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**Decision document for the Norwegian International Climate and Forest Initiative's funding scheme for Civil Society 2016-2020****Project details, summary:****Applicant** – full name and abbreviation: Center for Global Development (CGD)**Project title:** Unlocking Financial Support for REDD+**Thematic category:** International Consensus on REDD+**Country/countries of implementation and geographic area within the(se) countries:**

European Union, Norway, Switzerland, the United States, Canada, Japan, and Australia, China, Brazil, South Korea, Brazil, Guyana, Indonesia, Liberia, Peru, Colombia, and Ecuador.

**Main outcome(s)** (including the three outcomes of the civil society grant scheme and project-specific outcomes): **Outcome 1:** Incentives to achieve REDD+ efforts are established through the new international climate regime and/or other climate, environment and development funding streams.

Project specific outcomes: Excerpt from the application: "This project will contribute to a doubling of global results-based financial flows for REDD+ from the climate and development funding streams of existing and emerging donors by 2020. It will do so by softening three of the barriers that are currently blocking large-scale finance for REDD+. Specifically, the project will:

- elevate tropical forests as a priority for achieving climate and development goals
- raise confidence in results-based REDD+ initiatives as methods for achieving environmental and social outcomes
- expand the financial base of support for REDD+ beyond increased official development assistance to include a variety of 21st century development finance sources—carbon markets, public-private partnerships, emerging donors, and domestic resource mobilization"

**Total budget:** 30 mill NOK**Years:** 5**Partners (sub-grantees):** No partners, but will contract individual researchers on a case by case basis**Main target group:**

The main target groups for the proposed work include ministers of finance and development in donor countries, including the European Commission, and ministers of finance and economy in newly emerging donors; senior managers in multilateral development banks, the Green Climate Fund, and other climate funds; decision-makers in private funds such as impact investors, corporate social responsibility managers, and philanthropies; and REDD+ decision-makers, political leaders civil society groups, academics, and thought leaders in tropical forest countries.

**Previous grant recipient?** Yes

**Main changes from previous grant?** Climate Advisers is no longer involved in the project. CGD will target new possible finance options, and aim diversify sources beyond traditional development finance sources.

**List relevant P360 numbers:** 2013-2015 agreement: 1201424

2013-2015 decision document 1201424-5

Total Score: 92/175<sup>i</sup> (Score is 52% of total)

#### **Overall conclusion and recommendation**

The Ministry of Climate and Environment finds this to be this to be a highly relevant project that fills an important niche not well covered by other applicants in this category. However, the project would benefit from further refinement of the results framework to make it easier to track the impacts of the proposed activities.

The application is short. This makes each section quite superficial. This is reflected in a quite low score overall, 92 out of 175. Therefore, CGD will be asked to revise the proposal and make it more concrete. It must also clearly state that all research articles must be peer reviewed and ideally published in peer-reviewed journals. It must revise the project document so that there can be no doubt that CGD will perform impartial research, and be open about both positive and negative research findings. Presenting research an analysis that are open about both opportunities and challenges is the best way to ensure support for REDD+ in the long term. It is clear from some parts of the application that CGD will assess both opportunities and challenges, but some parts of the application clearly puts an emphasis on only the positive sides. The Project Document must be revised, before an agreement can be made.

The total budget approved is 25 million NOK over five years. CDG will be asked to reconsider the proportion of the grant spent on salaries and consultants.

**Approved by:** Svein Bæra, Head of Department

**Date:** 01.12.2015

#### **Applicant's systems for quality assurance (Application form 1.2.1-1.2.5)**

Assessment of:	Comments	Points
Applicant's systems for quality assurance of programme planning and implementation (1.2.1)	The applicant calls itself a "think and do thank" with a robust, yet flexible approach to program planning. It does not implement programs, rather conducts analysis and aims to influence policy makers. The plans have been loosely formulated in the current grant period, allowing for a flexible approach. The peer review process is not sufficiently explained.	2/5

<p>Applicant's results management and systems for monitoring, assessment, reporting and evaluation (1.2.2)</p>	<p>The applicant has not been able to demonstrate the impact of its work, and has mostly reported on publications, and less on the effect of the publications. The application states that it performs "annual program evaluations of staff", and monitoring on an ongoing basis, but the descriptions are not sufficient to give a good picture of the systems in place. The Norwegian Embassy in Washington DC has been consulted and informs that CGD's research has influenced USAID's thinking, however CGD has not been able to <i>document</i> such effects.</p>	<p>2/5</p>
<p>Applicant's internal financial management systems (1.2.3)</p>	<p>The preliminary assessment performed before the 2013-2015 funding period, concluded that the organisation had good systems in place and would be well positioned to handle a grant from Norad (See Decision document in P360 1201424-5). During the current grant, CGD increased the personnel post with 67 % without prior notice. This would not be acceptable in the future. Otherwise, CGD has reported on the financial status in a timely manner, although not providing very detailed budgets.</p>	<p>3/5</p>
<p>Applicant's internal systems for disclosing and reporting corruption and financial irregularities and of partners 1.2.4</p>	<p>CGD refers to its anti-corruption policy, but this has not been attached to the proposal, and was not sent after this was asked for. There is also no information available on the web-site on anti-corruption systems. Thus, the systems might be excellent, but CGD has not been able to demonstrate it.</p>	<p>1/5</p>
<p>Applicant's systems for knowledge management in the project (systems for sharing experiences and lessons learned between the project partners (local partners, other partners in the project, relevant national actors, donors, etc.) (1.2.5)</p>	<p>CGD is highly visible among a wide range of actors, and makes use of blog posts, events, face to face meetings etc. Communication and dissemination is one of the core strengths of the organisation.</p>	<p>5/5</p>
<p>The organisation has provided the following documents: The statutes of the organisation, the ethical guidelines of the organisation, letters of commitments from partners, the procurement guidelines of the organisation (5 p= all documents provided, without</p>	<p>CGD's requires employees to obtain competitive bids from potential vendors and consultants for purchases or contracts over \$35,000. This benchmark is quite high. The ethical guidelines is a conflict of interest policy and does not cover broader ethical issues.</p>	<p>4/5</p>

any obvious/ major shortcomings)		
<b>Total Applicant</b>		<b>17/30</b>

<p>Overall comments</p> <p>Highly professional organisation, with expertise on global development issues. The current grant has a loose description of activities, and there has not been extensive or detailed reporting. Still, CGD is seen as an actor that fills an important role.</p> <p>If approved, CGD must ensure that all changes to the budget (more than 10% of a budget line) is subject of prior approval by Norad, as stated in the contract templates.</p>
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### Partner organisation(s)

Assessment of:	Comments	Points
Choice of partners and strategy for partner selection (1.3.1)	CGD will work with independent scholars rather than forming partnerships. CGD lists some potential partners, among others from China and South Korea that are not among the targeted countries for this grant scheme. Although these countries may be relevant REDD+ financing countries, the strategy should be further explained. A suggestion is that CGD seeks to involve scholars from REDD+ countries, in addition to CIFOR which is mentioned in the proposal.	2/5
Financial due diligence before agreements with new partners and financial follow-up throughout implementation	There is no information regarding this. That is somewhat justified because the proposal does not have partners in that sense, but it would be good to add something on due diligence on contributing institutions.	N/A
Coordination and follow-up of partners during project activities (results, reporting, support)	No information provided. This is warranted, as CGD does not have sub-grantees planned for this project. Therefore these two scores regarding partners is not reflected in the total score.	N/A
Role and added value of the applicant in relation to the sub-grantees, division of labor (see also application 8.4)	No information on added value in relation to partners, which is ok. GCD argues well on its added value in general and part 8.4 of the application is convincing	4/5
<b>Total Partners</b>		<b>6/10</b>

Overall comments

As CGD does not have partnerships established, this section of the application is very short. CGD does argue well for its added value more in general. CGD may be an important actor to compile and communicate information to key stakeholders.

**Relevance (Application form 2.1-2.3)**

Assessment of:	Comments	Points
Relevance to one or more of the three outcomes	Relevant to outcome one. The project seeks to enhance understanding of and confidence in REDD+ and thus increase the funding base for REDD+ beyond ODA. The relevance heavily depends on CGD being seen as credible in its analyses.	12/20
Relevance to main thematic category	The international consensus category looks for “credible approaches to lift the REDD+ issue on the political agenda in key countries”, and thus the project fits well within the category.	4/5
Relevance to development objectives of the project country/countries and the (inter)national REDD+ agenda (policies, plans and needs)	The project is relevant to the international REDD+ agenda, especially in seeking new sources to finance REDD+ efforts. The Ministry of Climate and Environment writes that their assessment is that the diversifying of REDD+ financing sources seen in COP 21 in Paris can be attributed to efforts by CGD.	8/10
The alignment with the organisation’s overall strategy/ the organisation’s other REDD programs?	CGD currently hosts 16 different initiatives within global development, ranging from global health to migration. The center has been at the forefront for results-based aid, and thus the project is in line with the organisation’s overall strategy	3/5
<b>Total relevance</b>		<b>27/40</b>

Overall comments

The project is relevant to outcome 1 Incentives to achieve REDD+ efforts are established through the new international climate regime and/or other climate, environment and development funding streams. It is however unclear whether the activities proposed will in fact lead to increased and diversified financing, as this has so far not been possible for CGD to demonstrate. Ministry of Climate and Environment is convinced that CGD has had and will continue to have positive effect on international REDD+ finance (Ref.: 1500299-9). CGD works on development issues more broadly, but the project is in line with its focus on results-based funding.

**Results framework (application form 2-7 and attachment 1):**

Assessment of:	Comments:	Points:
Proven understanding of local context	The proposal shows an understanding of the international REDD negotiations as well as decision making processes in some key donor countries	4/5
Is the baseline information sufficient?	The baseline information only refers to “current levels” of qualitative or quantitative data. This is not sufficient to measure progress. In the narrative CGD has identified barriers to increased financing for REDD+ that need to be overcome. This is positive, but not sufficient as a baseline.	1/5
Quality of project specific outcomes	The three outcomes are not clear and do not describe a new state. The first outcome is “increased awareness” and the third “expanded use”, both of which is difficult to measure.	2/5
Is there a clear and realistic link between project specific outcomes and outputs and activities?	The outputs and activities are analysis, outreach events etc, which do not show a clear link to the outcomes	2/5
Are the indicators relevant and measurable?	The outcome indicators do not match the two first outcomes and are difficult to measure for the third outcome. The output indicators only measure number of meetings held and number of articles published.  CGD wants to define targets for year 4 and 5, only after year 2. The reason for this would need to be further explained.	1/5
Realism of theory of change	The theory of change consists of analysis of CGD influencing decision makers. The target group is wide and includes the European Commission, and ministers of finance and economy in newly emerging donors; senior managers in multilateral development banks, the Green Climate Fund, and other climate funds; decision-makers in private funds such as impact investors, corporate social responsibility managers, and philanthropies; and REDD+ decision-makers, political leaders civil society groups, academics, and thought leaders in tropical forest countries. There is an open question whether CGD is well positioned to influence all these different actor groups. Another important issue, is whether the research by CGD is seen as impartial or not. If it is not perceived as impartial, the desired effects cannot be expected. The Ministry of Climate and Environment also notes that there is weak connection between the outputs	3/5

	and outcomes. All in all, the theory of change needs to be further explained.	
Sufficient exit strategy and sustainability	The exit strategy is as expected for a research oriented project. Future research may build upon the research from this project	3/5
<b>Total results Framework</b>		<b>16/35</b>

*Overall comments*

CGD should assess the realism in influencing European stakeholders as compared to American. CGD opened a CGD Europe branch in 2011, but how they will document impact this time. There are a range of other issues influencing the willingness to allocate funding for REDD+, and CGD's work may only contribute to these decisions. This should be part of CGD's risk assessment.

**Risk management (application form 7)**

	Comments	Points
Is the identification of internal risks convincing and sufficient?	There is no mentioning of internal risks	0/5
Is the identification of external risks convincing and sufficient?	The external risk analysis is incomplete and likelihood and consequence is not assessed.	2/5
Are the risk mitigation measures sufficient?	The risk mitigation efforts are only briefly explained.	4/10
<b>Total risk management</b>		<b>6/20</b>

*Overall comments including Norad's follow up of risks*

Risk two is interesting, as it depicts advocacy organisations's potential strong reactions as a risk. These advocacy groups is likely to be other grant recipients, and the way this is considered a risk is peculiar: "Producing an empirical analysis comparing the claims of advocacy organizations with realized outcomes with regards to the effects of REDD+ on indigenous peoples has the potential to generate strong reaction from the advocacy groups and media sources whose materials we are analyzing. We plan to mitigate this risk by consulting throughout the project with organizations promoting indigenous peoples' rights."

From this section, it seems like CGD already beforehand, has concluded that claims from advocacy groups will be countered by realized outcomes. But these realized outcomes are not yet clear and CGD cannot give the conclusion at the outset. It does not seem trustworthy when the findings are given in advance. This is true to the project as a whole: it states that it will analyse both

opportunities and challenges, but the outcomes makes it clear that the project will cast the research in a positive light. Thus, the basis for and trustworthiness of the project becomes questionable. CGD therefore must revise the Project Document, to make it clear that their research is indeed independent and not pre-determined.

There is considerable reputational risk involved in this project. CGD may be seen as a "green-washer", their research may be seen as partial, and the project may be seen as paying for positive PR which should not be covered by ODA funding. This point was also raised in the previous round for 2013-15. There has been some negative press during the current grant, and this is likely to continue during the next project period. The center had a consultancy agreement with MFA 2010-2013, which could further strengthen the impression of its work as PR for NICFI. However, the proposal has been assessed according to the rules for this grant scheme, which opens up for think tanks as grant recipients. Funding advocacy work is within the ODA regulations. Norad will underline that research must be independent. CGD also clearly states that they are not steered by they donors, and follow their own goals:

Statement by CGD 14 September 2014, in response to a series of articles by New York Times: "CGD is an independent, nonprofit research organization that works to reduce global poverty and inequality through rigorous research and the creation and promotion of new policy ideas. Those who give money to support our work—a mixture of foundations, governments, individuals, and firms—have no role in determining our research findings or our efforts to publicize and promote discussions of these findings. Our research on financing mechanisms for tropical forest conservation aims to promote development, reduce poverty, and limit deforestation-related greenhouse gas emissions that are a significant factor in human-caused climate change."

Therefore, in order for this project to be supported, it is important that CGD revise its Project Document, showing that it performs research that is impartial, and that they are open about both opportunities and challenges related to REDD+. Keeping a focus on positive aspects and neglecting potential negative sides or challenges, will undermine the REDD+ agenda in the long term. Therefore, CGD should revise the project document, so that it can be no doubt that they will perform rigorous and impartial research under this project. They must also ensure that research articles are peer-reviewed and published in peer reviewed journals. CGD must also explain to Norad what the center's own peer review process consists of, in order for Norad to assess if it is sufficient.

NICFI has also noted potential reputational risk involved with this project, but nevertheless highly priorities it. The reputational risk will be minimized by asking CGD to revise its project strategy, results framework and theory of change, giving a clear message that their research must be impartial and without predefined findings.

Even with measures taken, there is still a reputational risk involved in this project. Norad has consulted with the MoCE regarding this risk and they have replied that they agree with the measures to apply standard rules for the research components. MoCE and Norad accept the remaining risk.

**Cross-cutting concerns (application form 9)**

	Comments	Points
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Will the project contribute to: (a) reduced corruption	Adequately described given the nature of the project being dominated by research	3/5
(b) gender equality	Adequately described given the nature of the project being dominated by research	3/5
(c) respect for human rights	Adequately described given the nature of the project being dominated by research	3/5
<b>Total cross-cutting concerns</b>		<b>9/15</b>

*Overall comments*

This section is naturally on a more over-arching level, because the project contains research and not direct interventions that will affect human subjects.

**Budget (application form 10)**

	Comments	Points
Is the budget cost efficient?	The budget is heavy on man-hours. CGD has salary and benefits totaling 18,33 mill NOK, or 61 % of the budget. The budget does not show salary levels, but for the current grant, it was estimated that average annual salary cost is 796 000 NOK, highest for president Nancy Birdsall (working 25 % on the 2013-15 project) and lowest for research assistants and fellows. The salary used in the project budget is based on the CGD salary scale for the involved staffs. But it has not been transparently broken down to show unit costs.	4/10
Relevant, necessary and realistic costs compared to the results framework? (including level of per diem, salaries and travel costs)	The budget mainly consists of personnel (61 %), travel (10 %), and consultants (20%). The types of costs are in line with the results framework. It is not possible to assess realism, as the budget does not give much detail.	4/10
Is the budget well presented and easy to understand?	The budget is not broken down to show levels of per diem, salaries, costs per output etc. It shows very little detail.	2/5
<b>Total budget</b>		<b>10/25</b>

*Overall comments*

- The budget is very superficial and lacks detail. Given the analytical nature of most of the activities, it would be interesting to hear what potential CGD sees for reducing the budget in this project, and more detail on the underlying assumptions used when estimating the costs.

<b>TOTAL SCORE</b>	
Applicant	17/30
Partners	6/10
Relevance	27/40
Results Framework	16/35
Risk management	6/20
Cross-cutting concerns	9/15
Budget	10/25
<b>TOTAL SCORE</b>	<b>92/175</b>

**Does Norad have previous experience with the organisation? If so, briefly summarize experience with the applicant regarding results achieved and project management?**

The experience from the current grant, is that CGD delivers reports on time and responds timely to requests. CGD has also provided informal updates on their relevant research. CGD has not been able to show wider effects of the work done. This is a weakness. At the same time, both MoCE and the Embassy in Washington DC assess that CGD has positively influenced USAID and has contributed to increase in finance from donor countries.

**Has Norad performed organizational reviews? If so, what were the main findings?**

Norad has not performed an organizational review before the 2016-2020 funding period, because CGD is already a grant recipient, and an organizational visit was performed before the 2013-2015 period. The main findings are summarized in the decision document for 2013-2015 (ref p360 1201424-5). The review concludes that the organization is professional with solid financial management systems in place.

**Comments from the Ministry of Climate and Environment:**

- CGD fills an interesting niche in international climate and REDD+ discussion, given their high technical and scientific credibility paired with active and focused communication and

outreach. Work from the CGD has in the last few years been instrumental in highlighting the potential for forests as a climate change mitigation measure, and in popularizing the very technical reports issued by e.g. the IPCC into material suitable for advocacy and outreach.

- The proposal takes a broad approach to building the operational case for REDD+ through documenting broader benefits of forests in a sustainable development perspective, through building confidence in results based payment systems, and through attracting increased REDD+ financing from various sources.
- CGD seems to be in a particularly good position to document the wider benefit of REDD+ in a sustainable development context, and to documenting experiences with results based payment models. The financing component also includes some interesting elements (e.g. working with emerging donor countries like oil producing gulf countries), but is generally somewhat more generally described than the other components.
- The main weakness of this proposal is that it is difficult to see how the different levels of the results framework are connected. The activities are focused on production of papers, analyses, blogs etc., but as the framework stands now, it seems hard to assess the actual impact of these activities. We would therefore recommend that work is conducted to further refine the activities, outputs and related indicators for this project.
- In addition, given the analytical nature of most of the activities, it would be interesting to hear what potential CGD sees for reducing the budget in this project, and more detail on the underlying assumptions used when estimating the costs.
- Summarized, a highly relevant project that fills an important niche not well covered by other applicants in this category. However, the project would benefit from further refinement of the results framework to make it easier to track the impacts of the proposed activities.

**Comments from the Royal Norwegian Embassy in Washington:**

The Center for Global Development is widely known for its high-quality research on a number of development-related topics. The Center has focused, in particular, on doing research on results-based financing, and has contributed to important policy developments on this issue within the administration in general, and the USAID in particular. Their focus on how forests can contribute to other development objectives could be very important when American policy makers are considering strengthening their efforts on REDD+. Additional evidence and documentation on the social outcomes of performance-based REDD+ initiatives would probably also have positive influence on state authorities that are considering including international REDD+ offsets in their cap and trade-programs, like the State of California. Increased confidence regarding the contributions to social and institutional reforms, in addition to climate mitigation, seem to be of particular importance in these considerations. Also, according to several representatives from the US administration, increased knowledge on barriers influencing donor willingness to channel more finance through REDD+ would be of great importance. The Center for Global Development have already done important work in this regard, and would be well-positioned to make future contributions to these discussions. Because of their experience, the CGD should also be able to develop relevant ideas for how additional resources to REDD+ can be generated.

**How does the project fit in the total NICFI 2016-2020 portfolio, thematically and geographically?**

CGD is considered a relevant actor that delivers research in an accessible way, and therefore plays an important role in communicating issues around REDD+ for relevant actors. Its added value for the portfolio is the demonstrated ability to communicate complex forestry research in an accessible way.

Geographically, all costs will be at the HQ in Washington, and it is difficult to assess concrete effect from the proposed project. The application is quite vague and other proposals in the consensus and private sector category have similar outcomes. Therefore, CGD must revise its Project Document before an agreement can be entered into.

**Overall conclusion and recommendation**

The Ministry of Climate and Environment finds this to be a highly relevant project that fills an important niche not well covered by other applicants in this category. However, the project would benefit from further refinement of the results framework to make it easier to track the impacts of the proposed activities.

The application is short, only 28 pages long including annexes. This makes each section quite superficial. This is reflected in the overall score, 92 out of 175. Therefore, CGD will be asked to revise the proposal and make it more concrete. It must also clearly state that research articles must be independently peer reviewed and ideally published in peer-reviewed journals. It must revise the project document so that there can be no doubt that CGD will perform impartial research, and be open about both positive and negative research findings. Presenting research and analysis that are open about both opportunities and challenges is the best way to ensure support for REDD+ in the long term. It is clear from some parts of the application that CGD will assess both opportunities and challenges, but some parts of the application clearly puts an emphasis on only the positive sides. The application is prioritized by the Ministry of Climate and Environment, and is also assessed positively by the Norwegian Embassy in Washington. CGD will be invited to revise the Project Document, before an agreement can be made.

**Points for follow-up**

CGD must ensure that their research articles are peer reviewed and ideally published in peer-reviewed journals. The standards for CGD's own peer review process must be further explained.

CGD must revise the project document to make it clear that their research will follow standards and procedures for international research, without pre-defined conclusions and research findings.

The results framework must be revised showing a clear link between activities, outputs and outcomes.

Indicators must be measurable.

Score*	Definition
0	<b>Absent.</b> No information provided
1	<b>Poor/Weak.</b> Weak evidence that this consideration has been taken/systems are in place
2	<b>Fair/Some evidence.</b> Some evidence that this consideration has been taken/systems are in place. Measures taken seem insufficient.
3	<b>Good/Action taken.</b> There is evidence that the consideration has been taken/systems are in place. Measures taken seem adequate. Minor weaknesses/uncertainties could still occur.
4	<b>Very good/Developed.</b> Solid evidence that the consideration has been taken/systems are in place. Systems and measures are solid. Confidence that the applicant will deliver well on this point. ("Excellent with some weaknesses" could be included here).
5	<b>Excellent/ Highly developed</b> Best practice. The applicant is an example for others to follow in this area.
<p>*For areas given particular weight in the application, scores are multiplied by two or four.</p> <p>Important note: Scores are only one element in the consideration of applications. The decision to accept or reject the proposal will also be dependent on how well it fits within the overall thematic and country portfolio, including considerations of the balance between organisations based in NICFI countries and organisations based in OECD or other non-NICFI countries.</p>	