia for the country to become an effective international advocate for REDD+ is possible but far from certain. Failure to stand up the new REDD+ agency or continued delays in setting up a functioning national REDD+ fund that disburses to the provinces in a timely manner could hinder our ability to support Indonesia's goals, as could a shift in political leadership to a less climate- and forest-friendly regime, or a lack of cooperation among the reformers. Moreover, even if senior Indonesian officials agree to participate in the road show effort, there is a question about whether their efforts will be seen as credible. Even with political buy-in, the transition to sustainable production will take many years, with very limited capacity at the local level.
- **Internal Risks:** inability to identify and recruit appropriate staff in a timely manner or unanticipated staff turnover; inability to engage technical experts in working group and synthesis report; delays in starting the program; poor coordination between CGD and CA.

8.2 Discuss likelihood of risks, risk avoidance, and mitigation of risks:

Calculating the likelihood of these three risks is next to impossible; avoiding them is beyond the control of CGD and Climate Advisers, and relatively little can be done to mitigate the effects. Indeed, these large risks are the inevitable consequence of CGD and Climate Advisers' ambitious goals in this project. This is not an effort designed to achieve incremental progress. CGD and Climate Advisers seek to dramatically scale-up results-based financing for REDD+. Success is far from assured. Indeed, the probability of success on our most ambitious goals – doubling global, US, and Indonesian REDD+ finance – may be only 50%, smaller if the timeframe for success is confined to the three years of the project proposal. There is also the risk that even with substantial education and high-level validation, donor country decision-makers will be unable to overcome entrenched interests in funding-as-usual, which could threaten our goals of increasing results-based funding for REDD+ globally, from the US, and to Indonesia.

However, the risk of being overly ambitious is, in our view, less than the risk of not seeking transformational change. The urgency of the climate crisis and the small window left to save the world's remaining tropical forests both demand high ambition this decade. Only by acting boldly and aiming high *now* will we and others involved in similar efforts have hope of averting catastrophic, runaway climate change, and saving the world's remaining tropical forests for the vulnerable people, communities and wildlife that depend on them.

Moreover, even if we fall short of our ambitious goals within the three years of the project, the work we propose will help to advance the agenda and make possible further progress in the years ahead. If policy makers in key donor countries prove unprepared to ramp-up financing for REDD+ dramatically in the next three years, the activities in this project will nonetheless improve the odds of large-scale progress before 2020. Even if we fall short, CGD and Climate Advisers through this project will move key donor nations closer to understanding the big ideas that really matter for success on REDD+:

- Conserving forests is a vitally important climate strategy that must be pursued with urgency, and
- The best way to achieve REDD+ is through results based financing.

This will happen (and already is happening), for example, through the drafting, outreach and roll-out of the economic and scientific synthesis report; through the global working group process; through activating high-level influencers in key US policy discussions to prioritize results-based REDD; through the additional trust-building that will occur in blateral meetings with the Indonesian road show; and through the many top-notch reports, briefs, workshops and other outputs that this project will generate, continuing to validate results-based REDD as a key global climate solution. This better understanding among high-level policymakers in donor nations that REDD+ is one of the most urgent global climate solutions will no doubt have spillover effects in the international negotiations, in MDB decision-making, in bilateral and multilateral trade discussions, in global capacity to deliver REDD+, and we expect in other unforeseen ways.

In summary, while success is far from assured, the urgency of the problem leaves no alternative. The benefits of setting ambitious goals vastly outweigh the risks and costs of doing so. The risk of falling short of our most ambitious goals are mitigated by the positive outcomes that the project will achieve regardless.

For internal risks, we have begun to identify and recruit appropriate staff so that the project can commence as soon as possible. CGD and CA project directors meet bi-weekly to discuss project planning and implementation. The Presidents of CA and CGD will meet together and with project staff every other month to discuss project progress and ensure coordination across organizations. CGD and CA have signed a detailed MOU outlining responsibilities, accountabilities and remedies.

9 Other relevant information

9.1 How does the proposed project fit in with the applicant's overall strategy/activities?

This project is fully aligned with CGD and Climate Advisers' core organizational priorities and strategies. Both organizations focus primarily on influencing policies in donor nations. Both organizations specialize in influencing elites and senior policy makers through rigorous research and high-level outreach. Climate Advisers has produced major REDD+ reports and both CGD and Climate Advisers have developed and disseminated policy-relevant, spatially explicit online tools relevant to REDD+. These activities give the partners in this project standing with expert REDD+ audiences and senior policy-makers alike.

The project, moreover, builds on each organization's distinct and complementary competencies, histories, and networks. CGD is a global leader in the development assistance community and a pioneering champion of results-based assistance. Climate Advisers is a major player in climate change and REDD+ policy circles, and one of the strongest and earliest supporters of results-based REDD+.

Together, CGD and Climate Advisers will be able to reach both the climate and development communities, and do so with the credibility needed for success on REDD+

9.2 Is the project a part of a larger program undertaken by the applicant/partners?

Yes. Both CGD and Climate Advisers have active climate and energy initiatives, as well as substantial REDD+ efforts. However, this is a new collaborative program undertaken to take full advantage of the synergies between the two organization's individual efforts.

9.3 If yes, specify how the proposed project relates to the larger program:

CGD's prior work on reduced deforestation includes several research papers by economist [David Wheeler](#), now a CGD senior fellow emeritus. This research underpinned the development and release of FORMA, the only global forest monitoring platform with the ability to provide high-frequency updates (every two weeks) of changes in forest cover across the tropical biome. Senior policy associate [Michele de Nevers](#), prior to coming to CGD was an active participant in global discussions of climate change policy, including the development of results-based financing for REDD+ in her role at the World Bank. She has also been instrumental in extending CGD's network within the global climate and REDD+ policy communities. [Nancy Birdsall](#) is a renowned expert in the world of climate finance and results-based-funding; her work on [Cash on Delivery Aid](#) and [Climate Finance and other Global Public Goods](#), among a multitude of other topics, has been instrumental to economic development research.

Climate Advisers has received funding for REDD+ activities conducted in 2012 from the Climate and Land-Use Alliance (CLUA). This funding supports research, stakeholder outreach and public education on the design of REDD+ related elements of the Millennium Challenge Corporation's (MCC) bilateral compact with Indonesia, and some tracking and analysis of US REDD+ finance. This work is not funded beyond December 31, 2011. In addition, the CGD-Climate Advisers project represents a far more comprehensive effort to strengthen REDD+ results-based financing globally and in the United States (well beyond the MCC).

9.4 The applicant organisations' added value to partners/programmes:

Both CGD and Climate Advisers' policy programs add considerable value to REDD+ partners beyond financial support. Both organizations:

- Publish and disseminate original economic research and political analysis that REDD+ NGOs, companies and other stakeholders use to inform their decision making.
- Provide forums for discussion and coordination of pressing policy issues and, when appropriate, facilitate community-wide engagement with policy makers.
- Share intelligence and insights learned from interactions with senior level decision makers with REDD+ advocates and research organizations that may not have access to political level policy makers.
- Make available their well-respected experts for public events and other discussions with REDD+ champions to help spread politically realistic, technically sound policy solutions.
- Lend the names of their organizations, which carry weight in development and climate circles, to sensible ideas and initiatives, in ways that help support like-minded partners.

9.5 The programme's duration, sustainability and exit strategies.

This program is designed to culminate in major political decisions to increase funding for REDD+ by no later than December 2015. Given their deep commitment to REDD+ issues and the many challenges ahead, both CGD and Climate Advisers anticipate continuing REDD+ work after that date but they intend to manage this project and partnership as a defined effort over that three year period. CGD and Climate Advisers will seek additional support from outside Norad's CSO program to augment their efforts and sustain their REDD+ activities beyond 2015.

10 Cross-cutting concerns

10.1 Note whether the project will contribute to (a) reduced corruption, (b) gender equality, (c) respect for human rights:

This project is focused exclusively on building a global consensus for REDD+ and increasing developed country demand for emissions reductions from the forest sector in developed nations. Naturally, achieving success on REDD+ will entail combating illegal logging and other forest-related corruption, promoting equitable distribution of benefits from forests across forest-dependent communities, and strengthening local governance, democracy, and respect for the rights of indigenous people and other forest dwellers and the rights of women. Research and outreach conducted by CGD and Climate Advisers about *how* to do results-based REDD+ will emphasize politically realistic design solutions that promote these many positive non-climate sustainable development outcomes. Advocating for the participation of local communities in natural resource decisions, for example, CGD and Climate Advisers will help ensure that REDD+ works for poor people and promotes social justice, including gender equality.

CGD and Climate Advisers build concern for all aspects of sustainable development into all they do. CGD is first and foremost an organization dedicated to promoting international development, including rule of law, gender equality and human rights. Climate Advisers is among the most development oriented climate organizations, having published award winning books and policy papers on the intersection between climate change and global poverty, the importance of ending energy poverty and the development benefits of REDD+. Both organizations consider climate change to be a development challenge—a problem that matters to people not just nature.

Addressing corruption: COD aid reduces corruption by paying for results once they are achieved (intact forests) rather than for planned investment programs or intermediate inputs, which can lead to mis-procurement, etc. Gender equality and human rights: We will include an assessment of evidence about the role of women in forest protection in the global working group issues papers and/or final report; will highlight benefits and risks to women and local and indigenous communities of results-based REDD+ approaches; and will include gender and human rights as dimensions in our assessment of US REDD+ finance.

11 Budget

The project budget below was prepared in USD and assumes a conversion rate of 5.55 NOK to the US dollar. The following tables provide a line-item by cost type (Table 5) as well as a view of the thematic by activity breakdown (Table 6) requested by Norad. The budget was prepared assuming a January 2013 start date and a December 2015 end date. Indirect costs were calculated at 7% for administrative costs per submission requirements.

Table 5: Total Project Budget Summary

Organization Name: Center for Global Development & Climate Advisers

Project Title: Creating Demand for REDD+ in Key Countries

	2013	2014	2015	Total	% Total
Personnel	534,129	555,416	577,554	1,667,099	31%
Travel	44,391	44,391	44,391	133,173	2%
Capital Equipment	-	-	-	-	0%
Consulting	15,783	15,783	15,783	47,350	1%
Other Direct Costs	91,741	131,200	91,741	314,682	6%
<i>Subcontract to Climate Advisers</i>	1,005,905	957,569	926,002	2,889,476	53%
Personnel	863,361	863,361	863,361	2,590,084	
Travel	68,066	53,269	38,472	159,807	
Other Direct Costs	74,478	40,938	24,168	139,585	
Direct Costs, Total	1,691,950	1,704,359	1,655,472	5,051,781	93%
Indirect Costs, NORAD 7%	118,437	119,305	115,883	353,625	7%
Total Project Cost USD	1,810,387	1,823,664	1,771,355	5,405,405	100%
Total Project Cost NOK	10,047,647	10,121,335	9,831,018	30,000,000	

Table 6. Total Project Budget Summary

	2013	2014	2015	Total
Build global political will for results-based REDD+	729,818	802,059	781,305	2,313,182
1. Economist/Scientist Synthesis Report (2020 2 degree gap report)	127,224	134,444	131,890	393,558
2. Working Group for REDD+	479,361	531,402	519,825	1,530,588
2a. Background papers lessons learned for REDD+ from other R-B initiatives	80,937	83,547	86,262	250,746
3. G20 and Other Int. Institutions	0	0	0	0
4. Development and outreach on FORMA and fCPR	42,295	52,666	43,328	138,289
Secure U.S. REDD+ leadership	634,006	636,258	638,600	1,908,865
1. High level mobilization	534,011	536,238	538,555	1,608,804
2. U.S. Fiscal Policy Project	0	0	0	0
3. US Results based Aid Mechanism	0	0	0	0
4. Tracking and Analyzing US REDD+ leadership	99,995	100,020	100,045	300,061
Support a global partnership for Indonesia	328,126	266,042	235,566	829,734
1. REDD+ Partnerships Road Shows	248,713	186,311	155,505	590,529
2. Indonesian REDD+ Reports	79,413	79,731	80,061	239,205
Direct Costs, Total	1,691,950	1,704,359	1,655,472	5,051,781
Indirect Costs, NORAD 7%	118,437	119,305	115,883	353,625
Total Project Costs USD	1,810,387	1,823,664	1,771,355	5,405,405
Total Project Costs NOK	10,047,647	10,121,335	9,831,018	30,000,000

Appendix A: Climate Advisers Bipartisan Advisory Group

The Honorable James Bacchus, former member of the US House of Representatives (Florida) and former chairman of the Appellate Body of the World Trade Organization

D. James Baker, Clinton Global Initiative; former Administrator, National Oceanic and Atmospheric Agency

Nancy Birdsall, President of Center for Global Development

James Connaughton, Vice President, Constellation Energy; former Chairman, White House Council on Environmental Quality

Paula J. Dobriansky, Adjunct Senior Fellow, Belfer Center, Harvard University; former Under Secretary of State for Democracy and Global Affairs

David Gardiner, CEO, David Gardiner & Associates; former Assistant Administrator for Policy, US Environmental Protection Agency

Sherri Goodman, General Counsel, Center for Naval Analysis and former Deputy Under Secretary of Defense

K. Russell LaMotte, Partner, Beveridge & Diamond; former Assistant Legal Adviser, State Department

Frank Loy (Chairman), former Chief US Climate Negotiator and Under Secretary of State for Global Affairs; former Chairman of Environmental Defense Fund and the League of Conservation Voters

Nigel Purvis, President of Climate Advisers; former Deputy Assistant Secretary of State for Oceans, Environment and Science

John Podesta, Chair and Counselor of the Center for American Progress; former White House Chief of Staff

Mark Rey, former Under Secretary of the Department of Agriculture

Cristian Samper, President and CEO, Wildlife Conservation Society; former Director, Smithsonian Institution's National Museum of Natural History

Lynn Scarlett, Visiting Scholar, Resources for the Future; former Deputy Secretary of the US Interior Department

Katherine Sierra, Senior Fellow, Brookings Institution; former Vice President of the World Bank

Appendix B: Biographies of CGD and Climate Advisers Key Personnel on Project

Center for Global Development

[Nancy Birdsall](#), founding president of CGD

Areas of expertise 2013-2014: climate and energy; results based-aid, and middle income growth A former executive vice president of the Inter-American Development Bank, she is the author, co-author, or editor of more than a dozen books and monographs and more than 100 articles for books and scholarly journals published in English and Spanish. Shorter pieces of her writing have appeared in dozens of US and Latin American newspapers and periodicals. In recent years, much of her writing has focused on how to make globalization work better for poor people. Recent work has included designing and promoting a new approach to foreign assistance: Cash on Delivery Aid.

[Owen Barder](#), senior fellow and director for Europe

Areas of expertise 2013-2015: illicit finance, development impact bonds, and international financial institutions Barder was a senior British civil servant from 1988 to 2010, working in the UK Treasury, No.10 Downing Street, and the Department for International Development (DfID). His positions included private secretary to the prime minister and director of international finance and development effectiveness in DfID. From 2005 to 2007, Barder was a CGD senior program associate working on Advance Market Commitments (AMCs) for vaccines.

[Lawrence MacDonald](#), vice president, communications and policy outreach

MacDonald is vice president for communications and policy outreach at the Center for Global Development. He also oversees CGD's operations. A development policy communications specialist and former foreign correspondent, he works to increase the influence of CGD's research and analysis by leading an integrated communications program that includes events, publications, media relations, online engagement, and government and NGO outreach.

[Michele de Nevers](#), visiting senior program associate

Areas of expertise 2013-2015: climate finance, including adaptation, REDD+ and private sector climate finance Most recently, de Nevers was a visiting fellow at the Global Economic Governance Programme at University College, Oxford. She worked for 29 years in the World Bank, most recently as Senior Manager of the Environment Department, where she led the preparation of the WB's new corporate Environment Strategy. She managed a team of staff that led the WB's work on climate change, environmental economics, biodiversity, pollution management and other environmental issues. She led the global consultations for the WB's "Strategic Framework for Development and Climate Change" that was approved by the WB Executive Board in October 2008. She was closely associated with the establishment of the Climate Investment Funds, the \$6.8 billion in funding for investment in mitigation, adaptation and forestry in developing countries.

[Bill Savedoff](#), senior fellow

Areas of expertise 2013-2015: results-based aid, anti-corruption, health systems Savedoff has more than 20 years of experience working on economic and social development issues. His work focuses on finding ways to improve the quality of social services in developing countries, with particular attention to incentives, institutions, and political economy. He played a key role in development projects on three continents while working for Inter-American Development Bank and the World Health Organization. His many publications include *Diagnosis Corruption: Fraud in Latin America's Public Hospitals*, *Governing Mandatory Health Insurance: Lessons from Experience*, and *Cash on Delivery: A New Approach to Foreign Aid*.

[Alexis Sowa](#), senior policy analyst

Areas of expertise 2013-2015: results-based aid, forests, Africa, health systems Alexis Sowa is a senior policy analyst at the Center for Global Development. She joined CGD in July, 2012 upon completion of the Master in Public Administration in International Development (MPA/ID) at the Harvard Kennedy School of Government. Previously, she worked as a governance advisor in Liberia with the Africa Governance Initiative. She also worked as program and policy Manager at Malaria No More UK where she identified, developed and managed investments in sub-Saharan Africa. She joined MNM UK after working at Google for over five years, where she held various roles including Head of the Quantitative Insights team for Europe, Middle East, and Africa. She started her career working as a health care consultant at The Permanente Medical Group. Sowa holds a BA in Human Biology and a minor in History from Stanford University.

[Sarah Jane Staats](#), director of Rethinking US Foreign Assistance Program

Areas of expertise 2013-2015: US development policy, foreign assistance funding, Millennium Challenge Account Staats is director of CGD's Rethinking US Foreign Assistance Initiative, a one-stop shop for information and policy analysis on the mission, mandate and organizational structure of US foreign aid and US global development policy.

Staats has written on aid effectiveness, the US role in the international financial institutions, and the nexus of US development policy, advocacy and Congress. She previously served as CGD's director of policy outreach where she led CGD's engagement with the development policy community, especially senior staff in the US Congress, the US administration and development advocacy NGOs.

CGD Visiting and Non-Resident Project Expertise

Jing Cao, non-resident fellow

Areas of expertise 2013-2015: environmental sciences, economics

Jing Cao is an Associate Professor of Economics in the School of Economics and Management at Tsinghua University. She is also a research fellow at the Center for China in the World Economy (CCWE) and National Institute of Fiscal Studies, Tsinghua University, and an affiliated researcher at the Harvard China Project. With trainings in both environmental sciences and economics, she is especially interested in integrated modeling of economic and environment system, economic incentive-based instruments to curb air pollution, green productivity measurement, household and firm behaviors on energy conservation and energy rebound effects, and computable general equilibrium modeling on China's climate policies. Her research has been funded by National Science Foundation of China, Economy and Environment Program for Southeast Asia (EEPSEA), the Environment for Development (EfD) and Energy Foundation. She is a 2010 recipient of McKinsey China Economics Award, 2005 recipient of Gregory Chow Best Paper Award, and 2004 recipient of East Asian Economic Association Best Paper Award.

David Wheeler, senior fellow emeritus

Areas of expertise 2013-2015: environmental economics

Wheeler is a senior fellow emeritus. His work at CGD focuses on issues related to climate change, energy and natural resource conservation. From 1993 to 2006, as a lead economist in the World Bank's Development Research Group, he directed a team that worked on environmental policy and research issues in collaboration with policymakers and academics in Brazil, Colombia, Mexico, China, India, Indonesia, Philippines, Vietnam, Bangladesh, Ghana and other developing countries. His team focused particularly on reducing pollution through public information disclosure, in collaboration with the environment ministries of China, Indonesia and the Philippines. He also worked on priority-setting for country lending, grants and technical assistance with the World Bank's Vice Presidency for Operations Policy and Country Services, the World Bank's Environment Department, and the Global Environment Facility.

Climate Advisers

Nigel Purvis, founding CEO

Nigel Purvis is the founder, president and CEO of Climate Advisers, a Washington, DC-based consultancy specializing in US climate change policy, international climate change cooperation, global carbon markets, and climate-related forest conservation. Previously, Mr. Purvis directed US environmental diplomacy, most recently as Deputy Assistant Secretary of State for Oceans, Environment, and Science. In that capacity he oversaw US foreign policy relating to climate change, biodiversity conservation, forests, toxic substances, ozone depletion and environmental aspects of international trade, and served as the deputy chief US climate negotiator. Mr. Purvis currently holds climate change and international affairs research appointments at Resources for the Future, the German Marshall Fund of the United States and The Brookings Institution. He also serves as the Executive Director of the bipartisan Commission on Climate and Tropical Forests. He is a prize-winning honors graduate of Harvard Law School.

Samuel Grausz, associate

Samuel has extensive experience working with leading energy companies and has co-authored several studies for prominent think tanks, including the Center for American Progress and Resources for the Future. Samuel also holds a research position at Resources for the Future, where he works with leading economists on a broad set of energy and environmental policy issues ranging from state-level energy efficiency policies to national carbon policy. Previously, Samuel worked at National Economic Research Associates (NERA), a Washington, DC-based economic consulting firm, where he participated in environmental, energy, anti-trust, and intellectual property cases. Samuel received his B.A. in economics and political science magna cum laude from Amherst College.

Glenn Hurowitz, managing director of campaigns

Glenn shapes Climate Advisers' political, communications, and field work. He helps the firm's clients achieve their policy and public education goals by designing and implementing winning campaigns. Glenn draws on his experience in a variety of senior positions in the environmental movement, and is also a veteran of many election campaigns. An accomplished writer, Glenn is the author of *Fear and Courage in the Democratic Party*, and his work has been featured in The New York Times, Politico, The Atlantic, The Nation, and many other publications. He has appeared on CNN,

MSNBC, FOX, CBS, NPR, and others, and he has written speeches and articles for Fortune 500 CEO's, environmental and political leaders, and a Nobel Peace Prize winner. Glenn also serves as the Director of the Tropical Forest and Climate Coalition, an alliance of environmental, business, scientific, and agricultural groups working to protect tropical forests as part of the solution to climate change. A graduate of Yale University and the Green Corps environmental organizing fellowship, Glenn is also a senior fellow at the Center for International Policy.

Abigail Jones, managing director, climate resilience, adaptation and development

Abbie directs Climate Advisers' research and policy work on international economics and development assistance, adaptation and energy efficiency. In this role she has worked closely with multilateral development banks, bilateral development agencies and leading charitable foundations. Abigail previously worked at the Brookings Institution in the Global Economy and Development Program where she conducted research on foreign assistance reform and climate change. She also managed the Brookings Blum Roundtable on Global Poverty, an annual forum for policymakers to discuss innovative ways to alleviate global poverty, and co-edited *Climate Change and Global Poverty: A Billion Lives in the Balance?* (Brookings Institution Press, 2009). She holds an M.A. in international relations and international economics from Johns Hopkins School of Advanced International Studies and a B.A. with highest honors from Brown University.

Deborah Lapidus, director of outreach

Deborah currently helps run Climate Advisers' work to defend the Lacey Act and efforts to end deforestation for palm oil. She previously ran global corporate campaigns with Corporate Accountability International, rising quickly from organizer to Associate Campaign Director, where she ran campaigns targeting major multinational corporations such as McDonald's and the bottled water industry. Her work directly resulted in improvements in the nutritional content of Happy Meals and a steep decline in bottled water sales around the country. An alumna of the Green Corps environmental organizing fellowship, Deborah is a magna cum laude graduate of Brown University, where she was a member of Phi Beta Kappa and the recipient of the Morris K. Udall Scholarship.

Lea Rosenbohm, director of operations and business strategy

Lea helps keep Climate Advisers running smoothly, keeps the company focused on high performance strategies, and helps plan and execute high-level events and outreach to foundations and think tanks. Lea has extensive experience managing environmental policy programs relating to climate change, energy security and clean air. Lea joined Climate Advisers from the Brookings Institution where she managed multi-disciplinary programs out of the office of the president. Prior to that, she helped launch Brookings' Energy Security Initiative, one of Brookings' first institution-wide policy initiatives. Prior to joining Brookings, Lea served as a program officer at the German Marshall Fund of the United States, where she played a key role in administering its climate and energy program, and starting up a newly created urban program, including a transatlantic fellowship. Lea holds an M.A. in public management with a focus on environmental policy from the University of Maryland and is fluent in German.

Cecilia Springer, associate

Cecilia's interests include energy security, US-China relations, international environmental policy and energy resources. Her experience at Climate Advisers includes projects relating to global deforestation, carbon markets, and sustainable supply chains. She also manages the firm's emerging practice on health, population and development. Previously, Cecilia served as a US Fulbright Scholar conducting research in China on green urban development and stakeholder perceptions on eco-cities. She is the founder and editor of the Eco-City Notes website platform, which facilitates discussion and provides local perspectives on eco-cities in China. Cecilia holds an Sc.B. in environmental science from Brown University, where she studied environmental health, toxicology and chemical regulation.

Michael Wolosin, managing director of research and policy, forests

Michael manages Climate Advisers' forest carbon policy practice, and is a visiting scholar at Resources for the Future, focusing his research on US and international climate-related forest policy. In the last two years, Michael has led research into Congressional staff views of US policies to reducing tropical deforestation; was lead author of a paper proposing a "whole-of-government" approach by the US government to tropical deforestation; co-authored an analysis of issues and options for including deforestation reduction in the Clean Development Mechanism; and recently published a comprehensive assessment of US forest-climate assistance. Dr. Wolosin previously focused on United States climate and deforestation policy at the Nature Conservancy, bringing the organization's on-the-ground experiences to bear in the United States policy process and representing the organization in multi-stakeholder coalitions and through direct outreach. Before this he was a Policy Fellow at the Pew Center on Global Climate Change. He did his doctoral research in forest ecology at Duke University, studying light competition and growth using advanced remote sensing and statistical techniques, and is co-author of a number of peer-reviewed papers published by top academic journals.

Appendix C: Logical Results Framework

Key Activities and Outputs	Outcomes	Indicators
Global		
Economic and scientific synthesis report Global working group process and report Significant white papers, policy briefs, and/or background papers for both the economic synthesis and the global work group	Global political will for results-based REDD+ financing and increased funding	Doubling of global financial flows for REDD+ A greater portion of REDD+ finance flows through results-based mechanisms, increasing its effectiveness Increased awareness and utilization of monitoring tools and performance ratings such as FORMA, fCPR and others
US		
High-level outreach through blue ribbon bipartisan advisory group to advance REDD+ foreign assistance, create demand for REDD+ in broader climate policy, and advance US climate policy at the highest levels Tracking and analyzing US REDD+ leadership and finance	US REDD+ leadership	Doubling of US REDD+ finance by the end of 2015 Increased effectiveness of US REDD+ finance, including through an increase in portion of REDD+ finance flowing through results-based mechanisms and an increased portion flowing to fewer priority partner countries
Indonesia		
REDD+ road show, bringing Indonesian REDD experts to donor nations Indonesia REDD+ reports	A global REDD+ partnership for Indonesia	Donor nations understand that Indonesians and REDD+ experts both believe that results-based REDD+ is working in Indonesia, and donor nations understand how they can build on that success Doubling of international support and increased results-based financing for REDD+ in Indonesia by 2015

ⁱ The most recent reliable estimate of pledged REDD+ finance for the fast start period is \$1.37 billion per year (Interim REDD+ Finance: Current Status and Ways Forward for 2013-2020. Prince's Charities International Sustainability Unit, October 2012). Abatement cost estimates vary widely as well. Estimates in the range of \$15-20 billion per year are common (see for example table A2.3 in A. Angelsen et al, 2009, REDD: An Options Assessment Report).

ⁱⁱ Table 1 in Interim REDD+ Finance: Current Status and Ways Forward for 2013-2020. Prince's Charities International Sustainability Unit (PCISU), October 2012.

ⁱⁱⁱ Ibid.

^{iv} Two Years On: Is Interim REDD+ Finance Being Delivered as Needed? Prince's Rainforests Project, 2011.

^v See, for example, <http://www.forestcarbonindex.org/SFPI.pdf>

^{vi} According to a recent analysis of committed funding (PCISU 2012), the U.S. is second only to Norway for the fast start period of 2010-2012 with a commitment of at least \$783 million. An analysis of funder self-reported 2010 finance (the only year with relatively complete data from the top funders) in the VRD puts the United States at third with \$249 million, after Norway's \$461 million and Japan's \$355 million.

^{vii} These are of course estimates, as there is no clearly established and broadly agreed-upon definition of what we (and Norway) mean by "results-based" REDD+ finance, nor criteria for assessing whether or to what extent a program is results-based. The Global Working Group may generate such agreement eventually, but an early activity will be to suggest a working definition for use in the US context.

^{viii} Indonesia has reported incoming REDD+ public finance of about \$163 million from 2008-2012, while funders have reported \$361 million in REDD+ finance to Indonesia over the same period, for a range of \$33-72 million per year. Of this total, only about \$8 million has been results-based.

Creating Demand for REDD+ Progress Report: 2013

1. General Project Information:

- 1.1 Name of recipient organizations: Center for Global Development (CGD), Climate Advisers (CA)
- 1.2 Reporting year: 2013
- 1.3 Agreement Number: QZA-0462 QZA-13/0071
- 1.4 Name of project: Creating Demand for REDD+
- 1.5 Country and/ or region: United States, Global, and Indonesia
- 1.6 Financial support to the project from Norad for last calendar year 2013: 10,000,000 NOK
- 1.7 Thematic area: Creating global consensus on REDD+

2 Describe the project's progress for previous calendar year:

Result chain:



With reference to the Result Chain as illustrated above, Norad requires feedback mainly on products/ services (outputs) and end effect on target groups (outcomes) in the progress report.

- 2.1 Give a short description of the **project's target group(s)** and what the baseline for the target group was at the start of the project (from the approved project document).

The project targets two main groups:

- **Globally important policymakers in key funder nations including UK, Germany, France, US, Australia, Japan, in multilateral funding institutions including World Bank, GEF, other MDBs, and REDD+ policy makers and stakeholders generally.** A small number of countries hold the key to creating a strong global consensus for scaled-up results-based REDD+ financing. According to Overseas Development Institute(ODI), of the nearly \$7billion in REDD+ finance in the period between 2007 to 2013, only \$2.8 billion of that finance is results-based and comes from eight donor countries: Norway, Germany, Australia, UK US, Switzerland, EC and Canada.

The UK, Germany and, in particular, Norway form the nucleus of a coalition of the willing; support from these countries is the project baseline. Moving forward, solidifying and expanding support by the UK and Germany, and increasing support from the US and other donors is vital. Given its power in the world and because the US is often reluctant to increase financial resources

for developing nations, if the US signs on, other donor nations are likely to follow. Japan and Australia are potential targets to join a coalition of willing nations for increased REDD+ financing given their domestic policies and engagement with REDD+ nations in South East Asia, although recent political changes in Australia pose a risk to its inclusion. On REDD+ policy, these developed nations pay attention to the views of major forest nations, particularly Brazil and Indonesia. When it comes to financing for REDD+, Indonesia is particularly important because many donors view Brazil as sufficiently developed to finance its own climate action.

As a baseline, a forthcoming commissioned ODI paper shows that of the \$35 billion of climate finance from the Fast Start period between 2010-2012, only about 10% (or \$3.9 billion against a pledge of \$4.1 billion) of that was committed to REDD+ and little of this was results-based.

- US policymakers (White House, State Department, USAID, Treasury, MCC, Congress) and influencers (think tanks, NGOs, thought leaders).** Decisions in developed nations about REDD+ financing are made by a combination of heads of government, finance ministries, climate negotiators, development agencies and legislators. In the US, the White House, State Department and Congress play the biggest role in decisions about REDD+ financing, with development agencies and influencers also contributing. Environment and development advocates press for action. Businesses concerned about climate impacts and the cost of climate action in developed nations also weigh in. Think tanks and opinion leaders help shape media coverage and public opinion, particularly about which policy instruments make sense. Although a global leader, the US has dedicated very little of its REDD+ finance to results-based mechanisms during the 2010-2012 Fast Start period – limited to a small contribution to the Forest Carbon Partnership Facility’s (FCPF) Carbon Fund. None of the US’ approximately \$675 million in bilateral climate finance over this period was results-based.

2.2 Please repeat the project’s **desired impact** (from the approved project document).

This CGD-CA project has an ambitious aim: to help trigger fast and durable reductions in emissions from deforestation and forest degradation in tropical developing countries, thereby slowing climate change in hopes of extending the window of opportunity for the main emitters to reach an effective global climate agreement. The project aims to do this by first forging a strong and broadly shared technical consensus on a practical approach to results-based financing of reduced deforestation and forest degradation in developing countries, and then using that consensus as the basis for fostering broad support and political will for increased results-based financing of REDD+. Figure 1 below illustrates the Theory of Change for this work.

Figure 1a: Program Theory of Change

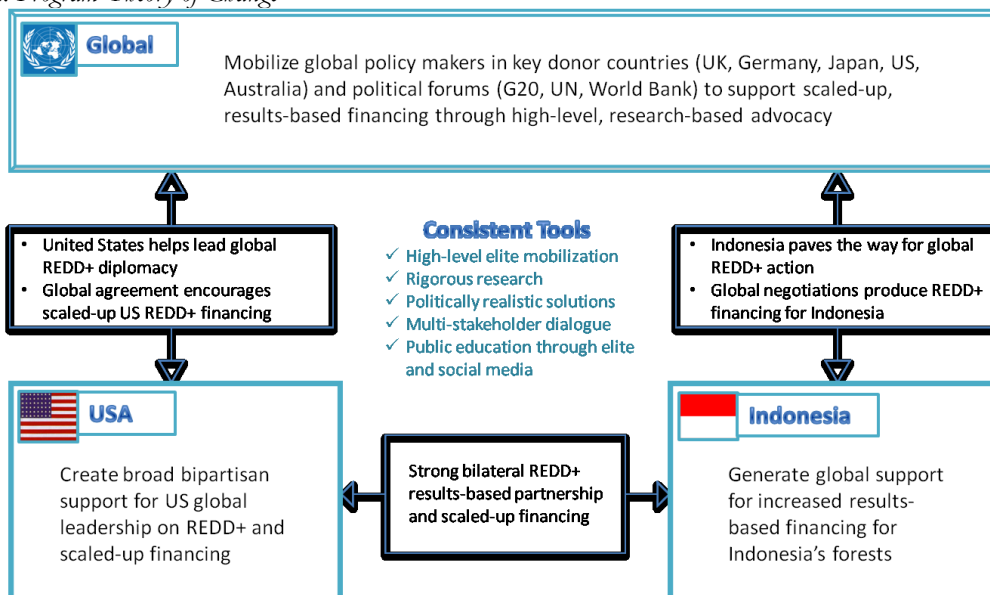
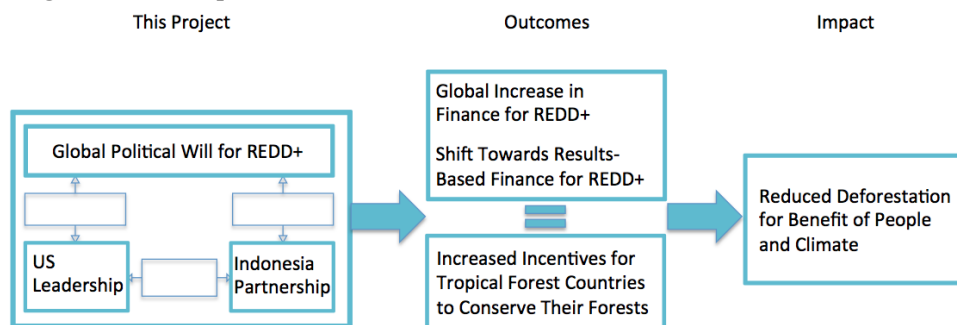


Figure 1b: Program Leads to Impact



The project will work to increase global understanding of REDD+ as a partnership between developed and developing nations that advances shared objectives concerning global climate protection and sustainable development. With global climate negotiations and the emergence of robust regional compliance markets for REDD+ taking longer than originally expected, market-based demand for forest-based emissions reductions is insufficient to reduce deforestation as fast as needed to protect the climate and the communities that depend on forests. This project seeks to increase REDD+ finance during this interim period to help bridge this gap. CGD and CA also believe that results-based REDD+ mechanisms are severely under-capitalized compared to capacity-building assistance. It is critical not only to increase REDD+ finance in this interim period, but to catalyze a shift to results-based REDD+. Therefore, this project aims to scale up results-based approaches such as the FCPF Carbon Fund and Norway's bilateral REDD+ partnerships, to enhance and disseminate the tools that support them such as FORMA and fCPR and others, and to promote additional resources for REDD+ from all available sources (foreign aid, and more innovative public and private finance vehicles). These aims – increased finance for REDD+, and a shift to results-based finance for REDD+ – will ultimately contribute to achieving NICFI's objective of reducing emissions from forests globally. This project focuses on that challenging but essential element of success.

2.3 Is the project still relevant for the desired impact? (Yes/No) If No, please give a short explanation.

Yes, the project remains relevant to the objectives of NICFI and Norad, to the thematic category of building global consensus for REDD+, and to national and international REDD+ agendas.

2.4 Please repeat the project's outcome(s) (effect on project's target group(s), counterpart(s), beneficiary (-ies)) (from the approved project document).

Strategy 1: Build global political will for results-based REDD+ financing and increased funding

- **Outcome:** Doubling of global financial flows for REDD+
 - **Target group:** Policymakers in funder nations including UK, Germany, France, US, Australia, Japan
 - **Indicator:** Global REDD+ funding flows reach \$2.6 billion per year by 2015
- **Outcome:** A greater portion of REDD+ finance flows through results-based mechanisms, increasing its effectiveness
 - **Target group:** Policymakers in funder nations including UK, Germany, France, US, Australia, Japan, and in multilateral funding institutions including World Bank, GEF, other IDBs
 - **Indicator:** An additional \$500 million a year in results-based REDD+ pledged
- **Outcome:** Increased awareness and utilization of monitoring tools and performance ratings such as FORMA, fCPR and others
 - **Target group:** REDD+ policy makers and stakeholders generally
 - **Indicator:** REDD+ negotiators no longer debating feasibility of timely, cost-effective monitoring

Strategy 2: Secure US REDD+ leadership

- **Outcome:** Doubling of US REDD+ finance by the end of 2015
 - **Target group:** US policymakers (White House, State Dept, USAID, Treasury, MCC, Congress) and influencers (think tanks, NGOs, thought leaders)
 - **Indicator:** US funding for REDD+ reaches \$500 million by 2015
- **Outcome:** Increased effectiveness of US REDD+ finance, including through an increase in portion of REDD+ finance flowing through results-based mechanisms and an increased portion flowing to fewer priority partner countries
 - **Target group:** US policymakers (WH, State Dept, USAID, Treasury, MCC, Congress) and influencers (think tanks, NGOs, thought leaders)
 - **Indicator:** \$200 million a year pledged by 2015 for results-based REDD+ by the United States; Increased portion of US REDD+ funding through results-based mechanisms; Increased portion of US REDD+ funding flowing to top two funded REDD+ partners

Strategy 3: Support a global REDD+ partnership for Indonesia

- **Outcome:** Donor nations understand that Indonesians and REDD+ experts both believe that results-based REDD+ is working in Indonesia, and donor nations understand how they can build on that success
 - **Target group:** Donor country policy makers and stakeholders
 - **Indicator:** Policy maker opinions in developed nations more favorable to Indonesia REDD+
- **Outcome:** Doubling of international support and increased results-based financing for REDD+ in Indonesia by 2015
 - **Target group:** Donor country policy makers and stakeholders
 - **Indicator:** Amount of bilateral and multilateral REDD+ finance to Indonesia; increased portion of international REDD+ finance to Indonesia through results-based mechanisms

2.5 Are there any internal and/ or external factors that have affected the project in any significant way?

The global and US political landscape has certainly shifted in relation to climate and REDD+ efforts since the conception of this project in mid-2012. Three external factors are especially notable. First, energy and movement on global climate policy has shifted away from concerns about a pre-2020 emissions gap to a greater focus on creating a strong and ambitious post-2020 agreement. Second, target developed country economies including the US have been slower to emerge from recession than expected, resulting in continued fiscal conservatism and tight development assistance budgets. Third, and related, politics in several of our target funder countries are shifting towards conservative political parties, who are generally more focused domestically than internationally and in some cases less committed to climate action.

a) Specify deviations from plans.

These changes in external factors have prompted slight adjustments in the project plans, although only at the level of activities and outputs rather than target outcomes. The working group will consider, as relevant, post-2020 REDD+ policy and finance questions more than originally envisioned. The US high-level strategy has similarly shifted slightly to emphasize near-term processes and outputs that will leverage greater REDD+ finance both pre- and post-2020, and will focus more attention on conservative-friendly policy opportunities.

b) Give a short risk assessment.

This project from the start has pursued very ambitious goals, seeking to dramatically increase and shift REDD+ investments by fundamentally changing the politics of REDD+ in target geographies. Overall strategy—to pursue low probability but high-return changes, while generating at every opportunity “no-lose” incremental steps forward—has not changed, and the risks remain mostly as they were at the project’s inception although with some higher risk due to the change in the political landscape noted above.

Results:

2.6 Main outputs and outcome(s).

- a) Report on the main products/services (outputs) the project has delivered to achieve the planned outcomes.
- b) Report on all outcomes from the project document where possible:
 1. What changes have been achieved with reference to the baseline?
 2. Report on the key indicators used to document that the desired change has occurred.
 3. Are the outcomes sustainable?

2.6.1 Strategy 1: Build global political will for results-based REDD+ financing and increased funding

- **Target Outcome:** Doubling of global financial flows for REDD+
- **Target Outcome:** A greater portion of REDD+ finance flows through results-based mechanisms, increasing its effectiveness
- **Target Outcome:** Increased awareness and utilization of monitoring tools and performance ratings such as FORMA, fCPR and others

In 2013, prior to the formal launch of the economic and scientific synthesis report and launch of the working group, CGD and CA took several steps to increase understanding of the central role of forests in meeting climate and development objectives, and to increase the availability of results-based finance for forest conservation. In 2013, CGD launched a new initiative on [Tropical Forests for Climate and Development](#), recruiting three leading experts in the fields of forestry, climate finance, and forest economics. The initiative seeks to mobilize substantial additional finance from high-income countries to conserve tropical forests as a means of reducing carbon emissions and thus slowing climate change. In particular the initiative explores the potential to apply the principles and ongoing experiences with Cash-on-Delivery (COD) Aid to forest conservation. Work in 2013 included initial analysis, scoping, and public outreach that would later feed into report and working group objectives. CGD also supported the global strategy through collaborating with other environmental and development institutions, meeting with key policymakers of donor countries and multilateral funds and serving as an authority on forest finance for news and media outlets over the course of the year.

CA produced outputs that contributed to the global outcomes of increased finance for REDD+ and a greater portion of such finance flowing through results-based mechanisms. CA's 2013 global efforts helped create a foundation for future political support for REDD+ investments in developed countries by interjecting forests and climate policies into various high-level diplomatic, political and business forums. For example, CA supported the World Economic Forum's (WEF) efforts to catalyze business support for REDD+ at its 2014 Davos meeting, and also supported the Office of the UN Secretary General by developing strategies and plans for elevating REDD at the 2014 climate summit in New York City.

2.6.1 (a) Main outputs:

- *Main Output: Economic and scientific synthesis report, "Why Forests, Why Now?"*
- *Main Output: Working group*
- *Main Output: Other global work*

Report development. In 2013, CGD began preparations for a major report, entitled "Why Forests? Why Now? The Science, Economics, and Politics of Tropical Forests and Climate Change", that will, when finished in 2014, make the case that tropical forests are essential for climate stability and sustainable development, that now is the time for action on tropical forests, and that payment-for-performance finance for REDD+ represents the course of action with the greatest potential for success. In 2013, CGD worked on initial scoping for the paper and generated several outputs, including: the report outline; a production schedule; proposed authors and terms of reference for chapter background papers; and initial commitments from authors, with formal commissioning of papers taking place in early 2014. The report will include original research pieces, synthesis reviews, and national case studies that will draw from 10-15 commissioned background papers and CGD's own research. It is intended to reach and motivate an international development finance audience beyond that which has traditionally been concerned with tropical forests.

Working group preparation. For the working group, 2013 outputs included a mapping of stakeholders and a list of proposed participants to be invited to the first working group meeting, which was held in April 2014, including experts from “Aid World”, the private sector, forest countries, and “REDD World”. In 2013, CGD also began the process of scoping the focus of the working group, its work program and the issues to be addressed in the initial concept note, which was developed in early 2014.

Forest monitoring tools and information. In 2013, CGD collaborated closely with World Resources Institute (WRI) to ensure the effective incorporation of FORMA into Global Forest Watch (GFW), a broad online platform for forest monitoring that was finalized and launched in early 2014. FORMA, developed by CGD, uses satellite data to generate regularly updated online maps and alerts of tropical forest clearing. It is a key component of GFW. In 2013, CGD staff worked with WRI on the tool’s programming, data quality improvement, and data availability, and published updates and analyses from this work on CGD’s website. Using FORMA data in 2013 CGD produced updates of the global scorecard, fCPR, and posted two blog-posts analyzing the evidence that global emissions of CO₂ from forest clearing rose sharply during the period of economic recovery following the global financial crisis but that subsequent improvements, in 2012, provided some grounds for optimism.

Carbon Fund. CGD staff Jonah Busch contributed to the development and adoption of a Methodological Framework for the FCPF Carbon Fund as a Technical Advisor on reference levels and other “carbon accounting” issues. The successful development of a methodological framework triggered an additional ~£45m contribution of results-based finance for forests from the UK, and acceptance into the Carbon Fund pipeline of results-based REDD+ programs proposed by Ghana, Nepal, Mexico, and the Democratic Republic of Congo.

Post-2015 Process. CA generated several deliverables to advance a forest-focused target in the post-2015 Millennium Development Goals/Sustainable Development Goals (MDG/SDG) process including high-level meetings, a multi-stakeholder process, and draft consensus documents. Early in 2013, CA engaged directly with members of the Secretary-General’s High Level Panel on the Post-2015 Development Agenda and their staff to ensure that forests figured prominently in the outcome report (co-funded by the Embassy of Denmark). Later in 2013, CA organized a dialogue between US government officials and environmental and development NGO’s on post-2015 goals and targets, with special focus on deforestation, as a means of creating a common agenda on forests. At the request of USG officials, CA drafted a notional list of consensus goals and targets and met several times with an informal coalition of development and environment NGOs to create and execute outreach and communications strategies to advance them.

Policy Innovation. CA also invested significantly in visioning and building support for new ideas and policy innovations to help raise global climate ambition post-2020 (and thus pressure and demand for REDD+ finance in the pre-2020 period) with deliverables including draft case statements, strategy documents, agendas, and lists of potential policy commitments. This vision focused first on advancing a forest session at the 2014 Davos climate summit, seeking to convert major new private-sector commitments to deforestation free supply chains into consensus for both near- and long-term government and public sector demand for REDD+. CA created and began socializing several specific policy options for generating new REDD+ finance commitments from wealthy nations, including such ideas as dual commitments from developed nations. The initial strategy and visioning supported by Norad has since attracted funding from the Climate and Land Use Alliance, and NICFI through the Meridian Institute.

Working papers and published literature. CGD produced several working papers and literature reviewing current research and offering original analysis to help to build evidence of the value and urgency of forest conservation for climate and development goals. This research covered a range of topics, including the potential for CGD’s conservation performance rating system (fCPR), drivers of deforestation, and payment for economic services in forests beyond carbon. This literature provides intermediate research products for public reference and will contribute to the “Why Forests, Why Now?” report. In 2013, these included:

- [Supplementing REDD+ with biodiversity payments: The paradox of paying for multiple ecosystem services.](#) *Land Economics* 89(4). CGD Working Paper 347. November, 2013.

- [What drives deforestation and what stops it? A meta-analysis of spatially explicit econometric studies](#). CGD Working Paper 361. April, 2014 (analysis performed in 2013; paper under review at *Review of Environmental Economics and Policy*).
- [First Steps towards a Quality of Climate Finance Scorecard \(QUODA-CF\)](#). CGD Working Paper 335. July, 2013.
- [Forest Conservation Performance Rating \(fCPR\) Report 2: Bad News for the Pan-Tropics and Everybody Else](#). CGD Working Paper 317. March, 2013.
- [fCPR Forest Conservation Performance Rating for the Pan-Tropics, Report 3: New grounds for Cautious Optimism](#). CGD Report. July, 2013.
- Busch, J. and Grantham, H. “[Parks vs. payments: reconciling divergent strategies for addressing biodiversity loss and climate change from tropical deforestation](#).” *Environmental Research Letters* 8:034028. 2013

Public events. CGD hosted and participated in a number of events that sought to bring forests into finance and development policy conversations. In 2013, these included:

- [How to Spend It \(If We Had It\): Priorities for Allocating International Climate Change Finance](#). CGD, in partnership with the Korean Development Institute (KDI) and the Center for International Governance Innovation (CIGI), hosted a conference on October 9, 2014 that aimed to showcase perspectives from technical experts and policymakers on how to make the best use of international public climate finance. For further information on this event, see Case Study below.
- [2013 Oslo REDD Exchange](#). On October 29-30, 2013, CGD senior fellow Frances Seymour (as a consultant to Norad) served as chair and moderator of the two-day conference that aimed to identify the most critical constraints to the successful establishment and implementation of REDD+ initiatives. CGD senior fellow William Savedoff presented and sat on a panel; CA managing director Michael Wolosin contributed to the Norad pre-meetings for civil-society grantees to develop performance indicators; and CA director Andreas Dahl-Joergensen participated and began building support for new global policy innovations mentioned above.

Ongoing Commentary and Input. In addition to public events and published research, CGD fellows regularly posted content on [CGD’s Global Development: Views from the Center](#) blog to deliver frequent and timely policy relevant commentary to leverage their research and analysis, engage the public, and increase awareness of forest-related climate issues, international negotiations, and forest finance. A sampling of blog posts that contributed to the project in 2013 include:

- [Streamlining REDD+ to Confront the Growth and Spread of Tropical Forest Clearing](#), David Wheeler, March 7, 2013
- [Protecting Forests with Global Forest Watch 2.0 Wonkcast](#), David Wheeler and Nigel Sizer, March 18, 2013.
- [Protecting Forests and Growing REDD+ Wonkcast](#), Frances Seymour, July 7, 2013.
- [Economic Cycles, Deforestation, and REDD+](#), David Wheeler, July 17, 2013.
- [Twelve takeaways from the IPCC report](#), Jonah Busch, September, 2013. Reposted with permission: *Devex Blog*, September, 2013.
- [“Making people more prosperous with forests than without.” Institute for Advanced Development Studies \(INESAD\) Blog](#), Jonah Busch, September 2013.
- [From the Mountains to the Forests](#), Frances Seymour, October 9, 2013.
- [How to Spend Climate Finance \(If We Had It\)](#), Michele de Nevers, October 15, 2013.
- [Separated at Birth? COD Aid and REDD+](#), Frances Seymour, October 21, 2013.
- [Message from Oslo REDD Exchange: Let’s Get On With It](#), Frances Seymour, November 7, 2013.
- [What to Make of the Warsaw COP Wonkcast](#), Michele de Nevers, November 7, 2013.
- [Warsaw Delights on Tropical Forests](#), Jonah Busch, November 26, 2013.
- [A Big Deal for Tropical Forests](#), Frances Seymour, December 16, 2013.
- [Jump-Starting the Green Climate Fund](#), Michele de Nevers, December 17, 2013.

- [Carbon Fund Pioneering Multilateral Payments for Forest Carbon in a Bottom-up Climate World](#), Jonah Busch, December 20, 2013.

Major Meetings with Funders and Policymakers. CGD staff facilitated and participated in several meetings with high level policymakers and leaders in order to better understand their hesitations and attitudes towards scaling up finance for REDD+ and results-based mechanisms in particular. These included:

- Meeting of REDD+ bilateral donors, London, UK, September 9, 2013.
- Roundtable with Hela Cheikhrouhou, Green Climate Fund Board Executive Director, October 2013. CGD hosted this off-the-record conversation with Hela Cheikhrouhou in order to provide input to her and the GCF Board as they grapple with a wide range of foundational issues.
- Participation in the Global Green Growth Forum, Denmark, October 21-22, 2013.
- Meeting with US Treasury officials on climate finance priorities, attitudes towards results-based approaches in forests, November 2013.
- Expert informant to UK Parliament POSTNote on REDD+, Jonah Busch.

Conference presentations, invited seminars, and professional services. In 2013, CGD fellows provided technical expertise as speakers, advisory panelists, and participants in several public and invited fora, including:

- “Can Indonesia's moratorium on new oil palm and timber concessions reduce emissions from deforestation?” International Workshop on Evaluating Forest Conservation Initiatives, Jonah Busch, December 2013.
- “Policy support tools and methodologies for scenarios analysis and modeling of biodiversity and ecosystem services“, Intergovernmental Platform on Biodiversity and Ecosystem Services, Jonah Busch, November 2013.
- Monterey Institute of International Studies, Monterey, CA, Jonah Busch (videoconference)

2.6.1 (b) Outcomes, Indicators and Sustainability:

CGD and CA expect changes in global financial flows for REDD+ and results-based mechanisms to become visible after the project's second year of implementation. Once the project's main outputs under this strategy—the report “Why Forests, Why Now?” and the working group—are successfully completed, they are expected to influence their respective target groups, and lead to changes in funds pledged by donors for results-based REDD+.

CGD and CA work also contributed to the following early outcomes not measurable in dollars, but setting the stage for increased global REDD+ commitments in 2014 and 2015:

- Forests figured prominently in the final report of the UN High-Level Panel on the Post-2015 Development Agenda.
- Several major global development and environment NGOs have now converged on a common set of joint targets for the post-2015 MDG/SDGs, including on forests, and are now working to socialize the recommendations.
- The WEF forest session that CA took the lead in organizing was widely viewed as so successful, and CA's tabled policy solutions realistic enough, that the UNSG secretariat has now identified forests as a major focus for additional commitments at the fall 2014 New York climate summit.

2.6.2 Strategy 2: Secure US REDD+ leadership

- **Target Outcome:** Doubling of US REDD+ finance by the end of 2015
- **Target Outcome:** Increased effectiveness of US REDD+ finance, including through an increase in portion of REDD+ finance flowing through results-based mechanisms and an increased portion flowing to fewer priority partner countries

CA made important progress in several US components of this grant in 2013, including:

- Developing potential policy solutions in the context of early 2013 bipartisan interest in a carbon tax that, if adopted, would have generated international climate finance for REDD+.
- Elevating forests and results-based approaches in the main recommendations of President Obama's Global Development Council, a high-level advisory group from outside government

that, together with the Secretaries of State, Treasury, and Defense, the USAID Administrator, and the CEO of the Millennium Challenge Corporation, delivered directly to the President on US development policy.

- Maintaining focus on REDD+ finance and raising the profile of results-based mechanisms through regular meetings and engagement with policy makers in the Obama Administration and high-level influencers in the think tank and environmental advocacy communities.
- Socializing the notion that global climate leadership, including on REDD, will play a major role in shaping President Obama's place in history legacy, including through outreach with the highly-respected non-partisan Aspen Institute.

While the US program achieved several successes in 2013, US climate and fiscal politics remains challenging. Attainment of target outcomes within the grant period will be challenging. Climate action continues to be opposed by Republicans, who may gain additional political power in the 2014 Congressional elections. Over the next few years, US budgets for discretionary spending, including foreign aid, are expected to decline even as the economy emerges from recession. President Obama's climate strategy is focused on primarily domestic administrative actions under existing authorities, closing off several potential pathways to significantly increased REDD+ finance in the near term. Potential openings for REDD+ that were pursued in 2013 through a bipartisan carbon tax and through substantial Republican-led foreign aid reform have closed.

At the same time, new opportunities to advance US REDD+ investment and effectiveness are emerging. Democrats are increasing pressure on President Obama to deliver climate action before the end of his term; the international climate timetable for a new global climate agreement by the end of 2015 is reinforcing this demand; and Europe's potential movement towards greater results-based REDD+ through its Paris UNFCCC commitments would encourage similar movement by the United States. In addition, conservative pressure to reform foreign aid may create opportunities after the 2014 elections for advancing results-based approaches. Finally, major consumer companies have called on the Obama administration to help them eliminate deforestation from company supply chains. The Obama administration has responded by launching the Tropical Forest Alliance, which Norway has joined, and this platform for public-private cooperation should provide additional avenues to press for results-based REDD+ financing. CA is developing new approaches within the US strategy, still aiming at the target outcomes through the strategy of high-level outreach that has generated results to date.

2.6.2 (a) Main outputs:

- *Main Output: High level outreach to advance REDD+ foreign assistance, create demand for REDD+ in broader climate policy, and advance US climate policy at the highest levels*

CA generated a number of outputs focused on generating REDD+ finance through domestic fiscal policies in 2013. These included:

- An internal written strategic assessment of the potential to generate REDD+ finance through US domestic tax and spending policies, including carbon pricing, redirecting fossil fuel subsidies, creating or increasing fossil extraction royalties for international climate finance, and through directing to REDD+ the carbon fees that would likely be assessed on imports if the US priced carbon domestically.
- Participation by new Republican thought leaders in the Washington think-tank communities' carbon tax working groups and panels, culminating in a clear public statement of support from the R Street Institute, an influential Republican think tank.
- A roundtable of leading WTO legal scholars to create a broad consensus that trade policy measures could generate funding for REDD+, for example by directing border adjustment revenues to international climate finance purposes to support WTO-compatibility.

The second major high-level work stream in 2013 was to advance results-based REDD+ finance through broader foreign aid reform and aid effectiveness avenues. Outputs included:

- A written internal strategy document informed by interviews of civil society stakeholders and thought leaders that identified the President's Global Development Council as the clearest opening for influencing US foreign aid policy in the direction of results-based mechanisms.

- A luncheon discussion with influential foreign policy thought-leaders, including CGD's Nancy Birdsall, to vet initial thinking and create an informal coalition for advancing results-based finance.
- Background materials and other support for a member of the Council, focusing on climate smart food security as a frame for action to reduce forest loss to agriculture.
- In person briefings and written materials on results-based aid mechanisms, with forests as an example.

In a third work stream, CA conceived of and pursued a high-level process for moving climate policy more quickly by focusing on President Obama's legacy. The President is known to pay close attention to the views of academic historians of the American presidency, and CA sought to facilitate a high-level meeting with climate leaders and several of these historians to create a consensus that the Administration's climate change action would be a key element of President Obama's historical legacy. While this strategy did not in the end generate sufficient interest from the target audience to warrant continued engagement, several outputs were produced including:

- A concept note outlining goals, strategies and anticipated outcomes of the legacy project.
- An agreement by the Aspen Institute to partner with CA and co-host an event in 2014.
- A planning document outlining roles and responsibilities for each organization.
- Lists of prospective attendees and draft invitations and background documents.

CA's carbon market work, not funded by Norad, advanced the objectives of this Norad project by creating additional US political support for the financial mechanisms necessary to take REDD+ to scale. Outputs included:

- A published report with the Center for American Progress and the Brookings Institution of the benefits of carbon taxes to date in jurisdictions where they have been pursued, showing that they have been positive both in terms of direct mitigation as well as creating a culture of climate action in developing countries.
- A high-level discussion by thought leaders including World Bank President Jim Kim and former senior White House officials, cabinet officials, and Congressional leadership.
- A second note of how to support global carbon markets by reducing volatility, presented at a global carbon market conference in Beijing, China.

Finally, CA organized and participated in high-level meetings throughout the year with major environmental advocacy groups, high-level government officials, thought leaders, and other experts. In these meetings, CA advanced all of the above specific work streams, as well as results-based US REDD+ finance more broadly.

- *Main Output: Tracking and analyzing US REDD+ leadership and finance*

With support from this grant, CA was in 2013 a leading provider of information about US REDD+ leadership and finance, generating published papers, graphs and charts, blogs, and press coverage. Throughout 2013, CA tracked and analyzed the US budget process for climate and REDD+ finance, integrated new data with US climate and finance reporting to the UNFCCC and elsewhere, and maintained close contact with USG officials to fill information gaps when needed. They also brought this information to the international NGO community for use in their outreach, including through the formal Climate and Development working group of the Green Group. Specific outputs in 2013 under this track included:

- A searchable, fact-checked, and categorized database of all projects and finance instruments reported by the State Department in the Fast Start Fact Sheets released in December 2012. Combined with CA's US data sets from previous years and data from other researchers in the Open Climate Network, provides the most comprehensive information on US and global fast start climate and REDD+ finance.
- An [analysis of all US Fast Start Finance from 2010-2012](#), produced in partnership with the WRI and ODI for the Open Climate Network. CA also made the data available publicly for other researchers.

- Charts, tables, and REDD+ narratives for communications to US policymakers by an international NGO coalition.
- A new web platform for advocates, researchers, and policymakers to visualize US climate finance data using interactive and user-defined charts and graphics, to be released in 2014.
- Multiple communications to US government officials advocating for greater transparency of US REDD investments, both written and in community meetings.
- Blog posts on US climate and REDD+ finance published both by CA and others, such as a guest on Climate Progress, one of the highest-profile climate sites on the internet, arguing that government climate policy and large-scale public climate finance continue to be needed, even while attention has shifted to the private sector as a source.
- Finally, CA's data, papers, and staff experts were quoted on issues related to US REDD+ finance and US leadership efforts in trade press articles in outlets such as *ClimateWire* and *Mongabay.com*.

2.6.2 (b) Outcomes, Indicators and Sustainability:

The total amount of US REDD+ finance remained roughly flat in FY2014, the first new fiscal year during the grant period. CA's work contributed to maintaining the prior level of US investment in a very difficult US fiscal environment.

CA's work contributed to three outcomes related to increased effectiveness of US REDD+ finance. First, the United States committed \$25 million in 2013 to the BioCarbon Fund's Initiative for Sustainable Forest Landscapes, which includes a results-based financing mechanism as well as technical assistance and grants. Previous US results-based REDD+ financing was a single \$10 million contribution to the FCPF Carbon Fund over the 2010-2012 period. Second, the Administration's FY2014 budget request reduced the number of partner countries slightly from previous years. Third, the President's Global Development Council adopted CA-drafted climate-smart food security and forest outcomes and policy recommendations and CGD-drafted language on results-based approaches and development impact bonds (DIBs) in its most recent report, including a recommendation for results-based aid mechanisms for land restoration efforts.

2.6.3 Strategy 3: Support a global REDD+ partnership for Indonesia

- **Target Outcome:** Donor nations understand that Indonesians and REDD+ experts both believe that results-based REDD+ is working in Indonesia, and donor nations understand how they can build on that success
- **Target Outcome:** Doubling of international support and increased results-based financing for REDD+ in Indonesia by 2015

In consultation with NICFI, CA delayed the launch of the Indonesia component of this project for a few months in 2013 until early summer when it became more clear that substantial political progress was well underway and that establishment of the REDD+ agency and other negotiated indicators between Norway and Indonesia were being reached. During the summer and early fall, CA gathered significant intelligence on political and policy dynamics in each priority donor nation, with a special focus on Germany, United Kingdom and the European Commission. CA developed a strategic plan for influencing REDD+ investments in these target countries, including through a series of donor-country visits by a delegation of Indonesia's top REDD+ officials and high-level representatives of Indonesia's indigenous communities. CA met with senior Indonesian REDD+ policymakers, including in Jakarta, to generate support for their participation in the country visits. CA planned an initial series of visits as follow-on to the 2013 UNFCCC meetings, but unfortunately had to delay those visits when the Indonesian officials were unable to keep their travel plans. They have planned the road shows and they are ready to go for six countries in May-June 2014.

CA also advocated for results-based payments focused on Indonesia in multi-party REDD+ donor coordination forums, including in the BioCarbon Fund. In addition, CA also helped build stronger support among US development practitioners—especially at the Millennium Challenge Corporation—for the integration of REDD+ into green development programs. While Norad did not fund this MCC-Indonesia work, these activities and related outputs advanced the objectives of the Indonesia components

of this grant by creating additional US political support for integration of carbon and REDD+ benefits into development planning and practice.

2.6.3 (a) Main Outputs:

- *Main Output: REDD+ road show, bringing Indonesian REDD experts to donor nations*

The primary outputs in 2013 in the Indonesia component of the grant include an in-depth strategy for each donor country; support and buy-in from the Government of Indonesia to participate at the Ministerial level in 2014; consultations with officials in the UK, Germany, Paris, the EU, and the United States to identify and create buy-in for high-level meetings; and support and commitment from several NGO and think tank partners in Europe to host and/or co-plan events in 2014.

- *Main Output: Indonesia REDD+ reports*

In 2013, CA outlined a short policy report that will be fully developed into a published policy brief prior to the spring 2014 Road Show events.

2.6.3 (b) Outcomes, Indicators and Sustainability:

Outcomes associated with this strategy will be developed in 2014-2015.

2.7 Cross cutting concerns. Report on whether the project has contributed to

- Reduced corruption:* The “Why Forests, Why Now?” report will summarize existing literature on the role of illegality and corruption in facilitating forest conversion and degradation. Additionally, the promotion of results-based mechanisms for reduced deforestation is a key component of the project. CGD analysis suggests that this approach has the potential to limit corruption by paying for results that recipients can only achieve by reducing such abuses and only making payments once verified results are achieved. The Indonesia events will include either a representative of the Corruption Eradication Commission (KPK) or a presentation of their work in the forest sector by other participants, emphasizing the importance of such efforts in REDD+.
- Gender equality:* The report will comment on gender implications where relevant. For instance, background analysis conducted in 2013 for the report’s chapter on What Drives Deforestation and What Stops It (which contributed to the working paper eventually published in 2014) highlighted a key knowledge gap regarding gender and deforestation: out of 117 spatially explicit econometric studies, only five included a gender variable.
- Respect for human rights:* Questions and issues surrounding respect for human rights, social safeguards, and indigenous peoples will be addressed by both the working group and the report. The strategy and recruiting for the Indonesia events reflects the important role of human rights in REDD+ by targeting high-level representatives of indigenous peoples groups for participation, and by focusing on the land tenure and rights advances in Indonesia as a success story.

2.8 Lessons learned.

The project team learned important lessons during the initial months of the project, particularly regarding the time required to start up in view of the fact that funds were not received until mid-year. During the process of engaging WRI on FORMA, CGD learned about the capability of the GFW platform for use of satellite monitoring tools. While the team will continue to advance the outcome of increased awareness and utilization of monitoring tools and data through its analysis on opportunities to reduce deforestation at low cost, and through a report chapter on advances in forest monitoring based on a commissioned paper from the Woods Hole Research Center, the lessons learned while working with the GFW platform have prompted a rethinking of the use of the fCPR scorecard for this outcome.

The US component of the grant has reinforced several of the project’s core strategies: laying out a logical theory of change and pursuing it with gusto; regularly and honestly assessing program progress and potential; producing “no-lose” outputs and education at every step; and nimbly shifting tactics when avenues appear closed. The original strategic focus on carbon taxes generated a potentially game-changing

consensus if the broader policy moved forward, which it did not. The early focus on large-scale foreign aid reform positioned CA and CGD to advise the President's Global Development Council, which was an unexpected opportunity that generated important outcomes.

The project team also learned the benefits of nimble and rapid response to new political and policy opportunities. When CA learned that the WEF was considering a climate day event, they rapidly allocated resources to advance forests and to take advantage of business interest to pivot towards public sector REDD+ demand. And when the Indonesia story was less than clear-cut, CA actively monitored the situation and only moved when the time was right. This rapid response approach is likely to continue paying off in 2014 and 2015 as opportunities may emerge from new US industry support, new commitments from other countries adding political pressure on the US, and the likely political shifts in coming US elections.

3 Case/success story

- 3.1 Please give a short description of a positive result (at any level of the results chain) which the project has achieved the last year. The case should include a short description of the activity, a description of what was achieved and how this relates to the planned outcomes. The case may be shown on norad.no or other public Norwegian website. Please attach a relevant picture, which can be used by Norad, including name of photographer.

The CGD team experienced an early success during its October conference, "How to Spend It (If We Had It): Priorities for Allocating International Climate Change Finance", which aimed to address one of the largest obstacles to raising finance for climate: a lack of agreement on how new public climate money would be best spent. Participants, many of whom were experts in development finance, discussed the competing priorities among sectors and approaches for climate finance over four sessions. Artur Cardoso de Lacerda, a senior official with Brazil's finance ministry, opened the conference by sharing Brazil's forest-related success, urging that funds go to support the recipient's own climate plans and pointing out that while adaptation focuses on needs, mitigation must focus on needs and mitigation potential and efficiencies, including governance and capacity. While several different strategies were discussed, including low-carbon energy technology, new financing products for private investors, and incentivized policy reforms, forest conservation emerged as a critical element for combatting climate change and a win-win for policymakers due to its high value per dollar and co-benefits for development and the environment. Through a keynote address by Frances Seymour on why forests are important to climate change and development and a presentation by Jonah Busch on lessons from ongoing pay-for-performance REDD+ programs, the conference contributed to the building consensus on the important role that forests can play and the urgency for focusing future finance towards them.

Conference speakers included: Artur Cardoso de Lacerda, Deputy Assistant Secretary for International Affairs at Brazil's Ministry of Finance; Billy Pizer, formerly US Treasury; Barry Carin, Center for International Governance Innovation; Michael Levi, Council on Foreign Relations; Arvind Subramanian, CGD; Julia Bucknall, World Bank; Howard Herzog, MIT Energy Initiative; John Morton, US Overseas Private Investment Corp. (OPIC); Ken Lay, Rock Creek Group; Vikram Widge, International Finance Corporation (IFC); Eli Lehrer, The R Street Institute; Patricia Bliss-Guest, CIF; Ian Parry, IMF's Fiscal Affairs Department; Xueman Wang, World Bank's Carbon Finance group.

The conference helped participants make sense of these pressing priorities for spending climate finance and understanding tradeoffs, while reassuring public funders that their funds could be put to good use if delivered. In addition to the successful conference and outreach, the event also inspired follow-up conversations between CGD staff and participating finance experts on specific priority recommendations for their respective budgets.



All photos taken by Kaveh Sardari for CGD.

4 Project's accounts for last year:

4.1 The accounts must relate to the approved budget for the year in question. All deviations (positive and/ or negative) must be clearly shown and explained.

Table 1. Approved budget, actual expenses, and deviations for 2013

		Original Budget 2013 USD ¹	Approved Budget 2013 USD ²	Expenses 2013 USD	Budget deviation 2013 USD ³	Variance ³
CGD	Personnel	534,129	370,000	381,134 ⁴	11,134	3.0%
	Travel	44,391	11,919	7,371	-4,548	-38.2%
	Consulting	87,000	51,000	63,000 ⁴	12,000	23.5%
	Other	22,000	20,359	15,763	-4,596	-22.6%
	CGD Total	687,520	453,278	467,268	13,990	3.1%
CA	Personnel	863,361	822,060	795,240	-26,820	-3.3%
	Travel	68,066	62,370	5,887	-56,483	-90.6%
	Consulting		0	7,500	7,500	(inf)
	Other	74,478	44,000	7,345	-36,655	-83.3%
	Unspent funds		0	112,457	112,457	(inf)
CA Total	1,005,905	928,430	928,429	-1	0.0%	
Direct Costs	1,693,425	1,381,707	1,395,697	13,990	1.0%	
Indirect 7%	118,437	96,719	97,699	979	1.0%	
Total Project Cost	1,811,862	1,478,426	1,493,396	14,969	1.0%	

¹ Original Budget 2013 reflects the Approved Project Budget Summary by Cost Type from Grant Letter for QZA-0462 QZA 13/0071, sent to CGD on April 16, 2013

² Approved Budget 2013 reflects the updated CGD Financial Projection documented in the Request for additional disbursement for Norad Grant QZA-0462 QZA-13/0071 sent to Norad on December 09, 2013 and approved by Norad on December 12, 2013

³ For this report, budget deviation and variance were compared against the updated Approved Budget 2013

⁴ Some expenses previously categorized as Consulting for 2013, including the contracts for CGD fellows Frances Seymour and Michele de Nevers, are categorized here as Personnel to more accurately reflect the capacity that they serve. Despite being paid as consultants as per their request, Seymour and de Nevers serve as the main leads for this project and function as full members of CGD's staff in all other ways.

Budget Variances. Travel and Other expenses in 2013 for CGD were less than projected because the project was not fully approved by January 2013. Recruitment of the CGD team only began seriously once it was clear that the project document and funding would go forward, leading to a later start of project activities than originally anticipated. Once the project was approved, it took time to plan the work program for both the report and working group. Consulting expenses were higher than projected due to the costs of three contracts related to specialized FORMA work in 2013, which exceeded initial projections for this cost.

Travel and Other expenses in 2013 for CA were less than projected because of a delay in the Indonesia components of the grant, to which most of the travel and other cost budgets were allocated. CA also used a consultant to advance the Indonesia component of the project prior to the start of a new employee in October, explaining the unexpected "Consulting" expense, which was offset by lower Personnel costs. While significant strategic planning and outreach was achieved in 2013 for this component, the travel and direct costs components related to the Indonesia events was delayed in consultation with Norway and CGD. CA has planned the events for May-June 2014, and does not expect further delays in this component.

Following a typical project spending profile, CGD anticipates that 2014 will be its major spending year now that both CGD and CA are fully staffed and executing all elements of the project grant. CGD expects that negative deviations in 2013 will be compensated for during its first full spending year in 2014.

Other Sources of Income. No other sources of income were applied to this project.

Table 2. Latest approved overall budget, all years

		Actual Expenses 2013 USD	Approved Budget 2014 USD	Approved Budget 2015 USD	Total Projected Expenses 2013-2015 USD	Total Projected Expenses ¹ 2013-2015 NOK
CGD	Personnel	381,134	442,848	398,628	1,222,610	7,531,278
	Travel	7,371	150,000	44,549	201,920	1,243,827
	Consulting	63,000	200,000	37,138	300,138	1,848,850
	Other	15,763	60,000	35,771	111,534	687,049
CGD Total		467,268	852,848	516,086	1,836,202	11,311,004
CA	Personnel	795,240	855,567	808,988	2,459,795	15,152,337
	Travel	5,887	107,617	36,049	149,553	921,246
	Consulting	7,500	0	0	7,500	46,200
	Other	7,345	68,452	22,646	98,443	606,409
	Unspent funds	112,457	-112,457	0	0	0
CA Total		928,429	919,177	867,684	2,715,290	16,726,186
Direct Costs		1,395,697	1,772,025	1,383,770	4,551,492	28,037,191
Indirect 7%		97,699	124,042	96,864	318,604	1,962,603
Total Project Cost		1,493,396	1,896,067	1,480,634	4,870,096	30,000,000

¹ Exchange rate used is 6.16, which is a weighted average of actual and planned disbursements.

Attachment: Audited accounts and completed form from the accountant for last year's accounts. Only after a contract expires should unspent funds be returned to Norad.

Date

Signature

Attachments:

From: Ellen Mackenzie (emackenzie@cgdev.org) <EMackenzie@CGDEV.ORG>
Sent: Wednesday, June 25, 2014 4:45 PM
To: Nyfløt, Knut; Michele de Nevers (mdenevers@cgdev.org)
Cc: Sara del Fierro (sdfierro@cgdev.org)
Subject: RE: Second disbursement

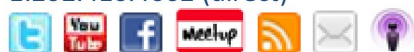
Dear Knut,

Your assumption about the report is correct. Unless otherwise stated, the results/outcomes are attributed to Norad. We do not need the second disbursement in the coming week. End of July would be great. We will have everything to you in the next few days.

I'm sorry to hear you have been having health issues. I hope this is all behind you and that you have a great holiday.

Regards,

Ellen Mackenzie
Chief Financial Officer
[Center for Global Development](#) : *Independent research & practical ideas for global prosperity*
1.202.416.4000 (main)
1.202.416.4062 (direct)



From: Nyfløt, Knut [mailto:Knut.Nyflot@norad.no]
Sent: Wednesday, June 25, 2014 10:02 AM
To: Ellen Mackenzie (emackenzie@cgdev.org); Michele de Nevers (mdenevers@cgdev.org)
Subject: Second disbursement

Dear Ellen and Michele,

I am processing the 2013 report and have two questions/clarifications:

1. In the narrative report, section 2.6.1, I understand it as that all these results/outcomes are from the Norad project when nothing else is stated. Is that correct? My question is relevant for the Carbon Fund and Post 2015 sections and the WRI Global Forest Watch work and the papers and events.
In section 2.6.2 you have stated when there are other funding involved, partly or fully. So, that's fine in that section.
2. Do you need the second disbursement the coming week, or late in July/beginning of August or even later?
If you need it now, you can send it to me within the next couple of days, so we can include the disbursement in the 2013 report approval letter.

I am aware of that Michele is out of office.

I have been out of office due to some health issues for 1 ½ week and will start my summer holiday this weekend.

However, I will manage to handle your approval letter including a possible disbursement request if you need the funds quite soon.

Yours sincerely

Knut Nyfløt

Senior Adviser

Civil Society Department



Norwegian Agency for Development Cooperation

Phone : +47 23 98 01 38

Mob : +47 92 46 32 00

Norad : +47 23 98 00 00

P.O. Box 8034 Dep, 0030 Oslo, Norway

Email: knut.nyflot@norad.no

www.norad.no

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Norrad